

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Senator Steve Bell**

A BILL ACT 1175 OF 1991
SENATE BILL 508

For An Act To Be Entitled

8 "AN ACT TO AMEND THE REVISED LIMITED PARTNERSHIP ACT,
9 CHAPTER 43 OF TITLE 4 OF THE ARKANSAS CODE ANNOTATED, TO
10 MODERNIZE, IMPROVE AND ESTABLISH UNIFORMITY IN THE LAW OF
11 LIMITED PARTNERSHIPS; TO REPEAL CHAPTER 45 OF TITLE 4 OF
12 ARKANSAS CODE ANNOTATED; TO DECLARE AN EMERGENCY; AND FOR
13 OTHER PURPOSES."

14
15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

16
17 SECTION 1. Subsection 1 of Arkansas Code Annotated §4-43-101 is amended
18 to read as follows:

19 "(1) 'Certificate of limited partnership' means the certificate
20 referred to in 4-43-201, and the certificate as amended or restated;"

21
22 SECTION 2. Subsection 6 of Arkansas Code Annotated §4-43-101 is amended
23 to read as follows:

24 "(6) 'Limited partner' means a person who has been admitted to a
25 limited partnership as a limited partner in accordance with the partnership
26 agreement ;"

27
28 SECTION 3. Subsection 3 of Arkansas Code Annotated §4-43-102 is
29 repealed and subsection 4 of Arkansas Code Annotated §4-43-102 is renumbered
30 as subsection 3.

31
32 SECTION 4. Arkansas Code Annotated §4-43-105 is amended to read as
33 follows:

34 "4-43-105. Records to be kept.

35 (a) Each limited partnership shall keep at the office referred to in
36 4-43-104(1) the following:

1 (1) A current list of the full name and last known business address of
2 each partner, separately identifying the general partners (in alphabetical
3 order) and the limited partners (in alphabetical order);

4 (2) A copy of the certificate of limited partnership and all
5 certificates of amendment thereto, together with executed copies of any powers
6 of attorney pursuant to which any certificate has been executed; (3)

7 Copies of the limited partnership's federal, state, and local income tax
8 returns and reports, if any, for the three (3) most recent years;

9 (4) Copies of any then-effective written partnership agreements and of
10 any financial statements of the limited partnership for the three (3) most
11 recent years; and

12 (5) Unless contained in a written partnership agreement, a writing
13 setting out:

14 (i) the amount of cash and a description and statement of the
15 agreed value of the other property or services contributed by each partner and
16 which each partner has agreed to contribute;

17 (ii) the times at which or events on the happening of which any
18 additional contributions agreed to be made by each partner are to be made;

19 (iii) any right of a partner to receive, or of a general partner
20 to make, distributions to a partner which include a return of all or any part
21 of the partner's contribution; and

22 (iv) any events upon the happening of which the limited
23 partnership is to be dissolved and its affairs wound up.

24 (b) Records kept under this section are subject to inspection and
25 copying at the reasonable request and at the expense of any partner during
26 normal business hours."

27

28 SECTION 5. Arkansas Code Annotated §4-43-201 is amended to read as
29 follows:

30 "4-43-201. Certificate of limited partnership.

31 (a) In order to form a limited partnership, a certificate of limited
32 partnership must be executed and filed in the office of the Secretary of
33 State. The certificate shall set forth:

34 (1) The name of the limited partnership;

35 (2) The address of the office and the name and address of the agent for

1 service of process required to be maintained by 4-43-104;

2 (3) The name and the business address of each general partner;

3 (4) The latest date upon which the limited partnership is to dissolve;

4 and

5 (5) Any other matters the general partners determine to include

6 therein.

7 (b) A limited partnership is formed at the time of the filing of the
8 certificate of limited partnership in the office of the Secretary of State or
9 at any later time specified in the certificate of limited partnership if, in
10 either case, there has been substantial compliance with the requirements of
11 this section."

12

13 SECTION 6. Arkansas Code Annotated §4-43-202 is amended to read as
14 follows:

15 "4-43-202. Amendment to certificate.

16 (a) A certificate of limited partnership is amended by filing a
17 certificate of amendment thereto in the office of the Secretary of State. The
18 certificate shall set forth:

19 (1) The name of the limited partnership;

20 (2) The date of filing the certificate; and

21 (3) The amendment to the certificate.

22 (b) Within thirty (30) days after the happening of any of the following
23 events, an amendment to a certificate of limited partnership reflecting the
24 occurrence of the event or events shall be filed:

25 (1) The admission of a new general partner;

26 (2) The withdrawal of a general partner; or

27 (3) The continuation of the business under 4-43-801 after an event of
28 withdrawal of a general partner.

29 (c) A general partner who becomes aware that any statement in a
30 certificate of limited partnership was false when made or that any
31 arrangements or other facts described have changed, making the certificate
32 inaccurate in any respect, shall promptly amend the certificate.

33 (d) A certificate of limited partnership may be amended at any time for
34 any other proper purpose the general partners determine.

35 (e) No person has any liability because an amendment to a certificate

1 of limited partnership has not been filed to reflect the occurrence of any
2 event referred to in subsection (b) of this section if the amendment is filed
3 within the thirty-day (30-day) period specified in subsection (b).

4 (f) A restated certificate of limited partnership may be executed and
5 filed in the same manner as a certificate of amendment."

6

7 SECTION 7. Arkansas Code Annotated §4-43-204 is amended to read as
8 follows:

9 "4-43-204. Execution of certificates.

10 (a) Each certificate required by this subchapter to be filed in the
11 office of the Secretary of State shall be executed in the following manner:

12 (1) An original certificate of limited partnership must be signed by
13 all general partners;

14 (2) A certificate of amendment must be signed by at least one (1)
15 general partner and by each other general partner designated in the
16 certificate as a new general partner; and

17 (3) A certificate of cancellation must be signed by all general
18 partners.

19 (b) Any person may sign a certificate by an attorney in fact, but a
20 power of attorney to sign a certificate relating to the admission of a general
21 partner must specifically describe the admission.

22 (c) The execution of a certificate by a general partner constitutes an
23 affirmation under the penalties of perjury that the facts stated therein are
24 true."

25

26 SECTION 8. Arkansas Code Annotated §4-43-205 is amended to read as
27 follows:

28 "4-43-205. Execution by judicial act.

29 If a person required by 4-43-204 to execute any certificate fails or
30 refuses to do so, any other person who is adversely affected by the failure or
31 refusal, may petition the circuit court having jurisdiction thereof to direct
32 the execution of the certificate. If the court finds that it is proper for
33 the certificate to be executed and that any person so designated has failed or
34 refused to execute the certificate, it shall order the Secretary of State to
35 record an appropriate certificate ."

1

2 SECTION 9. Arkansas Code Annotated §4-43-208 is amended to read as
3 follows:

4 "4-43-208. Notice.

5 The fact that a certificate of limited partnership is on file in the
6 office of the Secretary of State is notice that the partnership is a limited
7 partnership and the persons designated therein as general partners are general
8 partners, but it is not notice of any other fact."

9

10 SECTION 10. Arkansas Code Annotated §4-43-209 is amended to read as
11 follows:

12 "4-43-209. Delivery of certificates to limited partners.

13 Upon the return by the Secretary of State pursuant to 4-43-206 of a
14 certificate marked "Filed," the general partners shall promptly deliver or
15 mail a copy of the certificate of limited partnership and each certificate of
16 amendment or cancellation to each limited partner unless the partnership
17 agreement provides otherwise."

18

19 SECTION 11. Arkansas Code Annotated §4-43-301 is amended to read as
20 follows:

21 "4-43-301. Admission of limited partners.

22 (a) A person becomes a limited partner:

23 (1) at the time the limited partnership is formed; or

24 (2) at any later time specified in the records of the limited
25 partnership for becoming a limited partner.

26 (b) After the filing of a limited partnership's original certificate of
27 limited partnership, a person may be admitted as an additional limited
28 partner:

29 (1) In the case of a person acquiring a partnership interest directly
30 from the limited partnership, upon the compliance with the partnership
31 agreement or, if the partnership agreement does not so provide, upon the
32 written consent of all partners; and

33 (2) In the case of an assignee of a partnership interest of a partner
34 who has the power, as provided in 4-43-704, to grant the assignee the right to
35 become a limited partner, upon the exercise of that power and compliance with

1 any conditions limiting the grant or exercise of the power.

2

3 "SECTION 12. Arkansas Code Annotated §4-43-303 is amended to read as
4 follows:

5 "4-43-303. Liability to third parties.

6 (a) Except as provided in subsection (d), a limited partner is not
7 liable for the obligations of a limited partnership unless he is also a
8 general partner or, in addition to the exercise of his rights and powers as a
9 limited partner, he participates in the control of the business. However, if
10 the limited partner participates in the control of the business, he is liable
11 only to persons who transact business with the limited partnership reasonably
12 believing, based upon the limited partner's conduct, that the limited partner
13 is a general partner.

14 (b) A limited partner does not participate in the control of the
15 business within the meaning of subsection (a) solely by doing one (1) or more
16 of the following:

17 (1) Being a contractor for or an agent or employee of the limited
18 partnership or of a general partner or being an officer, director, or
19 shareholder of a general partner that is a corporation;

20 (2) Consulting with and advising a general partner with respect to the
21 business of the limited partnership;

22 (3) Acting as surety for the limited partnership or guaranteeing or
23 assuming one (1) or more specific obligations of the limited partnership;

24 (4) Taking any action required or permitted by law to bring or pursue a
25 derivative action in the right of the limited partnership;

26 (5) Requesting or attending a meeting of partners;

27 (6) Proposing, approving, or disapproving, by voting or otherwise, one
28 or more of the following matters:

29 (i) The dissolution and winding up of the limited partnership;

30 (ii) The sale, exchange, lease, mortgage, pledge, or other transfer of
31 all or substantially all of the assets of the limited partnership;

32 (iii) The incurrence of indebtedness by the limited partnership other
33 than in the ordinary course of its business;

34 (iv) A change in the nature of the business;

35 (v) The admission or removal of a general partner;

- 1 (vi) The admission or removal of a limited partner;
- 2 (vii) A transaction involving an actual or potential conflict of
3 interest between a general partner and the limited partnership or the limited
4 partners;
- 5 (viii) An amendment to the partnership agreement or certificate of
6 limited partnership; or
- 7 (ix) Matters related to the business of the limited partnership not
8 otherwise enumerated in this subsection (b), which the partnership agreement
9 states in writing may be subject to the approval or disapproval of limited
10 partners;
- 11 (7) Winding up the limited partnership pursuant to §4-43-803; or
- 12 (8) Exercising any right or power permitted to limited partners under
13 this Act and not specifically enumerated in this subsection (b).
- 14 (c) The enumeration in subsection (b) of this section does not mean
15 that the possession or exercise of any other powers by a limited partner
16 constitutes participation by him in the business of the limited partnership.
- 17 (d) A limited partner who knowingly permits his name to be used in the
18 name of the limited partnership, except under circumstances permitted by
19 4-43-102(2), is liable to creditors who extend credit to the limited
20 partnership without actual knowledge that the limited partner is not a general
21 partner."

22

23 SECTION 13. Arkansas Code Annotated §4-43-304 is amended to read as
24 follows:

25 "4-43-304. Person erroneously believing himself limited partner.

26 (a) Except as provided in subsection (b), a person who makes a
27 contribution to a business enterprise and erroneously but in good faith
28 believes that he has become a limited partner in the enterprise is not a
29 general partner in the enterprise and is not bound by its obligations by
30 reason of making the contribution, receiving distributions from the
31 enterprise, or exercising any rights of a limited partner, if, on ascertaining
32 the mistake, he:

33 (1) Causes an appropriate certificate of limited partnership or a
34 certificate of amendment to be executed and filed; or

35 (2) Withdraws from future equity participation in the enterprise by

1 executing and filing in the office of the Secretary of State a certificate
2 declaring withdrawal under this section.

3 (b) A person who makes a contribution of the kind described in
4 subsection (a) is liable as a general partner to any third party who transacts
5 business with the enterprise (i) before the person withdraws and an
6 appropriate certificate is filed to show withdrawal, or (ii) before an
7 appropriate certificate is filed to show that he is not a general partner, but
8 in either case only if the third party actually believed in good faith that
9 the person was a general partner at the time of the transaction."

10

11 SECTION 14. Arkansas Code Annotated §4-43-401 is amended to read as
12 follows:

13 "4-43-401. Admission of additional general partners.

14 After the filing of a limited partnership's original certificate of
15 limited partnership, additional general partners may be admitted as provided
16 in writing in the partnership agreement or, if the partnership agreement does
17 not provide in writing for the admission of additional general partners, with
18 the written consent of all partners."

19

20 SECTION 15. Arkansas Code Annotated §4-43-402 is amended to read as
21 follows:

22 "4-43-402. Events of withdrawal.

23 Except as approved by the specific written consent of all partners at
24 the time, a person ceases to be a general partner of a limited partnership
25 upon the happening of any of the following events:

26 (1) The general partner withdraws from the limited partnership as
27 provided in 4-43-602;

28 (2) The general partner ceases to be a member of the limited
29 partnership as provided in 4-43-702;

30 (3) The general partner is removed as a general partner in accordance
31 with the partnership agreement;

32 (4) Unless otherwise provided in writing in the partnership agreement,
33 the general partner: (i) makes an assignment for the benefit of creditors;
34 (ii) files a voluntary petition in bankruptcy; (iii) is adjudicated a bankrupt
35 or insolvent; (iv) files a petition or answer seeking for himself any

1 reorganization, arrangement, composition, readjustment, liquidation,
2 dissolution, or similar relief under any statute, law, or regulation; (v)
3 files an answer or other pleading admitting or failing to contest the material
4 allegations of a petition filed against him in any proceeding of this nature;
5 or (vi) seeks, consents to, or acquiesces in the appointment of a trustee,
6 receiver, or liquidator of the general partner or of all or any substantial
7 part of his properties;

8 (5) Unless otherwise provided in writing in the partnership agreement,
9 one hundred twenty (120) days after the commencement of any proceeding against
10 the general partner seeking reorganization, arrangement, composition,
11 readjustment, liquidation, dissolution, or similar relief under any statute,
12 law, or regulation, the proceeding has not been dismissed, or if within ninety
13 (90) days after the appointment without his consent or acquiescence of a
14 trustee, receiver, or liquidator of the general partner or of all or any
15 substantial part of his properties, the appointment is not vacated or stayed
16 or within ninety (90) days after the expiration of any such stay, the
17 appointment is not vacated;

18 (6) In the case of a general partner who is a natural person,

19 (i) his death; or

20 (ii) the entry of an order by a court of competent jurisdiction
21 adjudicating him incompetent to manage his person or his estate;

22 (7) In the case of a general partner who is acting as a general partner
23 by virtue of being a trustee of a trust, the termination of the trust but not
24 merely the substitution of a new trustee;

25 (8) In the case of a general partner that is a separate partnership,
26 the dissolution and commencement of winding up of the separate partnership;

27 (9) In the case of a general partner that is a corporation, the filing
28 of a certificate of dissolution, or its equivalent, for the corporation or the
29 revocation of its charter; or

30 (10) In the case of an estate, the distribution by the fiduciary of the
31 estate's entire interest in the partnership."

32

33 SECTION 16. Arkansas Code Annotated §4-43-502 is amended to read as
34 follows:

35 "4-43-502. Liability for contribution.

1 (a) A promise by a limited partner to contribute to the limited
2 partnership is not enforceable unless set out in a writing signed by the
3 limited partner.

4 (b) Except as provided in the partnership agreement, a partner is
5 obligated to the limited partnership to perform any enforceable promise to
6 contribute cash or property or to perform services, even if he is unable to
7 perform because of death, disability, or any other reason. If a partner does
8 not make the required contribution of property or services, he is obligated at
9 the option of the limited partnership to contribute cash equal to that portion
10 of the value as stated in the partnership records required to be kept pursuant
11 to §4-43-105, of the stated contribution which has not been made.

12 (c) Unless otherwise provided in the partnership agreement, the
13 obligation of a partner to make a contribution or return money or other
14 property paid or distributed in violation of this chapter may be compromised
15 only by consent of all the partners. Notwithstanding the compromise, a
16 creditor of a limited partnership who extends credit, or otherwise acts in
17 reliance on that obligation after the partner signs a writing which reflects
18 the obligation, and before the amendment or cancellation thereof to reflect
19 the compromise, may enforce the original obligation."
20

21 SECTION 17. Arkansas Code Annotated §4-43-503 is amended to read as
22 follows:

23 "4-43-503. Sharing of profits and losses.

24 The profits and losses of a limited partnership shall be allocated among
25 the partners, and among classes of partners, in the manner provided in writing
26 in the partnership agreement. If the partnership agreement does not so
27 provide in writing, profits and losses shall be allocated on the basis of the
28 value, as stated in the partnership records required to be kept pursuant to
29 §4-43-105, of the contributions made by each partner to the extent they have
30 been received by the partnership and have not been returned."
31

32 SECTION 18. Arkansas Code Annotated §4-43-504 is amended to read as
33 follows:

34 "4-43-504. Sharing of distributions.

35 Distributions of cash or other assets of a limited partnership shall be

1 allocated among the partners, and among classes of partners, in the manner
2 provided in writing in the partnership agreement. If the partnership
3 agreement does not so provide in writing, distributions shall be made on the
4 basis of the value, as stated in the partnership records required to be kept
5 pursuant to §4-43-105 of the contributions made by each partner to the extent
6 they have been received by the partnership and have not been returned."

7

8 SECTION 19. Arkansas Code Annotated §4-43-601 is amended to read as
9 follows:

10 "4-43-601. Interim distributions.

11 Except as provided in this subchapter, a partner is entitled to receive
12 distributions from a limited partnership before his withdrawal from the
13 limited partnership and before the dissolution and winding up thereof to the
14 extent and at the times or upon the happening of the events specified in the
15 partnership agreement."

16

17 SECTION 20. Arkansas Code Annotated §4-43-603 is amended to read as
18 follows:

19 "4-43-603. Withdrawal of limited partner.

20 A limited partner may withdraw from a limited partnership at the time or
21 upon the happening of events specified in writing in the partnership
22 agreement. If the agreement does not specify in writing the time or the
23 events upon the happening of which a limited partner may withdraw or a
24 definite time for the dissolution and winding up of the limited partnership, a
25 limited partner may withdraw upon not less than six (6) months' prior written
26 notice to each general partner at his address on the books of the limited
27 partnership at its office in this state."

28

29 SECTION 21. Arkansas Code Annotated §4-43-605 is amended to read as
30 follows:

31 "4-43-605. Distribution in kind.

32 Except as provided in writing in the partnership agreement, a partner,
33 regardless of the nature of his contribution, has no right to demand and
34 receive any distribution from a limited partnership in any form other than
35 cash. Except as provided in writing in the partnership agreement, a partner

1 may not be compelled to accept a distribution of any asset in kind from a
2 limited partnership to the extent that the percentage of the asset distributed
3 to him exceeds a percentage of that asset which is equal to the percentage in
4 which he shares in distributions from the limited partnership."

5

6 SECTION 22. Arkansas Code Annotated §4-43-608 is amended to read as
7 follows:

8 "4-43-608. Liability upon return of contribution.

9 (a) If a partner has received the return of any part of his
10 contribution without violation of the partnership agreement or this chapter,
11 he is liable to the limited partnership for a period of one (1) year
12 thereafter for the amount of the returned contribution, but only to the extent
13 necessary to discharge the limited partnership's liabilities to creditors who
14 extended credit to the limited partnership during the period the contribution
15 was held by the partnership.

16 (b) If a partner has received the return of any part of his
17 contribution in violation of the partnership agreement or this chapter, he is
18 liable to the limited partnership for a period of six (6) years thereafter for
19 the amount of the contribution wrongfully returned.

20 (c) A partner receives a return of his contribution to the extent that
21 a distribution to him reduces his share of the fair value of the net assets of
22 the limited partnership below the value, as set forth in the partnership
23 records required to be kept pursuant to §4-43-105, of his contribution which
24 has not been distributed to him."

25

26 SECTION 23. Arkansas Code Annotated §4-43-704 is amended to read as
27 follows:

28 "4-43-704. Right of assignee to become limited partner.

29 (a) An assignee of a partnership interest, including an assignee of a
30 general partner, may become a limited partner if and to the extent that (i)
31 the assignor gives the assignee that right in accordance with authority
32 described in the partnership agreement, or (ii) all other partners consent.

33 (b) An assignee who has become a limited partner has, to the extent
34 assigned, the rights and powers, and is subject to the restrictions and
35 liabilities, of a limited partner under the partnership agreement and this

1 chapter. An assignee who becomes a limited partner also is liable for the
2 obligations of his assignor to make and return contributions as provided in
3 subchapters 5 and 6 of this chapter. However, the assignee is not obligated
4 for liabilities unknown to the assignee at the time he became a limited
5 partner.

6 (c) If an assignee of a partnership interest becomes a limited partner,
7 the assignor is not released from his liability to the limited partnership
8 under § 4-43-207 and 4-43-502."

9

10 SECTION 24. Arkansas Code Annotated §4-43-801 is amended to read as
11 follows:

12 "4-43-801. Nonjudicial dissolution.

13 A limited partnership is dissolved and its affairs shall be wound up
14 upon the happening of the first to occur of the following:

15 (1) At the time specified in the certificate of limited partnership;

16 (2) Upon the happening of events specified in writing in the
17 partnership agreement;

18 (3) The written consent of all partners;

19 (4) An event of withdrawal of a general partner unless at the time
20 there is at least one (1) other general partner and written provisions of the
21 partnership agreement permit the business of the limited partnership to be
22 carried on by the remaining general partner and that partner does so, but the
23 limited partnership is not dissolved and is not required to be wound up by
24 reason of any event of withdrawal, if, within ninety (90) days after the
25 withdrawal, all partners agree in writing to continue the business of the
26 limited partnership and to the appointment of one (1) or more additional
27 general partners if necessary or desired; or

28 (5) Entry of a decree of judicial dissolution under 4-43-802."

29

30 SECTION 25. Arkansas Code Annotated §4-43-902 is amended to read as
31 follows:

32 "4-43-902. Registration.

33 Before transacting business in this state, a foreign limited partnership
34 shall register with the Secretary of State. In order to register, a foreign
35 limited partnership shall submit to the Secretary of State, in duplicate, an

1 application for registration as a foreign limited partnership, signed and
2 sworn to by a general partner and setting forth:

3 (1) The name of the foreign limited partnership and, if different, the
4 name under which it proposes to register and transact business in this state;

5 (2) The state and date of its formation;

6 (3) The name and address of any agent for service of process on the
7 foreign limited partnership whom the foreign limited partnership elects to
8 appoint; the agent must be an individual resident of this state, a domestic
9 corporation, or a foreign corporation having a place of business in, and
10 authorized to do business in, this state;

11 (4) A statement that the Secretary of State is appointed the agent of
12 the foreign limited partnership for service of process if no agent has been
13 appointed under paragraph (3) or, if appointed, the agent's authority has been
14 revoked or if the agent cannot be found or served with the exercise of
15 reasonable diligence;

16 (5) The address of the office required to be maintained in the state of
17 its organization by the laws of that state or, if not so required, of the
18 principal office of the foreign limited partnership;

19 (6) The name and business address of each general partner; and

20 (7) The address of the office at which is kept a list of the names and
21 addresses of the limited partners and their capital contributions, together
22 with an undertaking by the foreign limited partnership to keep those records
23 until the foreign limited partnership's registration in this state is canceled
24 or withdrawn."

25

26 SECTION 26. Arkansas Code Annotated §4-43-1002 is amended to read as
27 follows:

28 "4-43-1002. Proper plaintiff.

29 In a derivative action, the plaintiff must be a partner at the time of
30 bringing the action and:

31 (i) must have been a partner at the time of the transaction of which he
32 complains; or

33 (ii) his status as a partner must have devolved upon him by operation
34 of law or pursuant to the terms of the partnership agreement from a person who
35 was a partner at the time of the transaction."

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SECTION 27. Arkansas Code Annotated §4-43-1102 is amended to read as follows:

"4-43-1102. Short title.
This chapter may be cited as the "Revised Limited Partnership Act of 1991."

SECTION 28. Code Provisions Repealed. Chapters 44 and 45 of Title 4 of Arkansas Code Annotated, the same being Arkansas Code Annotated §§ 4-44-101 through 4-44-131 and Arkansas Code Annotated §§ 4-45-101 through 4-45-110 are repealed, except that the repeal of these provisions does not impair, or otherwise affect, the organization or the continued existence of domestic or foreign limited partnerships existing on the effective date of this Act, nor does the repeal of any existing Code provision by this Act impair any contract or affect any right accrued before the effective date of this Act.

SECTION 29. Savings Clause for Limited Partnerships Formed Under Former Law. Unless otherwise agreed by the partners, the provisions of law in effect prior to the effective date of the Revised Limited Partnership Act of 1979 governing (i) allocation of profits and losses, (ii) distributions to a withdrawing partner, and (iii) distributions upon the winding up of a limited partnership shall govern limited partnerships formed prior to the effective date of the Revised Limited Partnership Act of 1979.

SECTION 30. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 31. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

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SECTION 32. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 33. EMERGENCY CLAUSE. It is hereby found and determined by the Seventy-Eighth General Assembly that the effectiveness of this Act on July 1, 1991 is essential to modernize, improve and establish uniformity in the law of limited partnerships in Arkansas and to the orderly legal status of limited partnerships now formed or to be formed and that in the event of an extension of the regular session, the delay in the effective date of this Act beyond July 1, 1991 could cause irreparable harm to the legal status of all Arkansas limited partnerships. Therefore, an emergency is hereby declared to exist and this Act being immediately necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

/s/Steve Bell

APPROVED: 4/10/91