



Senate

General Assembly

February Session, 2000

File No. 435

Senate Bill No. 602

Senate, April 5, 2000

The Committee on Judiciary reported through SEN. WILLIAMS 29th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

An Act Concerning The Uniform Partnership Act.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 34-372 of the general statutes is repealed and the
2 following is substituted in lieu thereof:

3 A partnership is dissolved, and its business must be wound up, only
4 upon the occurrence of any of the following events:

5 (1) In a partnership at will, the partnership's having notice from a
6 partner, other than a partner who is dissociated under subdivisions (2)
7 to (10), inclusive, of section 34-355 of that partner's express will to
8 withdraw as a partner, or on a later date specified by the partner;

9 (2) In a partnership for a definite term or particular undertaking: (A)
10 The expiration of ninety days after a partner's dissociation by death or
11 otherwise under subdivisions (6) to (10), inclusive, of section 34-355 or
12 wrongful dissociation under subsection (b) of section 34-356, [unless

13 before that time a majority in interest of the remaining partners,
14 including partners who have rightfully dissociated pursuant to
15 subparagraph (A) of subdivision (2) of subsection (b) of section 34-356,
16 agree to continue the partnership] the express will of at least half of the
17 remaining partners to wind up the partnership business, for which
18 purpose a partner's rightful dissociation pursuant to subparagraph (A)
19 of subdivision (2) of subsection (b) of section 34-356 constitutes the
20 expression of that partner's will to wind up the partnership business;
21 (B) the express will of all of the partners to wind up the partnership
22 business; or (C) the expiration of the term or the completion of the
23 undertaking;

24 (3) An event agreed to in the partnership agreement resulting in the
25 winding up of the partnership business;

26 (4) An event that makes it unlawful for all or substantially all of the
27 business of the partnership to be continued, but a cure of illegality
28 within ninety days after notice to the partnership of the event is
29 effective retroactively to the date of the event for purposes of this
30 section;

31 (5) On application by a partner, a judicial determination that: (A)
32 The economic purpose of the partnership is likely to be unreasonably
33 frustrated; (B) another partner has engaged in conduct relating to the
34 partnership business which makes it not reasonably practicable to
35 carry on the business in partnership with that partner; or (C) it is not
36 otherwise reasonably practicable to carry on the partnership business
37 in conformity with the partnership agreement; or

38 (6) On application by a transferee of a partner's transferable interest,
39 a judicial determination that it is equitable to wind up the partnership
40 business: (A) After the expiration of the term or completion of the
41 undertaking, if the partnership was for a definite term or particular
42 undertaking at the time of the transfer or entry of the charging order
43 that gave rise to the transfer; or (B) at any time, if the partnership was a

44 partnership at will at the time of the transfer or entry of the charging
45 order that gave rise to the transfer.

46 Sec. 2. Subsection (c) of section 34-378 of the general statutes is
47 repealed and the following is substituted in lieu thereof:

48 (c) If a partner fails to contribute the full amount required under
49 subsection (b) of this section, all of the other partners shall contribute,
50 in the proportions in which those partners share partnership losses, the
51 additional amount necessary to satisfy the partnership obligations
52 unless the obligation is for a debt, obligation or liability for which the
53 partner is not liable as provided in subsection (c) of section 34-327. A
54 partner or partner's legal representative may recover from the other
55 partners any contributions the partner makes to the extent the amount
56 contributed exceeds that partner's share of the partnership obligations
57 and the other partners are liable under section 34-327.

JUD Committee Vote: Yea 40 Nay 0 JF

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Affected Agencies: None

Municipal Impact: None

OLR Bill Analysis

SB 602

AN ACT CONCERNING THE UNIFORM PARTNERSHIP ACT.**SUMMARY:**

This bill changes the circumstances under which a partnership for a definite term or a particular undertaking is dissolved. Under current law, dissolution occurs 90 days after a partner dies or dissociates from the partnership in certain other ways, unless partners holding a majority interest in the partnership agree to continue it. The bill instead requires dissolution only if after a partner dies or dissociates, at least 50% of the remaining partners express the desire to dissolve it. It specifies that a partner can express the desire to dissolve the partnership by giving it a notice of his intention to withdraw, as long as he has the right to do so. (It is not clear when remaining partners must express the desire to dissolve).

Also, the bill clarifies the duty of the other partners to satisfy the partnership's obligations when a partnership dissolves and a partner does not pay what he owes. It specifies that this duty applies when a partner does not pay the full amount he owes.

EFFECTIVE DATE: October 1, 2000

COMMITTEE ACTION

Judiciary Committee

Joint Favorable Report

Yea 40 Nay 0