WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1984

ENROLLED
SENATE BILL NO. 214

(By Mr. Davis)

PASSED March 9, 1984
In Effect ninety days from Passage
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Senate Bill No. 214
(By Mr. Davis)

[Passed March 9, 1984; in effect ninety days from passage.]

AN ACT to amend sections twenty, twenty-four and thirty-one, article nine, chapter forty-seven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to uniform limited partnership act generally, specifying method of withdrawal for person who erroneously believes himself a limited partner and relating to liabilities of general partner.

Be it enacted by the Legislature of West Virginia:

That sections twenty, twenty-four and thirty-one, article nine, chapter forty-seven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 9. UNIFORM LIMITED PARTNERSHIP ACT.

§47-9-20. Person erroneously believing himself limited partner.

1 (a) Except as provided in subsection (b) of this section, 2 a person who makes a contribution to a business enter- 3 prise and erroneously but in good faith believes that 4 he has become a limited partner in the enterprise is not a 5 general partner in the enterprise and is not bound by its 6 obligations by reason of making the contribution, receiv- 7 ing distributions from the enterprise, or exercising any 8 rights of a limited partner, if, on ascertaining the mistake, 9 he:
(1) Causes an appropriate certificate of limited partnership or a certificate of amendment to be executed and filed; or
(2) Withdraws from future equity participation in the enterprise by executing and filing in the office of the secretary of state a certificate declaring withdrawal under this section.

(b) A person who makes a contribution of the kind described in subsection (a) of this section, is liable as a general partner to any third party who transacts business with the enterprise (i) before the person withdraws and an appropriate certificate is filed to show withdrawal, or (ii) before an appropriate certificate is filed to show his status as a limited partner and, in the case of an amendment, after expiration of the thirty-day period for filing an amendment relating to the person as a limited partner under section nine of this article, but in either case only if the third party actually believed in good faith that the person was a general partner at the time of the transaction.

(a) Except as provided in this article or in the partnership agreement, a general partner of a limited partnership has the rights and powers and is subject to the restrictions of a partner in a partnership without limited partners.
(b) Except as provided in this article, a general partner of a limited partnership has the liabilities of a partner in a partnership without limited partners to persons other than the partnership and the other partners. Except as provided in this article or in the partnership agreement, a general partner of a limited partnership has the liabilities of a partner in a partnership without limited partners to the partnership and to other partners.

§47-9-31. Interim distributions.
Except as provided in this article, a partner is entitled to receive distributions from a limited partnership before his withdrawal from the limited partnership and before the dissolution and winding up thereof:
(1) To the extent and at the times or upon the happening of the events specified in the partnership agreement;

and

(2) If any distribution constitutes a return of part of his contribution under subsection (c), section thirty-eight of this article, to the extent and at the times or upon the happening of the events specified in the certificate of limited partnership.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

James L. Davis
Chairman Senate Committee

Donald Avello
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

Fred C. Williams
Clerk of the Senate

Donald E. Kopp
Clerk of the House of Delegates

Wanda F. Mitchell
President of the Senate

James M. Beall Jr.
Speaker House of Delegates

The within is approved this the 30 day of March, 1984.

[Signature]
Governor