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SPONSOR: Sen. Adams & Sen. DeLuca & Rep. Valihura & Rep. Marshall
Sens. McDowell, Amick, Simpson, Reps. Stone, Hudson, Lavelle, Wagner, Johnson, Mitchell

DELAWARE STATE SENATE
144th GENERAL ASSEMBLY

SENATE BILL NO. **98 MAY 8 2007**

AN ACT TO AMEND TITLE 6 OF THE DELAWARE CODE RELATING TO THE CREATION, REGULATION, OPERATION AND DISSOLUTION OF DOMESTIC PARTNERSHIPS AND THE REGISTRATION AND REGULATION OF FOREIGN LIMITED LIABILITY PARTNERSHIPS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Three-fifths of all members elected to each house thereof concurring therein):

1 Section 1. Amend § 15-101(2), Chapter 15, Title 6 of the Delaware Code by inserting the word
2 "domestic" immediately before the word "continuance".

3 Section 2. Amend § 15-101(10), Chapter 15, Title 6 of the Delaware Code by deleting the words "has
4 been" and substituting in lieu thereof the word "is".

5 Section 3. Amend § 15-103(b), Chapter 15, Title 6 of the Delaware Code by deleting the word "or"
6 immediately after the ";" in subsection (6) thereof, by deleting the "." at the end of subsection (7) thereof and substituting in
7 lieu thereof the words "; or", and by inserting a new subsection (8) at the end thereof reading as follows: "(8) Vary the
8 denial of partnership power to issue a certificate of partnership interest in bearer form under Section 15-503(h)."

9 Section 4. Amend § 15-105(d), Chapter 15, Title 6 of the Delaware Code by deleting the words "of this
10 title or" immediately after the words "§ 15-111(d)" in the fourth sentence thereof and substituting in lieu thereof a ";", by
11 inserting the words "or § 15-1209(a)" immediately after the words "§ 15-111(i)(4)" in the fourth sentence thereof, by
12 deleting the words "of this title or" immediately after the words "§ 15-111(d)" in the fifth sentence thereof and substituting
13 in lieu thereof a ";", by inserting the words "or § 15-1209(a)" immediately after the words "§ 15-111(i)(4)" in the fifth
14 sentence thereof, by inserting the words "The Secretary of State shall not issue a certificate of good standing with respect to
15 a domestic partnership if its statement of partnership existence is cancelled." as a separate paragraph immediately following
16 the words "(3) Any other information the person filing the statement of cancellation determines.", and by inserting the word
17 "domestic" immediately before all three appearances of the word "continuance" in the third sentence of the last paragraph
18 thereof.

19 Section 5. Amend § 15-111(a)(2), Chapter 15, Title 6 of the Delaware Code by inserting the words
20 “having a business office identical with such registered office,” immediately before the words “which agent”.

21 Section 6. Amend § 15-111(d), Chapter 15, Title 6 of the Delaware Code by deleting the words “deemed
22 to be” in the fourth sentence thereof.

23 Section 7. Amend § 15-111(i)(4)b., Chapter 15, Title 6 of the Delaware Code by deleting all four
24 appearances of the words “deemed to be” in the last paragraph thereof.

25 Section 8. Amend § 15-120, Chapter 15, Title 6 of the Delaware Code by inserting the words “or
26 continuance” immediately after the words “transfer to or domestication” in the first sentence thereof.

27 Section 9. Amend § 15-201(b), Chapter 15, Title 6 of the Delaware Code by deleting the word “entity”
28 and substituting in lieu thereof the word “partnership”.

29 Section 10. Amend § 15-503(h), Chapter 15, Title 6 of the Delaware Code by inserting a new sentence at
30 the end thereof reading as follows: “A partnership shall not have the power to issue a certificate of partnership interest in
31 bearer form.”.

32 Section 11. Amend § 15-901(h), Chapter 15, Title 6 of the Delaware Code by deleting the words “any
33 event” and substituting in lieu thereof the words “the event the continuing domestic partnership is not a limited liability
34 partnership”.

35 Section 12. Amend § 15-902(a), Chapter 15, Title 6 of the Delaware Code by deleting the word “or”
36 immediately after the words “a business trust” and substituting in lieu thereof the word “, an” and by inserting the words
37 “or entity” immediately after the words “unincorporated business”.

38 Section 13. Amend § 15-902(b), Chapter 15, Title 6 of the Delaware Code by inserting the words “, and
39 the merger or consolidation shall not constitute a dissolution of such partnership” immediately before the “.” at the end of
40 the second sentence thereof.

41 Section 14. Amend § 15-902, Chapter 15, Title 6 of the Delaware Code by inserting a new subsection (l)
42 at the end of such section reading as follows: “(l) A partnership agreement may provide that a domestic partnership shall
43 not have the power to merge or consolidate as set forth in this section.”.

44 Section 15. Amend § 15-903, Chapter 15, Title 6 of the Delaware Code by inserting a new subsection (i)
45 at the end of such section reading as follows: “(i) A partnership agreement may provide that a domestic partnership shall
46 not have the power to convert as set forth in this section.”.

47 Section 16. Amend § 15-904(g), Chapter 15, Title 6 of the Delaware Code by deleting the words “any
48 event” and substituting in lieu thereof the words “the event the continuing domestic partnership is not a limited liability
49 partnership”.

50 Section 17. Amend § 15-905, Chapter 15, Title 6 of the Delaware Code by deleting the word “of” in the
51 first place such word appears in the heading of the section and substituting in lieu thereof the word “or”.

52 Section 18. Amend § 15-905(g), Chapter 15, Title 6 of the Delaware Code by deleting the word
53 “continuation” immediately after the words “domestication or” in the second sentence thereof and substituting in lieu
54 thereof the word “continuance”.

55 Section 19. Amend § 15-905, Chapter 15, Title 6 of the Delaware Code by inserting a new subsection (h)
56 at the end of such section reading as follows: “(h) A partnership agreement may provide that a domestic partnership shall
57 not have the power to transfer, domesticate or continue as set forth in this section.”.

58 Section 20. Amend § 15-1003(c), Chapter 15, Title 6 of the Delaware Code by deleting the word
59 “partnership” in the second sentence thereof and substituting in lieu thereof the words “limited liability partnership or
60 foreign limited liability partnership”, by inserting immediately before the “.” at the end of the second sentence the words
61 “or with respect to any limited liability partnership or foreign limited liability partnership if its statement of qualification or
62 statement of foreign qualification (as applicable) is cancelled or revoked”, and by deleting the two appearances therein of
63 the words “deemed to be”.

64 Section 21. Amend § 15-1209(a), Chapter 15, Title 6 of the Delaware Code by deleting the words
65 “deemed to be”.

66 Section 22. This Act shall become effective August 1, 2007.

SYNOPSIS

This bill continues the practice of amending periodically the Delaware Revised Uniform Partnership Act (the “Act”) to keep it current and to maintain its national preeminence. The following is a section-by-section review of the proposed amendments of the Act.

Section 1. This section amends § 15-101(2) of the Act to make a technical change.

Section 2. This section amends § 15-101(10) of the Act to clarify the intended meaning of this subsection.

Section 3. This section amends § 15-103(b) of the Act to provide that the prohibition against a partnership’s having power to issue a certificate of partnership interest in bearer form, under new § 15-503(h), is not subject to contractual variation.

Section 4. This section amends § 15-105(d) of the Act to make technical changes and to confirm that a certificate of good standing shall not be issued for a domestic partnership if its statement of partnership existence is cancelled.

Section 5. This section amends § 15-111(a)(2) of the Act to confirm that the business office of a partnership’s registered agent shall be identical to the registered office of the partnership in the State of Delaware.

Section 6. This section amends § 15-111(d) of the Act to make a technical change.

Section 7. This section amends § 15-111(i)(4)b. of the Act to make technical changes.

Section 8. This section amends § 15-120 of the Act to make a technical change.

Section 9. This section amends § 15-201(b) of the Act to clarify the intended meaning of this subsection.

Section 10. This section amends § 15-503(h) of the Act to provide that a partnership shall not have the power to issue a certificate of partnership interest in bearer form.

Section 11. This section amends § 15-901(h) of the Act to delete the requirement for obtaining the approval of all persons who will be partners in connection with a conversion of an other entity to a Delaware general partnership, where the continuing partnership will be a limited liability partnership.

Section 12. This section amends § 15-902(a) of the Act to confirm the flexibility that exists under § 15-902.

Section 13. This section amends § 15-902(h) of the Act to confirm that a merger or consolidation of a domestic partnership does not constitute a dissolution of such partnership unless otherwise agreed.

Sections 14, 15, and 19. Sections 14, 15, and 19 amend §§ 15-902, 15-903, and 15-905 of the Act by inserting new subsections that confirm the ability to provide in the partnership agreement that a domestic partnership does not have power to merge or consolidate under § 15-902 of the Act, transfer, domesticate or continue under § 15-905 of the Act, or convert under § 15-903 of the Act. These amendments are not intended to imply that the partnership agreement may not deny other powers to the domestic partnership.

Section 16. This section amends § 15-904(g) of the Act to delete the requirement for obtaining the approval of all persons who will be partners in connection with a domestication of a non-United States entity to a Delaware general partnership, where the continuing partnership will be a limited liability partnership.

Section 17. This section amends the heading of § 15-905 to make a technical change.

Section 18. This section amends § 15-905(g) of the Act to make a technical change.

Section 20. This section amends § 15-1003(c) of the Act to confirm that a certificate of good standing shall not be issued for a limited liability partnership or foreign limited liability partnership that has not filed an annual report and paid the required filing fee or if its statement of qualification or statement of foreign qualification is canceled or revoked (although a certificate of good standing may be issued for a domestic partnership if its statement of partnership existence is not cancelled), and to make technical changes.

Section 21. This section amends § 15-1209(a) of the Act to make a technical change.

Section 22. This section provides that the proposed amendments of the Act shall become effective August 1, 2007.

Author: Senator Adams