

STATE OF OKLAHOMA

2nd Session of the 45th Legislature (1996)

HOUSE BILL NO. 2729

By: Toure

AS INTRODUCED

An Act relating to partnerships; providing short title; enacting the Oklahoma Limited Liability Partnership Act; providing for registration procedures; prescribing formalities for registration; requiring fees; providing for renewal registrations; providing for expiration of registrations; providing for effect of changes; requiring certain designations; providing for conflict in names of entities; providing for liability of partners; providing exceptions; requiring minimum level of insurance; specifying scope of insurance required; providing for determinations of compliance with insurance requirement; prohibiting admissibility of certain evidence for certain purpose; providing alternate method of compliance with insurance requirement; authorizing certain powers; providing for applicability of certain laws; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 401 of Title 54, unless there is created a duplication in numbering, reads as follows:

Sections 1 through 6 of this act shall be known and may be cited as the "Oklahoma Limited Liability Partnership Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 402 of Title 54, unless there is created a duplication in numbering, reads as follows:

A. A partnership shall become or continue as a registered limited liability partnership by filing with the Secretary of State an application or a renewal application, as the case may be, stating the name of the partnership; the address of its principal office; if the partnership's principal office is not located in this state, the address of a registered office and the name and address of a registered agent for service of process in this state which the partnership shall be required to maintain; the number of partners; a brief statement of the business in which the partnership engages; and that the partnership thereby applies for status or renewal of its status, as the case may be, as a registered limited liability partnership.

B. The application or renewal application shall be executed by a majority in interest of the partners or by one or more partners authorized to execute an application or renewal application.

C. The application or renewal application shall be accompanied by a fee of One Hundred Dollars (\$100.00) for each partner; provided, that the fee payable for any year shall not exceed Five Hundred Dollars (\$500.00).

D. The Secretary of State shall register as a registered limited liability partnership, and shall renew the registration of any registered limited liability partnership, any partnership that submits a completed application or renewal application with the required fee.

E. Registration is effective for one (1) year after the date an application is filed, unless voluntarily withdrawn by filing with the Secretary of State a written withdrawal notice executed by a majority in interest of the partners or by one or more partners authorized to execute a withdrawal notice. Registration, whether pursuant to an original application or a renewal application, as a registered limited liability partnership is renewed if, during the sixty-day period preceding the date the application or renewal application otherwise would have expired, the partnership files with the Secretary of State a renewal application. A renewal application expires one (1) year after the date an original application would have expired if the last renewal of the application had not occurred.

F. The status of a partnership as a registered limited liability partnership shall not be affected by changes after the filing of an application or a renewal application in the information stated in the application or renewal application.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 403 of Title 54, unless there is created a duplication in numbering, reads as follows:

The name of a registered limited liability partnership shall contain the words "Limited Liability Partnership" or the abbreviation "L.L.P." as the last words or letter of its name. If the name of the registered limited liability partnership conflicts with another name filed with the Secretary of State, the registered limited liability partnership may register:

1. Under the conflicting name if the partnership seeking registration files a consent to similar name signed by the other party, who agrees to change its name to eliminate the conflict or to withdraw from the state or dissolve its business; or

2. Under a non-conflicting, assumed name which shall be used when doing business in this state.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 404 of Title 54, unless there is created a duplication in numbering, reads as follows:

A. Subject to subsection B of this section, all partners in a registered limited liability partnership are liable jointly and severally for the partnership's obligations unless otherwise agreed by the claimant or provided by law; provided, that a partner in a registered limited liability partnership is not liable for debts and obligations of the partnership arising from negligence, wrongful acts, or misconduct committed by another partner or an employee, agent, or representative of the partnership while the partnership is a registered limited liability partnership and in the course of the partnership business.

B. Subsection A of this section shall not affect the liability of a partner in a registered limited liability partnership for his own negligence, wrongful acts, or misconduct, or that of any person under his direct supervision and control.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 405 of Title 54, unless there is created a duplication in numbering, reads as follows:

A. A registered limited liability partnership shall carry at least One Million Dollars (\$1,000,000.00) of liability insurance of a kind that is designed to cover the kinds of negligence, wrongful acts, and misconduct for which liability is limited by Section 4 of this act and which insures the partnership and its partners.

B. If, in any proceeding, compliance by a partnership with the requirements of subsection A of this section is disputed, that issue shall be determined by the court, and the burden of proof of compliance shall be on the person who claims the limitation of liability in Section 4 of this act.

C. If a registered limited liability partnership is in compliance with the requirements of subsection A of this section,

the requirements of this section shall not be admissible or in any way be made known to a jury in determining an issue of liability for or extent of the debt or obligation or damages in question.

D. A registered limited liability partnership is considered to be in compliance with subsection A of this section if the partnership provides One Million Dollars (\$1,000,000.00) of funds specifically designated and segregated for the satisfaction of judgments against the partnership or its partners based on the kinds of negligence, wrongful acts, and misconduct for which liability is limited by Section 4 of this act by:

1. Deposit in trust or in bank escrow of cash, bank certificates of deposit, or United States Treasury obligations; or

2. A bank letter of credit or insurance company bond.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 406 of Title 54, unless there is created a duplication in numbering, reads as follows:

A. A partnership, including a registered limited liability partnership, formed and existing under this act, may conduct its business, carry on its operations, and have and exercise the powers granted by this act in any state, territory, district, or possession of the United States or in any foreign country.

B. The internal affairs of a registered limited liability partnership, including the liability of partners for debts and obligations of partnerships, shall be subject to and governed by the laws of the state of its formation unless such state does not recognize registered limited liability partnerships, in which case the laws of this state shall govern claims made within this state.

C. The provisions of the Oklahoma Uniform Partnership Act, as amended, shall apply to any case for which this act does not provide.

SECTION 7. This act shall become effective November 1, 1996.

45-2-8809

MAH