

1 SB77
2 115785-1
3 By Senator Bedford
4 RFD: Governmental Affairs
5 First Read: 12-JAN-10
6 PFD: 01/05/2010

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8 SYNOPSIS: Under existing law, Act 2009-621, the
9 Alabama Uniform Limited Partnership Act 2010,
10 adopted by the Legislature in the 2009 Regular
11 Session, is effective on January 1, 2010, and
12 governs all limited partnerships formed for the
13 first time after January 1, 2010. Limited
14 partnerships formed before January 1, 2010, may
15 elect to be covered under the 2010 uniform act or
16 under prior law. Under existing law, the 2010
17 uniform act also provides that after January 1,
18 2012, it governs all limited partnerships,
19 regardless of when formed.

20 Also under existing law, Act 2009-513, the
21 Alabama Business and Nonprofit Entities Code,
22 revised, recast, and reorganized Title 10 of the
23 Code of Alabama 1975, as Title 10A. The new
24 business and nonprofit entities code governs
25 limited partnerships formed pursuant to the 2010
26 uniform act. The Alabama Business and Nonprofit
27 Entities Code is effective January 1, 2011.

1 This bill would change the date in which the
2 Alabama Uniform Limited Partnership Act governs all
3 limited partnerships from January 1, 2012 to
4 January 1, 2011, so as to coincide with the
5 effective date of the new business and nonprofit
6 entities code. This bill would also allow any
7 existing limited partnership that elects to be
8 governed by the uniform act to be governed by it
9 effective January 1, 2010, or on a later date in
10 2010.

11
12 A BILL
13 TO BE ENTITLED
14 AN ACT
15

16 Relating to limited partnerships; to amend Section 1
17 of Act 2009-621, now appearing in part as Section 10-9C-1206,
18 Code of Alabama 1975; to provide further for the effective
19 date that the uniform act governs certain limited
20 partnerships.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. Section 1 of Act 2009-621 (2009 Regular
23 Session, p. 1805), now appearing in part as Section
24 10-9C-1206, Code of Alabama 1975, is amended to read as
25 follows:

26 "§10-9C-1206.

1 "(a) Before January 1, ~~2012~~2011, this chapter
2 governs only:

3 "(1) a limited partnership formed on or after
4 January 1, 2010; and

5 "(2) except as otherwise provided in subsections (c)
6 and (d), a limited partnership formed before January 1, 2010,
7 which elects, in the manner provided in its partnership
8 agreement or by law for amending the partnership agreement, to
9 be subject to this chapter. An election to be subject to this
10 chapter, whenever made, shall be effective January 1, 2010,
11 unless otherwise specified.

12 "(b) Except as otherwise provided in subsection (c),
13 on and after January 1, ~~2012~~2011, this chapter governs all
14 limited partnerships.

15 "(c) With respect to a limited partnership formed
16 before January 1, 2010, the following rules apply except as
17 the partners otherwise elect in the manner provided in the
18 partnership agreement or by law for amending the partnership
19 agreement:

20 "(1) Section 10-9C-104(c) does not apply and the
21 limited partnership has whatever duration it had under the law
22 applicable immediately before January 1, 2010.

23 "(2) the limited partnership is not required to
24 amend its certificate of limited partnership to comply with
25 Section 10-9C-201(a)(4).

26 "(3) Sections 10-9C-601 and 10-9C-602 do not apply
27 and a limited partner has the same right and power to

1 dissociate from the limited partnership, with the same
2 consequences, as existed immediately before January 1, 2010.

3 "(4) Section 10-9C-603(4) does not apply.

4 "(5) Section 10-9C-603(5) does not apply and a court
5 has the same power to expel a general partner as the court had
6 immediately before January 1, 2010.

7 "(6) Section 10-9C-801(3) does not apply and the
8 connection between a person's dissociation as a general
9 partner and the dissolution of the limited partnership is the
10 same as existed immediately before January 1, 2010.

11 "(d) With respect to a limited partnership that
12 elects pursuant to subsection (a)(2) to be subject to this
13 chapter, after the election takes effect the provisions of
14 this chapter relating to the liability of the limited
15 partnership's general partners to third parties apply:

16 "(1) before January 1, ~~2012~~2011, to:

17 "(A) a third party that had not done business with
18 the limited partnership in the year before the election took
19 effect; and

20 "(B) a third party that had done business with the
21 limited partnership in the year before the election took
22 effect only if the third party knows or has received a
23 notification of the election; and

24 "(2) on and after January 1, ~~2012~~2011, to all third
25 parties, but those provisions remain inapplicable to any
26 obligation incurred while those provisions were inapplicable
27 under paragraph (1)(B).

1 "(e) Unless an election is made pursuant to
2 subsection (a)(2), limited partnerships formed before January
3 1, 2010, continue to be governed in their entirety by Chapter
4 9B until January 1, 2011. Beginning January 1, 2011, this
5 chapter shall govern all limited partnerships."

6 Section 2. This act shall become effective
7 immediately following its passage and approval by the
8 Governor, or its otherwise becoming law.