



SPONSOR: Sen. Gay & Sen. Townsend & Sen. Brown &
Rep. Griffith & Rep. Cooke
Sens. Hansen, Mantzavinos, S. McBride, Pettyjohn,
Poore, Walsh; Reprs. Bush, Dukes, Hensley, Longhurst,
Minor-Brown, Schwartzkopf, Spiegelman

DELAWARE STATE SENATE
152nd GENERAL ASSEMBLY

SENATE BILL NO. 112

AN ACT TO AMEND TITLE 6 OF THE DELAWARE CODE RELATING TO THE CREATION, REGULATION, OPERATION, AND DISSOLUTION OF DOMESTIC LIMITED PARTNERSHIPS AND THE REGISTRATION AND REGULATION OF FOREIGN LIMITED 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 § 17-204, Title 6 of the Delaware Code by making deletions as shown by strike through and
2 insertions as shown by underline as follows:

3 § 17-204. Execution.

4 (a) Each certificate required by this ~~subchapter~~ chapter to be filed in the Office of the Secretary of State shall be
5 executed in the following manner:

6 (12) A certificate of cancellation of certificate of registered series must be signed by all general partners
7 associated with such series or, if such general partners are not winding up the registered series' affairs, then by all
8 liquidating trustees of such registered series; provided, however, that if the limited partners of such registered series are
9 winding up such series' affairs, the certificate of cancellation of certificate of registered series shall be signed by
10 limited partners of such registered series who own more than 50% of the then current percentage or other interest in the
11 profits of such registered series owned by all of the limited partners of such series; ~~and~~

12 (13) A certificate of revival of registered series must be signed by at least 1 general partner associated with
13 such registered ~~series~~ series; ~~and~~

14 (14)a. Unless otherwise provided in the plan of division or the certificate of division, each certificate of
15 amendment of certificate of division must be executed as follows:

16 1. If the dividing partnership is a surviving partnership, by at least 1 general partner on behalf of the
17 dividing partnership acting on behalf of the division partnership to which the certificate of amendment of
18 certificate of division relates.

19 2. If the dividing partnership is not a surviving partnership or no longer exists as a limited
20 partnership, by at least 1 general partner on behalf of a resulting partnership acting on behalf of the division
21 partnership to which the certificate of amendment of certificate of division relates.

22 b. Each division partnership is deemed to have consented to the execution of a certificate of amendment
23 of certificate of division under paragraph (a)(14)a. of this section.

24 Section 2. Amend § 17-211, Title 6 of the Delaware Code by making deletions as shown by strike through and
25 insertions as shown by underline as follows:

26 § 17-211. Merger and consolidation.

27 (g) An agreement of merger or consolidation or a plan of merger approved in accordance with subsection (b) of
28 this section may (1) effect any amendment to the partnership agreement or (2) effect the adoption of a new partnership
29 ~~agreement~~ agreement, in either case, for a limited partnership if it is the surviving or resulting limited partnership in the
30 merger or consolidation. Any amendment to a partnership agreement or adoption of a new partnership agreement made
31 pursuant to the foregoing sentence shall be effective at the effective time or date of the merger or consolidation and shall be
32 effective notwithstanding any provision of the partnership agreement relating to amendment or adoption of a new
33 partnership agreement, other than a provision that by its terms applies to an amendment to the partnership agreement or the
34 adoption of a new partnership agreement, in either case, in connection with a merger or consolidation. The provisions of
35 this subsection shall not be construed to limit the accomplishment of a merger or of any of the matters referred to herein by
36 any other means provided for in a partnership agreement or other agreement or as otherwise permitted by law, including
37 that the partnership agreement of any constituent limited partnership to the merger or consolidation (including a limited
38 partnership formed for the purpose of consummating a merger or consolidation) shall be the partnership agreement of the
39 surviving or resulting limited partnership. Unless otherwise provided in a partnership agreement, a limited partnership
40 whose original certificate of limited partnership was filed with the Secretary of State and effective on or prior to July 31,
41 2005, shall continue to be governed by this subsection as in effect on July 31, 2005.

42 Section 3. Amend § 17-218, Title 6 of the Delaware Code by making deletions as shown by strike through and
43 insertions as shown by underline as follows:

44 § 17-218. Series of limited partners, general partners, partnership interests or assets.

45 (b) A series established in accordance with the following sentence is a protected series. Notwithstanding anything
46 to the contrary set forth in this chapter or under other applicable law, in the event that a partnership agreement establishes
47 or provides for the establishment of 1 or more series, and to the extent the records maintained for any such series account
48 for the assets associated with such series separately from the other assets of the limited partnership, or any other series

49 thereof, and if the partnership agreement so provides, and if notice of the limitation on liabilities of a series as referenced in
50 this subsection is set forth in the certificate of limited partnership, then the debts, liabilities, obligations and expenses
51 incurred, contracted for or otherwise existing with respect to such series shall be enforceable only against the assets of such
52 series or the general partners associated with such series and not against the assets of the limited partnership generally, any
53 other series thereof, or any general partner not associated with such series, and, unless otherwise provided in the partnership
54 agreement, none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect
55 to the limited partnership generally or any other series thereof shall be enforceable against the assets of such series or the
56 general partners associated with such series who are not also general partners of the limited partnership generally or general
57 partners associated with the other series, as the case may be. Neither the preceding sentence nor any provision pursuant
58 thereto in a partnership agreement or certificate of limited partnership shall (i) restrict a protected series or limited
59 partnership on behalf of a protected series or a general partner associated with a protected series from agreeing in the
60 partnership agreement or otherwise that any or all of the debts, liabilities, obligations and expenses incurred, contracted for
61 or otherwise existing with respect to the limited partnership generally or any other series thereof shall be enforceable
62 against the assets of such series or such general partner associated with such series, (ii) restrict a limited partnership from
63 agreeing in the partnership agreement or otherwise that any or all of the debts, liabilities, obligations and expenses incurred,
64 contracted for or otherwise existing with respect to a protected series shall be enforceable against the assets of the limited
65 partnership generally, or (iii) restrict a general partner of the limited partnership from agreeing in the partnership agreement
66 or otherwise that any or all of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing
67 with respect to a protected series shall be enforceable against the assets of such general partner. A partnership agreement
68 does not need to use the term protected when referencing series or refer to this section. Assets associated with a protected
69 series may be held directly or indirectly, including in the name of such series, in the name of the limited partnership,
70 through a nominee or otherwise. Records maintained for a protected series that reasonably identify its assets, including by
71 specific listing, category, type, quantity, computational or allocational formula or procedure (including a percentage or
72 share of any asset or assets) or by any other method where the identity of such assets is objectively determinable, will be
73 deemed to account for the assets associated with such series separately from the other assets of the limited partnership, or
74 any other series thereof. Notice in a certificate of limited partnership of the limitation on liabilities of a protected series as
75 referenced in this subsection shall be sufficient for all purposes of this subsection whether or not the limited partnership has
76 established any protected series when such notice is included in the certificate of limited partnership, and there shall be no
77 requirement that (i) any specific protected series of the limited partnership be referenced in such notice, or (ii) such notice
78 use the term protected when referencing series or include a reference to this section. The fact that a certificate of limited

79 partnership that contains notice of the limitation on liabilities of a protected series is on file in the office of the Secretary of
80 State shall constitute notice of such limitation on liabilities of a protected series. As used in this chapter, a reference to
81 assets of a protected series includes assets associated with such series and a reference to assets associated with a protected
82 series includes assets of such series, a reference to limited partners or general partners of a protected series includes limited
83 partners or general partners associated with such series, and a reference to limited partners or general partners associated
84 with a protected series includes limited partners or general partners of such series. The following shall apply to a protected
85 series:

86 (1) A limited partnership governed by a partnership agreement that establishes or provides for the
87 establishment of 1 or more series shall have at least 1 general partner of the partnership generally and at least 1 general
88 partner associated with each of its protected series. If a partnership agreement does not designate a an initial general
89 partner of a particular protected series, then each general partner of the limited partnership generally shall be deemed to
90 be a general partner associated with such series. If a partnership agreement does not designate a an initial general
91 partner of the limited partnership generally, then each general partner of the limited partnership not associated with a
92 protected series or a registered series shall be deemed to be a general partner of the limited partnership generally, but if
93 there is no such general partner, then each general partner of the limited partnership shall be deemed to be a general
94 partner of the limited partnership generally. General partners of the limited partnership generally and general partners
95 associated with a protected series are general partners of the limited partnership under this chapter. Limited partners of
96 the limited partnership generally and limited partners associated with a protected series are limited partners of the
97 limited partnership under this chapter. The same person may be a general partner of the limited partnership generally
98 and be associated with any or all protected series thereof. The same person may be a limited partner of the limited
99 partnership generally and be associated with any or all protected series thereof.

100 Section 4. Amend § 17-218, Title 6 of the Delaware Code by making deletions as shown by strike through and
101 insertions as shown by underline as follows:

102 § 17-218. Series of limited partners, general partners, partnership interests or assets.

103 (d) If a partnership agreement provides the manner in which a termination of a protected series may be revoked, it
104 may be revoked in that manner and, unless the limited partnership has dissolved and such dissolution has not been revoked
105 or the partnership agreement prohibits revocation of termination of a protected series, then notwithstanding the occurrence
106 of an event set forth in paragraph (b)(10)a., b., c., or d. of this section, the protected series shall not be terminated and its
107 affairs shall not be wound up if, prior to the completion of the winding up of the protected series, the business of the
108 protected series is continued, effective as of the occurrence of such event:

109 (1) In the case of termination effected by the vote or consent of the partners associated with the protected
110 series or other persons, pursuant to such vote or consent (and the approval of any partners associated with the protected
111 series or other persons whose approval is required under the partnership agreement to revoke a termination
112 contemplated by this paragraph);

113 (2) In the case of termination under paragraph (b)(10)a. or b. of this section (other than a termination effected
114 by the vote or consent of the partners associated with the protected series or other persons or an event of withdrawal of
115 a general partner associated with the protected series), pursuant to such vote or consent that, pursuant to the terms of
116 the partnership agreement, is required to amend the provision of the partnership agreement effecting such termination
117 (and the approval of any partners associated with the protected series or other persons whose approval is required under
118 the partnership agreement to revoke a termination contemplated by this paragraph); and

119 (3) In the case of termination effected by an event of withdrawal of a general partner associated with the
120 protected series, pursuant to the vote or consent of:

121 a. All remaining general partners associated with the protected series; and

122 b. Limited partners associated with the protected series who own more than 2/3 of the then-current
123 percentage or other interest in the profits of such series owned by all of the limited partners associated with such
124 series, or if there is no limited partner associated with such series, the assignee of all of the limited partners'
125 partnership interests in such series (and the approval of any partners associated with the protected series or other
126 persons whose approval is required under the partnership agreement to revoke a termination contemplated by this
127 paragraph); provided, however, if there is no remaining general partner associated with the protected series and no
128 limited partner associated with such series or assignee of all of the limited partners' partnership interests in such
129 series, the business of such series is continued, effective as of the occurrence of such event, pursuant to the vote or
130 consent of the personal representative of the last remaining general partner associated with such series or the
131 assignee of all of the general partners' partnership interests in such series (and the approval of any partners
132 associated with the protected series or other persons whose approval is required under the partnership agreement to
133 revoke a termination contemplated by this paragraph).

134 If termination is revoked pursuant to paragraph (d)(3) of this section and there is no remaining general partner
135 associated with the protected series, 1 or more general partners associated with such series shall be appointed, effective as
136 of the date of withdrawal of the last remaining general partner associated with such series, by the vote or consent of the
137 limited partners associated with such series who own more than 2/3 of the then-current percentage or other interest in the
138 profits of such series owned by all of the limited partners associated with such series, or if there is no limited partner

139 associated with such series, the assignee of all of the limited partners' partnership interests in such series. If termination is
140 revoked pursuant to paragraph (d)(3) of this section and there is no remaining general partner associated with such series
141 and no limited partner associated with such series or assignee of all of the limited partners' partnership interests in such
142 series, 1 or more general partners associated with such series shall be appointed, effective as of the date of withdrawal of
143 the last remaining general partner associated with such series, by the vote or consent of the personal representative of the
144 last remaining general partner associated with such series or the assignee of all of the general partners' partnership interests
145 associated with such series.

146 If the dissolution of the limited partnership under § 17-801 of this title results in the termination of a protected
147 series under this section, unless the partnership agreement prohibits revocation of termination of such series, the
148 termination of such series shall be automatically revoked upon any revocation of dissolution of the limited partnership in
149 accordance with § 17-806 of this title provided there is at least 1 general partner associated with such series. If an event of
150 withdrawal of a general partner who was both the last remaining general partner of the limited partnership and the last
151 remaining general partner associated with a protected series results in both the dissolution of the limited partnership under §
152 17-801 of this title and the termination of such series under this section, unless the partnership agreement prohibits
153 revocation of termination of such series, the termination of such series shall be automatically revoked upon any revocation
154 of dissolution of the limited partnership in accordance with § 17-806 of this title, and the general partner of the limited
155 partnership appointed pursuant to § 17-806 of this title shall also be the general partner associated with such series effective
156 as of the date of withdrawal of the last remaining general partner associated with such series.

157 The provisions of this subsection shall not be construed to limit the accomplishment of a revocation of termination
158 of a protected series by other means permitted by law.

159 Section 5. Amend § 17-220, Title 6 of the Delaware Code by making deletions as shown by strike through and
160 insertions as shown by underline as follows:

161 § 17-220. Division of a limited partnership.

162 (h) If a domestic limited partnership divides under this section, the dividing partnership shall file a certificate of
163 division executed by at least 1 general partner of the dividing partnership on behalf of such dividing partnership in the
164 office of the Secretary of State in accordance with § 17-204 of this title, and a certificate of limited partnership that
165 complies with § 17-201 of this title for each resulting partnership executed by all general partners of such resulting
166 partnership in accordance with § 17-204 of this title.

167 (1) The certificate of division shall state:

168 (1) a. The name of the dividing partnership and, if it has been changed, the name under which its
169 certificate of limited partnership was originally filed and whether the dividing partnership is a surviving
170 partnership;

171 (2) b. The date of filing of the dividing partnership's original certificate of limited partnership with the
172 Secretary of State;

173 (3) c. The name of each division partnership;

174 (4) d. The name and business address of the division contact required by paragraph (g)(3) of this section;

175 (5) e. The future effective date or time (which shall be a date or time certain) of the division if it is not to
176 be effective upon the filing of the certificate of division;

177 (6) f. That the division has been approved in accordance with this section;

178 (7) g. That the plan of division is on file at a place of business of such division partnership as is specified
179 therein, and shall state the address thereof;

180 (8) h. That a copy of the plan of division will be furnished by such division partnership as is specified
181 therein, on request and without cost, to any partner of the dividing partnership; and

182 (9) i. Any other information the dividing partnership determines to include therein.

183 (2) A certificate of division may be amended to change the name or business address of the division contact in
184 a certificate of division or to change information in the certificate of division required by paragraph (h)(1)g. of this
185 section. A certificate of division is amended by filing a certificate of amendment thereto for each division partnership
186 that exists as a limited partnership in the office of the Secretary of State. Each certificate of amendment of certificate of
187 division must include all of the following:

188 a. The name of the dividing partnership and, if the name has been changed, the name under which the
189 dividing partnership's certificate of limited partnership was originally filed.

190 b. The name of the division partnership to which the amendment to the certificate of division relates.

191 c. The amendment to the certificate of division.

192 (3) If the dividing partnership is a surviving partnership, a general partner of the dividing partnership who
193 becomes aware that the name or business address of the division contact, or information in the certificate of division
194 required by paragraph (h)(1)g. of this section, in a certificate of division was false when made, or that the name or
195 business address of the division contact, or information in the certificate of division required by paragraph (h)(1)g. of
196 this section, in a certificate of division has changed, must promptly amend the certificate of division. If the dividing
197 partnership is not a surviving partnership or no longer exists as a limited partnership, a general partner of any resulting

198 partnership who becomes aware that the name or business address of the division contact, or information in the
199 certificate of division required by paragraph (h)(1)g. of this section, in a certificate of division was false when made, or
200 that the name or business address of the division contact, or information in the certificate of division required by
201 paragraph (h)(1)g. of this section, in a certificate of division has changed, must promptly amend the certificate of
202 division. This subsection does not apply after the expiration of a period of 6 years following the effective date of the
203 division.

204 (4) Unless otherwise provided in this chapter or unless a later effective date or time (which shall be a date or
205 time certain) is provided for in the certificate of amendment of certificate of division, a certificate of amendment of
206 certificate of division is effective at the time of its filing with the Secretary of State.

207 (5) Subject to this chapter, the Secretary of State shall accept the filing of certificates of amendment of
208 certificate of division for all division partnerships resulting from the same certificate of division if at least 1 division
209 partnership is in good standing at the time of such filings.

210 (I) Upon the division of a domestic limited partnership becoming effective:

211 (1) The dividing partnership shall be divided into the distinct and independent ~~resulting~~ division partnerships
212 named in the plan of division, and, if the dividing partnership is not a surviving partnership, the existence of the
213 dividing partnership shall cease.

214 (9) Any action or proceeding pending against a dividing partnership may be continued against the surviving
215 ~~partnership~~ partnership, if any, as if the division did not occur, but subject to paragraph (l)(4) of this section, and
216 against any resulting partnership to which the asset, property, right, series, debt, liability or duty associated with such
217 action or proceeding was allocated pursuant to the plan of division by adding or substituting such resulting partnership
218 as a party in the action or proceeding. Any action or proceeding pending against a general partner of a dividing
219 partnership may be continued against such general partner as if the division did not occur and against the general
220 partner of any resulting partnership to which the asset, property, right, series, debt, liability or duty associated with
221 such action or proceeding was allocated pursuant to the plan of division by adding or substituting such general partner
222 as a party in the action or proceeding.

223 Section 6. Amend § 17-221, Title 6 of the Delaware Code by making deletions as shown by strike through and
224 insertions as shown by underline as follows:

225 § 17-221. Registered series of limited partners, general partners, partnership interests or assets.

226 (c) Notwithstanding anything to the contrary set forth in this chapter or under other applicable law, to the extent
227 the records maintained for a registered series account for the assets associated with such series separately from the other

228 assets of the limited partnership, or any other series thereof, then the debts, liabilities, obligations and expenses incurred,
229 contracted for or otherwise existing with respect to such series shall be enforceable against the assets of such series or the
230 general partners associated with such series only, and not against the assets of the limited partnership generally, any other
231 series thereof, or any general partner not associated with such series, and, unless otherwise provided in the partnership
232 agreement, none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect
233 to the limited partnership generally or any other series thereof shall be enforceable against the assets of such series or the
234 general partners associated with such series who are not also general partners of the limited partnership generally or general
235 partners associated with the other series, as the case may be. Neither the preceding sentence nor any provision pursuant
236 thereto in a partnership agreement, certificate of limited partnership or certificate of registered series shall (i) restrict a
237 registered series or limited partnership on behalf of a registered series or a general partner associated with a registered
238 series from agreeing in the partnership agreement or otherwise that any or all of the debts, liabilities, obligations and
239 expenses incurred, contracted for or otherwise existing with respect to the limited partnership generally or any other series
240 thereof shall be enforceable against the assets of such series or such general partner associated with such registered series,
241 (ii) restrict a limited partnership from agreeing in the partnership agreement or otherwise that any or all of the debts,
242 liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to a registered series shall be
243 enforceable against the assets of the limited partnership generally or (iii) restrict a general partner of the limited partnership
244 from agreeing in the partnership agreement or otherwise that any or all of the debts, liabilities, obligations and expenses
245 incurred, contracted for or otherwise existing with respect to a registered series shall be enforceable against the assets of
246 such general partner. Assets associated with a registered series may be held directly or indirectly, including in the name of
247 such series, in the name of the limited partnership, through a nominee or otherwise. Records maintained for a registered
248 series that reasonably identify its assets, including by specific listing, category, type, quantity, computational or allocational
249 formula or procedure (including a percentage or share of any asset or assets) or by any other method where the identity of
250 such assets is objectively determinable, will be deemed to account for the assets associated with such series separately from
251 the other assets of the limited partnership, or any other series thereof. As used in this chapter, a reference to assets of a
252 registered series includes assets associated with such series and a reference to assets associated with a registered series
253 includes assets of such series, a reference to limited partners or general partners of a registered series includes limited
254 partners or general partners associated with such series, and a reference to limited partners or general partners associated
255 with a registered series includes limited partners or general partners of such series. The following shall apply to a registered
256 series:

257 (1) A limited partnership governed by a partnership agreement that establishes or provides for the
258 establishment of 1 or more series shall have at least 1 general partner of the partnership generally and at least 1 general
259 partner associated with each of its registered series. If a partnership agreement does not designate a an initial general
260 partner of a particular registered series, then each general partner of the limited partnership generally shall be deemed
261 to be a general partner associated with such series. If a partnership agreement does not designate a an initial general
262 partner of the limited partnership generally, then each general partner of the limited partnership not associated with a
263 registered series or a protected series shall be deemed to be a general partner of the limited partnership generally, but if
264 there is no such general partner, then each general partner of the limited partnership shall be deemed to be a general
265 partner of the limited partnership generally. General partners of the limited partnership generally and general partners
266 associated with a registered series are general partners of the limited partnership under this chapter. Limited partners of
267 the limited partnership generally and limited partners associated with a registered series are limited partners of the
268 limited partnership under this chapter. The same person may be a general partner of the limited partnership generally
269 and be associated with any or all registered series thereof. The same person may be a limited partner of the limited
270 partnership generally and be associated with any or all registered series thereof.

271 Section 7. Amend § 17-221, Title 6 of the Delaware Code by making deletions as shown by strike through and
272 insertions as shown by underline as follows:

273 § 17-221. Registered series of limited partners, general partners, partnership interests or assets.

274 (f) If a partnership agreement provides the manner in which a dissolution of a registered series may be revoked, it
275 may be revoked in that manner and, unless the limited partnership has dissolved and such dissolution has not been revoked
276 or the partnership agreement prohibits revocation of dissolution of a registered series, then notwithstanding the occurrence
277 of an event set forth in paragraph (c)(10)a., b., c., or d. of this section, the registered series shall not be dissolved and its
278 affairs shall not be wound up if, prior to the filing of a certificate of cancellation of the certificate of registered series in the
279 office of the Secretary of State, the business of the registered series is continued, effective as of the occurrence of such
280 event:

281 (1) In the case of dissolution effected by the vote or consent of the partners associated with the registered
282 series or other persons, pursuant to such vote or consent (and the approval of any partners associated with the
283 registered series or other persons whose approval is required under the partnership agreement to revoke a dissolution
284 contemplated by this paragraph):

285 (2) In the case of dissolution under paragraph (c)(10)a. or b. of this section (other than a dissolution effected
286 by the vote or consent of the partners associated with the registered series or other persons or an event of withdrawal of

287 a general partner associated with the registered series), pursuant to such vote or consent that, pursuant to the terms of
288 the partnership agreement, is required to amend the provision of the partnership agreement effecting such dissolution
289 (and the approval of any partners associated with the registered series or other persons whose approval is required
290 under the partnership agreement to revoke a dissolution contemplated by this paragraph); and

291 (3) In the case of dissolution effected by an event of withdrawal of a general partner associated with the
292 registered series, pursuant to the vote or consent of:

293 a. All remaining general partners associated with the registered series; and

294 b. Limited partners associated with the registered series who own more than 2/3 of the then-current
295 percentage or other interest in the profits of such series owned by all of the limited partners associated with such
296 series, or if there is no limited partner associated with such series, the assignee of all of the limited partners'
297 partnership interests in such series (and the approval of any partners associated with the registered series or other
298 persons whose approval is required under the partnership agreement to revoke a dissolution contemplated by this
299 paragraph); provided, however, if there is no remaining general partner associated with the registered series and no
300 limited partner associated with such series or assignee of all of the limited partners' partnership interests in such
301 series, the business of such series is continued, effective as of the occurrence of such event, pursuant to the vote or
302 consent of the personal representative of the last remaining general partner associated with such series or the
303 assignee of all of the general partners' partnership interests in such series (and the approval of any partners
304 associated with the registered series or other persons whose approval is required under the partnership agreement
305 to revoke a dissolution contemplated by this paragraph).

306 If dissolution is revoked pursuant to paragraph (f)(3) of this section and there is no remaining general partner
307 associated with the registered series, 1 or more general partners associated with such series shall be appointed, effective as
308 of the date of withdrawal of the last remaining general partner associated with such series, by the vote or consent of the
309 limited partners associated with such series who own more than 2/3 of the then-current percentage or other interest in the
310 profits of such series owned by all of the limited partners associated with such series, or if there is no limited partner
311 associated with such series, the assignee of all of the limited partners' partnership interests in such series. If dissolution is
312 revoked pursuant to paragraph (f)(3) of this section and there is no remaining general partner associated with such series
313 and no limited partner associated with such series or assignee of all of the limited partners' partnership interests in such
314 series, 1 or more general partners associated with such series shall be appointed, effective as of the date of withdrawal of
315 the last remaining general partner associated with such series, by the vote or consent of the personal representative of the

316 last remaining general partner associated with such series or the assignee of all of the general partners' partnership interests
317 associated with such series.

318 If the dissolution of the limited partnership under § 17-801 of this title results in the dissolution of a registered
319 series under this section, unless a certificate of cancellation of the certificate of registered series with respect to such series
320 has been filed in the office of the Secretary of State or the partnership agreement prohibits revocation of dissolution of such
321 series, the dissolution of such series shall be automatically revoked upon any revocation of dissolution of the limited
322 partnership in accordance with § 17-806 of this title provided there is at least 1 general partner associated with such series.
323 If an event of withdrawal of a general partner who was both the last remaining general partner of the limited partnership
324 and the last remaining general partner associated with a registered series results in both the dissolution of the limited
325 partnership under § 17-801 of this title and the dissolution of such series under this section, unless a certificate of
326 cancellation of the certificate of registered series with respect to such series has been filed in the office of the Secretary of
327 State or the partnership agreement prohibits revocation of dissolution of such series, the dissolution of such series shall be
328 automatically revoked upon any revocation of dissolution of the limited partnership in accordance with § 17-806 of this
329 title, and the general partner of the limited partnership appointed pursuant to § 17-806 of this title shall also be the general
330 partner associated with such series effective as of the date of withdrawal of the last remaining general partner associated
331 with such series.

332 The provisions of this subsection shall not be construed to limit the accomplishment of a revocation of dissolution
333 of a registered series by other means permitted by law.

334 Section 8. Amend Subchapter V, Chapter 17, Title 6 of the Delaware Code by making deletions as shown by strike
335 through and insertions as shown by underline as follows:

336 § 17-506. Irrevocability of subscription.

337 For all purposes of the laws of the State of Delaware, a subscription for a partnership interest, whether submitted
338 in writing, by means of electronic transmission, or as otherwise permitted by applicable law, is irrevocable if the
339 subscription states that it is irrevocable to the extent provided by the terms of the subscription.

340 Section 9. Amend § 17-1107, Title 6 of the Delaware Code by making deletions as shown by strike through and
341 insertions as shown by underline as follows:

342 § 17-1107. Fees.

343 (a) No document required to be filed under this chapter shall be effective until the applicable fee required by this
344 section is paid. The following fees shall be paid to and collected by the Secretary of State for the use of the State of
345 Delaware:

346 (3) Upon the receipt for filing of a certificate of limited partnership domestication under § 17-215 of this title,
347 a certificate of transfer or a certificate of transfer and domestic continuance under § 17-216 of this title, a certificate of
348 conversion to limited partnership under § 17-217 of this title, a certificate of conversion to a non-Delaware entity under
349 § 17-219 of this title, a certificate of limited partnership under § 17-201 of this title, a certificate of registered series
350 under § 17-221 of this title, a certificate of amendment under ~~§ 17-202~~ § 17-202, § 17-220(h)(2), or § 17-221(d)(3) of
351 this title, (except as otherwise provided in paragraph (a)(11) of this section) a certificate of cancellation under § 17-203
352 or § 17-221(d)(8) of this title, a certificate of merger or consolidation or a certificate of ownership and merger under §
353 17-211 of this title, a restated certificate of limited partnership or a restated certificate of registered series under § 17-
354 210 of this title, a certificate of amendment of a certificate with a future effective date or time under § 17-206(c) of this
355 title, a certificate of termination of a certificate with a future effective date or time under § 17-206(c) of this title, a
356 certificate of correction under § 17-213 of this title, a certificate of division under § 17-220 of this title, a certificate of
357 conversion of protected series to registered series under § 17-222 of this title, a certificate of conversion of registered
358 series to protected series under § 17-223 of this title, a certificate of merger or consolidation of registered series under
359 § 17-224 of this title or a certificate of revival under § 17-1111 or § 17-1112 of this title, a fee in the amount of \$200,
360 plus, in the case of a certificate of cancellation under § 17-203 of this title, a fee in the amount of \$50 for each
361 registered series of the limited partnership named in the certificate of cancellation.

362 Section 10. Amend § 17-1109, Title 6 of the Delaware Code by making deletions as shown by strike through and
363 insertions as shown by underline as follows:

364 § 17-1109. Annual tax of domestic limited partnership and foreign limited partnership and registered series.

365 (j) A domestic limited partnership that has ceased to be in good standing by reason of the limited partnership's
366 neglect, refusal or failure to pay an annual tax shall remain a domestic limited partnership formed under this chapter, and
367 each registered series thereof shall remain a registered series formed under this chapter, and each protected series thereof
368 shall remain a protected series established under this chapter. A registered series that has ceased to be in good standing by
369 reason of the registered series' neglect, refusal or failure to pay an annual tax shall remain a registered series formed under
370 this chapter. The Secretary of State shall not accept for filing any certificate (except a certificate of resignation of a
371 registered agent when a successor registered agent is not being appointed and certificates of amendment of certificate of
372 division as required by § 17-220(h)(5) of this title) required or permitted by this chapter to be filed in respect of any
373 domestic limited partnership, registered series or foreign limited partnership if such domestic limited partnership, registered
374 series or foreign limited partnership has neglected, refused or failed to pay an annual tax, and shall not issue any certificate
375 of good standing with respect to such domestic limited partnership, registered series or foreign limited partnership, unless

376 and until such domestic limited partnership, registered series or foreign limited partnership shall have been restored to and
377 have the status of a domestic limited partnership or registered series in good standing or a foreign limited partnership duly
378 registered in the State of Delaware.

379 Section 11. This Act takes effect August 1, 2023.

SYNOPSIS

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

Section 1 amends § 17-204(a) of the LP Act to clarify that certificates required by the LP Act to be filed in the office of the Secretary of State be executed in the manner set forth in § 17-204(a). Further, because Section 5 of this Act contains amendments that permit or require a certificate of amendment to a certificate of division to be filed in the office of the Secretary of State, this section also amends § 17-204(a) of the LP Act to provide the manner in which a certificate of amendment to a certificate of division must be signed.

Section 2 amends § 17-211(g) of the LP Act. Currently, § 17-211(g) of the LP Act permits a duly approved agreement of merger or consolidation or plan of merger to effect any amendment to the partnership agreement or effect the adoption of a new partnership agreement. This amendment to § 17-211(g) confirms that an amendment to a partnership agreement or adoption of a new partnership agreement effected pursuant to § 17-211(g) of the LP Act may be effected only with respect to the partnership agreement of the surviving or resulting limited partnership and not with respect to the partnership agreement of a constituent limited partnership that is not the surviving or resulting limited partnership.

Sections 3 and 6 amend § 17-218(b)(1) and § 17-221(c)(1) of the LP Act. Each protected or registered series of a Delaware limited partnership must have a general partner associated with it. If a partnership agreement fails to designate an initial general partner associated with such a series, the LP Act designates a general partner to be associated with such a series. If a partnership agreement fails to designate a general partner of the limited partnership generally, the LP Act designates a general partner of the limited partnership generally. These sections amend § 17-218(b)(1) of the LP Act and § 17-221(c)(1) of the LP Act to confirm that the rules for designating a general partner for a limited partnership that has protected or registered series apply only to the designation of an initial general partner and not to subsequent general partners.

Section 4 amends §17-218 of the LP Act. Currently, § 17-806 of the LP Act permits revocation of dissolution of a limited partnership prior to the filing of a certificate of cancellation of the certificate of limited partnership in the office of the Secretary of State; however, the LP Act does not currently address revocation of termination of a protected series prior to the completion of the winding up of the protected series. This amendment adds a new § 17-218(d) to permit revocation of termination of a protected series prior to the completion of the winding up of the protected series.

Section 5 amends § 17-220(h) of the LP Act. Currently, among other requirements, a certificate of division must state the name and business address of the division contact and the name and address of the division partnership where the plan of division is on file. Because this information may change over time, this amendment permits or requires the filing of a certificate of amendment of certificate of division to amend the name or business address of the division contact or the name and address of the division partnership where the plan of division is on file. The requirement to update such information in a certificate of division ends after the expiration of a period of 6 years following the effective date of the division.

Section 5 also amends § 17-220(l)(1) of the LP Act to clarify that pursuant to a division, a dividing partnership is divided into distinct and independent division partnerships as such term is used in the LP Act.

Finally, Section 5 also amends § 17-220(l)(9) of the LP Act. Currently, under § 17-220 of the LP Act, a dividing partnership does not need to survive a division. This amendment confirms that a dividing partnership need not be a surviving partnership.

Section 7 amends §17-221 of the LP Act. Currently, § 17-806 of the LP Act permits revocation of dissolution of a limited partnership prior to the filing of a certificate of cancellation of the certificate of limited partnership in the office of the Secretary of State; however, the LP Act does not currently address revocation of dissolution of a registered series prior to the filing of a certificate of cancellation of the certificate of registered series in the office of the Secretary of State. This amendment adds a new § 17-221(f) to permit revocation of dissolution of a registered series prior to the filing of a certificate of cancellation of the certificate of registered series in the office of the Secretary of State.

Section 8 adds a new § 17-506 to the LP Act to clarify that a subscription for a partnership interest may be irrevocable if the subscription states it is irrevocable to the extent provided by the terms of the subscription.

Section 9 amends § 17-1107(a)(3) of the LP Act to specify the fee payable to the Secretary of State to file a certificate of amendment of certificate of division.

Section 10 amends § 17-1109(j) of the LP Act to acknowledge that certificates of amendment of certificate of division should be accepted for filing by the Secretary of State if at least 1 division partnership is in good standing at the time of such filings.

Section 11 provides that the proposed amendments to the LP Act take effect August 1, 2023.

This Act requires a greater than majority vote for passage because § 11 of Article VIII of the Delaware Constitution requires the affirmative vote of three-fifths of the members elected to each house of the General Assembly to impose or levy a tax or license fee.

Author: Senator Gay