

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend and reenact §§ 50-73.11:1, 50-73.36, 50-73.38, 50-73.51, 50-73.83, 50-73.125, and 50-73.130 of the Code of Virginia, and to repeal §§ 50-73.39 and 50-75 through 50-78 of the Code of Virginia, relating to limited partnerships.

[H 2451]

Approved

Be it enacted by the General Assembly of Virginia:

1. That §§ 50-73.11:1, 50-73.36, 50-73.38, 50-73.51, 50-73.83, 50-73.125, and 50-73.130 of the Code of Virginia are amended and reenacted as follows:

§ 50-73.11:1. Conversion of general partnership to limited partnership.

A. A general partnership governed by the provisions of *Chapter 1 (§ 50-1 et seq.)* of this title may convert to a limited partnership by filing a certificate of limited partnership that meets the requirements of § 50-73.11 and includes the following:

1. The name of the former general partnership; and

2. The date and place of filing of the initial certificate of partnership of the former general partnership.

B. The terms and conditions of a conversion of a general partnership to a limited partnership shall be approved by the partners in the manner provided in the partnership's partnership agreement for amendments to the partnership agreement or, if no such provision is made in a partnership agreement, by all the partners.

C. A general partner who becomes a limited partner as a result of the conversion remains liable as a general partner for an obligation incurred by the partnership before the conversion takes effect. The general partner's liability for all obligations of the limited partnership incurred after the conversion takes effect is that of a limited partner, as provided in this chapter.

§ 50-73.36. 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 to the extent and at the times or upon the happening of the events specified in the partnership agreement.

§ 50-73.38. Withdrawal of limited partner.

A limited partner may withdraw from a limited partnership *only* at the time or upon the happening of events specified in writing in the partnership agreement. ~~If the agreement does not specify in writing the time or the events upon the happening of which a limited partner may withdraw or a definite time for the dissolution and winding up of the limited partnership, a limited partner may withdraw upon not less than six months' prior written notice to each general partner at his address on the books of the limited partnership at its specified office required to be maintained by § 50-73.4.~~

§ 50-73.51. Winding up.

A. Except as provided in the partnership agreement, the general partners who have not wrongfully dissolved a limited partnership or, if none, the limited partners, or a person or persons approved by the limited partners, or if there is more than one class of limited partners, then as approved by each such class, by the affirmative vote of limited partners holding more than fifty percent of the then current interests in the profits of the limited partnership owned by all limited partners *or by the limited partners in each class, as appropriate*, may wind up the limited partnership's affairs; but the circuit court as specified in § 50-73.16 upon cause shown may wind up the limited partnership's affairs upon application of any partner, his legal representative, or assignee, and in connection therewith, may appoint one or more liquidating trustees.

B. Upon dissolution of a limited partnership and until the filing of a certificate of cancellation as provided in § 50-73.13, the liquidating trustees, in the name and on behalf of the limited partnership, may (i) prosecute and defend suits, whether civil, criminal or administrative, (ii) wind up the limited partnership's business, (iii) dispose of and convey the limited partnership's property, (iv) discharge or make reasonable provision for the limited partnership's liabilities, and (v) distribute to the partners any remaining assets of the limited partnership, all without affecting the liability of limited partners and without imposing the liability of a general partner on a liquidating trustee.

§ 50-73.83. Execution, filing, and recording of statements.

A. A statement may be filed with the Commission. A duly authenticated copy of a statement that is filed in an office in another state may be filed with the Commission. Either filing has the effect

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provided in this chapter with respect to partnership property located in or transactions that occur in this Commonwealth.

B. A duly authenticated copy of a statement that has been filed with the Commission and recorded in the office for recording transfers of real property has the effect provided for recorded statements in this chapter. A recorded statement that is not a duly authenticated copy of a statement filed with the Commission does not have the effect provided for recorded statements in this chapter.

C. A statement filed by a partnership shall be executed by at least two partners. Other statements shall be executed by a partner or other person authorized by this chapter. An individual who executes a statement as, or on behalf of, a partner or other person named as a partner in a statement shall personally declare under penalty of perjury that the contents of the statement are accurate. *Any person may execute a statement by an attorney-in-fact.*

D. A person authorized by this chapter to file a statement may amend or cancel the statement by filing an amendment or cancellation that names the partnership, identifies the statement, and states the substance of the amendment or cancellation.

E. A person who files a statement pursuant to this section shall promptly send a copy of the statement to every nonfiling partner and to any other person named as a partner in the statement. Failure to send a copy of a statement to a partner or other person does not limit the effectiveness of the statement as to a person not a partner.

F. The Commission shall charge and collect the following fees:

1. The fee shall be \$100 for any one of the following:

- a. For filing a statement of registration as a registered limited liability partnership;
- b. For filing a statement of registration as a foreign registered limited liability partnership; or
- c. A reinstatement fee for restoration of status pursuant to subdivision F 1 of § 50-73.134.

2. The fee shall be fifty dollars for filing any one of the following:

- a. An amendment to a statement of registration as a registered limited liability partnership;
- b. An amendment to a statement of registration as a foreign registered limited liability partnership; or
- c. An annual report pursuant to § 50-73.134.

3. For filing any other statement or amendment thereto or cancellation thereof, the fee shall be twenty-five dollars.

The fees paid into the state treasury under this section shall be set aside and paid into the special fund created under § 13.1-775.1, subject to that section.

The court responsible for recording transfers of real property may collect a fee for recording a statement.

G. The Commission may provide forms for statements.

H. Any statement filed with the Commission under this chapter shall be typewritten or printed. The typewritten or printed portion shall be in black. Photocopies, or other reproduced copies, of typewritten or printed statements may be filed. In every case, information in the statement shall be legible and the document shall be capable of being reformatted and reproduced in copies of archival quality. The statement shall be in the English language. A partnership name need not be in English if written in English letters or Arabic or Roman numerals. Any signature on a statement may be a facsimile.

I. The Commission may accept the electronic filing of any information required or permitted to be filed under this chapter and may prescribe the methods of execution, recording, reproduction and certification of electronically filed information.

J. A statement shall be effective at the time of the filing of the statement with the Commission as set forth in this section unless the statement states that it shall become effective at a later time and date specified in the statement. In that event, the statement shall become effective at the earlier of the time and date so specified or 11:59 p.m. on the fifteenth day after the date on which the statement is filed with the Commission.

§ 50-73.125. Conversion of partnership to limited partnership.

A. A partnership may be converted to a limited partnership pursuant to this section ~~and in accordance with § 50-73.112.~~

B. The terms and conditions of a conversion of a partnership to a limited partnership shall be approved by all of the partners ~~or by a number or percentage specified for conversion in in the manner provided in the partnership's partnership agreement for amendments to the partnership agreement or, if no such provision is made in the partnership agreement, by all of the partners.~~

C. After the conversion is approved by the partners, the partnership shall file a certificate of limited partnership ~~in the jurisdiction in which the limited partnership is to be formed. The certificate shall include: that meets the requirements of § 50-73.11 and includes the following:~~

- 1. A statement that the partnership was converted to a limited partnership from a partnership; *and*
- 2. ~~Its~~ *The former name of the partnership; and*
- 3. A statement of the number of votes cast by the partners for and against the conversion ~~and, if the~~

vote is less than unanimous, the number or percentage required to approve the conversion under the partnership agreement.

D. The conversion takes effect when the certificate of limited partnership is filed unless the certificate states that it shall become effective at a later time and date specified in the certificate. In that event, the ~~statement~~ *certificate* shall become effective at the earlier of the time and date so specified or 11:59 p.m. on the fifteenth day after the date on which the ~~statement~~ *certificate* is filed with the Commission.

E. A general partner who becomes a limited partner as a result of the conversion remains liable as a general partner for an obligation which is incurred by the partnership before the conversion takes effect. If the other party to a transaction with the limited partnership reasonably believes when entering the transaction that the limited partner is a general partner, the limited partner is liable for an obligation incurred by the limited partnership within ~~90~~ *ninety* days after the conversion takes effect. The limited partner's liability for all other obligations of the limited partnership incurred after the conversion takes effect is that of a limited partner as provided in Chapter 2.1 (§ 50-73.1 et seq.) of this title.

§ 50-73.130. Property title records.

A. Whenever by (i) amendment to the certificate of limited partnership pursuant to § 50-73.13, (ii) certificate of correction of the application for registration of a foreign limited partnership pursuant to § 50-73.58, (iii) conversion of a general partnership to limited partnership form pursuant to §§ 50-73.125 and 50-73.112, or (iv) conversion of a limited partnership to general partnership form pursuant to § 50-73.126, the name of any domestic or foreign limited partnership is changed, a general partnership is converted to limited partnership form, or a limited partnership is converted to general partnership form, the clerk of the Commission, upon request, shall issue a certificate that recites the change of name or conversion. The certificate may be admitted to record in the deed books, in accordance with § 17-60, of any court's recording office within the jurisdiction of which any real estate of the partnership or limited partnership is located in order to maintain the continuity of title records. The person filing the certificate shall pay a fee of ten dollars to the clerk of the court, but no tax shall be due thereon.

B. Whenever by merger of a domestic or foreign general or limited partnership with one or more domestic or foreign general or limited partnerships or limited liability companies or corporations pursuant to Article 7.1 (§ 50-73.48:1 et seq.) of Chapter 2.1 or Article 9 (§ 50-73.124 et seq.) of this chapter or to the laws of a foreign jurisdiction, a domestic or foreign partnership or limited partnership succeeds to the ownership of or any interest in real estate, and when the domestic or foreign partnership or limited partnership furnishes the Commission with a certificate of merger issued by the Commission or a similar certificate issued by any competent authority of the jurisdiction under which any such foreign partnership or limited partnership is formed, the clerk of the Commission, upon request, shall issue a certificate that recites the succession to ownership of or interest in real estate. The certificate may be admitted to record in the deed books, in accordance with § 17-60, of any court's recording office within the jurisdiction of which any such real estate of the general partnership or limited partnership is located in order to maintain the continuity of title records. The person filing the certificate shall pay a fee of ten dollars to the clerk of the court, but no tax shall be due thereon.

2. That §§ 50-73.39 and 50-75 through 50-78 of the Code of Virginia are repealed.