

SENATE BILL No. 841

February 22, 2018, Introduced by Senators BRANDENBURG, COLBECK, PROOS, ZORN, HUNE, HANSEN, KOWALL, EMMONS, PAVLOV, ROBERTSON, JONES, GREEN, MARLEAU, KNOLLENBERG, CASPERSON, HILDENBRAND, BOOHER, STAMAS and SCHMIDT and referred to the Committee on Finance.

A bill to amend 1917 PA 72, entitled
"Uniform partnership act,"
by amending section 46 (MCL 449.46), as added by 1994 PA 323.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 46. (1) ~~Except for a tax obligation of the partnership, a~~
2 ~~partner of a registered limited liability partnership is not liable~~
3 ~~directly or indirectly, including by way of indemnification,~~
4 ~~contribution, assessment, or otherwise, for debts, obligations, and~~
5 ~~liabilities of or chargeable to the partnership, whether in tort,~~
6 ~~contract, or otherwise, arising from negligence, wrongful acts,~~
7 ~~omissions, misconduct, or malpractice committed while the~~
8 ~~partnership is a registered limited liability partnership and in~~
9 ~~the course of the partnership business by another partner or an~~

1 ~~employee, agent, or representative of the partnership.~~ EXCEPT AS
2 PROVIDED IN SUBSECTIONS (2) AND (5), A DEBT, OBLIGATION, OR OTHER
3 LIABILITY OF A PARTNERSHIP INCURRED WHILE THE PARTNERSHIP IS A
4 REGISTERED LIMITED LIABILITY PARTNERSHIP IS SOLELY THE DEBT,
5 OBLIGATION, OR OTHER LIABILITY OF THE REGISTERED LIMITED LIABILITY
6 PARTNERSHIP. A PARTNER IS NOT PERSONALLY LIABLE, DIRECTLY OR
7 INDIRECTLY, BY WAY OF CONTRIBUTION OR OTHERWISE, FOR A DEBT,
8 OBLIGATION, OR OTHER LIABILITY OF THE REGISTERED LIMITED LIABILITY
9 PARTNERSHIP SOLELY BY REASON OF BEING OR ACTING AS A PARTNER. THIS
10 SUBSECTION APPLIES REGARDLESS OF THE DISSOLUTION OF THE REGISTERED
11 LIMITED LIABILITY PARTNERSHIP.

12 (2) ~~This section shall~~ SUBSECTION (1) DOES not affect the
13 liability of a partner in a registered limited liability
14 partnership for the partner's own negligence, wrongful acts,
15 omissions, misconduct, or malpractice, or that of any ~~person~~
16 INDIVIDUAL WHO IS under the partner's direct supervision and
17 control, THAT RESULTS IN A DEBT, OBLIGATION, OR OTHER LIABILITY OF
18 THE REGISTERED LIMITED LIABILITY PARTNERSHIP.

19 (3) Except as provided in subsection (2), a partner in a
20 registered limited liability partnership is not a proper party to a
21 proceeding by or against a ~~THE~~ registered limited liability
22 partnership, the object of which is to recover damages or enforce
23 ~~the obligations arising out of the negligence, wrongful acts,~~
24 ~~omissions, misconduct, or malpractice as described in~~ A DEBT,
25 OBLIGATION, OR OTHER LIABILITY FOR WHICH A PARTNER IS NOT LIABLE
26 UNDER subsection (1).

27 (4) THE FAILURE OF A REGISTERED LIMITED LIABILITY PARTNERSHIP

1 TO OBSERVE ANY APPLICABLE FORMALITIES RELATING TO THE EXERCISE OF
2 ITS POWERS OR MANAGEMENT OF ITS BUSINESS IS NOT A GROUND FOR
3 IMPOSING LIABILITY ON A PARTNER FOR A DEBT, OBLIGATION, OR OTHER
4 LIABILITY OF THE REGISTERED LIMITED LIABILITY PARTNERSHIP.

5 (5) SUBSECTION (1) DOES NOT AFFECT THE PERSONAL LIABILITY OF A
6 PARTNER FOR A DEBT, OBLIGATION, OR OTHER LIABILITY OF THE
7 REGISTERED LIMITED LIABILITY PARTNERSHIP INCURRED OR ARISING BEFORE
8 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
9 SUBSECTION.

10 Enacting section 1. This amendatory act takes effect 90 days
11 after the date it is enacted into law.