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OFFICE OF THE GOVERNOR

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1984



ENROLLED

SENATE BILL NO. 214

(By Mr. Davis)



PASSED March 9, 1984

In Effect ninety days from Passage



ENROLLED
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:

10 (1) Causes an appropriate certificate of limited part-
11 nership or a certificate of amendment to be executed and
12 filed; or

13 (2) Withdraws from future equity participation in the
14 enterprise by executing and filing in the office of the
15 secretary of state a certificate declaring withdrawal under
16 this section.

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

§47-9-24. General powers and liabilities of general partner.

1 (a) Except as provided in this article or in the partner-
2 ship agreement, a general partner of a limited partnership
3 has the rights and powers and is subject to the restrictions
4 of a partner in a partnership without limited partners.

5 (b) Except as provided in this article, a general part-
6 ner of a limited partnership has the liabilities of a partner
7 in a partnership without limited partners to persons
8 other than the partnership and the other partners. Except
9 as provided in this article or in the partnership agree-
10 ment, a general partner of a limited partnership has the
11 liabilities of a partner in a partnership without limited
12 partners to the partnership and to other partners.

§47-9-31. Interim distributions.

1 Except as provided in this article, a partner is entitled
2 to receive distributions from a limited partnership before
3 his withdrawal from the limited partnership and before
4 the dissolution and winding up thereof:

5 (1) To the extent and at the times or upon the happen-
6 ing of the events specified in the partnership agreement;
7 and

8 (2) If any distribution constitutes a return of part of
9 his contribution under subsection (c), section thirty-eight
10 of this article, to the extent and at the times or upon the
11 happening of the events specified in the certificate of
12 limited partnership.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

James L. Davis
Chairman Senate Committee

Donald Anello
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

Isid C. Willis
Clerk of the Senate

Donald J. Doff
Clerk of the House of Delegates

Walter P. McHale
President of the Senate

W. M. Lee, Jr.
Speaker House of Delegates

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

John P. Ryan
Governor



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