

**Chapter 2e**  
**Utah Uniform Limited Partnership Act**  
  
**Part 1**  
**General Provisions**

**48-2e-101 Title.**

This chapter is known as the "Utah Uniform Limited Partnership Act."

Enacted by Chapter 412, 2013 General Session

**48-2e-102 Definitions.**

As used in this chapter:

- (1) "Certificate of limited partnership" means the certificate required by Section 48-2e-201. The term includes the certificate as amended or restated.
- (2) "Contribution," except in the phrase "right of contribution," means property or a benefit described in Section 48-2e-501 which is provided by a person to a limited partnership to become a partner or in the person's capacity as a partner.
- (3) "Debtor in bankruptcy" means a person that is the subject of:
  - (a) an order for relief under Title 11 of the United States Code or a comparable order under a successor statute of general application; or
  - (b) a comparable order under federal, state, or foreign law governing insolvency.
- (4) "Distribution" means a transfer of money or other property from a limited partnership to a person on account of a transferable interest or in the person's capacity as a partner. The term:
  - (a) includes:
    - (i) a redemption or other purchase by a limited partnership of a transferable interest; and
    - (ii) a transfer to a partner in return for the partner's relinquishment of any right to participate as a partner in the management or conduct of the limited partnership's activities and affairs or to have access to records or other information concerning the limited partnership's activities and affairs; and
  - (b) does not include amounts constituting reasonable compensation for present or past service or payments made in the ordinary course of business under a bona fide retirement plan or other bona fide benefits program.
- (5) "Division" means the Division of Corporations and Commercial Code.
- (6) "Foreign limited liability limited partnership" means a foreign limited partnership whose general partners have limited liability for the debts, obligations, or other liabilities of the foreign limited partnership under a provision similar to Subsection 48-2e-404(3).
- (7) "Foreign limited partnership" means an unincorporated entity formed under the law of a jurisdiction other than this state which would be a limited partnership if formed under the law of this state. The term includes a foreign limited liability limited partnership.
- (8) "General partner" means a person that:
  - (a) has become a general partner under Section 48-2e-401 or was a general partner in a limited partnership when the limited partnership became subject to this chapter under Section 48-2e-1205; and
  - (b) has not dissociated as a general partner under Section 48-2e-603.
- (9) "Jurisdiction," used to refer to a political entity, means the United States, a state, a foreign country, or a political subdivision of a foreign country.

- (10) "Jurisdiction of formation" means, with respect to an entity, the jurisdiction:
  - (a) under whose law the entity is formed; or
  - (b) in the case of a limited liability partnership or foreign limited liability partnership, in which the partnership's statement of qualification is filed.
- (11) "Limited liability limited partnership," except in the phrase "foreign limited liability limited partnership," means a limited partnership whose certificate of limited partnership states that the partnership is a limited liability limited partnership.
- (12) "Limited partner" means a person that:
  - (a) has become a limited partner under Section 48-2e-301 or was a limited partner in a limited partnership when the limited partnership became subject to this chapter under Section 48-2e-1205; and
  - (b) has not dissociated under Section 48-2e-601.
- (13) "Limited partnership" means an entity formed under this chapter or which becomes subject to this chapter under Part 11, Merger, Interest Exchange, Conversion, and Domestication, or Section 48-2e-1205. The term includes a limited liability limited partnership.
- (14) "Partner" means a limited partner or general partner.
- (15) "Partnership agreement" means the agreement, whether or not referred to as a partnership agreement, and whether oral, implied, in a record, or in any combination thereof, of all the partners of a limited partnership concerning the matters described in Subsection 48-2e-112(1). The term includes the agreement as amended or restated.
- (16) "Person" means an individual, business corporation, nonprofit corporation, partnership, limited partnership, limited liability company, limited cooperative association, unincorporated nonprofit association, statutory trust, business trust, common-law business trust, estate, trust, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.
- (17) "Principal office" means the principal executive office of a limited partnership or foreign limited partnership, whether or not the office is located in this state.
- (18) "Property" means all property, whether real, personal, or mixed or tangible or intangible, or any right or interest therein.
- (19) "Record," used as a noun, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.
- (20) "Registered agent" means an agent of a limited partnership or foreign limited partnership which is authorized to receive service of any process, notice, or demand required or permitted by law to be served on the limited partnership.
- (21) "Registered foreign limited partnership" means a foreign limited partnership that is registered to do business in this state pursuant to a statement of registration filed by the division.
- (22) "Required information" means the information that a limited partnership is required to maintain under Section 48-2e-115.
- (23) "Sign" means, with present intent to authenticate or adopt a record:
  - (a) to execute or adopt a tangible symbol; or
  - (b) to attach to or logically associate with the record an electronic symbol, sound, or process.
- (24) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.
- (25) "Transfer" includes:
  - (a) an assignment;
  - (b) a conveyance;
  - (c) a sale;

- (d) a lease;
  - (e) an encumbrance, including a mortgage or security interest;
  - (f) a gift; and
  - (g) a transfer by operation of law.
- (26) "Transferable interest" means the right, as initially owned by a person in the person's capacity as a partner, to receive distributions from a limited partnership in accordance with the partnership agreement, whether or not the person remains a partner or continues to own any part of the right. The term applies to any fraction of the interest, by whomever owned.
- (27) "Transferee" means a person to which all or part of a transferable interest has been transferred, whether or not the transferor is a partner. The term includes a person that owns a transferable interest under Subsection 48-2e-602(1)(c) or 48-2e-605(1)(d).
- (28) "Tribal limited partnership" means a limited partnership:
- (a) formed under the law of a tribe; and
  - (b) that is at least 51% owned or controlled by the tribe under whose law the limited partnership is formed.
- (29) "Tribe" means a tribe, band, nation, pueblo, or other organized group or community of Indians, including an Alaska Native village, that is legally recognized as eligible for and is consistent with a special program, service, or entitlement provided by the United States to Indians because of their status as Indians.

Enacted by Chapter 412, 2013 General Session

**48-2e-103 Knowledge -- Notice.**

- (1) A person knows a fact if the person:
- (a) has actual knowledge of it; or
  - (b) is deemed to know it under law other than this chapter.
- (2) A person has notice of a fact if the person:
- (a) has reason to know the fact from all of the facts known to the person at the time in question; or
  - (b) is deemed to have notice of the fact under Subsection (3) or (4).
- (3) A certificate of limited partnership on file in the office of the division is notice that the partnership is a limited partnership and the persons designated in the certificate as general partners are general partners. Except as otherwise provided in Subsection (4), the certificate is not notice of any other fact.
- (4) A person not a partner is deemed to have notice of:
- (a) another person's dissociation as a general partner 90 days after the effective date of an amendment to the certificate of limited partnership which states that the other person has dissociated or 90 days after the effective date of a statement of dissociation pertaining to the other person, whichever occurs first;
  - (b) a limited partnership's:
    - (i) dissolution 90 days after an amendment to the certificate of limited partnership stating that the limited partnership becomes effective;
    - (ii) termination 90 days after a statement of termination under Subsection 48-2e-802(2)(b)(vi) becomes effective;
    - (iii) participation in a merger, interest exchange, conversion, or domestication 90 days after a statement of merger, interest exchange, conversion, or domestication under Part 11, Merger, Interest Exchange, Conversion, and Domestication, becomes effective; and

- (iv) abandonment of a merger, interest exchange, conversion, or domestication 90 days after a statement of abandonment of merger, interest exchange, conversion, or domestication under Part 11, Merger, Interest Exchange, Conversion, and Domestication, becomes effective.
- (5) Subject to Subsection 48-2e-209(6), a person notifies another person of a fact by taking steps reasonably required to inform the other person in ordinary course, whether or not those steps cause the other person to know the fact.
- (6) A general partner's knowledge or notice of a fact relating to the limited partnership is effective immediately as knowledge of or notice to the limited partnership, except in the case of a fraud on the limited partnership committed by or with the consent of the general partner. A limited partner's knowledge or notice of a fact relating to the limited partnership is not effective as knowledge of or notice to the limited partnership.

Enacted by Chapter 412, 2013 General Session

**48-2e-104 Nature, purpose, and duration of limited partnership.**

- (1) A limited partnership is an entity distinct from its partners. A limited partnership is the same entity regardless of whether its certificate states that the limited partnership is a limited liability limited partnership.
- (2) A limited partnership may have any lawful purpose, regardless of whether for profit.
- (3) A limited partnership has perpetual duration.

Enacted by Chapter 412, 2013 General Session

**48-2e-105 Powers.**

A limited partnership has the capacity to sue and be sued in its own name and the power to do all things necessary or convenient to carry on its activities and affairs.

Enacted by Chapter 412, 2013 General Session

**48-2e-106 Governing law.**

The law of this state governs:

- (1) the internal affairs of a limited partnership; and
- (2) the liability of a partner as partner for the debts, obligations, or other liabilities of a limited partnership.

Enacted by Chapter 412, 2013 General Session

**48-2e-107 Supplemental principles of law.**

Unless displaced by particular provisions of this chapter, the principles of law and equity supplement this chapter.

Enacted by Chapter 412, 2013 General Session

**48-2e-108 Permitted names.**

- (1) The name of a limited partnership may contain the name of any partner.

- (2) The name of a limited partnership that is not a limited liability limited partnership shall contain the words "limited partnership" or the abbreviation "L.P." or "LP" and may not contain the words "limited liability limited partnership" or the abbreviation "L.L.L.P." or "LLLLP".
- (3) The name of a limited liability limited partnership shall contain the words "limited liability limited partnership" or the abbreviation "LLLLP" or "L.L.L.P." and may not contain the abbreviation "L.P." or "LP".
- (4) Except as otherwise provided in Subsection (7), the name of a limited partnership, and the name under which a foreign limited partnership may register to do business in this state, shall be distinguishable on the records of the division from:
  - (a) the name of an existing person whose formation required the filing of a record by the division;
  - (b) the name of a limited liability partnership;
  - (c) the name of a person that is registered to do business in this state by the filing of a record by the division;
  - (d) each name reserved under Section 48-2e-109 or other law of this state providing for the reservation of a name by the filing of a record by the division;
  - (e) each name registered under Section 48-2e-110 or other law of this state providing for the registration of a name by the filing of a record by the division; or
  - (f) an assumed name registered under Title 42, Chapter 2, Conducting Business Under Assumed Name.
- (5) If a person consents in a record to the use of the person's name and submits an undertaking in a form satisfactory to the division to change the person's name to a name that is distinguishable on the records of the division from any name in any category of names in Subsection (4), the name of the consenting person may be used by the person to which the consent was given.
- (6) Except as otherwise provided in Subsection (7), in determining whether a name is the same as or not distinguishable on the records of the division from the name of another entity, words, phrases, or abbreviations indicating the type of entity, such as "corporation", "corp.", "incorporated", "Inc.", "professional corporation", "PC", "P.C.", "professional association", "PA", "P.A.", "Limited", "Ltd.", "limited partnership", "LP", "L.P.", "limited liability partnership", "LLP", "L.L.P.", "registered limited liability partnership", "RLLP", "R.L.L.P.", "limited liability limited partnership", "LLLLP", "L.L.L.P.", "registered limited liability limited partnership", "RLLLLP", "R.L.L.L.P.", "limited liability company", "LLC", "L.L.C.", "professional limited liability company", "PLLC", or "P.L.L.C.", may not be taken into account.
- (7) A person may consent in a record to the use of a name that is not distinguishable on the records of the division from the person's name except for the addition of a word, phrase, or abbreviation indicating the type of person as provided in Subsection (6). In such a case, the person is not required to change the person's name pursuant to Subsection (5).
- (8) The division may not approve for filing a name that implies that a limited partnership is an agency of this state or any of the state's political subdivisions, if the limited partnership is not actually such a legally established agency or subdivision.
- (9) The authorization to file a certificate under or to reserve or register a limited partnership name as granted by the division does not:
  - (a) abrogate or limit the law governing unfair competition or unfair trade practices;
  - (b) derogate from the common law, the principles of equity, or the statutes of this state or of the United States with respect to the right to acquire and protect names and trademarks; or
  - (c) create an exclusive right in geographic or generic terms contained within a name.
- (10) The name of a limited partnership or foreign limited partnership may not contain:
  - (a) the words:
    - (i) "association";

- (ii) "corporation";
- (iii) "incorporated";
- (iv) "limited liability company"; or
- (v) "limited company";
- (b) any word or abbreviation that is of like import to the words listed in Subsection (10)(a);
- (c) without the written consent of the United States Olympic Committee, the words:
  - (i) "Olympic";
  - (ii) "Olympiad"; or
  - (iii) "Citius Altius Fortius"; or
- (d) for a limited partnership that changes the limited partnership's name or is formed on or after May 4, 2022, the number sequence "911."

Amended by Chapter 458, 2023 General Session

**48-2e-109 Reservation of name.**

- (1) A person may reserve the exclusive use of a name that complies with Section 48-2e-108 by delivering an application to the division for filing. The application must state the name and address of the applicant and the name to be reserved. If the division finds that the name is available, the division shall reserve the name for the applicant's exclusive use for 120 days.
- (2) The owner of a reserved name may transfer the reservation to another person by delivering to the division a signed notice in a record of the transfer which states the name and address of the transferee.

Enacted by Chapter 412, 2013 General Session

**48-2e-110 Registration of name.**

- (1) A foreign limited partnership not registered to do business in this state under Part 9, Foreign Limited Partnerships, may register its name, or an alternate name adopted pursuant to Section 48-2e-906, if the name is distinguishable on the records of the division from the names that are not available under Section 48-2e-108.
- (2) To register its name or an alternate name adopted pursuant to Section 48-2e-906, a foreign limited partnership must deliver to the division for filing an application stating the foreign limited partnership's name, the jurisdiction and date of its formation, and any alternate name adopted pursuant to Section 48-2e-906. If the division finds that the name applied for is available, the division shall register the name for the applicant's exclusive use.
- (3) The registration of a name under this section is effective for one year after the date of registration.
- (4) A foreign limited partnership whose name registration is effective may renew the registration for successive one-year periods by delivering, not earlier than three months before the expiration of the registration, to the division for filing a renewal application that complies with this section. When filed, the renewal application renews the registration for a succeeding one-year period.
- (5) A foreign limited partnership whose name registration is effective may register as a foreign limited partnership under the registered name or consent in a signed record to the use of that name by another person that is not an individual.

Enacted by Chapter 412, 2013 General Session

**48-2e-111 Registered agent.**

- (1) Each limited partnership and each registered foreign limited partnership shall designate in accordance with Section 16-17-203(1) and maintain a registered agent in this state.
- (2) A limited partnership or registered foreign limited partnership may change its registered agent or the address of its registered agent by filing with the division a statement of change in accordance with Section 16-17-206.

Enacted by Chapter 412, 2013 General Session

**48-2e-112 Partnership agreement -- Scope, function, and limitations.**

- (1) Except as otherwise provided in Subsections (3) and (4), the partnership agreement governs:
  - (a) relations among the partners as partners and between the partners and the limited partnership;
  - (b) the activities and affairs of the limited partnership and the conduct of those activities and affairs; and
  - (c) the means and conditions for amending the partnership agreement.
- (2) To the extent the partnership agreement does not provide for a matter described in Subsection (1), this chapter governs the matter.
- (3) A partnership agreement may not:
  - (a) vary a limited partnership's capacity under Section 48-2e-105 to sue and be sued in its own name;
  - (b) vary the law applicable under Section 48-2e-106;
  - (c) vary any requirement, procedure, or other provision of this chapter pertaining to:
    - (i) registered agents; or
    - (ii) the division, including provisions pertaining to records authorized or required to be delivered to the division for filing under this chapter;
  - (d) vary the provisions of Section 48-2e-204;
  - (e) vary the right of a general partner under Subsection 48-2e-406(2)(b) to vote on or consent to an amendment to the certificate of limited partnership which deletes a statement that the limited partnership is a limited liability limited partnership;
  - (f) eliminate the duty of loyalty or the duty of care except as otherwise provided in Subsection (4);
  - (g) eliminate the contractual obligation of good faith and fair dealing under Subsections 48-2e-305(1) and 48-2e-409(4), but the partnership agreement may prescribe the standards, if not unconscionable or against public policy, by which the performance of the obligation is to be measured;
  - (h) relieve or exonerate a person from liability for conduct involving bad faith, willful misconduct, or recklessness;
  - (i) vary the information required under Section 48-2e-115 or unreasonably restrict the duties and rights under Section 48-2e-304 or 48-2e-407, but the partnership agreement may impose reasonable restrictions on the availability and use of information obtained under those sections and may define appropriate remedies, including liquidated damages, for a breach of any reasonable restriction on use;
  - (j) vary the power of a person to dissociate as a general partner under Subsection 48-2e-604(1) except to require that the notice under Subsection 48-2e-603(1) be in a record;
  - (k) vary the causes of dissolution specified in Subsection 48-2e-801(1)(f);
  - (l) vary the requirement to wind up the limited partnership's activities and affairs as specified in Subsections 48-2e-802(1), (2)(a), and (4);
  - (m) unreasonably restrict the right of a partner to maintain an action under Part 10, Actions by Partners;

- (n) vary the provisions of Section 48-2e-1005, but the partnership agreement may provide that the limited partnership may not have a special litigation committee;
  - (o) vary the right of a partner to approve a merger, interest exchange, conversion, or domestication under Subsection 48-2e-1123(1)(b), 48-2e-1133(1)(b), 48-2e-1143(1)(b), or 48-2e-1153(1)(b); or
  - (p) except as otherwise provided in Section 48-2e-113 and Subsection 48-2e-114(2), restrict the rights under this chapter of a person other than a partner.
- (4) Subject to Subsection (3)(h), without limiting other terms that may be included in a partnership agreement, the following rules apply:
- (a) The partnership agreement may specify the method by which a specific act or transaction that would otherwise violate the duty of loyalty may be authorized or ratified by one or more disinterested and independent persons after full disclosure of all material facts.
  - (b) If not unconscionable or against public policy, the partnership agreement may:
    - (i) alter or eliminate the aspects of the duty of loyalty stated in Subsection 48-2e-409(2);
    - (ii) identify specific types or categories of activities that do not violate the duty of loyalty;
    - (iii) alter the duty of care, but may not authorize intentional misconduct or knowing violation of law; and
    - (iv) alter or eliminate any other fiduciary duty.
- (5) The court shall decide as a matter of law whether a term of a partnership agreement is unconscionable or against public policy under Subsection (3)(g) or (4)(b). The court:
- (a) shall make its determination as of the time the challenged term became part of the partnership agreement and by considering only circumstances existing at that time; and
  - (b) may invalidate the term only if, in light of the purposes, activities, and affairs of the limited partnership, it is readily apparent that:
    - (i) the objective of the term is unconscionable or against public policy; or
    - (ii) the means to achieve the term's objective is unconscionable or against public policy.

Enacted by Chapter 412, 2013 General Session

**48-2e-113 Partnership agreement -- Effect on limited partnership and person becoming partner -- Preformation agreement.**

- (1) A limited partnership is bound by and may enforce the partnership agreement, whether or not the limited partnership has itself manifested assent to the partnership agreement.
- (2) A person that becomes a partner of a limited partnership is deemed to assent to the partnership agreement.
- (3) Two or more persons intending to become the initial partners of a limited partnership may make an agreement providing that upon the formation of the limited partnership the agreement will become the limited partnership agreement.

Enacted by Chapter 412, 2013 General Session

**48-2e-114 Partnership agreement -- Effect on third parties and relationship to records effective on behalf of limited partnership.**

- (1) A partnership agreement may specify that its amendment requires the approval of a person that is not a party to the partnership agreement or the satisfaction of a condition. An amendment is ineffective if its adoption does not include the required approval or satisfy the specified condition.



- (2) The obligations of a limited partnership and its partners to a person in the person's capacity as a transferee or person dissociated as a partner are governed by the partnership agreement. Subject only to a court order issued under Subsection 48-2e-703(2)(b) to effectuate a charging order, an amendment to the partnership agreement made after a person becomes a transferee or is dissociated as a partner:
  - (a) is effective with regard to any debt, obligation, or other liability of the limited partnership or its partners to the person in the person's capacity as a transferee or person dissociated as a partner; and
  - (b) is not effective to the extent the amendment imposes a new debt, obligation, or other liability on the transferee or person dissociated as a partner.
- (3) If a record delivered by a limited partnership to the division for filing becomes effective and contains a provision that would be ineffective under Subsection 48-2e-112(3) or (4)(b) if contained in the partnership agreement, the provision is ineffective in the record.
- (4) Subject to Subsection (3), if a record delivered by a limited partnership to the division for filing becomes effective and conflicts with a provision of the partnership agreement:
  - (a) the partnership agreement prevails as to partners, persons dissociated as partners, and transferees; and
  - (b) the record prevails as to other persons to the extent they reasonably rely on the record.

Enacted by Chapter 412, 2013 General Session

#### **48-2e-115 Required information.**

A limited partnership shall maintain at its principal office the following information:

- (1) a current list showing the full name and last known street and mailing address of each partner, separately identifying the general partners, in alphabetical order, and the limited partners, in alphabetical order;
- (2) a copy of the initial certificate of limited partnership and all amendments to and restatements of the certificate, together with signed copies of any powers of attorney under which any certificate, amendment, or restatement has been signed;
- (3) a copy of any filed statement of merger, interest exchange, conversion, or domestication;
- (4) a copy of the limited partnership's federal, state, and local income tax returns and reports, if any, for the three most recent years;
- (5) a copy of any partnership agreement made in a record and any amendment made in a record to any partnership agreement;
- (6) a copy of any financial statement of the limited partnership for the three most recent years;
- (7) a copy of the three most recent annual reports delivered by the limited partnership to the division pursuant to Section 48-2e-212;
- (8) a copy of any record made by the limited partnership during the past three years of any consent given by or vote taken of any partner pursuant to this chapter or the partnership agreement; and
- (9) unless contained in a partnership agreement made in a record, a record stating:
  - (a) a description and statement of the agreed value of contributions other than money made and agreed to be made by each partner;
  - (b) the times at which, or events on the happening of which, any additional contributions agreed to be made by each partner are to be made;
  - (c) for any person that is both a general partner and a limited partner, a specification of what transferable interest the person owns in each capacity; and

- (d) any events upon the happening of which the limited partnership is to be dissolved and its activities and affairs wound up.

Enacted by Chapter 412, 2013 General Session

**48-2e-116 Dual capacity.**

A person may be both a general partner and a limited partner. A person that is both a general and limited partner has the rights, powers, duties, and obligations provided by this chapter and the partnership agreement in each of those capacities. When the person acts as a general partner, the person is subject to the obligations, duties, and restrictions under this chapter and the partnership agreement for general partners. When the person acts as a limited partner, the person is subject to the obligations, duties, and restrictions under this chapter and the partnership agreement for limited partners.

Enacted by Chapter 412, 2013 General Session

**48-2e-117 Delivery of record.**

- (1) Except as otherwise provided in this chapter, permissible means of delivery of a record include delivery by hand, the United States Postal Service, a commercial delivery service, and electronic transmission.
- (2) Delivery to the division is effective only when a record is received by the division.

Enacted by Chapter 412, 2013 General Session

**48-2e-118 Reservation of power to amend or repeal.**

The Legislature of this state has power to amend or repeal all or part of this chapter at any time, and all domestic and foreign limited partnerships subject to this chapter are governed by the amendment or repeal.

Enacted by Chapter 412, 2013 General Session

## **Part 2**

### **Formation -- Certificate of Limited Partnership and Other Filings**

**48-2e-201 Formation of limited partnership -- Certificate of limited partnership.**

- (1) To form a limited partnership, a person must deliver a certificate of limited partnership to the division for filing.
- (2) The certificate of limited partnership must state:
  - (a) the name of the limited partnership, which must comply with Section 48-2e-108;
  - (b) the street and mailing address of the limited partnership's principal office;
  - (c) the information required by Subsection 16-17-203(1);
  - (d) the name and the street and mailing addresses of each general partner; and
  - (e) whether the limited partnership is a limited liability limited partnership.
- (3) A certificate of limited partnership may contain statements as to matters other than those required by Subsection (2), but may not vary or otherwise affect the provisions specified in Subsection 48-2e-112(3) in a manner inconsistent with that Subsection (2).

- (4) A limited partnership is formed when:
- (a) the certificate of limited partnership has become effective;
  - (b) at least two persons have become partners;
  - (c) at least one person has become a general partner; and
  - (d) at least one person has become a limited partner.

Enacted by Chapter 412, 2013 General Session

**48-2e-202 Amendment of restatement of certificate of limited partnership.**

- (1) A certificate of limited partnership may be amended or restated at any time.
- (2) To amend its certificate of limited partnership, a limited partnership must deliver to the division for filing an amendment stating:
- (a) the name of the limited partnership;
  - (b) the date of filing of its initial certificate of limited partnership; and
  - (c) the changes the amendment makes to the certificate of limited partnership as most recently amended or restated.
- (3) To restate its certificate of limited partnership, a limited partnership must deliver to the division for filing a restatement designated as such in its heading.
- (4) A limited partnership shall promptly deliver to the division for filing an amendment to a certificate of limited partnership to reflect:
- (a) the admission of a new general partner;
  - (b) the dissociation of a person as a general partner; or
  - (c) the appointment of a person to wind up the limited partnership's activities and affairs under Subsection 48-2e-802(3) or (4).
- (5) If a general partner knows that any information in a filed certificate of limited partnership was inaccurate when the certificate of limited partnership was filed or has become inaccurate due to changed circumstances, the general partner shall promptly:
- (a) cause the certificate of limited partnership to be amended; or
  - (b) if appropriate, deliver to the division for filing a statement of change under Section 16-17-206 or a statement of correction under Section 48-2e-208.

Enacted by Chapter 412, 2013 General Session

**48-2e-203 Signing of records to be delivered for filing to division.**

- (1) A record delivered to the division for filing pursuant to this chapter must be signed as follows:
- (a) An initial certificate of limited partnership must be signed by all general partners listed in the certificate of limited partnership.
  - (b) An amendment to the certificate of limited partnership adding or deleting a statement that the limited partnership is a limited liability limited partnership must be signed by all general partners listed in the certificate of limited partnership.
  - (c) An amendment to the certificate of limited partnership designating as general partner a person admitted under Subsection 48-2e-801(1)(c)(ii) following the dissociation of a limited partnership's last general partner must be signed by that person.
  - (d) An amendment to the certificate of limited partnership required by Subsection 48-2e-802(3) following the appointment of a person to wind up the dissolved limited partnership's activities and affairs must be signed by that person.
  - (e) Any other amendment to the certificate of limited partnership must be signed by:
    - (i) at least one general partner listed in the certificate of limited partnership;

- (ii) each other person designated in the amendment as a new general partner; and
- (iii) each person that the amendment indicates has dissociated as a general partner, unless:
  - (A) the person is deceased or a guardian or general conservator has been appointed for the person and the amendment so states; or
  - (B) the person has previously delivered to the division for filing a statement of dissociation.
- (f) A restated certificate of limited partnership must be signed by at least one general partner listed in the certificate of limited partnership, and, to the extent the restated certificate of limited partnership effects a change under any other subsection of this section, the certificate of limited partnership must be signed in a manner that satisfies that subsection.
- (g) A statement of termination must be signed by all general partners listed in the certificate of limited partnership or, if the certificate of a dissolved limited partnership lists no general partners, by the person appointed pursuant to Subsection 48-2e-802(3) or (4) to wind up the dissolved limited partnership's activities and affairs.
- (h) Any other record delivered by a limited partnership to the division for filing must be signed by at least one general partner listed in the certificate of limited partnership.
- (i) A statement by a person pursuant to Subsection 48-2e-605(1)(c) stating that the person has dissociated as a general partner must be signed by that person.
- (j) A statement of negation by a person pursuant to Subsection 48-2e-306(1)(b) must be signed by that person.
- (k) A record delivered on behalf of a foreign limited partnership to the division for filing must be signed by at least one general partner of the foreign limited partnership.
- (l) Any other record delivered on behalf of any person to the division for filing must be signed by that person.
- (2) Any record filed under this chapter may be signed by an agent. Whenever this chapter requires a particular individual to sign a record and the individual is deceased or incompetent, the record may be signed by a legal representative of the individual.
- (3) A person that signs a record as an agent or legal representative thereby affirms as a fact that the person is authorized to sign the record.

Enacted by Chapter 412, 2013 General Session

***Superseded 7/1/2024***

**48-2e-204 Signing and filing pursuant to judicial order.**

- (1) If a person required by this chapter to sign a record or deliver a record to the division for filing under this chapter does not do so, any other person that is aggrieved may petition the district court to order:
  - (a) the person to sign the record;
  - (b) the person to deliver the record to the division for filing; or
  - (c) the division to file the record unsigned.
- (2) If the petitioner under Subsection (1) is not the limited partnership or foreign limited partnership to which the record pertains, the petitioner shall make the limited partnership or foreign limited partnership a party to the action.
- (3) A record filed under Subsection (1)(c) is effective without being signed.

Enacted by Chapter 412, 2013 General Session

***Effective 7/1/2024***

**48-2e-204 Signing and filing pursuant to judicial order.**

- (1) If a person required by this chapter to sign a record or deliver a record to the division for filing under this chapter does not do so, any other person that is aggrieved may petition a court with jurisdiction under Title 78A, Judiciary and Judicial Administration, to order:
  - (a) the person to sign the record;
  - (b) the person to deliver the record to the division for filing; or
  - (c) the division to file the record unsigned.
- (2) If the petitioner under Subsection (1) is not the limited partnership or foreign limited partnership to which the record pertains, the petitioner shall make the limited partnership or foreign limited partnership a party to the action.
- (3) A record filed under Subsection (1)(c) is effective without being signed.

Amended by Chapter 401, 2023 General Session

#### **48-2e-205 Filing requirements.**

- (1) To be filed by the division pursuant to this chapter, a record must be received by the division, comply with this chapter, and satisfy the following:
  - (a) The filing of the record must be required or permitted by this chapter.
  - (b) The record must be physically delivered in written form unless and to the extent the division permits electronic delivery of records.
  - (c) The record must be typewritten or computer generated.
  - (d) The words in the record must be in English, and numbers must be in Arabic or Roman numerals, but the name of an entity need not be in English if written in English letters or Arabic or Roman numerals.
  - (e) The record must be signed by a person authorized under this chapter to sign the record.
  - (f) The record must state the name and capacity, if any, of each individual who signed it, either on behalf of the individual or the person authorized or required to sign the record, but need not contain a seal, attestation, acknowledgment, or verification.
- (2) If law other than this chapter prohibits the disclosure by the division of information contained in a record delivered to the division for filing, the division shall accept the record if the record otherwise complies with this chapter but the division may redact the information.
- (3) When a record is delivered to the division for filing, any fee required under this chapter and any fee, tax, interest, or penalty required to be paid under this chapter, or law other than this chapter, must be paid in a manner permitted by the division or by that law.
- (4) The division may require that a record delivered in written form be accompanied by an identical or conformed copy.

Amended by Chapter 227, 2015 General Session

#### **48-2e-206 Effective time and date.**

Except as otherwise provided in Section 48-2e-207 and subject to Subsection 48-2e-208(4), a record filed under this chapter is effective:

- (1) on the date and at the time of its filing by the division, as provided in Section 48-2e-209;
- (2) on the date of filing and at the time specified in the record as its effective time, if later than the time under Subsection (1);
- (3) at a specified delayed effective time and date, which may not be more than 90 days after the date of filing; or
- (4) if a delayed effective date is specified, but no time is specified, at 12:01 a.m. on the date specified, which may not be more than 90 days after the date of filing.

Enacted by Chapter 412, 2013 General Session

**48-2e-207 Withdrawal of filed record before effectiveness.**

- (1) Except as otherwise provided in Sections 48-2e-1124, 48-2e-1134, 48-2e-1144, and 48-2e-1154, a record delivered to the division for filing may be withdrawn before it takes effect by delivering to the division for filing a statement of withdrawal.
- (2) A statement of withdrawal must:
  - (a) be signed by each person that signed the record being withdrawn, except as otherwise agreed by those persons;
  - (b) identify the record to be withdrawn; and
  - (c) if signed by fewer than all the persons that signed the record being withdrawn, state that the record is withdrawn in accordance with the agreement of all the persons that signed the record.
- (3) On filing by the division of a statement of withdrawal, the action or transaction evidenced by the original record does not take effect.

Enacted by Chapter 412, 2013 General Session

**48-2e-208 Correcting filed record.**

- (1) A person on whose behalf a filed record was delivered to the division for filing may correct the record if:
  - (a) the record at the time of filing was inaccurate;
  - (b) the record was defectively signed; or
  - (c) the electronic transmission of the record to the division was defective.
- (2) To correct a filed record, a person on whose behalf the record was delivered to the division must deliver to the division for filing a statement of correction.
- (3) A statement of correction:
  - (a) may not state a delayed effective date;
  - (b) must be signed by the person correcting the filed record;
  - (c) must identify the filed record to be corrected;
  - (d) must specify the inaccuracy or defect to be corrected; and
  - (e) must correct the inaccuracy or defect.
- (4) A statement of correction is effective as of the effective date of the filed record that it corrects except for purposes of Subsection 48-2e-103(4) and as to persons relying on the uncorrected filed record and adversely affected by the correction. For those purposes and as to those persons, the statement of correction is effective when filed.

Enacted by Chapter 412, 2013 General Session

***Superseded 7/1/2024***

**48-2e-209 Duty of division to file -- Review of refusal to file -- Transmission of information by the division.**

- (1) The division shall file a record delivered to the division for filing which satisfies this chapter. The duty of the division under this section is ministerial.
- (2) When the division files a record, the division shall record it as filed on the date and at the time of its delivery. After filing a record, the division shall deliver to the person that submitted the record a copy of the record with an acknowledgment of the date and time of filing.

- (3) If the division refuses to file a record, the division, not later than 15 business days after the record is delivered, shall:
  - (a) return the record or notify the person that submitted the record of the refusal; and
  - (b) provide a brief explanation in a record of the reason for the refusal.
- (4) If the division refuses to file a record, the person that submitted the record may petition the district court to compel filing of the record. The record and the explanation of the division of the refusal to file must be attached to the petition. The court may decide the matter in a summary proceeding.
- (5) The filing of or refusal to file a record does not create a presumption that the information contained in the filing is correct or incorrect.
- (6) Except as otherwise provided by Section 16-17-301 or by law other than this chapter, the division may deliver any record to a person by delivering it:
  - (a) in person to the person that submitted it;
  - (b) to the address of the person's registered agent;
  - (c) to the principal office of the person; or
  - (d) to another address the person provides to the division for delivery.

Enacted by Chapter 412, 2013 General Session

***Effective 7/1/2024***

**48-2e-209 Duty of division to file -- Review of refusal to file -- Transmission of information by the division.**

- (1) The division shall file a record delivered to the division for filing which satisfies this chapter. The duty of the division under this section is ministerial.
- (2) When the division files a record, the division shall record it as filed on the date and at the time of its delivery. After filing a record, the division shall deliver to the person that submitted the record a copy of the record with an acknowledgment of the date and time of filing.
- (3) If the division refuses to file a record, the division, not later than 15 business days after the record is delivered, shall:
  - (a) return the record or notify the person that submitted the record of the refusal; and
  - (b) provide a brief explanation in a record of the reason for the refusal.
- (4)
  - (a) If the division refuses to file a record, the person that submitted the record may petition a court with jurisdiction under Title 78A, Judiciary and Judicial Administration, to compel filing of the record.
  - (b) The record and the explanation of the division of the refusal to file must be attached to the petition.
  - (c) The court may decide the matter in a summary proceeding.
- (5) The filing of or refusal to file a record does not create a presumption that the information contained in the filing is correct or incorrect.
- (6) Except as otherwise provided by Section 16-17-301 or by law other than this chapter, the division may deliver any record to a person by delivering it:
  - (a) in person to the person that submitted it;
  - (b) to the address of the person's registered agent;
  - (c) to the principal office of the person; or
  - (d) to another address the person provides to the division for delivery.

Amended by Chapter 401, 2023 General Session

**48-2e-210 Liability for inaccurate information in filed record.**

- (1) If a record delivered to the division for filing under this chapter and filed by the division contains inaccurate information, a person that suffers loss by reliance on the information may recover damages for the loss from:
  - (a) a person that signed the record, or caused another to sign it on the person's behalf, and knew the information to be inaccurate at the time the record was signed; and
  - (b) a general partner if:
    - (i) the record was delivered for filing on behalf of the limited partnership; and
    - (ii) the general partner had notice of the inaccuracy for a reasonably sufficient time before the information was relied upon so that, before the reliance, the general partner reasonably could have:
      - (A) effected an amendment under Section 48-2e-202;
      - (B) filed a petition under Section 48-2e-204; or
      - (C) delivered to the division for filing a statement of change under Section 16-17-206 or a statement of correction under Section 48-2e-208.
- (2) An individual who signs a record authorized or required to be filed under this chapter affirms under penalty of perjury that the information stated in the record is accurate.

Enacted by Chapter 412, 2013 General Session

**48-2e-211 Certificate of existence or registration.**

- (1) On request of any person, the division shall issue a certificate of existence for a limited partnership or a certificate of registration for a registered foreign limited partnership.
- (2) A certificate under Subsection (1) must state:
  - (a) the limited partnership's name or the registered foreign limited partnership's name used in this state;
  - (b) in the case of a limited partnership:
    - (i) that a certificate of limited partnership has been filed and has taken effect;
    - (ii) the date the certificate of limited partnership became effective;
    - (iii) the period of the limited partnership's duration if the records of the division reflect that its period of duration is less than perpetual; and
    - (iv) that:
      - (A) no statement of dissolution, statement of administrative dissolution, or statement of termination has been filed;
      - (B) the records of the division do not otherwise reflect that the limited partnership has been dissolved or terminated; and
      - (C) a proceeding is not pending under Section 48-2e-810;
  - (c) in the case of a registered foreign limited partnership, that it is registered to do business in this state;
  - (d) that all fees, taxes, interest, and penalties owed to this state by the limited partnership or the registered foreign limited partnership and collected through the division have been paid, if:
    - (i) payment is reflected in the records of the division; and
    - (ii) nonpayment affects the good standing or registration of the limited partnership or registered foreign limited partnership;
  - (e) that the most recent annual report required by Section 48-2e-212 has been delivered to the division for filing; and



- (f) other facts reflected in the records of the division pertaining to the limited partnership or foreign limited partnership which the person requesting the certificate reasonably requests.
- (3) Subject to any qualification stated in the certificate, a certificate issued by the division under Subsection (1) may be relied upon as conclusive evidence of the facts stated in the certificate.

Amended by Chapter 149, 2018 General Session

**48-2e-212 Annual report for division.**

- (1) A limited partnership or a registered foreign limited partnership shall deliver to the division for filing an annual report that states:
  - (a) the name of the limited partnership or foreign limited partnership;
  - (b) the information required by Subsection 16-17-203(1);
  - (c) the street and mailing addresses of its principal office;
  - (d) the name of at least one general partner; and
  - (e) in the case of a foreign limited partnership, the jurisdiction whose law governs the foreign limited partnership's internal affairs and any alternate name adopted under Subsection 48-2e-906(1).
- (2) Information in the annual report must be current as of the date the report is signed by the limited partnership or registered foreign limited partnership.
- (3) A report must be delivered to the division for each year following the calendar year in which the limited partnership's certificate of limited partnership became effective or the registered foreign limited partnership registered to do business in this state:
  - (a) in the case of a limited partnership, the annual report must be delivered to the division during the month in which is the anniversary date on which the limited partnership certificate of limited partnership became effective; and
  - (b) in the case of a registered foreign limited partnership, the annual report must be delivered to the division during the month in which is the anniversary date on which the registered foreign limited partnership registered to do business in this state.
- (4) If an annual report does not contain the information required by this section, the division promptly shall notify the reporting limited partnership or registered foreign limited partnership in a record and return the report for correction.
- (5) If an annual report contains the name or address of a registered agent which differs from the information shown in the records of the division immediately before the annual report becomes effective, the differing information in the annual report is considered a statement of change under Section 16-17-206.

Enacted by Chapter 412, 2013 General Session

**Part 3**  
**Limited Partners**

**48-2e-301 Becoming limited partners.**

- (1) Upon formation of a limited partnership, a person becomes a limited partner as agreed among the persons that are to be the initial partners.
- (2) After formation, a person becomes a limited partner:
  - (a) as provided in the partnership agreement;

- (b) as the result of a transaction effective under Part 11, Merger, Interest Exchange, Conversion, and Domestication;
  - (c) with the affirmative vote or consent of all the partners; or
  - (d) as provided in Subsection 48-2e-801(1)(d) or (1)(e).
- (3) A person may become a partner without:
- (a) acquiring a transferable interest; or
  - (b) making or being obligated to make a contribution to the limited partnership.

Enacted by Chapter 412, 2013 General Session

**48-2e-302 No agency power of limited partner as limited partner.**

- (1) A limited partner is not an agent of a limited partnership solely by reason of being a limited partner.
- (2) A person's status as a limited partner does not prevent or restrict law other than this chapter from imposing liability on a limited partnership because of the person's conduct.

Enacted by Chapter 412, 2013 General Session

**48-2e-303 No liability as limited partner for limited partnership obligations.**

- (1) A debt, obligation, or other liability of a limited partnership is not the debt, obligation, or other liability of a limited partner. A limited partner is not personally liable, directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or other liability of the limited partnership solely by reason of being or acting as a limited partner, even if the limited partner participates in the management and control of the limited partnership.
- (2) The failure of a limited partnership to observe formalities relating to the exercise of its powers or management of its activities and affairs is not a ground for imposing liability on a limited partner for a debt, obligation, or other liability of the limited partnership.

Enacted by Chapter 412, 2013 General Session

**48-2e-304 Rights to information of limited partner and person dissociated as limited partner.**

- (1) On 10 days' demand, made in a record received by the limited partnership, a limited partner may inspect and copy required information during regular business hours in the limited partnership's principal office. The limited partner need not have any particular purpose for seeking the information.
- (2) During regular business hours and at a reasonable location specified by the limited partnership, a limited partner may inspect and copy information regarding the activities, affairs, financial condition, and other circumstances of the limited partnership as is just and reasonable if:
  - (a) the limited partner seeks the information for a purpose reasonably related to the partner's interest as a limited partner;
  - (b) the limited partner makes a demand in a record received by the limited partnership, describing with reasonable particularity the information sought and the purpose for seeking the information; and
  - (c) the information sought is directly connected to the limited partner's purpose.
- (3) Not later than 10 days after receiving a demand pursuant to Subsection (2), the limited partnership in a record shall inform the limited partner that made the demand of:
  - (a) the information the limited partnership will provide in response to the demand and when and where the limited partnership will provide the information; and

- (b) the limited partnership's reasons for declining, if the limited partnership declines to provide any demanded information.
- (4) Whenever this chapter or a partnership agreement provides for a limited partner to vote on or give or withhold consent to a matter, before the vote is cast or consent is given or withheld, the limited partnership shall, without demand, provide the limited partner with all information that is known to the limited partnership and is material to the limited partner's decision.
- (5) Subject to Subsection (10), on 10 days' demand made in a record received by a limited partnership, a person dissociated as a limited partner may have access to information to which the person was entitled while a limited partner if:
  - (a) the information pertains to the period during which the person was a limited partner;
  - (b) the person seeks the information in good faith; and
  - (c) the person satisfies the requirements imposed on a limited partner by Subsection (2).
- (6) The limited partnership shall respond to a demand made pursuant to Subsection (5) in the manner provided in Subsection (3).
- (7) A limited partnership may charge a person that makes a demand under this section reasonable costs of copying, limited to the costs of labor and material.
- (8) A limited partner or person dissociated as a limited partner may exercise the rights under this section through an agent or, in the case of an individual under legal disability, a legal representative. Any restriction or condition imposed by the partnership agreement or under Subsection (11) applies both to the agent or legal representative and to the limited partner or person dissociated as a limited partner.
- (9) Subject to Subsection (10), the rights under this section do not extend to a person as transferee.
- (10) If a limited partner dies, Section 48-2e-704 applies.
- (11) In addition to any restriction or condition stated in its partnership agreement, a limited partnership, as a matter within the ordinary course of its activities and affairs, may impose reasonable restrictions and conditions on access to and use of information to be furnished under this section, including designating information confidential and imposing nondisclosure and safeguarding obligations on the recipient. In a dispute concerning the reasonableness of a restriction under this Subsection (11), the limited partnership has the burden of proving reasonableness.

Enacted by Chapter 412, 2013 General Session

**48-2e-305 Limited duties of limited partners.**

- (1) A limited partner shall discharge any duties to the limited partnership and the other partners under the partnership agreement and exercise any rights under this chapter or the partnership agreement consistently with the contractual obligation of good faith and fair dealing.
- (2) Except as otherwise provided in Subsection (1), a limited partner does not have any duty to the limited partnership or to any other partner solely by reason of acting as a limited partner.
- (3) If a limited partner enters into a transaction with a limited partnership, the limited partner's rights and obligations arising from the transaction are the same as those of a person that is not a partner.

Enacted by Chapter 412, 2013 General Session

**48-2e-306 Person erroneously believing self to be limited partner.**

- (1) Except as otherwise provided in Subsection (2), a person that makes an investment in a business enterprise and erroneously but in good faith believes that the person has become a limited partner in the enterprise is not liable for the enterprise's obligations by reason of making the investment, receiving distributions from the enterprise, or exercising any rights of or appropriate to a limited partner, if, on ascertaining the mistake, the person:
  - (a) causes an appropriate certificate of limited partnership, amendment, or statement of correction to be signed and delivered to the division for filing; or
  - (b) withdraws from future participation as an owner in the enterprise by signing and delivering to the division for filing a statement of negation under this section.
- (2) A person that makes an investment described in Subsection (1) is liable to the same extent as a general partner to any third party that enters into a transaction with the enterprise, believing in good faith that the person is a general partner, before the division files a statement of negation, certificate of limited partnership, amendment, or statement of correction to show that the person is not a general partner.
- (3) If a person makes a diligent effort in good faith to comply with Subsection (1)(a) and is unable to cause the appropriate certificate of limited partnership, amendment, or statement of correction to be signed and delivered to the division for filing, the person has the right to withdraw from the enterprise pursuant to Subsection (1)(b) even if the withdrawal would otherwise breach an agreement with others that are or have agreed to become co-owners of the enterprise.

Enacted by Chapter 412, 2013 General Session

## **Part 4**

### **General Partners**

#### **48-2e-401 Becoming general partner.**

- (1) A person becomes a general partner:
  - (a) upon formation of a limited partnership, as agreed among the persons that are to be the initial partners; and
  - (b) after formation:
    - (i) as provided in the partnership agreement;
    - (ii) under Subsection 48-2e-801(1)(c)(ii) following the dissociation of a limited partnership's last general partner;
    - (iii) as the result of a transaction effective under Part 11, Merger, Interest Exchange, Conversion, and Domestication; or
    - (iv) with the affirmative vote or consent of all the partners.
- (2) A person may become a general partner without:
  - (a) acquiring a transferable interest; or
  - (b) making or being obligated to make a contribution to the limited partnership.

Enacted by Chapter 412, 2013 General Session

#### **48-2e-402 General partner agent of limited partnership.**

- (1) Each general partner is an agent of the limited partnership for the purposes of its activities and affairs. An act of a general partner, including the signing of a record in the limited partnership's

name, for apparently carrying on in the ordinary course the limited partnership's activities and affairs or activities and affairs of the kind carried on by the limited partnership binds the limited partnership, unless the general partner did not have authority to act for the limited partnership in the particular matter and the person with which the general partner was dealing knew or had notice that the general partner lacked authority.

- (2) An act of a general partner which is not apparently for carrying on in the ordinary course the limited partnership's activities and affairs or activities and affairs of the kind carried on by the limited partnership binds the limited partnership only if the act was actually authorized by all the other partners.

Enacted by Chapter 412, 2013 General Session

**48-2e-403 Limited partnership liable for general partner's actionable conduct.**

- (1) A limited partnership is liable for loss or injury caused to a person, or for a penalty incurred, as a result of a wrongful act or omission, or other actionable conduct, of a general partner acting in the ordinary course of activities and affairs of the limited partnership or with the actual or apparent authority of the limited partnership.
- (2) If, in the course of a limited partnership's activities and affairs or while acting with actual or apparent authority of the limited partnership, a general partner receives or causes the limited partnership to receive money or property of a person not a partner, and the money or property is misapplied by a general partner, the limited partnership is liable for the loss.

Enacted by Chapter 412, 2013 General Session

**48-2e-404 General partner's liability.**

- (1) Except as otherwise provided in Subsections (2) and (3), all general partners are liable jointly and severally for all debts, obligations, and other liabilities of the limited partnership unless otherwise agreed by the claimant or provided by law.
- (2) A person that becomes a general partner of an existing limited partnership is not personally liable for a debt, obligation, or other liability of the limited partnership incurred before the person became a general partner.
- (3) A debt, obligation, or other liability of a limited partnership incurred while the limited partnership is a limited liability limited partnership is solely the debt, obligation, or other liability of the limited liability limited partnership. A general partner is not personally liable, directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or other liability of the limited liability limited partnership solely by reason of being or acting as a general partner. This Subsection (3) applies despite anything inconsistent in the partnership agreement that existed immediately before the vote or consent required to become a limited liability limited partnership under Subsection 48-2e-406(2)(b).
- (4) The failure of a limited liability limited partnership to observe formalities relating to the exercise of its powers or management of its activities and affairs is not a ground for imposing liability on a general partner of the limited liability limited partnership for a debt, obligation, or liability of the limited partnership.
- (5) An amendment of a certificate of limited partnership which deletes a statement that the limited partnership is a limited liability limited partnership does not affect the limitation in this section on liability of a general partner for a debt, obligation, or other liability of the limited partnership incurred before the amendment became effective.

Enacted by Chapter 412, 2013 General Session

**48-2e-405 Actions by and against partnership and partners.**

- (1) To the extent not inconsistent with Section 48-2e-404, a general partner may be joined in an action against the limited partnership or named in a separate action.
- (2) A judgment against a limited partnership is not by itself a judgment against a general partner. A judgment against a limited partnership may not be satisfied from a general partner's assets unless there is also a judgment against the general partner.
- (3) A judgment creditor of a general partner may not levy execution against the assets of the general partner to satisfy a judgment based on a claim against the limited partnership, unless the general partner is personally liable for the claim under Section 48-2e-404, and:
  - (a) a judgment based on the same claim has been obtained against the limited partnership and a writ of execution on the judgment has been returned unsatisfied in whole or in part;
  - (b) the limited partnership is a debtor in bankruptcy;
  - (c) the general partner has agreed that the creditor need not exhaust limited partnership assets;
  - (d) a court grants permission to the judgment creditor to levy execution against the assets of a general partner based on a finding that the limited partnership assets subject to execution are clearly insufficient to satisfy the judgment, that exhaustion of assets is excessively burdensome, or that the grant of permission is an appropriate exercise of the court's equitable powers; or
  - (e) liability is imposed on the general partner by law or contract independent of the existence of the limited partnership.

Enacted by Chapter 412, 2013 General Session

**48-2e-406 Management rights of general partner.**

- (1) Each general partner has equal rights in the management and conduct of the limited partnership's activities and affairs. Except as otherwise provided in this chapter, any matter relating to the activities and affairs of the limited partnership is decided exclusively by the general partner or, if there is more than one general partner, by a majority of the general partners.
- (2) The affirmative vote or consent of all partners is required to:
  - (a) amend the partnership agreement;
  - (b) amend the certificate of limited partnership to add or delete a statement that the limited partnership is a limited liability limited partnership;
  - (c) sell, lease, exchange, or otherwise dispose of all, or substantially all, of the limited partnership's property, with or without the good will, other than in the usual and regular course of the limited partnership's activities and affairs; and
  - (d) approve a transaction under Part 11, Merger, Interest Exchange, Conversion, and Domestication.
- (3) A limited partnership shall reimburse a general partner for an advance to the limited partnership beyond the amount of capital the general partner agreed to contribute.
- (4) A payment or advance made by a general partner which gives rise to an obligation of the limited partnership under Subsection (3) or Subsection 48-2e-408(1) constitutes a loan to the limited partnership which accrues interest from the date of the payment or advance.
- (5) A general partner is not entitled to remuneration for services performed for the limited partnership.

Enacted by Chapter 412, 2013 General Session

**48-2e-407 Rights to information of general partner and person dissociated as general partner.**

- (1) A general partner may inspect and copy required information during regular business hours in the limited partnership's principal office, without having any particular purpose for seeking the information.
- (2) On reasonable notice, a general partner may inspect and copy during regular business hours, at a reasonable location specified by the limited partnership, any record maintained by the limited partnership regarding the limited partnership's activities, affairs, financial condition, and other circumstances, to the extent the information is material to the general partner's rights and duties under the partnership agreement or this chapter.
- (3) A limited partnership shall furnish to each general partner:
  - (a) without demand, any information concerning the limited partnership's activities, affairs, financial condition, and other circumstances which the limited partnership knows and are material to the proper exercise of the general partner's rights and duties under the partnership agreement or this chapter, except to the extent the limited partnership can establish that it reasonably believes the general partner already knows the information; and
  - (b) on demand, any other information concerning the limited partnership's activities, affairs, financial condition, and other circumstances, except to the extent the demand or the information demanded is unreasonable or otherwise improper under the circumstances.
- (4) The duty to furnish information under Subsection (2) also applies to each general partner to the extent the general partner knows any of the information described in Subsection (2).
- (5) Subject to Subsection (8), on 10 days' demand made in a record received by the limited partnership, a person dissociated as a general partner may have access to the information and records described in Subsections (1) and (2) at the locations specified in those subsections if:
  - (a) the information or record pertains to the period during which the person was a general partner;
  - (b) the person seeks the information or record in good faith; and
  - (c) the person satisfies the requirements imposed on a limited partner by Subsection 48-2e-304(2).
- (6) The limited partnership shall respond to a demand made pursuant to Subsection (3) in the manner provided in Subsection 48-2e-304(3).
- (7) A limited partnership may charge a person that makes a demand under this section the reasonable costs of copying, limited to the costs of labor and material.
- (8) A general partner or person dissociated as a general partner may exercise rights under this section through an agent or, in the case of an individual under legal disability, a legal representative. Any restriction or condition imposed by the partnership agreement or under Subsection (9) applies both to the agent or legal representative and the general partner or person dissociated as a general partner.
- (9) The rights under this section do not extend to a person as transferee, but if:
  - (a) a general partner dies, Section 48-2e-704 applies; and
  - (b) an individual dissociates as a general partner under Subsection 48-2e-603(7)(b) or (7)(c), the legal representative of the individual may exercise the rights under Subsection (4) of a person dissociated as a general partner.
- (10) In addition to any restriction or condition stated in the partnership agreement, a limited partnership, as a matter within the ordinary course of its activities and affairs, may impose reasonable restrictions and conditions on access to and use of information to be furnished

under this section, including designating information confidential and imposing nondisclosure and safeguarding obligations on the recipient. In a dispute concerning the reasonableness of a restriction under this Subsection (10), the limited partnership has the burden of proving reasonableness.

Enacted by Chapter 412, 2013 General Session

**48-2e-408 Reimbursement, indemnification, advancement, and insurance.**

- (1) A limited partnership shall reimburse a general partner for any payment made by the general partner in the course of the general partner's activities on behalf of the limited partnership, if the general partner complied with Sections 48-2e-406, 48-2e-409, and 48-2e-504 in making the payment.
- (2) A limited partnership shall indemnify and hold harmless a person with respect to any claim or demand against the person and any debt, obligation, or other liability incurred by the person by reason of the person's former or present capacity as a general partner, if the claim, demand, debt, obligation, or other liability does not arise from the person's breach of Section 48-2e-406, 48-2e-409, or 48-2e-504.
- (3) In the ordinary course of its activities and affairs, a limited partnership may advance reasonable expenses, including attorney's fees and costs, incurred by a person in connection with a claim or demand against the person by reason of the person's former or present capacity as a general partner, if the person promises to repay the limited partnership if the person ultimately is determined not to be entitled to be indemnified under Subsection (2).
- (4) A limited partnership may purchase and maintain insurance on behalf of a general partner against liability asserted against or incurred by the general partner in that capacity or arising from that status even if, under Subsection 48-2e-112(3)(h), the partnership agreement could not eliminate or limit the person's liability to the limited partnership for the conduct giving rise to the liability.

Enacted by Chapter 412, 2013 General Session

**48-2e-409 Standards of conduct for general partners.**

- (1) A general partner owes to the limited partnership and, subject to Subsection 48-2e-1001(1), the other partners the duties of loyalty and care stated in Subsections (2) and (3).
- (2) The duty of loyalty of a general partner includes the duties:
  - (a) to account to the limited partnership and hold as trustee for it any property, profit, or benefit derived by the general partner:
    - (i) in the conduct or winding up of the limited partnership's activities and affairs;
    - (ii) from a use by the general partner of the limited partnership's property; or
    - (iii) from the appropriation of a limited partnership opportunity;
  - (b) to refrain from dealing with the limited partnership in the conduct or winding up of the limited partnership's activities and affairs as or on behalf of a person having an interest adverse to the limited partnership; and
  - (c) to refrain from competing with the limited partnership in the conduct or winding up of the limited partnership's activities and affairs.
- (3) The duty of care of a general partner in the conduct or winding up of the limited partnership's activities and affairs is to refrain from engaging in grossly negligent or reckless conduct, intentional misconduct, or a knowing violation of law.



- (4) A general partner shall discharge the duties and obligations under this chapter or under the partnership agreement and exercise any rights consistently with the contractual obligation of good faith and fair dealing.
- (5) A general partner does not violate a duty or obligation under this chapter or under the partnership agreement solely because the general partner's conduct furthers the general partner's own interest.
- (6) All the partners of a limited partnership may authorize or ratify, after full disclosure of all material facts, a specific act or transaction by a general partner that otherwise would violate the duty of loyalty.
- (7) It is a defense to a claim under Subsection (2)(b) and any comparable claim in equity or at common law that the transaction was fair to the limited partnership.
- (8) If, as permitted by Subsection (6) or the partnership agreement, a general partner enters into a transaction with the limited partnership which otherwise would be prohibited by Subsection (2)(b), the general partner's rights and obligations arising from the transaction are the same as those of a person that is not a general partner.

Enacted by Chapter 412, 2013 General Session

## **Part 5**

### **Contributions and Distributions**

#### **48-2e-501 Form of contribution.**

A contribution may consist of property transferred to, services performed for, or another benefit provided to the limited partnership or an agreement to transfer property to, perform services for, or provide another benefit to the limited partnership.

Enacted by Chapter 412, 2013 General Session

#### **48-2e-502 Liability for contribution.**

- (1) A person's obligation to make a contribution to a limited partnership is not excused by the person's death, disability, dissolution, or other inability to perform personally.
- (2) If a person does not fulfill an obligation to make a contribution other than money, the person is obligated at the option of the limited partnership to contribute money equal to the value, as stated in the required information, of the part of the contribution which has not been made.
- (3) The obligation of a person to make a contribution may be compromised only by the affirmative vote or consent of all partners. If a creditor of a limited partnership extends credit or otherwise acts in reliance on an obligation described in Subsection (1) without notice of any compromise under this subsection, the creditor may enforce the original obligation.

Enacted by Chapter 412, 2013 General Session

#### **48-2e-503 Sharing of and right to distributions before dissolution.**

- (1) Except to the extent necessary to comply with a transfer effective under Section 48-2e-702 or charging order in effect under Section 48-2e-703, any distributions made by a limited partnership before its dissolution and winding up must be in equal shares among partners and persons dissociated as partners.

- (2) A person has a right to a distribution before the dissolution and winding up of a limited partnership only if the limited partnership decides to make an interim distribution. A person's dissociation does not entitle the person to a distribution.
- (3) A person does not have a right to demand or receive a distribution from a limited partnership in any form other than money. Except as otherwise provided in Subsection 48-2e-813(5), a partnership may distribute an asset in kind only if each part of the asset is fungible with each other part and each person receives a percentage of the asset equal in value to the person's share of distributions.
- (4) If a partner or transferee becomes entitled to receive a distribution, the partner or transferee has the status of, and is entitled to all remedies available to, a creditor of the limited partnership with respect to the distribution. However, the limited partnership's obligation to make a distribution is subject to offset for any amount owed to the limited partnership by the partner or a person dissociated as a partner on whose account the distribution is made.

Enacted by Chapter 412, 2013 General Session

**48-2e-504 Limitations on distributions.**

- (1) A limited partnership may not make a distribution, including a distribution under Section 48-2e-813, if after the distribution:
  - (a) the limited partnership would not be able to pay its debts as they become due in the ordinary course of the limited partnership's activities and affairs; or
  - (b) the limited partnership's total assets would be less than the sum of its total liabilities plus, unless the partnership agreement permits otherwise, the amount that would be needed, if the limited partnership were to be dissolved and wound up at the time of the distribution, to satisfy the preferential rights upon dissolution and winding up of partners and transferees whose preferential rights are superior to those of persons receiving the distribution.
- (2) A limited partnership may base a determination that a distribution is not prohibited under Subsection (1) on:
  - (a) financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances; or
  - (b) a fair valuation or other method that is reasonable under the circumstances.
- (3) Except as otherwise provided in Subsection (5), the effect of a distribution under Subsection (1) is measured:
  - (a) in the case of distribution as defined in Subsection 48-2e-102(4)(a), as of the earlier of:
    - (i) the date money or other property is transferred or debt is incurred by the limited partnership; or
    - (ii) the date the person entitled to the distribution ceases to own the interest or right being acquired by the limited partnership in return for the distribution;
  - (b) in the case of any other distribution of indebtedness, as of the date the indebtedness is distributed; and
  - (c) in all other cases, as of the date:
    - (i) the distribution is authorized, if the payment occurs not later than 120 days after that date; or
    - (ii) the payment is made, if payment occurs more than 120 days after the distribution is authorized.
- (4) A limited partnership's indebtedness to a partner or transferee incurred by reason of a distribution made in accordance with this section is at parity with the limited partnership's indebtedness to its general, unsecured creditors, except to the extent subordinated by agreement.

- (5) A limited partnership's indebtedness, including indebtedness issued as a distribution, is not considered a liability for purposes of Subsection (1) if the terms of the indebtedness provide that payment of principal and interest is made only if and to the extent that payment of a distribution could then be made under this section. If the indebtedness is issued as a distribution, each payment of principal or interest is treated as a distribution, the effect of which is measured on the date the payment is made.
- (6) In measuring the effect of a distribution under Section 48-2e-813, the liabilities of a dissolved limited partnership do not include any claim that has been disposed of under Section 48-2e-806, 48-2e-807, or 48-2e-808.

Enacted by Chapter 412, 2013 General Session

**48-2e-505 Liability for improper distributions.**

- (1) If a general partner consents to a distribution made in violation of Section 48-2e-504 and in consenting to the distribution fails to comply with Section 48-2e-409, the general partner is personally liable to the limited partnership for the amount of the distribution which exceeds the amount that could have been distributed without the violation of Section 48-2e-504.
- (2) A person that receives a distribution knowing that the distribution violated Section 48-2e-504 is personally liable to the limited partnership but only to the extent that the distribution received by the person exceeded the amount that could have been properly paid under Section 48-2e-504.
- (3) A general partner against which an action is commenced because the general partner is liable under Subsection (1) may:
  - (a) implead any other person that is liable under Subsection (1) and seek to enforce a right of contribution from the person; and
  - (b) implead any person that received a distribution in violation of Subsection (2) and seek to enforce a right of contribution from the person in the amount the person received in violation of Subsection (2).
- (4) An action under this section is barred unless commenced not later than two years after the distribution.

Enacted by Chapter 412, 2013 General Session

## **Part 6 Dissociation**

**48-2e-601 Dissociation as limited partner.**

- (1) A person does not have a right to dissociate as a limited partner before the completion of the winding up of the limited partnership.
- (2) A person is dissociated as a limited partner when:
  - (a) the limited partnership has notice of the person's express will to withdraw as a limited partner, but, if the person specified a withdrawal date later than the date the limited partnership had notice, on that later date;
  - (b) an event stated in the partnership agreement as causing the person's dissociation as a limited partner occurs;
  - (c) the person is expelled as a limited partner pursuant to the partnership agreement;

- (d) the person is expelled as a limited partner by the unanimous vote or consent of the other partners if:
  - (i) it is unlawful to carry on the limited partnership's activities and affairs with the person as a limited partner;
  - (ii) there has been a transfer of all of the person's transferable interest in the limited partnership, other than:
    - (A) a transfer for security purposes; or
    - (B) a charging order in effect under Section 48-2e-703 which has not been foreclosed;
  - (iii) the person is a corporation and:
    - (A) the limited partnership notifies the person that it will be expelled as a limited partner because the person has filed a statement of dissolution or the equivalent, its charter has been revoked, or its right to conduct business has been suspended by the jurisdiction of its incorporation; and
    - (B) not later than 90 days after the notification the statement of dissolution or the equivalent has not been revoked or its charter or right to conduct business has not been reinstated; or
  - (iv) the person is an unincorporated entity that has been dissolved and whose business is being wound up;
- (e) on application by the limited partnership, the person is expelled as a limited partner by judicial order because the person:
  - (i) has engaged or is engaging in wrongful conduct that has affected adversely and materially, or will affect adversely and materially, the limited partnership's activities and affairs;
  - (ii) has committed willfully or persistently, or is committing willfully or persistently, a material breach of the partnership agreement or the contractual obligation of good faith and fair dealing under Subsection 48-2e-305(1); or
  - (iii) has engaged or is engaging in conduct relating to the limited partnership's activities and affairs which makes it not reasonably practicable to carry on the activities and affairs with the person as a limited partner;
- (f) in the case of a person who is an individual, the individual dies;
- (g) in the case of a person that is a testamentary or inter vivos trust or is acting as a limited partner by virtue of being a trustee of such a trust, the trust's entire transferable interest in the limited partnership is distributed;
- (h) in the case of a person that is an estate or is acting as a limited partner by virtue of being a personal representative of an estate, the estate's entire transferable interest in the limited partnership is distributed;
- (i) in the case of a person that is not an individual, corporation, unincorporated entity, trust, or estate, the existence of the person terminates;
- (j) the limited partnership participates in a merger under Part 11, Merger, Interest Exchange, Conversion, and Domestication, and:
  - (i) the limited partnership is not the surviving entity; or
  - (ii) otherwise as a result of the merger, the person ceases to be a limited partner;
- (k) the limited partnership participates in an interest exchange under Part 11, Merger, Interest Exchange, Conversion, and Domestication, and as a result of the interest exchange, the person ceases to be a limited partner;
- (l) the limited partnership participates in a conversion under Part 11, Merger, Interest Exchange, Conversion, and Domestication;

- (m) the limited partnership participates in a domestication under Part 11, Merger, Interest Exchange, Conversion, and Domestication, and as a result of the domestication, the person ceases to be a limited partner; or
- (n) the limited partnership dissolves and completes winding up.

Enacted by Chapter 412, 2013 General Session

**48-2e-602 Effect of dissociation as limited partner.**

- (1) If a person is dissociated as a limited partner:
  - (a) subject to Section 48-2e-704, the person does not have further rights as a limited partner;
  - (b) the person's contractual obligation of good faith and fair dealing as a limited partner under Subsection 48-2e-305(1) ends with regard to matters arising and events occurring after the person's dissociation; and
  - (c) subject to Section 48-2e-704 and Part 11, Merger, Interest Exchange, Conversion, and Domestication, any transferable interest owned by the person in the person's capacity as a limited partner immediately before dissociation is owned by the person solely as a transferee.
- (2) A person's dissociation as a limited partner does not of itself discharge the person from any debt, obligation, or other liability to the limited partnership or the other partners which the person incurred while a limited partner.

Enacted by Chapter 412, 2013 General Session

**48-2e-603 Dissociation as general partner.**

A person is dissociated as a general partner when:

- (1) the limited partnership has notice of the person's express will to withdraw as a general partner, but, if the person specifies a withdrawal date later than the date the limited partnership had notice, on that later date;
- (2) an event stated in the partnership agreement as causing the person's dissociation as a general partner occurs;
- (3) the person is expelled as a general partner pursuant to the partnership agreement;
- (4) the person is expelled as a general partner by the unanimous vote or consent of the other partners if:
  - (a) it is unlawful to carry on the limited partnership's activities and affairs with the person as a general partner;
  - (b) there has been a transfer of all of the person's transferable interest in the limited partnership, other than:
    - (i) a transfer for security purposes; or
    - (ii) a charging order in effect under Section 48-2e-703 which has not been foreclosed;
  - (c) the person is a corporation, and:
    - (i) the limited partnership notifies the person that it will be expelled as a general partner because the person has filed a statement of dissolution or the equivalent, its charter has been revoked, or its right to conduct business has been suspended by the jurisdiction of its incorporation; and
    - (ii) not later than 90 days after the notification the statement of dissolution or the equivalent has not been revoked or its charter or right to conduct business has not been reinstated; or
  - (d) the person is an unincorporated entity that has been dissolved and whose business is being wound up;

- (5) on application by the limited partnership or a partner in a direct action under Section 48-2e-1001, the person is expelled as a general partner by judicial order because the person:
  - (a) has engaged or is engaging in wrongful conduct that has affected adversely and materially, or will affect adversely and materially, the limited partnership's activities and affairs;
  - (b) has committed willfully or persistently, or is committing willfully or persistently, a material breach of the partnership agreement or a duty or obligation under Section 48-2e-409; or
  - (c) has engaged or is engaging in conduct relating to the limited partnership's activities and affairs which makes it not reasonably practicable to carry on the activities or affairs of the limited partnership with the person as a general partner;
- (6) in the case of a person who is an individual:
  - (a) the individual dies;
  - (b) a guardian or general conservator for the individual is appointed; or
  - (c) a court orders that the individual has otherwise become incapable of performing the individual's duties as a general partner under this chapter or the partnership agreement;
- (7) the person:
  - (a) becomes a debtor in bankruptcy;
  - (b) executes an assignment for the benefit of creditors; or
  - (c) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the person or of all or substantially all of the person's property;
- (8) in the case of a person that is a testamentary or inter vivos trust or is acting as a general partner by virtue of being a trustee of such a trust, the trust's entire transferable interest in the limited partnership is distributed;
- (9) in the case of a person that is an estate or is acting as a general partner by virtue of being a personal representative of an estate, the estate's entire transferable interest in the limited partnership is distributed;
- (10) in the case of a person that is not an individual, corporation, unincorporated entity, trust, or estate, the existence of the person terminates;
- (11) the limited partnership participates in a merger under Part 11, Merger, Interest Exchange, Conversion, and Domestication, and:
  - (a) the limited partnership is not the surviving entity; or
  - (b) otherwise as a result of the merger, the person ceases to be a general partner;
- (12) the limited partnership participates in an interest exchange under Part 11, Merger, Interest Exchange, Conversion, and Domestication, and, as a result of the interest exchange, the person ceases to be a general partner;
- (13) the limited partnership participates in a conversion under Part 11, Merger, Interest Exchange, Conversion, and Domestication;
- (14) the limited partnership participates in a domestication under Part 11, Merger, Interest Exchange, Conversion, and Domestication, and, as a result of the domestication, the person ceases to be a general partner; or
- (15) the limited partnership dissolves and completes winding up.

Enacted by Chapter 412, 2013 General Session

**48-2e-604 Power to dissociate as general partner -- Wrongful dissociation.**

- (1) A person has the power to dissociate as a general partner at any time, rightfully or wrongfully, by withdrawing as a general partner by express will under Subsection 48-2e-603(1).
- (2) A person's dissociation as a general partner is wrongful only if the dissociation:
  - (a) is in breach of an express provision of the partnership agreement; or

- (b) occurs before the completion of the winding up of the limited partnership, and:
  - (i) the person withdraws as a general partner by express will;
  - (ii) the person is expelled as a general partner by judicial order under Subsection 48-2e-603(5);
  - (iii) the person is dissociated as a general partner under Subsection 48-2e-603(7); or
  - (iv) in the case of a person that is not a trust other than a business trust, an estate, or an individual, the person is expelled or otherwise dissociated as a general partner because it willfully dissolved or terminated.
- (3) A person that wrongfully dissociates as a general partner is liable to the limited partnership and, subject to Section 48-2e-1001, to the other partners for damages caused by the dissociation. The liability is in addition to any debt, obligation, or other liability of the general partner to the limited partnership or the other partners.

Enacted by Chapter 412, 2013 General Session

**48-2e-605 Effect of dissociation as general partner.**

- (1) If a person is dissociated as a general partner:
  - (a) the person's right to participate as a general partner in the management and conduct of the limited partnership's activities and affairs terminates;
  - (b) the person's duties and obligations as a general partner under Section 48-2e-409 end with regard to matters arising and events occurring after the person's dissociation;
  - (c) the person may sign and deliver to the division for filing a statement of dissociation pertaining to the person and, at the request of the limited partnership, shall sign an amendment to the certificate of limited partnership which states that the person has dissociated as a general partner; and
  - (d) subject to Section 48-2e-704 and Part 11, Merger, Interest Exchange, Conversion, and Domestication, any transferable interest owned by the person immediately before dissociation in the person's capacity as a general partner is owned by the person solely as a transferee.
- (2) A person's dissociation as a general partner does not of itself discharge the person from any debt, obligation, or other liability to the limited partnership or the other partners which the person incurred while a general partner.

Enacted by Chapter 412, 2013 General Session

**48-2e-606 Power to bind and liability of person dissociated as general partner.**

- (1) After a person is dissociated as a general partner and before the limited partnership is merged out of existence, converted, or domesticated under Part 11, Merger, Interest Exchange, Conversion, and Domestication, or dissolved, the limited partnership is bound by an act of the person only if:
  - (a) the act would have bound the limited partnership under Section 48-2e-402 before the dissociation; and
  - (b) at the time the other party enters into the transaction:
    - (i) less than two years has passed since the dissociation; and
    - (ii) the other party does not know or have notice of the dissociation and reasonably believes that the person is a general partner.
- (2) If a limited partnership is bound under Subsection (1), the person dissociated as a general partner which caused the limited partnership to be bound is liable:
  - (a) to the limited partnership for any damage caused to the limited partnership arising from the obligation incurred under Subsection (1); and

- (b) if a general partner or another person dissociated as a general partner is liable for the obligation, to the general partner or other person for any damage caused to the general partner or other person arising from the liability.

Enacted by Chapter 412, 2013 General Session

**48-2e-607 Liability to other persons of person dissociated as general partner.**

- (1) A person's dissociation as a general partner does not of itself discharge the person's liability as a general partner for a debt, obligation, or other liability of the limited partnership incurred before dissociation. Except as otherwise provided in Subsections (2) and (3), the person is not liable for a limited partnership obligation incurred after dissociation.
- (2) A person whose dissociation as a general partner resulted in a dissolution and winding up of the limited partnership's activities and affairs is liable to the same extent as a general partner under Section 48-2e-404 on an obligation incurred by the limited partnership under Section 48-2e-804.
- (3) A person that has dissociated as a general partner but whose dissociation did not result in a dissolution and winding up of the limited partnership's activities and affairs is liable on a transaction entered into by the limited partnership after the dissociation only if:
  - (a) a general partner would be liable on the transaction; and
  - (b) at the time the other party enters into the transaction:
    - (i) less than two years has passed since the dissociation; and
    - (ii) the other party does not have knowledge or notice of the dissociation and reasonably believes that the person is a general partner.
- (4) By agreement with a creditor of a limited partnership and the limited partnership, a person dissociated as a general partner may be released from liability for an obligation of the limited partnership.
- (5) A person dissociated as a general partner is released from liability for an obligation of the limited partnership if the limited partnership's creditor, with knowledge or notice of the person's dissociation as a general partner but without the person's consent, agrees to a material alteration in the nature or time of payment of the obligation.

Enacted by Chapter 412, 2013 General Session

## **Part 7**

### **Transferable Interest and Rights**

**48-2e-701 Nature of transferable interest.**

The only interest of a partner which is transferable is the partner's transferable interest. A transferable interest is personal property.

Enacted by Chapter 412, 2013 General Session

**48-2e-702 Transfer of transferable interest.**

- (1) A transfer, in whole or in part, of a transferable interest:
  - (a) is permissible;



- (b) does not by itself cause the person's dissociation or a dissolution and winding up of the limited partnership's activities and affairs; and
- (c) subject to Section 48-2e-704, does not entitle the transferee to:
  - (i) participate in the management or conduct of the limited partnership's activities or affairs; or
  - (ii) except as otherwise provided in Subsection (3), have access to required information, records, or other information concerning the limited partnership's activities and affairs.
- (2) A transferee has the right to receive, in accordance with the transfer, distributions to which the transferor would otherwise be entitled.
- (3) In a dissolution and winding up of a limited partnership, a transferee is entitled to an account of the limited partnership's transactions only from the date of dissolution.
- (4) A transferable interest may be evidenced by a certificate of the interest issued by a limited partnership in a record, and, subject to this section, the interest represented by the certificate may be transferred by a transfer of the certificate.
- (5) A limited partnership need not give effect to a transferee's rights under this section until the limited partnership knows or has notice of the transfer.
- (6) A transfer of a transferable interest in violation of a restriction on transfer contained in the partnership agreement is ineffective as to a person having knowledge or notice of the restriction at the time of transfer.
- (7) Except as otherwise provided in Subsections 48-2e-601(2)(d)(ii) and 48-2e-603(4)(b), if a general or limited partner transfers a transferable interest, the transferor retains the rights of a general or limited partner other than the transferable interest transferred and retains all the duties and obligations of a general or limited partner.
- (8) If a general or limited partner transfers a transferable interest to a person that becomes a general or limited partner with respect to the transferred interest, the transferee is liable for the transferor's obligations under Sections 48-2e-502 and 48-2e-505 known to the transferee when the transferee becomes a partner.

Enacted by Chapter 412, 2013 General Session

#### **48-2e-703 Charging order.**

- (1) On application by a judgment creditor of a partner or transferee, a court may enter a charging order against the transferable interest of the judgment debtor for the unsatisfied amount of the judgment. A charging order constitutes a lien on a judgment debtor's transferable interest and, after the limited partnership has been served with the charging order, requires the limited partnership to pay over to the person to which the charging order was issued any distribution that otherwise would be paid to the judgment debtor.
- (2) To the extent necessary to effectuate the collection of distributions pursuant to a charging order in effect under Subsection (1), the court may:
  - (a) appoint a receiver of the distributions subject to the charging order, with the power to make all inquiries the judgment debtor might have made; and
  - (b) make all other orders necessary to give effect to the charging order.
- (3) Upon a showing that distributions under a charging order will not pay the judgment debt within a reasonable time, the court may foreclose the lien and order the sale of the transferable interest. The purchaser at the foreclosure sale obtains only the transferable interest, does not thereby become a partner, and is subject to Section 48-2e-702.
- (4) At any time before foreclosure under Subsection (3), the partner or transferee whose transferable interest is subject to a charging order under Subsection (1) may extinguish the

charging order by satisfying the judgment and filing a certified copy of the satisfaction with the court that issued the charging order.

- (5) At any time before foreclosure under Subsection (3), a limited partnership or one or more partners whose transferable interests are not subject to the charging order may pay to the judgment creditor the full amount due under the judgment and thereby succeed to the rights of the judgment creditor, including the charging order.
- (6) This chapter does not deprive any partner or transferee of the benefit of any exemption law applicable to the transferable interest of the partner or transferee.
- (7) This section provides the exclusive remedy by which a person seeking to enforce a judgment against a partner or transferee may, in the capacity of judgment creditor, satisfy the judgment from the judgment debtor's transferable interest.

Enacted by Chapter 412, 2013 General Session

**48-2e-704 Power of legal representative of deceased partner.**

If a partner dies, the deceased partner's legal representative may exercise:

- (1) the rights of a transferee provided in Subsection 48-2e-702(3); and
- (2) for the purposes of settling the estate, the rights of a current limited partner under Section 48-2e-304.

Enacted by Chapter 412, 2013 General Session

## **Part 8**

### **Dissolution and Winding up**

***Superseded 7/1/2024***

**48-2e-801 Events causing dissolution.**

- (1) A limited partnership is dissolved, and its activities and affairs must be wound up, upon the occurrence of any of the following:
  - (a) an event or circumstance that the partnership agreement states causes dissolution;
  - (b) the affirmative vote or consent of all general partners and of limited partners owning a majority of the rights to receive distributions as limited partners at the time the vote or consent is to be effective;
  - (c) after the dissociation of a person as a general partner:
    - (i) if the limited partnership has at least one remaining general partner, the vote or consent to dissolve the limited partnership not later than 90 days after the dissociation by partners owning a majority of the rights to receive distributions as partners at the time the vote or consent is to be effective; or
    - (ii) if the limited partnership does not have a remaining general partner, the passage of 90 days after the dissociation, unless before the end of the period:
      - (A) consent to continue the activities and affairs of the limited partnership and admit at least one general partner is given by limited partners owning a majority of the rights to receive distributions as limited partners at the time the consent is to be effective; and
      - (B) at least one person is admitted as a general partner in accordance with the consent;

- (d) the passage of 90 consecutive days after the dissociation of the limited partnership's last limited partner, unless before the end of the period the limited partnership admits at least one limited partner;
  - (e) the passage of 90 consecutive days during which the limited partnership has only one partner, unless before the end of the period:
    - (i) the limited partnership admits at least one person as a partner;
    - (ii) if the previously sole remaining partner is only a general partner, the limited partnership admits the person as a limited partner; and
    - (iii) if the previously sole remaining partner is only a limited partner, the limited partnership admits a person as a general partner;
  - (f) on application by a partner, the entry by the district court of an order dissolving the limited partnership on the grounds that:
    - (i) the conduct of all or substantially all the limited partnership's activities and affairs is unlawful; or
    - (ii) it is not reasonably practicable to carry on the limited partnership's activities and affairs in conformity with the partnership agreement; or
  - (g) the signing and filing of a statement of administrative dissolution by the division under Section 48-2e-810.
- (2) If an event occurs that imposes a deadline on a limited partnership under Subsection (1) and before the limited partnership has met the requirements of the deadline, another event occurs that imposes a different deadline on the limited partnership under Subsection (1):
- (a) the occurrence of the second event does not affect the deadline caused by the first event; and
  - (b) the limited partnership's meeting of the requirements of the first deadline does not extend the second deadline.

Enacted by Chapter 412, 2013 General Session

***Effective 7/1/2024***

**48-2e-801 Events causing dissolution.**

- (1) A limited partnership is dissolved, and the limited partnership's activities and affairs must be wound up, upon the occurrence of any of the following:
- (a) an event or circumstance that the partnership agreement states causes dissolution;
  - (b) the affirmative vote or consent of all general partners and of limited partners owning a majority of the rights to receive distributions as limited partners at the time the vote or consent is to be effective;
  - (c) after the dissociation of a person as a general partner:
    - (i) if the limited partnership has at least one remaining general partner, the vote or consent to dissolve the limited partnership not later than 90 days after the dissociation by partners owning a majority of the rights to receive distributions as partners at the time the vote or consent is to be effective; or
    - (ii) if the limited partnership does not have a remaining general partner, the passage of 90 days after the dissociation, unless before the end of the period:
      - (A) consent to continue the activities and affairs of the limited partnership and admit at least one general partner is given by limited partners owning a majority of the rights to receive distributions as limited partners at the time the consent is to be effective; and
      - (B) at least one person is admitted as a general partner in accordance with the consent;

- (d) the passage of 90 consecutive days after the dissociation of the limited partnership's last limited partner, unless before the end of the period the limited partnership admits at least one limited partner;
  - (e) the passage of 90 consecutive days during which the limited partnership has only one partner, unless before the end of the period:
    - (i) the limited partnership admits at least one person as a partner;
    - (ii) if the previously sole remaining partner is only a general partner, the limited partnership admits the person as a limited partner; and
    - (iii) if the previously sole remaining partner is only a limited partner, the limited partnership admits a person as a general partner;
  - (f) upon a petition brought by a partner, the entry of a court order dissolving the limited partnership on the grounds that:
    - (i) the conduct of all or substantially all the limited partnership's activities and affairs is unlawful; or
    - (ii) it is not reasonably practicable to carry on the limited partnership's activities and affairs in conformity with the partnership agreement; or
  - (g) the signing and filing of a statement of administrative dissolution by the division under Section 48-2e-810.
- (2) If an event occurs that imposes a deadline on a limited partnership under Subsection (1) and before the limited partnership has met the requirements of the deadline, another event occurs that imposes a different deadline on the limited partnership under Subsection (1):
- (a) the occurrence of the second event does not affect the deadline caused by the first event; and
  - (b) the limited partnership's meeting of the requirements of the first deadline does not extend the second deadline.

Amended by Chapter 401, 2023 General Session

***Superseded 7/1/2024***

**48-2e-802 Winding up.**

- (1) A dissolved limited partnership shall wind up its activities and affairs, and, except as otherwise provided in Section 48-2e-803, the limited partnership continues after dissolution only for the purpose of winding up.
- (2) In winding up its activities and affairs, the limited partnership:
  - (a) shall discharge the limited partnership's debts, obligations, and other liabilities, settle and close the limited partnership's activities and affairs, and marshal and distribute the assets of the limited partnership; and
  - (b) may:
    - (i) amend its certificate of limited partnership to state that the limited partnership is dissolved;
    - (ii) preserve the limited partnership activities, affairs, and property as a going concern for a reasonable time;
    - (iii) prosecute and defend actions and proceedings, whether civil, criminal, or administrative;
    - (iv) transfer the limited partnership's property;
    - (v) settle disputes by mediation or arbitration;
    - (vi) deliver to the division for filing a statement of termination stating the name of the limited partnership and that the limited partnership is terminated; and
    - (vii) perform other acts necessary or appropriate to the winding up.
- (3) If a dissolved limited partnership does not have a general partner, a person to wind up the dissolved limited partnership's activities and affairs may be appointed by the affirmative vote

or consent of limited partners owning a majority of the rights to receive distributions as limited partners at the time the vote or consent is to be effective. A person appointed under this Subsection (3):

- (a) has the powers of a general partner under Section 48-2e-804 but is not liable for the debts, obligations, and other liabilities of the limited partnership solely by reason of having or exercising those powers or otherwise acting to wind up the dissolved limited partnership's activities and affairs; and
- (b) shall deliver promptly to the division for filing an amendment to the certificate of limited partnership stating:
  - (i) that the limited partnership does not have a general partner;
  - (ii) the name and street and mailing addresses of the person; and
  - (iii) that the person has been appointed pursuant to this subsection to wind up the limited partnership.
- (4) On the application of any partner, the district court may order judicial supervision of the winding up of a dissolved limited partnership, including the appointment of a person to wind up the limited partnership's activities and affairs, if:
  - (a) the limited partnership does not have a general partner and within a reasonable time following the dissolution no person has been appointed pursuant to Subsection (3); or
  - (b) the applicant establishes other good cause.

Enacted by Chapter 412, 2013 General Session

***Effective 7/1/2024***

**48-2e-802 Winding up.**

- (1)
  - (a) A dissolved limited partnership shall wind up the limited partnership's activities and affairs.
  - (b) Except as otherwise provided in Section 48-2e-803, the limited partnership only continues after dissolution for the purpose of winding up.
- (2) In winding up the limited partnership's activities and affairs, the limited partnership:
  - (a) shall discharge the limited partnership's debts, obligations, and other liabilities, settle and close the limited partnership's activities and affairs, and marshal and distribute the assets of the limited partnership; and
  - (b) may:
    - (i) amend its certificate of limited partnership to state that the limited partnership is dissolved;
    - (ii) preserve the limited partnership activities, affairs, and property as a going concern for a reasonable time;
    - (iii) prosecute and defend actions and proceedings, whether civil, criminal, or administrative;
    - (iv) transfer the limited partnership's property;
    - (v) settle disputes by mediation or arbitration;
    - (vi) deliver to the division for filing a statement of termination stating the name of the limited partnership and that the limited partnership is terminated; and
    - (vii) perform other acts necessary or appropriate to the winding up.
- (3)
  - (a) If a dissolved limited partnership does not have a general partner, a person to wind up the dissolved limited partnership's activities and affairs may be appointed by the affirmative vote or consent of limited partners owning a majority of the rights to receive distributions as limited partners at the time the vote or consent is to be effective.
  - (b) A person appointed under this Subsection (3):

- (i) has the powers of a general partner under Section 48-2e-804 but is not liable for the debts, obligations, and other liabilities of the limited partnership solely by reason of having or exercising those powers or otherwise acting to wind up the dissolved limited partnership's activities and affairs; and
- (ii) shall deliver promptly to the division for filing an amendment to the certificate of limited partnership stating:
  - (A) that the limited partnership does not have a general partner;
  - (B) the name and street and mailing addresses of the person; and
  - (C) that the person has been appointed pursuant to this subsection to wind up the limited partnership.
- (4) Upon a petition brought by a partner, a court may order judicial supervision of the winding up of a dissolved limited partnership, including the appointment of a person to wind up the limited partnership's activities and affairs, if:
  - (a) the limited partnership does not have a general partner and within a reasonable time following the dissolution no person has been appointed pursuant to Subsection (3); or
  - (b) the applicant establishes other good cause.

Amended by Chapter 401, 2023 General Session

***Superseded 7/1/2024***

**48-2e-803 Rescinding dissolution.**

- (1) A limited partnership may rescind its dissolution, unless a statement of termination applicable to the limited partnership is effective, the district court has entered an order under Subsection 48-2e-801(1)(f) dissolving the limited partnership, or the division has dissolved the limited partnership under Section 48-2e-810.
- (2) Rescinding dissolution under this section requires:
  - (a) the affirmative vote or consent of each partner; and
  - (b) if the limited partnership has delivered to the division for filing an amendment to the certificate of limited partnership stating that the partnership is dissolved and if:
    - (i) the amendment is not effective, the filing by the limited partnership of a statement of withdrawal under Section 48-2e-207 applicable to the amendment; or
    - (ii) the amendment is effective, the delivery by the limited partnership to the division for filing of an amendment to the certificate of limited partnership stating that the dissolution has been rescinded under this section.
- (3) If a limited partnership rescinds its dissolution:
  - (a) the limited partnership resumes carrying on its activities and affairs as if dissolution had never occurred;
  - (b) subject to Subsection (3)(c), any liability incurred by the limited partnership after the dissolution and before the rescission is effective is determined as if dissolution had never occurred; and
  - (c) the rights of a third party arising out of conduct in reliance on the dissolution before the third party knew or had notice of the rescission may not be adversely affected.

Enacted by Chapter 412, 2013 General Session

***Effective 7/1/2024***

**48-2e-803 Rescinding dissolution.**

- (1) A limited partnership may rescind the limited partnership's dissolution, unless a statement of termination applicable to the limited partnership is effective, a court has entered an order under Subsection 48-2e-801(1)(f) dissolving the limited partnership, or the division has dissolved the limited partnership under Section 48-2e-810.
- (2) Rescinding dissolution under this section requires:
  - (a) the affirmative vote or consent of each partner; and
  - (b) if the limited partnership has delivered to the division for filing an amendment to the certificate of limited partnership stating that the partnership is dissolved and if:
    - (i) the amendment is not effective, the filing by the limited partnership of a statement of withdrawal under Section 48-2e-207 applicable to the amendment; or
    - (ii) the amendment is effective, the delivery by the limited partnership to the division for filing of an amendment to the certificate of limited partnership stating that the dissolution has been rescinded under this section.
- (3) If a limited partnership rescinds the limited partnership's dissolution:
  - (a) the limited partnership resumes carrying on the limited partnership's activities and affairs as if dissolution had never occurred;
  - (b) subject to Subsection (3)(c), any liability incurred by the limited partnership after the dissolution and before the rescission is effective is determined as if dissolution had never occurred; and
  - (c) the rights of a third party arising out of conduct in reliance on the dissolution before the third party knew or had notice of the rescission may not be adversely affected.

Amended by Chapter 401, 2023 General Session

**48-2e-804 Power to bind partnership after dissolution.**

- (1) A limited partnership is bound by a general partner's act after dissolution which:
  - (a) is appropriate for winding up the limited partnership's activities and affairs; or
  - (b) would have bound the limited partnership under Section 48-2e-402 before dissolution, if, at the time the other party enters into the transaction, the other party does not know or have notice of the dissolution.
- (2) A person dissociated as a general partner binds a limited partnership through an act occurring after dissolution if:
  - (a) at the time the other party enters into the transaction:
    - (i) less than two years has passed since the dissociation; and
    - (ii) the other party does not have notice of the dissociation and reasonably believes that the person is a general partner; and
  - (b) the act:
    - (i) is appropriate for winding up the limited partnership's activities and affairs; or
    - (ii) would have bound the limited partnership under Section 48-2e-402 before dissolution and at the time the other party enters into the transaction the other party does not have notice of the dissolution.

Enacted by Chapter 412, 2013 General Session

**48-2e-805 Liability after dissolution of general partner and person dissociated as general partner to limited partnership, other general partners, and persons dissociated as general partner.**

- (1) If a general partner having knowledge of the dissolution causes a limited partnership to incur an obligation under Subsection 48-2e-804(1) by an act that is not appropriate for winding up the limited partnership's activities and affairs, the general partner is liable:
  - (a) to the limited partnership for any damage caused to the limited partnership arising from the obligation; and
  - (b) if another general partner or a person dissociated as a general partner is liable for the obligation, to that other general partner or person for any damage caused to that other general partner or person arising from the liability.
- (2) If a person dissociated as a general partner causes a limited partnership to incur an obligation under Subsection 48-2e-804(2), the person is liable:
  - (a) to the limited partnership for any damage caused to the limited partnership arising from the obligation; and
  - (b) if a general partner or another person dissociated as a general partner is liable for the obligation, to the general partner or other person for any damage caused to the general partner or other person arising from the obligation.

Enacted by Chapter 412, 2013 General Session

**48-2e-806 Known claims against dissolved limited partnership.**

- (1) Except as otherwise provided in Subsection (4), a dissolved limited partnership may give notice of a known claim under Subsection (2), which has the effect provided in Subsection (3).
- (2) A dissolved limited partnership may in a record notify its known claimants of the dissolution. The notice must:
  - (a) specify the information required to be included in a claim;
  - (b) state that a claim must be in writing and provide a mailing address to which the claim is to be sent;
  - (c) state the deadline for receipt of a claim, which may not be less than 120 days after the date the notice is received by the claimant;
  - (d) state that the claim will be barred if not received by the deadline; and
  - (e) unless the limited partnership has been throughout its existence a limited liability limited partnership, state that the barring of a claim against the limited partnership will also bar any corresponding claim against any general partner or person dissociated as a general partner which is based on Section 48-2e-404.
- (3) A claim against a dissolved limited partnership is barred if the requirements of Subsection (2) are met, and:
  - (a) the claim is not received by the specified deadline; or
  - (b) if the claim is timely received but rejected by the limited partnership:
    - (i) the limited partnership causes the claimant to receive a notice in a record stating that the claim is rejected and will be barred unless the claimant commences an action against the limited partnership to enforce the claim not later than 90 days after the claimant receives the notice; and
    - (ii) the claimant does not commence the required action not later than 90 days after the claimant receives the notice.
- (4) This section does not apply to a claim based on an event occurring after the effective date of dissolution or a liability that on that date is contingent.

Enacted by Chapter 412, 2013 General Session



**48-2e-807 Other claims against dissolved limited partnership.**

- (1) A dissolved limited partnership may publish notice of its dissolution and request persons having claims against the dissolved limited partnership to present them in accordance with the notice.
- (2) A notice under Subsection (1) must:
  - (a) be published at least once in a newspaper of general circulation in the county in this state in which the dissolved limited partnership's principal office is located or, if the principal office is not located in this state, in the county in which the office of the dissolved limited partnership's registered agent is or was last located and in accordance with Section 45-1-101;
  - (b) describe the information required to be contained in a claim, state that the claim must be in writing, and provide a mailing address to which the claim is to be sent;
  - (c) state that a claim against the dissolved limited partnership is barred unless an action to enforce the claim is commenced not later than three years after publication of the notice; and
  - (d) unless the dissolved limited partnership has been throughout its existence a limited liability limited partnership, state that the barring of a claim against the dissolved limited partnership will also bar any corresponding claim against any general partner or person dissociated as a general partner which is based on Section 48-2e-404.
- (3) If a dissolved limited partnership publishes a notice in accordance with Subsection (2), the claim of each of the following claimants is barred unless the claimant commences an action to enforce the claim against the dissolved limited partnership not later than three years after the publication date of the notice:
  - (a) a claimant that did not receive notice in a record under Section 48-2e-806;
  - (b) a claimant whose claim was timely sent to the dissolved limited partnership but not acted on; and
  - (c) a claimant whose claim is contingent at, or based on an event occurring after, the effective date of dissolution.
- (4) A claim not barred under this section or Section 48-2e-806 may be enforced:
  - (a) against the dissolved limited partnership, to the extent of its undistributed assets;
  - (b) except as otherwise provided in Section 48-2e-808, if the assets of the dissolved limited partnership have been distributed after dissolution, against a partner or transferee to the extent of that person's proportionate share of the claim or of the dissolved limited partnership's assets distributed to the partner or transferee after dissolution, whichever is less, but a person's total liability for all claims under this subsection may not exceed the total amount of assets distributed to the person after dissolution; and
  - (c) against any person liable on the claim under Sections 48-2e-404 and 48-2e-607.

Enacted by Chapter 412, 2013 General Session

***Superseded 7/1/2024***

**48-2e-808 Court proceedings.**

- (1) A dissolved limited partnership that has published a notice under Section 48-2e-807 may file an application with the district court in the county where the dissolved limited partnership's principal office is located, or, if the principal office is not located in this state, where the office of its registered agent is located, for a determination of the amount and form of security to be provided for payment of claims that are contingent, have not been made known to the dissolved limited partnership, or are based on an event occurring after the effective date of dissolution but which, based on the facts known to the dissolved limited partnership, are reasonably expected to arise after the effective date of dissolution. Security is not required for any claim that is or is reasonably anticipated to be barred under Subsection 48-2e-807(3).

- (2) Not later than 10 days after the filing of an application under Subsection (1), the dissolved limited partnership shall give notice of the proceeding to each claimant holding a contingent claim known to the dissolved limited partnership.
- (3) In a proceeding brought under this section, the court may appoint a guardian ad litem to represent all claimants whose identities are unknown. The reasonable fees and expenses of the guardian, including all reasonable expert witness fees, must be paid by the dissolved limited partnership.
- (4) A dissolved limited partnership that provides security in the amount and form ordered by the court under Subsection (1) satisfies the dissolved limited partnership's obligations with respect to claims that are contingent, have not been made known to the dissolved limited partnership, or are based on an event occurring after the effective date of dissolution, and such claims may not be enforced against a partner or transferee that received assets in liquidation.

Enacted by Chapter 412, 2013 General Session

***Effective 7/1/2024***

**48-2e-808 Court proceedings.**

- (1)
  - (a) A dissolved limited partnership that has published a notice under Section 48-2e-807 may petition a court with jurisdiction under Title 78A, Judiciary and Judicial Administration, for a determination of the amount and form of security to be provided for payment of claims that are contingent, have not been made known to the dissolved limited partnership, or are based on an event occurring after the effective date of dissolution but which, based on the facts known to the dissolved limited partnership, are reasonably expected to arise after the effective date of dissolution.
  - (b) Security is not required for any claim that is or is reasonably anticipated to be barred under Subsection 48-2e-807(3).
- (2) No later than 10 days after the filing of an application under Subsection (1), the dissolved limited partnership shall give notice of the proceeding to each claimant holding a contingent claim known to the dissolved limited partnership.
- (3)
  - (a) In a proceeding brought under this section, the court may appoint a guardian ad litem to represent all claimants whose identities are unknown.
  - (b) The reasonable fees and expenses of the guardian, including all reasonable expert witness fees, must be paid by the dissolved limited partnership.
- (4) A dissolved limited partnership that provides security in the amount and form ordered by the court under Subsection (1) satisfies the dissolved limited partnership's obligations with respect to claims that are contingent, have not been made known to the dissolved limited partnership, or are based on an event occurring after the effective date of dissolution, and such claims may not be enforced against a partner or transferee that received assets in liquidation.

Amended by Chapter 401, 2023 General Session

**48-2e-809 Liability of general partner and person dissociated as general partner when claim against limited partnership barred.**

If a claim against a dissolved limited partnership is barred under Section 48-2e-806, 48-2e-807, or 48-2e-808, any corresponding claim under Section 48-2e-404 or 48-2e-607 is also barred.

Enacted by Chapter 412, 2013 General Session

**48-2e-810 Administrative dissolution.**

- (1) The division may commence a proceeding under Subsections (2) and (3) to dissolve a limited partnership administratively if the limited partnership does not:
  - (a) pay any fee, tax, or penalty required to be paid to the division not later than 60 days after it is due;
  - (b) deliver an annual report to the division not later than 60 days after it is due; or
  - (c) have a registered agent in this state for 60 consecutive days.
- (2) If the division determines that one or more grounds exist for administratively dissolving a limited partnership, the division shall serve the limited partnership with notice in a record of the division's determination.
- (3) If a limited partnership, not later than 60 days after service of the notice under Subsection (2), does not cure or demonstrate to the satisfaction of the division the nonexistence of each ground determined by the division, the division shall administratively dissolve the limited partnership by signing a statement of administrative dissolution that recites the grounds for dissolution and the effective date of dissolution. The division shall file the statement and serve a copy on the limited partnership pursuant to Section 48-2e-209.
- (4) A limited partnership that is administratively dissolved continues in existence as an entity but may not carry on any activities except as necessary to wind up its activities and affairs and liquidate its assets under Sections 48-2e-802, 48-2e-806, 48-2e-807, 48-2e-808, and 48-2e-813 or to apply for reinstatement under Section 48-2e-811.
- (5) The administrative dissolution of a limited partnership does not terminate the authority of its registered agent.

Enacted by Chapter 412, 2013 General Session

**48-2e-811 Reinstatement.**

- (1) A limited partnership that is administratively dissolved under Section 48-2e-810 may apply to the division for reinstatement under the limited partnership's same name at any time after the effective date of dissolution if the limited partnership's name is available and the limited partnership delivers to the division for filing an application for reinstatement that states:
  - (a) the name of the limited partnership at the time of its administrative dissolution and, if needed, a different name that satisfies Section 48-2e-108;
  - (b) the address of the principal office of the limited partnership and the name and address of its registered agent;
  - (c) the effective date of the limited partnership's administrative dissolution; and
  - (d) that the grounds for dissolution did not exist or have been cured.
- (2) A limited partnership administratively dissolved under Section 48-2e-810 on or after May 1, 2019, but before May 1, 2024, may apply for reinstatement under the limited partnership's same name if the limited partnership's name is available and the limited partnership delivers to the division for filing an application for reinstatement that satisfies the requirements of Subsections (1)(a) through (c).
- (3) A limited partnership retains the limited partnership's name and assumed name, as described in Section 42-2-6.6, for five years after the day on which the dissolution is effective.
- (4) To be reinstated, a limited partnership must pay all fees, taxes, interest, and penalties that were due to the division at the time of its administrative dissolution and all fees, taxes, interest,

and penalties that would have been due to the division while the limited partnership was administratively dissolved.

- (5) If the division determines that an application under Subsection (1) or (2) contains the information required, is satisfied that the information is correct, and determines that all payments required to be made to the division by Subsection (4) have been made, the division shall:
  - (a) cancel the statement of administrative dissolution and prepare a statement of reinstatement that states the division's determination and the effective date of reinstatement;
  - (b) file the statement of reinstatement; and
  - (c) serve a copy of the statement of reinstatement on the limited partnership.
- (6) When reinstatement under this section is effective, the following rules apply:
  - (a) The restatement relates back to and takes effect as of the effective date of the administrative dissolution.
  - (b) The limited partnership resumes carrying on its activities and affairs as if the administrative dissolution had not occurred.
  - (c) The rights of a person arising out of an act or omission in reliance on the dissolution before the person knew or had notice of the reinstatement are not affected.

Amended by Chapter 232, 2024 General Session

**48-2e-812 Judicial review of denial of reinstatement.**

- (1) If the division denies a limited partnership's application for reinstatement following administrative dissolution, the division shall serve the limited partnership with notice in a record that explains the reasons for the denial.
- (2) A limited partnership may seek judicial review of denial of reinstatement in the district court not later than 30 days after service of the notice of denial.

Enacted by Chapter 412, 2013 General Session

**48-2e-813 Disposition of assets in winding up -- When contributions required.**

- (1) In winding up its activities and affairs, a limited partnership shall apply its assets, including the contributions required by this section, to discharge the limited partnership's obligations to creditors, including partners that are creditors.
- (2) After a limited partnership complies with Subsection (1), any surplus must be distributed in the following order, subject to any charging order in effect under Section 48-2e-703:
  - (a) to each person owning a transferable interest that reflects contributions made and not previously returned, an amount equal to the value of the unreturned contributions; and
  - (b) among partners in proportion to their respective rights to share in distributions immediately before the dissolution of the limited partnership, except to the extent necessary to comply with any transfer effective under Section 48-2e-702.
- (3) If a limited partnership's assets are insufficient to satisfy all of its obligations under Subsection (1), with respect to each unsatisfied obligation incurred when the limited partnership was not a limited liability limited partnership, the following rules apply:
  - (a) Each person that was a general partner when the obligation was incurred and that has not been released from the obligation under Section 48-2e-607 shall contribute to the limited partnership for the purpose of enabling the limited partnership to satisfy the obligation. The contribution due from each of those persons is in proportion to the right to receive

distributions in the capacity of general partner in effect for each of those persons when the obligation was incurred.

- (b) If a person does not contribute the full amount required under Subsection (3)(a) with respect to an unsatisfied obligation of the limited partnership, the other persons required to contribute by Subsection (3)(a) on account of the obligation shall contribute the additional amount necessary to discharge the obligation. The additional contribution due from each of those other persons is in proportion to the right to receive distributions in the capacity of general partner in effect for each of those other persons when the obligation was incurred.
- (c) If a person does not make the additional contribution required by Subsection (3)(b), further additional contributions are determined and due in the same manner as provided in that subsection.
- (d) A person that makes an additional contribution under Subsection (3)(b) or (3)(c) may recover from any person whose failure to contribute under Subsection (3)(a) or (3)(b) necessitated the additional contribution. A person may not recover under this subsection more than the amount additionally contributed. A person's liability under this subsection may not exceed the amount the person failed to contribute.
- (4) If a limited partnership does not have sufficient surplus to comply with Subsection (2)(a), any surplus must be distributed among the owners of transferable interests in proportion to the value of the respective unreturned contributions.
- (5) All distributions made under Subsections (2) and (4) must be paid in money.

Enacted by Chapter 412, 2013 General Session

## **Part 9**

### **Foreign Limited Partnerships**

#### **48-2e-901 Governing law.**

- (1) The law of the jurisdiction of formation of a foreign limited partnership governs:
  - (a) the internal affairs of the foreign limited partnership; and
  - (b) the liability of a partner as partner for a debt, obligation, or other liability of the foreign limited partnership.
- (2) A foreign limited partnership is not precluded from registering to do business in this state because of any difference between the law of its jurisdiction of formation and the law of this state.
- (3) Registration of a foreign limited partnership to do business in this state does not authorize the foreign limited partnership to engage in any activities and affairs or exercise any power that a limited partnership may not engage in or exercise in this state.
- (4)
  - (a) The division may permit a tribal limited partnership to apply for authority to transact business in the state in the same manner as a foreign limited partnership formed in another state.
  - (b) If a tribal limited partnership elects to apply for authority to transact business in the state, for purposes of this chapter, the tribal limited partnership shall be treated in the same manner as a foreign limited partnership formed under the laws of another state.

Enacted by Chapter 412, 2013 General Session

**48-2e-902 Registration to do business in this state.**

- (1) A foreign limited partnership may not do business in this state until it registers with the division under this part.
- (2) A foreign limited partnership doing business in this state may not maintain an action or proceeding in this state unless it is registered to do business in this state.
- (3) The failure of a foreign limited partnership to register to do business in this state does not impair the validity of a contract or act of the foreign limited partnership or preclude it from defending an action or proceeding in this state.
- (4) A limitation on the liability of a general partner or limited partners of a foreign limited partnership is not waived solely because the foreign limited partnership does business in this state without registering to do business in this state.
- (5) Subsections 48-2e-901(1) and (2) apply even if the foreign limited partnership fails to register under this part.

Enacted by Chapter 412, 2013 General Session

**48-2e-903 Foreign registration statement.**

To register to do business in this state, a foreign limited partnership must deliver a foreign registration statement to the division for filing. The statement must state:

- (1) the name of the foreign limited partnership and, if the name does not comply with Section 48-2e-108, an alternate name adopted pursuant to Subsection 48-2e-906(1);
- (2) that the limited partnership is a foreign limited partnership;
- (3) the name of the foreign limited partnership's jurisdiction of formation;
- (4) the street and mailing addresses of the foreign limited partnership's principal office and, if the law of the foreign limited partnership's jurisdiction of formation requires the foreign limited partnership to maintain an office in that jurisdiction, the street and mailing addresses of the required office; and
- (5) the information required by Subsection 16-17-203(1).

Enacted by Chapter 412, 2013 General Session

**48-2e-904 Amendment of foreign registration.**

A registered foreign limited partnership shall deliver to the division for filing an amendment to its foreign registration statement if there is a change in:

- (1) the name of the foreign limited partnership;
- (2) the foreign limited partnership's jurisdiction of formation;
- (3) an address required by Subsection 48-2e-903(4); or
- (4) the information required by Subsection 48-2e-903(5).

Enacted by Chapter 412, 2013 General Session

**48-2e-905 Activities not constituting doing business.**

- (1) Activities of a foreign limited partnership which do not constitute doing business in this state under this part include:
  - (a) maintaining, defending, mediating, arbitrating, and settling an action or proceeding;
  - (b) carrying on any activity concerning its internal affairs, including holding meetings of its partners;
  - (c) maintaining accounts in financial institutions;

- (d) maintaining offices or agencies for the transfer, exchange, and registration of securities of the foreign limited partnership or maintaining trustees or depositories with respect to those securities;
  - (e) selling through independent contractors;
  - (f) soliciting or obtaining orders by any means, if the orders require acceptance outside this state before they become contracts;
  - (g) creating or acquiring indebtedness, mortgages, or security interests in property;
  - (h) securing or collecting debts or enforcing mortgages or security interests in property securing the debts, and holding, protecting, or maintaining property;
  - (i) conducting an isolated transaction that is not in the course of similar transactions;
  - (j) owning, without more, property; and
  - (k) doing business in interstate commerce.
- (2) A person does not do business in this state solely by being a partner of a foreign limited partnership that does business in this state. This section does not apply in determining the contacts or activities that may subject a foreign limited partnership to service of process, taxation, or regulation under law of this state other than this chapter.

Enacted by Chapter 412, 2013 General Session

**48-2e-906 Noncomplying name of foreign limited partnership.**

- (1) A foreign limited partnership whose name does not comply with Section 48-2e-108 may not register to do business in this state until it adopts, for the purpose of doing business in this state, an alternate name that complies with Section 48-2e-108. A registered foreign limited partnership that registers under an alternate name under this Subsection (1) need not comply with Title 42, Chapter 2, Conducting Business Under Assumed Name. After registering to do business in this state with an alternate name, a registered foreign limited partnership shall do business in this state under:
- (a) the alternate name;
  - (b) the foreign limited partnership's name, with the addition of its jurisdiction of formation; or
  - (c) an assumed or fictitious name the foreign limited partnership is authorized to use under Title 42, Chapter 2, Conducting Business Under Assumed Name.
- (2) If a registered foreign limited partnership changes its name to one that does not comply with Section 48-2e-108, it may not do business in this state until it complies with Subsection (1) by amending its registration to adopt an alternate name that complies with Section 48-2e-108.

Enacted by Chapter 412, 2013 General Session

**48-2e-907 Withdrawal deemed on conversion to domestic filing entity or domestic limited liability partnership.**

A registered foreign limited partnership that converts to a domestic limited liability partnership or to a domestic entity that is organized, incorporated, or otherwise formed through the delivery of a record to the division for filing is deemed to have withdrawn its registration on the effective date of the conversion.

Enacted by Chapter 412, 2013 General Session

**48-2e-908 Withdrawal on dissolution or conversion to nonfiling entity other than limited liability partnership.**

- (1) A registered foreign limited partnership that has dissolved and completed winding up or has converted to a domestic or foreign entity that is not organized, incorporated, or otherwise formed through the public filing of a record, other than a limited liability partnership, shall deliver a statement of withdrawal to the division for filing. The statement must state:
  - (a) in the case of a foreign limited partnership that has completed winding up:
    - (i) its name and jurisdiction of formation; and
    - (ii) that the foreign limited partnership surrenders its registration to do business in this state as a registered foreign limited partnership; and
  - (b) in the case of a foreign limited partnership that has converted:
    - (i) the name of the converting foreign limited partnership and its jurisdiction of formation;
    - (ii) the type of entity to which the foreign limited partnership has converted and its jurisdiction of formation;
    - (iii) that the converted entity surrenders the converting partnership's registration to do business in this state and revokes the authority of the converting foreign limited partnership's registered agent to act as registered agent in this state on the behalf of the foreign limited partnership or the converted entity; and
    - (iv) a mailing address to which service of process may be made under Subsection (2).
- (2) After a withdrawal under this section of a foreign limited partnership that has converted to another type of entity is effective, service of process in any action or proceeding based on a cause of action arising during the time the foreign limited partnership was registered to do business in this state may be made pursuant to Subsection 16-17-301(2).

Enacted by Chapter 412, 2013 General Session

**48-2e-909 Transfer of registration.**

- (1) When a registered foreign limited partnership has merged into a foreign entity that is not registered to do business in this state or has converted to a foreign entity required to register with the division to do business in this state, the foreign entity shall deliver to the division for filing an application for transfer of registration. The application must state:
  - (a) the name of the registered foreign limited partnership before the merger or conversion;
  - (b) that before the merger or conversion the registration pertained to a foreign limited partnership;
  - (c) the name of the applicant foreign entity into which the foreign limited partnership has merged or to which it has been converted, and, if the name does not comply with Section 48-2e-108 or similar provision of law of this state governing an entity of the same type as the applicant foreign entity, an alternate name adopted pursuant to Subsection 48-2e-906(1) or similar provision of law of this state governing a foreign entity registered to do business in this state of the same type as the applicable foreign entity;
  - (d) the type of entity of the applicant foreign entity and its jurisdiction of formation;
  - (e) the street and mailing addresses of the principal office of the applicant foreign entity and, if the law of the entity's jurisdiction of formation requires the entity to maintain an office in that jurisdiction, the street and mailing addresses of that office; and
  - (f) the information required under Subsection 16-17-203(1).
- (2) When an application for transfer of registration takes effect, the registration of the foreign limited partnership to do business in this state is transferred without interruption to the foreign entity into which the foreign limited partnership has merged or to which it has been converted.

Enacted by Chapter 412, 2013 General Session



**48-2e-910 Termination of registration.**

- (1) The division may terminate the registration of a registered foreign limited partnership in the manner provided in Subsections (2) and (3) if the foreign limited partnership does not:
  - (a) pay, not later than 60 days after the due date, any fee, tax, interest, or penalty required to be paid to the division under this chapter or law other than this chapter;
  - (b) deliver to the division for filing, not later than 60 days after the due date, an annual report;
  - (c) have a registered agent as required by Section 48-2e-111; or
  - (d) deliver to the division for filing a statement of a change under Section 16-17-206 not later than 30 days after a change has occurred in the name or address of the registered agent.
- (2) The division may terminate the registration of a registered foreign limited partnership by:
  - (a) filing a notice of termination or noting the termination in the records of the division; and
  - (b) delivering a copy of the notice or the information in the notation to the foreign limited partnership's registered agent, or if the foreign limited partnership does not have a registered agent, to the foreign limited partnership's principal office.
- (3) The notice must state or the information in the notation under Subsection (2) must include:
  - (a) the effective date of the termination, which must be at least 60 days after the date the division delivers the copy; and
  - (b) the grounds for termination under Subsection (1).
- (4) The authority of the registered foreign limited partnership to do business in this state ceases on the effective date of the notice of termination or notation under Subsection (2), unless before that date the foreign limited partnership cures each ground for termination stated in the notice or notation. If the foreign limited partnership cures each ground, the division shall file a record so stating.

Enacted by Chapter 412, 2013 General Session

**48-2e-911 Withdrawal of registration of registered foreign limited partnership.**

- (1) A registered foreign limited partnership may withdraw its registration by delivering a statement of withdrawal to the division for filing. The statement of withdrawal must state:
  - (a) the name of the foreign limited partnership and its jurisdiction of formation;
  - (b) that the foreign limited partnership is not doing business in this state and that it withdraws its registration to do business in this state;
  - (c) that the foreign limited partnership revokes the authority of its registered agent to accept service on its behalf in this state; and
  - (d) an address to which service of process may be made under Subsection (2).
- (2) After the withdrawal of the registration of a partnership, service of process in any action or proceeding based on a cause of action arising during the time the foreign limited partnership was registered to do business in this state may be made pursuant to Subsection 16-17-301(2).

Enacted by Chapter 412, 2013 General Session

**48-2e-912 Action by attorney general.**

The attorney general may maintain an action to enjoin a foreign limited partnership from doing business in this state in violation of this part.

Enacted by Chapter 412, 2013 General Session

## **Part 10**

### **Actions by Partners**

#### **48-2e-1001 Direct action by partner.**

- (1) Subject to Subsection (2), a partner may maintain a direct action against another partner or the limited partnership, with or without an accounting as to the limited partnership's activities and affairs, to enforce the partner's rights and otherwise protect the partner's interests, including rights and interests under the partnership agreement or this chapter or arising independently of the partnership relationship.
- (2) A partner maintaining a direct action under this section must plead and prove an actual or threatened injury that is not solely the result of an injury suffered or threatened to be suffered by the limited partnership.
- (3) A right to an accounting upon a dissolution and winding up does not revive a claim barred by law.

Enacted by Chapter 412, 2013 General Session

#### **48-2e-1002 Derivative action.**

A partner may maintain a derivative action to enforce a right of a limited partnership if:

- (1) the partner first makes a demand on the general partners, requesting that they cause the limited partnership to bring an action to enforce the right, and the general partners do not bring the action within a reasonable time; or
- (2) a demand under Subsection (1) would be futile.

Enacted by Chapter 412, 2013 General Session

#### **48-2e-1003 Proper plaintiff.**

A derivative action to enforce a right of a limited partnership may be maintained only by a person that is a partner at the time the action is commenced and:

- (1) which was a partner when the conduct giving rise to the action occurred; or
- (2) whose status as a partner devolved on the person by operation of law or pursuant to the terms of the partnership agreement from a person that was a partner at the time of the conduct.

Enacted by Chapter 412, 2013 General Session

#### **48-2e-1004 Pleading.**

In a derivative action to enforce a right of a limited partnership, the complaint must state with particularity:

- (1) the date and content of the plaintiff's demand and the response to the demand by the general partner; or
- (2) why demand should be excused as futile.

Enacted by Chapter 412, 2013 General Session

#### **48-2e-1005 Special litigation committee.**

- (1) If a limited partnership is named as or made a party in a derivative proceeding, the limited partnership may appoint a special litigation committee to investigate the claims asserted in the

proceeding and determine whether pursuing the action is in the best interests of the limited partnership. If the limited partnership appoints a special litigation committee, on motion by the committee made in the name of the limited partnership, except for good cause shown, the court shall stay discovery for the time reasonably necessary to permit the committee to make its investigation. This subsection does not prevent the court from:

- (a) enforcing a person's right to information under Section 48-2e-304 or 48-2e-407; or
  - (b) granting extraordinary relief in the form of a temporary restraining order or preliminary injunction.
- (2) A special litigation committee must be composed of one or more disinterested and independent individuals, who may be partners.
- (3) A special litigation committee may be appointed:
- (a) by a majority of the general partners not named as parties in the proceeding; and
  - (b) if all general partners are named as parties in the proceeding, by a majority of the general partners named as defendants.
- (4) After appropriate investigation, a special litigation committee may determine that it is in the best interests of the limited partnership that the proceeding:
- (a) continue under the control of the plaintiff;
  - (b) continue under the control of the committee;
  - (c) be settled on terms approved by the committee; or
  - (d) be dismissed.
- (5) After making a determination under Subsection (4), a special litigation committee shall file with the court a statement of its determination and its report supporting its determination and shall serve each party with a copy of the determination and report. The court shall determine whether the members of the committee were disinterested and independent and whether the committee conducted its investigation and made its recommendation in good faith, independently, and with reasonable care, with the committee having the burden of proof. If the court finds that the members of the committee were disinterested and independent and that the committee acted in good faith, independently, and with reasonable care, the court shall enforce the determination of the committee. Otherwise, the court shall dissolve the stay of discovery entered under Subsection (1) and allow the action to continue under the control of the plaintiff.

Enacted by Chapter 412, 2013 General Session

#### **48-2e-1006 Proceeds and expenses.**

- (1) Except as otherwise provided in Subsection (2):
- (a) any proceeds or other benefits of a derivative action, whether by judgment, compromise, or settlement, belong to the limited partnership and not to the plaintiff; and
  - (b) if the plaintiff receives any proceeds, the plaintiff shall remit them immediately to the limited partnership.
- (2) If a derivative action is successful in whole or in part, the court may award the plaintiff reasonable expenses, including reasonable attorney's fees and costs, from the recovery of the limited partnership.
- (3) A derivative action on behalf of a limited partnership may not be voluntarily dismissed or settled without the court's approval.

Enacted by Chapter 412, 2013 General Session

## Part 11

### Merger, Interest Exchange, Conversion, and Domestication

#### 48-2e-1101 Definitions.

In this part:

- (1) "Acquired entity" means the entity, all of one or more classes or series of interests in which are acquired in an interest exchange.
- (2) "Acquiring entity" means the entity that acquires all of one or more classes or series of interests of the acquired entity in an interest exchange.
- (3) "Conversion" means a transaction authorized by Sections 48-2e-1141 through 48-2e-1146.
- (4) "Converted entity" means the converting entity as it continues in existence after a conversion.
- (5) "Converting entity" means the domestic entity that approves a plan of conversion pursuant to Section 48-2e-1143 or the foreign entity that approves a conversion pursuant to the law of its jurisdiction of formation.
- (6) "Distributional interest" means the right under an unincorporated entity's organic law and organic rules to receive distributions from the entity.
- (7) "Domestic," with respect to an entity, means governed as to its internal affairs by the law of this state.
- (8) "Domesticated limited partnership" means the domesticating limited partnership as it continues in existence after a domestication.
- (9) "Domesticating limited partnership" means the domestic limited partnership that approves a plan of domestication pursuant to Section 48-2e-1153 or the foreign limited partnership that approves a domestication pursuant to the law of its jurisdiction of formation.
- (10) "Domestication" means a transaction authorized by Sections 48-2e-1151 through 48-2e-1156.
- (11) "Entity":
  - (a) means:
    - (i) a business corporation;
    - (ii) a nonprofit corporation;
    - (iii) a general partnership, including a limited liability partnership;
    - (iv) a limited partnership, including a limited liability limited partnership;
    - (v) a limited liability company;
    - (vi) a limited cooperative association;
    - (vii) an unincorporated nonprofit association;
    - (viii) a statutory trust, business trust, or common-law business trust; or
    - (ix) any other person that has:
      - (A) a legal existence separate from any interest holder of that person; or
      - (B) the power to acquire an interest in real property in its own name; and
  - (b) does not include:
    - (i) an individual;
    - (ii) a trust with a predominantly donative purpose, or a charitable trust;
    - (iii) an association or relationship that is not a partnership solely by reason of Subsection 48-1d-202(3) or a similar provision of the law of another jurisdiction;
    - (iv) a decedent's estate; or
    - (v) a government or a governmental subdivision, agency, or instrumentality.
- (12) "Filing entity" means an entity whose formation requires the filing of a public organic record.
- (13) "Foreign," with respect to an entity, means an entity governed as to its internal affairs by the law of a jurisdiction other than this state.

- (14) "Governance interest" means a right under the organic law or organic rules of an unincorporated entity, other than as a governor, agent, assignee, or proxy, to:
- (a) receive or demand access to information concerning, or the books and records of, the entity;
  - (b) vote for or consent to the election of the governors of the entity; or
  - (c) receive notice of or vote on or consent to an issue involving the internal affairs of the entity.
- (15) "Governor" means:
- (a) a director of a business corporation;
  - (b) a director or trustee of a nonprofit corporation;
  - (c) a general partner of a general partnership;
  - (d) a general partner of a limited partnership;
  - (e) a manager of a manager-managed limited liability company;
  - (f) a member of a member-managed limited liability company;
  - (g) a director of a limited cooperative association;
  - (h) a manager of an unincorporated nonprofit association;
  - (i) a trustee of a statutory trust, business trust, or common-law business trust; or
  - (j) any other person under whose authority the powers of an entity are exercised and under whose direction the activities and affairs of the entity are managed pursuant to the organic law and organic rules of the entity.
- (16) "Interest" means:
- (a) a share in a business corporation;
  - (b) a membership in a nonprofit corporation;
  - (c) a partnership interest in a general partnership;
  - (d) a partnership interest in a limited partnership;
  - (e) a membership interest in a limited liability company;
  - (f) a member's interest in a limited cooperative association;
  - (g) a membership in an unincorporated nonprofit association;
  - (h) a beneficial interest in a statutory trust, business trust, or common-law business trust; or
  - (i) a governance interest or distributional interest in any other type of unincorporated entity.
- (17) "Interest exchange" means a transaction authorized by Sections 48-2e-1131 through 48-2e-1136.
- (18) "Interest holder" means:
- (a) a shareholder of a business corporation;
  - (b) a member of a nonprofit corporation;
  - (c) a general partner of a general partnership;
  - (d) a general partner of a limited partnership;
  - (e) a limited partner of a limited partnership;
  - (f) a member of a limited liability company;
  - (g) a member of a limited cooperative association;
  - (h) a member of an unincorporated nonprofit association;
  - (i) a beneficiary or beneficial owner of a statutory trust, business trust, or common-law business trust; or
  - (j) any other direct holder of an interest.
- (19) "Interest holder liability" means:
- (a) personal liability for a liability of an entity which is imposed on a person:
    - (i) solely by reason of the status of the person as an interest holder; or
    - (ii) by the organic rules of the entity which make one or more specified interest holders or categories of interest holders liable in their capacity as interest holders for all or specified liabilities of the entity; or

- (b) an obligation of an interest holder under the organic rules of an entity to contribute to the entity.
- (20) "Jurisdiction of formation" means the jurisdiction whose law includes the organic law of an entity.
- (21) "Merger" means a transaction authorized by Sections 48-2e-1121 through 48-2e-1126.
- (22) "Merging entity" means an entity that is a party to a merger and exists immediately before the merger becomes effective.
- (23) "Organic law" means the law of an entity's jurisdiction of formation governing the internal affairs of the entity.
- (24) "Organic rules" means the public organic record and private organic rules of an entity.
- (25) "Plan" means a plan of merger, plan of interest exchange, plan of conversion, or plan of domestication.
- (26) "Plan of conversion" means a plan under Section 48-2e-1142.
- (27) "Plan of domestication" means a plan under Section 48-2e-1152.
- (28) "Plan of interest exchange" means a plan under Section 48-2e-1132.
- (29) "Plan of merger" means a plan under Section 48-2e-1122.
- (30) "Private organic rules" means the rules, whether or not in a record, that govern the internal affairs of an entity, are binding on all its interest holders, and are not part of its public organic record, if any. The term includes:
  - (a) the bylaws of a business corporation;
  - (b) the bylaws of a nonprofit corporation;
  - (c) the partnership agreement of a general partnership;
  - (d) the partnership agreement of a limited partnership;
  - (e) the operating agreement of a limited liability company;
  - (f) the bylaws of a limited cooperative association;
  - (g) the governing principles of an unincorporated nonprofit association; and
  - (h) the trust instrument of a statutory trust or similar rules of a business trust or a common-law business trust.
- (31) "Protected agreement" means:
  - (a) a record evidencing indebtedness and any related agreement in effect on January 1, 2014;
  - (b) an agreement that is binding on an entity on January 1, 2014;
  - (c) the organic rules of an entity in effect on January 1, 2014; or
  - (d) an agreement that is binding on any of the governors or interest holders of an entity on January 1, 2014.
- (32) "Public organic record" means the record, the filing of which by the division is required to form an entity, and any amendment to or restatement of that record. The term includes:
  - (a) the articles of incorporation of a business corporation;
  - (b) the articles of incorporation of a nonprofit corporation;
  - (c) the certificate of limited partnership of a limited partnership;
  - (d) the certificate of organization of a limited liability company;
  - (e) the articles of organization of a limited cooperative association; and
  - (f) the certificate of trust of a statutory trust or similar record of a business trust.
- (33) "Registered foreign entity" means a foreign entity that is registered to do business in this state pursuant to a record filed by the division.
- (34) "Statement of conversion" means a statement under Section 48-2e-1145.
- (35) "Statement of domestication" means a statement under Section 48-2e-1155.
- (36) "Statement of interest exchange" means a statement under Section 48-2e-1135.
- (37) "Statement of merger" means a statement under Section 48-2e-1125.

- (38) "Surviving entity" means the entity that continues in existence after or is created by a merger.
- (39) "Type of entity" means a generic form of entity:
- (a) recognized at common law; or
  - (b) formed under an organic law, whether or not some entities formed under that organic law are subject to provisions of that law that create different categories of the form of entity.

Enacted by Chapter 412, 2013 General Session

**48-2e-1102 Relationship of part to other laws.**

This part does not authorize an act prohibited by, and does not affect the application or requirements of, law other than this part.

Enacted by Chapter 412, 2013 General Session

***Superseded 7/1/2024***

**48-2e-1103 Required notice or approval.**

- (1) A domestic or foreign entity that is required to give notice to, or obtain the approval of, a governmental agency or officer of this state to be a party to a merger must give the notice or obtain the approval to be a party to an interest exchange, conversion, or domestication.
- (2) Property held for a charitable purpose under the law of this state by a domestic or foreign entity immediately before a transaction under this part becomes effective may not, as a result of the transaction, be diverted from the objects for which it was donated, granted, devised, or otherwise transferred unless, to the extent required by or pursuant to the law of this state concerning cy pres or other law dealing with nondiversion of charitable assets, the entity obtains an appropriate order of the district court specifying the disposition of the property.
- (3) A bequest, devise, gift, grant, or promise contained in a will or other instrument of donation, subscription, or conveyance that is made to a merging entity that is not the surviving entity and that takes effect or remains payable after the merger inures to the surviving entity. A trust obligation that would govern property if transferred to the nonsurviving entity applies to property that is transferred to the surviving entity under this section.

Enacted by Chapter 412, 2013 General Session

***Effective 7/1/2024***

**48-2e-1103 Required notice or approval.**

- (1) A domestic or foreign entity that is required to give notice to, or obtain the approval of, a governmental agency or officer of this state to be a party to a merger must give the notice or obtain the approval to be a party to an interest exchange, conversion, or domestication.
- (2) Property held for a charitable purpose under the law of this state by a domestic or foreign entity immediately before a transaction under this part becomes effective may not, as a result of the transaction, be diverted from the objects for which it was donated, granted, devised, or otherwise transferred unless, to the extent required by or pursuant to the law of this state concerning cy pres or other law dealing with nondiversion of charitable assets, the entity obtains a court order specifying the disposition of the property.
- (3) A bequest, devise, gift, grant, or promise contained in a will or other instrument of donation, subscription, or conveyance that is made to a merging entity that is not the surviving entity and that takes effect or remains payable after the merger inures to the surviving entity. A trust

obligation that would govern property if transferred to the nonsurviving entity applies to property that is transferred to the surviving entity under this section.

Amended by Chapter 401, 2023 General Session

**48-2e-1104 Status of filings.**

A filing under this part signed by a domestic entity becomes part of the public organic record of the entity if the entity's organic law provides that similar filings under that law become part of the public organic record of the entity.

Enacted by Chapter 412, 2013 General Session

**48-2e-1105 Nonexclusivity.**

The fact that a transaction under this part produces a certain result does not preclude the same result from being accomplished in any other manner permitted by law other than this part.

Enacted by Chapter 412, 2013 General Session

**48-2e-1106 Reference to external facts.**

A plan may refer to facts ascertainable outside the plan if the manner in which the facts will operate upon the plan is specified in the plan. The facts may include the occurrence of an event or a determination or action by a person, whether or not the event, determination, or action is within the control of a party to the transaction.

Enacted by Chapter 412, 2013 General Session

**48-2e-1107 Alternative means of approval of transactions.**

Except as otherwise provided in the organic law or organic rules of a domestic entity, approval of a transaction under this part by the unanimous vote or consent of its interest holders satisfies the requirements of this part for approval of the transaction.

Enacted by Chapter 412, 2013 General Session

**48-2e-1108 Appraisal rights.**

- (1) An interest holder of a domestic merging, acquired, converting, or domesticating entity is entitled to appraisal rights in connection with the transaction if the interest holder would have been entitled to appraisal rights under the entity's organic law in connection with a merger in which the interest of the interest holder was changed, converted, or exchanged unless:
  - (a) the organic law permits the organic rules to limit the availability of appraisal rights; and
  - (b) the organic rules provide such a limit.
- (2) An interest holder of a domestic merging, acquired, converting, or domesticating entity is entitled to contractual appraisal rights in connection with a transaction under this part to the extent provided in:
  - (a) the entity's organic rules; or
  - (b) the plan.

Enacted by Chapter 412, 2013 General Session



**48-2e-1121 Merger authorized.**

- (1) By complying with Sections 48-2e-1121 through 48-2e-1126:
  - (a) one or more domestic limited partnerships may merge with one or more domestic or foreign entities into a domestic or foreign surviving entity; and
  - (b) two or more foreign entities may merge into a domestic limited partnership.
- (2) By complying with the provisions of Sections 48-2e-1121 through 48-2e-1126 applicable to foreign entities, a foreign entity may be a party to a merger under Sections 48-2e-1121 through 48-2e-1126 or may be the surviving entity in such a merger if the merger is authorized by the law of the foreign entity's jurisdiction of formation.

Enacted by Chapter 412, 2013 General Session

**48-2e-1122 Plan of merger.**

- (1) A domestic limited partnership may become a party to a merger under Sections 48-2e-1121 through 48-2e-1126 by approving a plan of merger. The plan must be in a record and contain:
  - (a) as to each merging entity, its name, jurisdiction of formation, and type of entity;
  - (b) if the surviving entity is to be created in the merger, a statement to that effect and the entity's name, jurisdiction of formation, and type of entity;
  - (c) the manner of converting the interests in each party to the merger into interests, securities, obligations, money, other property, rights to acquire interests or securities, or any combination of the foregoing;
  - (d) if the surviving entity exists before the merger, any proposed amendments to its public organic record, if any, or to its private organic rules that are, or are proposed to be, in a record;
  - (e) if the surviving entity is to be created in the merger, its proposed public organic record, if any, and the full text of its private organic rules that are proposed to be in a record;
  - (f) the other terms and conditions of the merger; and
  - (g) any other provision required by the law of a merging entity's jurisdiction of formation or the organic rules of a merging entity.
- (2) In addition to the requirements of Subsection (1), a plan of merger may contain any other provision not prohibited by law.

Enacted by Chapter 412, 2013 General Session

**48-2e-1123 Approval of merger.**

- (1) A plan of merger is not effective unless it has been approved:
  - (a) by a domestic merging limited partnership, by all the partners of the limited partnership entitled to vote on or consent to any matter; and
  - (b) in a record, by each partner of a domestic merging limited partnership that will have interest holder liability for debts, obligations, and other liabilities that arise after the merger becomes effective, unless:
    - (i) the partnership agreement of the limited partnership in a record provides for the approval of a merger in which some or all of its partners become subject to interest holder liability by the vote or consent of fewer than all the partners; and
    - (ii) the partner consented in a record to or voted for that provision of the partnership agreement or became a partner after the adoption of that provision.
- (2) A merger involving a domestic merging entity that is not a limited partnership is not effective unless the merger is approved by that entity in accordance with its organic law.

- (3) A merger involving a foreign merging entity is not effective unless the merger is approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of formation.

Enacted by Chapter 412, 2013 General Session

**48-2e-1124 Amendment or abandonment of plan of merger.**

- (1) A plan of merger may be amended only with the consent of each party to the plan, except as otherwise provided in the plan.
- (2) A domestic merging limited partnership may approve an amendment of a plan of merger:
- (a) in the same manner as the plan was approved, if the plan does not provide for the manner in which it may be amended; or
  - (b) by the partners in the manner provided in the plan, but a partner that was entitled to vote on or consent to approval of the merger is entitled to vote on or consent to any amendment of the plan that will change:
    - (i) the amount or kind of interests, securities, obligations, money, other property, rights to acquire interests or securities, or any combination of the foregoing, to be received by the interest holders of any party to the plan;
    - (ii) the public organic record, if any, or private organic rules of the surviving entity that will be in effect immediately after the merger becomes effective, except for changes that do not require approval of the interest holders of the surviving entity under its organic law or organic rules; or
    - (iii) any other terms or conditions of the plan, if the change would adversely affect the partner in any material respect.
- (3) After a plan of merger has been approved and before a statement of merger becomes effective, the plan may be abandoned as provided in the plan. Unless prohibited by the plan, a domestic merging limited partnership may abandon the plan in the same manner as the plan was approved.
- (4) If a plan of merger is abandoned after a statement of merger has been delivered to the division for filing and before the statement becomes effective, a statement of abandonment, signed by a party to the plan, must be delivered to the division for filing before the statement of merger becomes effective. The statement of abandonment takes effect on filing, and the merger is abandoned and does not become effective. The statement of abandonment must contain:
- (a) the name of each party to the plan of merger;
  - (b) the date on which the statement of merger was delivered to the division for filing; and
  - (c) a statement that the merger has been abandoned in accordance with this section.

Enacted by Chapter 412, 2013 General Session

**48-2e-1125 Statement of merger.**

- (1) A statement of merger must be signed by each merging entity and delivered to the division for filing.
- (2) A statement of merger must contain:
- (a) the name, jurisdiction of formation, and type of entity of each merging entity that is not the surviving entity;
  - (b) the name, jurisdiction of formation, and type of entity of the surviving entity;
  - (c) a statement that the merger was approved by each domestic merging entity, if any, in accordance with Sections 48-2e-1121 through 48-2e-1126 and by each foreign merging entity, if any, in accordance with the law of its jurisdiction of formation;

- (d) if the surviving entity exists before the merger and is a domestic filing entity, any amendment to its public organic record approved as part of the plan of merger;
  - (e) if the surviving entity is created by the merger and is a domestic filing entity, its public organic record, as an attachment;
  - (f) if the surviving entity is created by the merger and is a domestic limited liability partnership, its statement of qualification, as an attachment; and
  - (g) if the surviving entity is a foreign entity that is not a registered foreign entity, a mailing address to which the division may send any process served on the division pursuant to Subsection 48-2e-1126(5).
- (3) In addition to the requirements of Subsection (2), a statement of merger may contain any other provision not prohibited by law.
- (4) If the surviving entity is a domestic entity, its public organic record, if any, must satisfy the requirements of the law of this state, but the public organic record does not need to be signed.
- (5) A plan of merger that is signed by all the merging entities and meets all the requirements of Subsection (2) may be delivered to the division for filing instead of a statement of merger and on filing has the same effect. If a plan of merger is filed as provided in this Subsection (5), references in this part to a statement of merger refer to the plan of merger filed under this Subsection (5).

Enacted by Chapter 412, 2013 General Session

**48-2e-1126 Effect of merger.**

- (1) When a merger becomes effective:
- (a) the surviving entity continues or comes into existence;
  - (b) each merging entity that is not the surviving entity ceases to exist;
  - (c) all property of each merging entity vests in the surviving entity without transfer, reversion, or impairment;
  - (d) all debts, obligations, and other liabilities of each merging entity are debts, obligations, and other liabilities of the surviving entity;
  - (e) except as otherwise provided by law or the plan of merger, all the rights, privileges, immunities, powers, and purposes of each merging entity vest in the surviving entity;
  - (f) if the surviving entity exists before the merger:
    - (i) all its property continues to be vested in it without transfer, reversion, or impairment;
    - (ii) it remains subject to all its debts, obligations, and other liabilities; and
    - (iii) all its rights, privileges, immunities, powers, and purposes continue to be vested in it;
  - (g) the name of the surviving entity may be substituted for the name of any merging entity that is a party to any pending action or proceeding;
  - (h) if the surviving entity exists before the merger:
    - (i) its public organic record, if any, is amended as provided in the statement of merger; and
    - (ii) its private organic rules that are to be in a record, if any, are amended to the extent provided in the plan of merger;
  - (i) if the surviving entity is created by the merger:
    - (i) its public organic record, if any, is effective; and
    - (ii) its private organic rules are effective; and
  - (j) the interests in each merging entity which are to be converted in the merger are converted, and the interest holders of those interests are entitled only to the rights provided to them under the plan of merger and to any appraisal rights they have under Section 48-2e-1108 and the merging entity's organic law.

- (2) Except as otherwise provided in the organic law or organic rules of a merging entity, the merger does not give rise to any rights that an interest holder, governor, or third party would otherwise have upon a dissolution, liquidation, or winding up of the merging entity.
- (3) When a merger becomes effective, a person that did not have interest holder liability with respect to any of the merging entities and becomes subject to interest holder liability with respect to a domestic entity as a result of the merger has interest holder liability only to the extent provided by the organic law of that entity and only for those debts, obligations, and other liabilities that arise after the merger becomes effective.
- (4) When a merger becomes effective, the interest holder liability of a person that ceases to hold an interest in a domestic merging entity with respect to which the person had interest holder liability is as follows:
  - (a) The merger does not discharge any interest holder liability under the organic law of the domestic merging entity to the extent the interest holder liability arose before the merger became effective.
  - (b) The person does not have interest holder liability under the organic law of the domestic merging entity for any debt, obligation, or other liability that arises after the merger becomes effective.
  - (c) The organic law of the domestic merging entity continues to apply to the release, collection, or discharge of any interest holder liability preserved under Subsection (4)(a) as if the merger had not occurred and the surviving entity were the domestic merging entity.
  - (d) The person has whatever rights of contribution from any other person as are provided by law other than this chapter, this chapter, or the organic rules of the domestic merging entity with respect to any interest holder liability preserved under Subsection (4)(a) as if the merger had not occurred.
- (5) When a merger becomes effective, a foreign entity that is the surviving entity may be served with process in this state for the collection and enforcement of any debts, obligations, or other liabilities of a domestic merging entity as provided in Section 16-17-301.
- (6) When a merger becomes effective, the registration to do business in this state of any foreign merging entity that is not the surviving entity is canceled.

Enacted by Chapter 412, 2013 General Session

**48-2e-1131 Interest exchange authorized.**

- (1) By complying with Sections 48-2e-1131 through 48-2e-1136:
  - (a) a domestic limited partnership may acquire all of one or more classes or series of interests of another domestic or foreign entity in exchange for interests, securities, obligations, money, other property, rights to acquire interests or securities, or any combination of the foregoing; or
  - (b) all of one or more classes or series of interests of a domestic limited partnership may be acquired by another domestic or foreign entity in exchange for interests, securities, obligations, rights to acquire interests or securities, money, or other property, or any combination of the foregoing.
- (2) By complying with the provisions of Sections 48-2e-1131 through 48-2e-1136 applicable to foreign entities, a foreign entity may be the acquiring or acquired entity in an interest exchange under Sections 48-2e-1131 through 48-2e-1136 if the interest exchange is authorized by the law of the foreign entity's jurisdiction of formation.
- (3) If a protected agreement contains a provision that applies to a merger of a domestic limited partnership but does not refer to an interest exchange, the provision applies to an interest

exchange in which the domestic limited partnership is the acquired entity as if the interest exchange were a merger until the provision is amended after January 1, 2014.

Enacted by Chapter 412, 2013 General Session

**48-2e-1132 Plan of interest exchange.**

- (1) A domestic limited partnership may be the acquired entity in an interest exchange under Sections 48-2e-1131 through 48-2e-1136 by approving a plan of interest exchange. The plan must be in a record and contain:
  - (a) the name of the acquired entity;
  - (b) the name, jurisdiction of formation, and type of entity of the acquiring entity;
  - (c) the manner of converting the interests in the acquired entity into interests, securities, obligations, money, other property, rights to acquire interests or securities, or any combination of the foregoing;
  - (d) any proposed amendments to the certificate of limited partnership or partnership agreement that are, or are proposed to be, in a record of the acquired entity;
  - (e) the other terms and conditions of the interest exchange; and
  - (f) any other provision required by the law of this state or the partnership agreement of the acquired entity.
- (2) In addition to the requirements of Subsection (1), a plan of interest exchange may contain any other provision not prohibited by law.

Enacted by Chapter 412, 2013 General Session

**48-2e-1133 Approval of interest exchange.**

- (1) A plan of interest exchange is not effective unless it has been approved:
  - (a) by all the partners of a domestic acquired limited partnership entitled to vote on or consent to any matter; and
  - (b) in a record, by each partner of the domestic acquired limited partnership that will have interest holder liability for debts, obligations, and other liabilities that arise after the interest exchange becomes effective, unless:
    - (i) the partnership agreement of the limited partnership in a record provides for the approval of an interest exchange or a merger in which some or all of its partners become subject to interest holder liability by the vote or consent of fewer than all of the partners; and
    - (ii) the partner consented in a record to or voted for that provision of the partnership agreement or became a partner after the adoption of that provision.
- (2) An interest exchange involving a domestic acquired entity that is not a limited partnership is not effective unless it is approved by the domestic entity in accordance with its organic law.
- (3) An interest exchange involving a foreign acquired entity is not effective unless it is approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of formation.
- (4) Except as otherwise provided in its organic law or organic rules, the interest holders of the acquiring entity are not required to approve the interest exchange.

Enacted by Chapter 412, 2013 General Session

**48-2e-1134 Amendment or abandonment of plan of interest exchange.**

- (1) A plan of interest exchange may be amended only with the consent of each party to the plan, except as otherwise provided in the plan.

- (2) A domestic acquired limited partnership may approve an amendment of a plan of interest exchange:
  - (a) in the same manner as the plan was approved, if the plan does not provide for the manner in which it may be amended; or
  - (b) by the partners of the limited partnership in the manner provided in the plan, but a partner that was entitled to vote on or consent to approval of the interest exchange is entitled to vote on or consent to any amendment of the plan that will change:
    - (i) the amount or kind of interests, securities, obligations, money, other property, rights to acquire interests or securities, or any combination of the foregoing, to be received by any of the partners of the acquired limited partnership under the plan;
    - (ii) the certificate of limited partnership or partnership agreement of the acquired limited partnership that will be in effect immediately after the interest exchange becomes effective, except for changes that do not require approval of the partners of the acquired limited partnership under this chapter or the partnership agreement; or
    - (iii) any other terms or conditions of the plan, if the change would adversely affect the partner in any material respect.
- (3) After a plan of interest exchange has been approved and before a statement of interest exchange becomes effective, the plan may be abandoned as provided in the plan. Unless prohibited by the plan, a domestic acquired limited partnership may abandon the plan in the same manner as the plan was approved.
- (4) If a plan of interest exchange is abandoned after a statement of interest exchange has been delivered to the division for filing and before the statement becomes effective, a statement of abandonment, signed by the acquired limited partnership, must be delivered to the division for filing before the statement of interest exchange becomes effective. The statement of abandonment takes effect on filing, and the interest exchange is abandoned and does not become effective. The statement of abandonment must contain:
  - (a) the name of the acquired limited partnership;
  - (b) the date on which the statement of interest exchange was delivered to the division for filing; and
  - (c) a statement that the interest exchange has been abandoned in accordance with this section.

Enacted by Chapter 412, 2013 General Session

**48-2e-1135 Statement of interest exchange.**

- (1) A statement of interest exchange must be signed by a domestic acquired limited partnership and delivered to the division for filing.
- (2) A statement of interest exchange must contain:
  - (a) the name of the acquired limited partnership;
  - (b) the name, jurisdiction of formation, and type of entity of the acquiring entity;
  - (c) a statement that the plan of interest exchange was approved by the acquired entity in accordance with Sections 48-2e-1131 through 48-2e-1136; and
  - (d) any amendments to the acquired limited partnership's certificate of limited partnership approved as part of the plan of interest exchange.
- (3) In addition to the requirements of Subsection (2), a statement of interest exchange may contain any other provision not prohibited by law.
- (4) A plan of interest exchange that is signed by a domestic acquired limited partnership and meets all the requirements of Subsection (2) may be delivered to the division for filing instead of a statement of interest exchange and on filing has the same effect. If a plan of interest exchange

is filed as provided in this Subsection (4), references in this part to a statement of interest exchange refer to the plan of interest exchange filed under this Subsection (4).

Enacted by Chapter 412, 2013 General Session

**48-2e-1136 Effect of interest exchange.**

- (1) When an interest exchange in which the acquired entity is a domestic limited partnership becomes effective:
  - (a) the interests in the domestic acquired limited partnership that are the subject of the interest exchange cease to exist or are converted or exchanged, and the partners holding those interests are entitled only to the rights provided to them under the plan of interest exchange and to any appraisal rights they have under Section 48-2e-1108;
  - (b) the acquiring entity becomes the interest holder of the interests in the acquired limited partnership stated in the plan of interest exchange to be acquired by the acquiring entity;
  - (c) the certificate of limited partnership of the acquired limited partnership is amended as provided in the statement of interest exchange; and
  - (d) the provisions of the partnership agreement of the acquired limited partnership that are to be in a record, if any, are amended to the extent provided in the plan of interest exchange.
- (2) Except as otherwise provided in the partnership agreement of a domestic acquired limited partnership, the interest exchange does not give rise to any rights that a partner or third party would have upon a dissolution, liquidation, or winding up of the acquired limited partnership.
- (3) When an interest exchange becomes effective, a person that did not have interest holder liability with respect to a domestic acquired limited partnership and becomes subject to interest holder liability with respect to a domestic entity as a result of the interest exchange has interest holder liability only to the extent provided by the organic law of the entity and only for those debts, obligations, and other liabilities that arise after the interest exchange becomes effective.
- (4) When an interest exchange becomes effective, the interest holder liability of a person that ceases to hold an interest in a domestic acquired limited partnership with respect to which the person had interest holder liability is as follows:
  - (a) The interest exchange does not discharge any interest holder liability to the extent the interest holder liability arose before the interest exchange became effective.
  - (b) The person does not have interest holder liability for any debt, obligation, or other liability that arises after the interest exchange becomes effective.
  - (c) The person has whatever rights of contribution from any other person as are provided by other law, this chapter, or the partnership agreement of the acquired entity with respect to any interest holder liability preserved under Subsection (4)(a) as if the interest exchange had not occurred.

Enacted by Chapter 412, 2013 General Session

**48-2e-1141 Conversion authorized.**

- (1) As used in Sections 48-2e-1141 through 48-2e-1146, the term "subject entity" includes a corporation, a business trust or association, a real estate investment trust, a common-law trust, or any other unincorporated business, including a limited liability company, a general partnership, a registered limited liability partnership, or a foreign limited partnership.
- (2) A subject entity may convert to a domestic limited partnership by complying with Sections 48-2e-1141 through 48-2e-1146.

- (3) By complying with Sections 48-2e-1141 through 48-2e-1146 a domestic limited partnership may become:
  - (a) a domestic entity that is a different type of entity; or
  - (b) a foreign entity that is a different type of entity, if the conversion is authorized by the law of the foreign jurisdiction.
- (4) By complying with the provisions of Sections 48-2e-1141 through 48-2e-1146 applicable to foreign entities, a foreign entity that is not a foreign limited partnership may become a domestic limited partnership if the conversion is authorized by the law of the foreign entity's jurisdiction of formation.
- (5) If a protected agreement contains a provision that applies to a merger of a domestic limited partnership but does not refer to a conversion, the provision applies to a conversion of the entity as if the conversion were a merger until the provision is amended after January 1, 2014.

Amended by Chapter 227, 2015 General Session

**48-2e-1142 Plan of conversion.**

- (1) A subject entity may convert to a domestic limited partnership or a domestic limited partnership may convert to a different type of entity under Sections 48-2e-1141 through 48-2e-1146 by approving a plan of conversion. The plan must be in a record and contain:
  - (a) the name of the converting subject entity or limited partnership;
  - (b) the name, jurisdiction of formation, and type of entity of the converted entity;
  - (c) the manner of converting the interests in the converting subject entity or limited partnership into interests, securities, obligations, money, other property, rights to acquire interests or securities, or any combination of the foregoing;
  - (d) the proposed public organic record of the converted entity if it will be a filing entity;
  - (e) the full text of the private organic rules of the converted entity that are proposed to be in a record;
  - (f) the other terms and conditions of the conversion; and
  - (g) any other provision required by the law of this state or the partnership agreement of the converting limited partnership.
- (2) In addition to the requirements of Subsection (1), a plan of conversion may contain any other provision not prohibited by law.

Amended by Chapter 227, 2015 General Session

**48-2e-1143 Approval of conversion.**

- (1) A plan of conversion is not effective unless it has been approved:
  - (a) by a domestic converting limited partnership by all of the partners of the limited partnership entitled to vote on or consent to any matter; and
  - (b) in a record, by each partner of a domestic converting limited partnership that will have interest holder liability for debts, obligations, and other liabilities that arise after the conversion becomes effective:
    - (i) the partnership agreement of the limited partnership provides in a record for the approval of a conversion or a merger in which some or all of its partners become subject to interest holder liability by the vote or consent of fewer than all the interest holders; and
    - (ii) the partner voted for or consented in a record to that provision of the partnership agreement or became a partner after the adoption of that provision.



- (2) A conversion involving a domestic converting entity that is not a limited partnership, including a subject entity, is not effective unless it is approved by the domestic converting entity in accordance with its organic law.
- (3) A conversion of a foreign converting entity is not effective unless it is approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of formation.

Amended by Chapter 227, 2015 General Session

**48-2e-1144 Amendment or abandonment of plan of conversion.**

- (1) A plan of conversion of a subject entity or domestic converting limited partnership may be amended:
  - (a) in the same manner as the plan was approved, if the plan does not provide for the manner in which it may be amended; or
  - (b) by the partners of the limited partnership in the manner provided in the plan, but a partner that was entitled to vote on or consent to approval of the conversion is entitled to vote on or consent to any amendment of the plan that will change:
    - (i) the amount or kind of interests, securities, obligations, money, other property, rights to acquire interests or securities, or any combination of the foregoing, to be received by any of the partners of the converting entity under the plan;
    - (ii) the public organic record or private organic rules of the converted entity that will be in effect immediately after the conversion becomes effective, except for changes that do not require approval of the interest holders of the converted entity under its organic law or organic rules; or
    - (iii) any other terms or conditions of the plan, if the change would adversely affect the partner in any material respect.
- (2) After a plan of conversion has been approved and before a statement of conversion becomes effective, the plan may be abandoned as provided in the plan. Unless prohibited by the plan, a domestic converting limited partnership may abandon the plan in the same manner as the plan was approved.
- (3) If a plan of conversion is abandoned after a statement of conversion has been delivered to the division for filing and before the statement becomes effective, a statement of abandonment, signed by the converting entity, must be delivered to the division for filing before the time the statement of conversion becomes effective. The statement of abandonment takes effect on filing, and the conversion is abandoned and does not become effective. The statement of abandonment must contain:
  - (a) the name of the converting subject entity or limited partnership;
  - (b) the date on which the statement of conversion was delivered to the division for filing; and
  - (c) a statement that the conversion has been abandoned in accordance with this section.

Amended by Chapter 227, 2015 General Session

**48-2e-1145 Statement of conversion.**

- (1) A statement of conversion must be signed by the converting entity and delivered to the division for filing.
- (2) A statement of conversion must contain:
  - (a) the name, jurisdiction of formation, and type of entity of the converting entity;
  - (b) the name, jurisdiction of formation, and type of entity of the converted entity;

- (c) if the converting entity is a domestic entity, a statement that the plan of conversion was approved in accordance with Sections 48-2e-1141 through 48-2e-1146 or, if the converting entity is a foreign entity, a statement that the conversion was approved by the foreign converting entity in accordance with the law of its jurisdiction of formation;
  - (d) if the converted entity is a domestic filing entity, the text of its public organic record, as an attachment;
  - (e) if the converted entity is a domestic limited liability partnership, the text of its statement of qualification, as an attachment; and
  - (f) if the converted entity is a foreign entity that is not a registered foreign entity, a mailing address to which the division may send any process served on the division pursuant to Subsection 48-2e-1146(5).
- (3) In addition to the requirements of Subsection (2), a statement of conversion may contain any other provision not prohibited by law.
- (4) If the converted entity is a domestic entity, its public organic record, if any, must satisfy the requirements of the law of this state, but the public organic record does not need to be signed.
- (5) A plan of conversion that is signed by a domestic converting entity and meets all the requirements of Subsection (2) may be delivered to the division for filing instead of a statement of conversion and on filing has the same effect. If a plan of conversion is filed as provided in this Subsection (5), references in this part to a statement of conversion refer to the plan of conversion filed under this Subsection (5).

Enacted by Chapter 412, 2013 General Session

**48-2e-1146 Effect of conversion.**

- (1) When a conversion in which the converted entity is a subject entity or domestic limited partnership becomes effective:
- (a) the converted entity is:
    - (i) organized under and subject to this chapter; and
    - (ii) the same entity without interruption as the converting entity;
  - (b) all property of the converting entity continues to be vested in the converted entity without transfer, reversion, or impairment;
  - (c) all debts, obligations, and other liabilities of the converting entity continue as debts, obligations, and other liabilities of the converted entity;
  - (d) except as otherwise provided by law or the plan of conversion, all the rights, privileges, immunities, powers, and purposes of the converting entity remain in the converted entity;
  - (e) the name of the converted entity may be substituted for the name of the converting entity in any pending action or proceeding;
  - (f) the provisions of the partnership agreement of the converted entity that are to be in a record, if any, approved as part of the plan of conversion are effective; and
  - (g) the interests in the converting entity are converted, and the interest holders of the converting entity are entitled only to the rights provided to them under the plan of conversion and to any appraisal rights they have under Section 48-2e-1108 and the converting entity's organic law.
- (2) Except as otherwise provided in the partnership agreement of a domestic converting limited partnership, the conversion does not give rise to any rights that a partner or third party would have upon a dissolution, liquidation, or winding up of the converting entity.
- (3) When a conversion becomes effective, a person that did not have interest holder liability with respect to the converting entity and becomes subject to interest holder liability with respect to a domestic entity as a result of the conversion has interest holder liability only to the extent

provided by the organic law of the entity and only for those debts, obligations, and other liabilities that arise after the conversion becomes effective.

- (4) When a conversion becomes effective, the interest holder liability of a person that ceases to hold an interest in a domestic limited partnership with respect to which the person had interest holder liability is as follows:
  - (a) The conversion does not discharge any interest holder liability to the extent the interest holder liability arose before the conversion became effective.
  - (b) The person does not have interest holder liability for any debt, obligation, or other liability that arises after the conversion becomes effective.
  - (c) The person has whatever rights of contribution from any other person as are provided by law other than this chapter, this chapter, or the partnership agreement of the converting entity with respect to any interest holder liability preserved under Subsection (4)(a) as if the conversion had not occurred.
- (5) When a conversion becomes effective, a foreign entity that is the converted entity may be served with process in this state for the collection and enforcement of any of its debts, obligations, and other liabilities as provided in Section 16-17-301.
- (6) If the converting entity is a registered foreign entity, its registration to do business in this state is canceled when the conversion becomes effective.
- (7) A conversion does not require the entity to wind up its affairs and does not constitute or cause the dissolution of the entity.

Amended by Chapter 227, 2015 General Session

**48-2e-1151 Domestication authorized.**

- (1) By complying with Sections 48-2e-1151 through 48-2e-1156, a domestic limited partnership may become a foreign limited partnership if the domestication is authorized by the law of the foreign jurisdiction.
- (2) By complying with the provisions of Sections 48-2e-1151 through 48-2e-1156 applicable to foreign limited partnerships, a foreign limited partnership may become a domestic limited partnership if the domestication is authorized by the law of the foreign limited partnership's jurisdiction of formation.
- (3) If a protected agreement contains a provision that applies to a merger of a domestic limited partnership but does not refer to a domestication, the provision applies to a domestication of the limited partnership as if the domestication were a merger until the provision is amended after January 1, 2014.

Enacted by Chapter 412, 2013 General Session

**48-2e-1152 Plan of domestication.**

- (1) A domestic limited partnership may become a foreign limited partnership in a domestication by approving a plan of domestication. The plan must be in a record and contain:
  - (a) the name of the domesticating limited partnership;
  - (b) the name and jurisdiction of formation of the domesticated limited partnership;
  - (c) the manner of converting the interests in the domesticating limited partnership into interests, securities, obligations, money, other property, rights to acquire interests or securities, or any combination of the foregoing;
  - (d) the proposed certificate of limited partnership of the domesticated limited partnership;

- (e) the full text of the partnership agreement of the domesticated limited partnership rights to acquire interests or securities, that are proposed to be in a record;
  - (f) the other terms and conditions of the domestication; and
  - (g) any other provision required by the law of this state or the partnership agreement of the domesticating limited partnership.
- (2) In addition to the requirements of Subsection (1), a plan of domestication may contain any other provision not prohibited by law.

Enacted by Chapter 412, 2013 General Session

**48-2e-1153 Approval of domestication.**

- (1) A plan of domestication of a domestic domesticating limited partnership is not effective unless it has been approved:
- (a) by all the partners entitled to vote on or consent to any matter; and
  - (b) in a record, by each partner that will have interest holder liability for debts, obligations, and other liabilities that arise after the domestication becomes effective, unless:
    - (i) the partnership agreement of the entity in a record provide for the approval of a domestication or merger in which some or all of its partners become subject to interest holder liability by the vote or consent of fewer than all the partners; and
    - (ii) the partner voted for or consented in a record to that provision of the partnership agreement or became a partner after the adoption of that provision.
- (2) A domestication of a foreign domesticating limited partnership is not effective unless it is approved in accordance with the law of the foreign limited partnership's jurisdiction of formation.

Enacted by Chapter 412, 2013 General Session

**48-2e-1154 Amendment or abandonment of plan of domestication.**

- (1) A plan of domestication of a domestic domesticating limited partnership may be amended:
- (a) in the same manner as the plan was approved, if the plan does not provide for the manner in which it may be amended; or
  - (b) by the partners of the limited partnership in the manner provided in the plan, but a partner that was entitled to vote on or consent to approval of the domestication is entitled to vote on or consent to any amendment of the plan that will change:
    - (i) the amount or kind of interests, securities, obligations, money, other property, rights to acquire interests or securities, or any combination of the foregoing, to be received by any of the partners of the domesticating limited partnership under the plan;
    - (ii) the certificate of limited partnership or partnership agreement of the domesticated limited partnership that will be in effect immediately after the domestication becomes effective, except for changes that do not require approval of the partners of the domesticated limited partnership under its organic law or partnership agreement; or
    - (iii) any other terms or conditions of the plan, if the change would adversely affect the partner in any material respect.
- (2) After a plan of domestication has been approved by a domestic domesticating limited partnership and before a statement of domestication becomes effective, the plan may be abandoned as provided in the plan. Unless prohibited by the plan, by a domestic domesticating limited partnership may abandon the plan in the same manner as the plan was approved.
- (3) If a plan of domestication is abandoned after a statement of domestication has been delivered to the division for filing and before the statement becomes effective, a statement

of abandonment, signed by the limited partnership, must be delivered to the division for filing before the time the statement of domestication becomes effective. The statement of abandonment takes effect on filing, and the domestication is abandoned and does not become effective. The statement of abandonment must contain:

- (a) the name of the domesticating limited partnership;
- (b) the date on which the statement of domestication was delivered to the division for filing; and
- (c) a statement that the domestication has been abandoned in accordance with this section.

Enacted by Chapter 412, 2013 General Session

**48-2e-1155 Statement of domestication.**

- (1) A statement of domestication must be signed by the domesticating limited partnership and delivered to the division for filing.
- (2) A statement of domestication must contain:
  - (a) the name and jurisdiction of formation of the domesticating limited partnership;
  - (b) the name and jurisdiction of formation of the domesticated limited partnership;
  - (c) if the domesticating limited partnership is a domestic limited partnership, a statement that the plan of domestication was approved in accordance with Sections 48-2e-1151 through 48-2e-1156 or, if the domesticating limited partnership is a foreign limited partnership, a statement that the domestication was approved in accordance with the law of its jurisdiction of formation;
  - (d) the certificate of limited partnership of the domesticated limited partnership, as an attachment; and
  - (e) if the domesticated foreign limited partnership is not a registered foreign limited partnership, a mailing address to which the division may send any process served on the division pursuant to Subsection 48-2e-1156(5).
- (3) In addition to the requirements of Subsection (2), a statement of domestication may contain any other provision not prohibited by law.
- (4) The certificate of limited partnership of a domesticated domestic limited partnership must satisfy the requirements of the law of this state, but the certificate does not need to be signed.
- (5) A plan of domestication that is signed by a domesticating domestic limited partnership and meets all of the requirements of Subsection (2) may be delivered to the division for filing instead of a statement of domestication and on filing has the same effect. If a plan of domestication is filed as provided in this Subsection (5), references in this part to a statement of domestication refer to the plan of domestication filed under this Subsection (5).

Enacted by Chapter 412, 2013 General Session

**48-2e-1156 Effect of domestication.**

- (1) When a domestication becomes effective:
  - (a) the domesticated limited partnership is:
    - (i) organized under and subject to the organic law of the domesticated limited partnership; and
    - (ii) the same entity without interruption as the domesticating limited partnership;
  - (b) all property of the domesticating limited partnership continues to be vested in the domesticated limited partnership without transfer, reversion, or impairment;
  - (c) all debts, obligations, and other liabilities of the domesticating limited partnership continue as debts, obligations, and other liabilities of the domesticated limited partnership;

- (d) except as otherwise provided by law or the plan of domestication, all the rights, privileges, immunities, powers, and purposes of the domesticating limited partnership remain in the domesticated limited partnership;
  - (e) the name of the domesticated limited partnership may be substituted for the name of the domesticating limited partnership in any pending action or proceeding;
  - (f) the certificate of limited partnership of the domesticated limited partnership is effective;
  - (g) the provisions of the partnership agreement of the domesticated limited partnership that are to be in a record, if any, approved as part of the plan of domestication are effective; and
  - (h) the interests in the domesticating limited partnership are converted to the extent and as approved in connection with the domestication, and the partners of the domesticating limited partnership are entitled only to the rights provided to them under the plan of domestication and to any appraisal rights they have under Section 48-2e-1108.
- (2) Except as otherwise provided in the organic law or partnership agreement of the domesticating limited partnership, the domestication does not give rise to any rights that a partner or third party would have upon a dissolution, liquidation, or winding up of the domesticating limited partnership.
- (3) When a domestication becomes effective, a person that did not have interest holder liability with respect to the domesticating limited partnership and becomes subject to interest holder liability with respect to a domestic limited partnership as a result of the domestication has interest holder liability only to the extent provided by the organic law of the domestic limited partnership and only for those debts, obligations, and other liabilities that arise after the domestication becomes effective.
- (4) When a domestication becomes effective, the following rules apply:
- (a) The domestication does not discharge any interest holder liability under this chapter to the extent the interest holder liability arose before the domestication became effective.
  - (b) A person does not have interest holder liability under this part for any debt, obligation, or other liability that arise after the domestication becomes effective.
  - (c) A person has whatever rights of contribution from any other person as are provided by law other than this chapter, this chapter, or the partnership agreement of a domestic domesticating limited partnership with respect to any interest holder liability preserved under Subsection (4)(a) as if the domestication had not occurred.
- (5) When a domestication becomes effective, a foreign limited partnership that is the domesticated limited partnership may be served with process in this state for the collection and enforcement of any of its debts, obligations, and other liabilities as provided in Section 16-17-301.
- (6) If the domesticating limited partnership is a registered foreign limited partnership, the registration of the foreign limited partnership is canceled when the domestication becomes effective.
- (7) A domestication does not require the limited partnership to wind up its affairs and does not constitute or cause the dissolution of the limited partnership.

Enacted by Chapter 412, 2013 General Session

## **Part 12**

### **Miscellaneous Provisions**

#### **48-2e-1201 Uniformity of application and construction.**

In applying and construing this chapter, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact the uniform act upon which this chapter is based.

Enacted by Chapter 412, 2013 General Session

**48-2e-1202 Severability clause.**

If any provision of this chapter or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

Enacted by Chapter 412, 2013 General Session

**48-2e-1203 Relation to Electronic Signatures in Global and National Commerce Act.**

This chapter modifies, limits, and supersedes the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. Sec. 7001 et seq., but this chapter does not modify, limit, or supersede Sec. 101(c) of that act, 15 U.S.C. Sec. 7001(c), or authorize electronic delivery of any of the notices described in Sec. 103(b) of that act, 15 U.S.C. Sec. 7003(b).

Enacted by Chapter 412, 2013 General Session

**48-2e-1204 Savings clause.**

This chapter does not affect an action commenced, proceeding brought, or right accrued before this chapter takes effect.

Enacted by Chapter 412, 2013 General Session

**48-2e-1205 Application to existing relationships.**

- (1) Before January 1, 2016, this chapter governs only:
  - (a) a limited partnership formed on or after January 1, 2014; and
  - (b) except as otherwise provided in Subsections (3) and (4), a limited partnership formed before January 1, 2014, which elects, in the manner provided in its partnership agreement or by law for amending the partnership agreement, to be subject to this chapter.
- (2) Except as otherwise provided in Subsection (3), on and after January 1, 2016, this chapter governs all limited partnerships.
- (3) With respect to a limited partnership formed before January 1, 2014, the following rules apply except as the partners otherwise elect in the manner provided in the partnership agreement or by law for amending the partnership agreement:
  - (a) Subsection 48-2e-104(3) does not apply and the limited partnership has whatever duration it had under the law applicable immediately before January 1, 2014.
  - (b) Sections 48-2e-601 and 48-2e-602 do not apply and a limited partner has the same right and power to dissociate from the limited partnership, with the same consequences, as existed immediately before January 1, 2014.
  - (c) Subsection 48-2e-603(4) does not apply and the partners have the same right and power to expel a general partner as existed immediately before January 1, 2014.
  - (d) Subsection 48-2e-603(5) does not apply and a court has the same power to expel a general partner as the court had immediately before January 1, 2014.

- (e) Subsection 48-2e-801(1)(c) does not apply and the connection between a person's dissociation as a general partner and the dissolution of the limited partnership is the same as existed immediately before January 1, 2014.
- (4) With respect to a limited partnership that elects pursuant to Subsection (1)(b) to be subject to this chapter, after the election takes effect the provisions of this chapter relating to the liability of the limited partnership's general partners to third parties apply:
  - (a) before January 1, 2016, to:
    - (i) a third party that had not done business with the limited partnership in the year before the election took effect; and
    - (ii) a third party that had done business with the limited partnership in the year before the election took effect only if the third party knows or has received a notification of the election; and
  - (b) on and after January 1, 2016, to all third parties, but those provisions remain inapplicable to any obligation incurred while those provisions were inapplicable under Subsection (4)(a)(ii).

Enacted by Chapter 412, 2013 General Session