

**ANALYSIS OF 2003 AMENDMENTS TO THE
DELAWARE REVISED UNIFORM PARTNERSHIP ACT**

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Introduction

The Delaware Revised Uniform Partnership Act, 6 *Del. C.* § 15-101 *et seq.* (the "Act"), was amended in 2003, as it is periodically, for the purpose of keeping it current and maintaining its preeminence. 2003 amendments to the Act were contained in Delaware State House Bills Nos. 200 and 268, and became effective August 1, 2003.¹ *See* 74 Del. Laws, c. 52 and 103. House Bills Nos. 200 and 268 amended provisions of the Act concerning (among other things): conversion; filings with the Delaware Secretary of State; liability of persons admitted as partners upon conversion or domestication; transfer and domestication; and Delaware Secretary of State fees and services. House Bill No. 202 separately amended Section 2704 of Title 6 of the Delaware Code relating to exculpatory clauses in certain contracts including partnership agreements. *See* 74 Del. Laws, c. 105.

Conversion of a Delaware Partnership to a Non-Delaware Entity [§§ 15-101, 15-105, and 15-903]. Section 15-903 of the Act was amended by House Bill No. 200 to permit the conversion of a Delaware partnership, not only to a Delaware entity, but also to a non-Delaware entity. Conforming changes were made to Sections 15-101 and 15-105.

Filings with the Delaware Secretary of State [§ 15-105]. House Bill No. 200 amended Section 15-105 of the Act to clarify (1) the general rule that the date and time of filing of a statement or certificate filed with the Delaware Secretary of State is the date and time of delivery of the statement or certificate and (2) the limited exceptions to such rule.

Liability of a Person Admitted as a Partner Upon Conversion [§ 15-901]. Section 15-901(j) of the Act was amended to clarify the liability of a person admitted as a partner to a Delaware partnership upon the conversion of an entity to a Delaware partnership.

Liability of a Person Admitted as a Partner upon Domestication [§ 15-904]. House Bill No. 200 amended Section 15-904(k) of the Act to clarify the liability of a person admitted as a partner to a Delaware partnership upon the domestication of a non-United States entity as a Delaware partnership.

¹ The amendment to Section 15-1208(a) of the Act, contained in House Bill No. 268, regarding the annual tax payable by certain partnerships on or before June 1 of the following calendar year, became effective as of January 1, 2003. *See* 74 Del. Laws, c. 52, §§ 12 and 43.

Transfer and Domestication [§ 15-905]. Subsections (a), (b) and (e) of Section 15-905 of the Act were amended in 2003 to make language in those subsections consistent with that used in other analogous sections of the Act.

Delaware Secretary of State Fees and Services [§§ 15-1207 and 15-1208]. House Bill No. 268 amended Sections 15-1207 and 15-1208 of the Act to adjust the annual tax payable by partnerships and certain fees charged by the Delaware Secretary of State. The 2003 amendments also enable the Secretary of State to offer one-hour expedited service, improving on existing two-hour expedited service, which remains available.

Exculpatory Provisions in Partnership Agreements [6 Del. C. § 2704]. Section 2704(a) of Title 6 of the Delaware Code renders void and unenforceable certain contractual provisions whereby a contracting party undertakes to indemnify or hold harmless another. Among other things, amendments to Section 2704 contained in House Bill No. 202 confirm the limited application of Section 2704(a) and clarify, in a new subsection (c), that Section 2704(a) does not apply to a covenant, promise, agreement, understanding, or other provision in a partnership agreement of a Delaware partnership. The 2003 amendments to Section 2704 became effective August 1, 2003.