

TITLE 30
CORPORATIONS

CHAPTER 24
LIMITED PARTNERSHIPS

PART 1
GENERAL PROVISIONS

30-24-101. SHORT TITLE. This chapter may be cited as the Idaho Uniform Limited Partnership Act.

[30-24-101, added 2015, ch. 243, sec. 33, p. 838.]

30-24-102. DEFINITIONS. (a) In this chapter:

(1) "Certificate of limited partnership" means the certificate required by section [30-24-201](#), Idaho Code. The term includes the certificate as amended or restated.

(2) "Contribution," except in the phrase "right of contribution," means property or a benefit described in section [30-24-501](#), Idaho Code, which is provided by a person to a limited partnership to become a partner or in the person's capacity as a partner.

(3) "Distribution" means a transfer of money or other property from a limited partnership to a person on account of a transferable interest or in the person's capacity as a partner. The term:

(A) Includes:

(i) A redemption or other purchase by a limited partnership of a transferable interest; and

(ii) A transfer to a partner in return for the partner's relinquishment of any right to participate as a partner in the management or conduct of the partnership's activities and affairs or to have access to records or other information concerning the partnership's activities and affairs; and

(B) Does not include amounts constituting reasonable compensation for present or past service or payments made in the ordinary course of business under a bona fide retirement plan or other bona fide benefits program.

(4) "General partner" means a person that:

(A) Has become a general partner under section [30-24-401](#), Idaho Code, or was a general partner in a partnership when the partnership became subject to this chapter under section [30-24-112](#), Idaho Code; and

(B) Has not dissociated as a general partner under section [30-24-603](#), Idaho Code.

(5) "Limited liability limited partnership" means a limited partnership whose certificate of limited partnership states that the partnership is a limited liability limited partnership.

(6) "Limited partner" means a person that:

(A) Has become a limited partner under section [30-24-301](#), Idaho Code, or was a limited partner in a limited partnership when the partnership became subject to this chapter under section [30-24-112](#), Idaho Code; and

(B) Has not dissociated under section [30-24-601](#), Idaho Code.

(7) "Limited partnership" means an entity formed under this chapter or that becomes subject to this chapter under [chapter 22, title 30](#), Idaho Code, or section [30-24-112](#), Idaho Code. The term includes a limited liability limited partnership.

(8) "Partner" means a limited partner or general partner.

(9) "Partnership agreement" means the agreement, whether or not referred to as a partnership agreement and whether oral, implied, in a record, or in any combination thereof, of all the partners of a limited partnership concerning the matters described in section [30-24-105](#)(a), Idaho Code. The term includes the agreement as amended or restated.

(10) "Required information" means the information that a limited partnership is required to maintain under section [30-24-108](#), Idaho Code.

(11) "Transferable interest" means the right, as initially owned by a person in the person's capacity as a partner, to receive distributions from a limited partnership, whether or not the person remains a partner or continues to own any part of the right. The term applies to any fraction of the interest, by whomever owned.

(12) "Transferee" means a person to which all or part of a transferable interest has been transferred, whether or not the transferor is a partner. The term includes a person that owns a transferable interest under section [30-24-602](#)(a)(3) or [30-24-605](#)(a)(4), Idaho Code.

(b) The following definitions outside this chapter apply to this chapter:

- (1) "Debtor in bankruptcy" - section [30-21-102](#)(7), Idaho Code.
- (2) "Foreign" - section [30-21-102](#)(15), Idaho Code.
- (3) "Jurisdiction" - section [30-21-102](#)(22), Idaho Code.
- (4) "Jurisdiction of formation" - section [30-21-102](#)(23), Idaho Code.
- (5) "Person" - section [30-21-102](#)(35), Idaho Code.
- (6) "Principal office" - section [30-21-102](#)(36), Idaho Code.
- (7) "Property" - section [30-21-102](#)(41), Idaho Code.
- (8) "Record" - section [30-21-102](#)(44), Idaho Code.
- (9) "Registered agent" - section [30-21-102](#)(45), Idaho Code.
- (10) "Sign" - section [30-21-102](#)(47), Idaho Code.
- (11) "State" - section [30-21-102](#)(48), Idaho Code.
- (12) "Transfer" - section [30-21-102](#)(50), Idaho Code.

[30-24-102, added 2015, ch. 243, sec. 33, p. 838.]

30-24-103. KNOWLEDGE -- NOTICE. (a) A person knows a fact if the person:

- (1) Has actual knowledge of it; or
- (2) Is deemed to know it under law other than this chapter.

(b) A person has notice of a fact if the person:

- (1) Has reason to know the fact from all the facts known to the person at the time in question; or
- (2) Is deemed to have notice of the fact under subsection (c) or (d) of this section.

(c) A certificate of limited partnership on file in the office of the secretary of state is notice that the partnership is a limited partnership and the persons designated in the certificate as general partners are general partners. Except as otherwise provided in subsection (d) of this section, the certificate is not notice of any other fact.

(d) A person not a partner is deemed to have notice of:

(1) Another person's dissociation as a general partner ninety (90) days after an amendment to the certificate of limited partnership that states that the other person has dissociated becomes effective or ninety (90) days after a statement of dissociation pertaining to the other person becomes effective, whichever occurs first;

(2) A limited partnership's:

(A) Dissolution ninety (90) days after an amendment to the certificate of limited partnership stating that the limited partnership is dissolved becomes effective;

(B) Termination ninety (90) days after a statement of termination under section [30-24-802](#) (b) (2) (F), Idaho Code, becomes effective; and

(C) Participation in a merger, interest exchange, conversion, or domestication ninety (90) days after articles of merger, interest exchange, conversion, or domestication under [chapter 22, title 30](#), Idaho Code, become effective.

(e) Subject to section [30-21-212](#), Idaho Code, a person notifies another person of a fact by taking steps reasonably required to inform the other person in ordinary course, whether or not those steps cause the other person to know the fact.

(f) A general partner's knowledge or notice of a fact relating to the limited partnership is effective immediately as knowledge of or notice to the partnership, except in the case of a fraud on the partnership committed by or with the consent of the general partner. A limited partner's knowledge or notice of a fact relating to the partnership is not effective as knowledge of or notice to the partnership.

[30-24-103, added 2015, ch. 243, sec. 33, p. 839.]

30-24-104. GOVERNING LAW. The law of this state governs:

(1) The internal affairs of a limited partnership; and

(2) The liability of a partner as partner for the debts, obligations, or other liabilities of a limited partnership.

[30-24-104, added 2015, ch. 243, sec. 33, p. 840.]

30-24-105. PARTNERSHIP AGREEMENT -- SCOPE -- FUNCTION -- LIMITATIONS. (a) Except as otherwise provided in subsections (c) and (d) of this section, the partnership agreement governs:

(1) Relations among the partners as partners and between the partners and the limited partnership;

(2) The activities and affairs of the partnership and the conduct of those activities and affairs; and

(3) The means and conditions for amending the partnership agreement.

(b) To the extent the partnership agreement does not provide for a matter described in subsection (a) of this section, this chapter governs the matter.

(c) A partnership agreement may not:

(1) Vary the provisions of [chapter 21, title 30](#), Idaho Code;

(2) Vary the law applicable under section [30-24-104](#), Idaho Code;

(3) Vary a limited partnership's capacity under section [30-24-111](#), Idaho Code, to sue and be sued in its own name;

(4) Vary any requirement, procedure, or other provision of this act pertaining to:

- (A) Registered agents; or
 - (B) The secretary of state, including provisions pertaining to records authorized or required to be delivered to the secretary of state for filing under this act;
 - (5) Vary the provisions of section [30-21-210](#), Idaho Code;
 - (6) Vary the right of a general partner under section [30-24-406](#) (b) (2), Idaho Code, to vote on or consent to an amendment to the certificate of limited partnership which deletes a statement that the limited partnership is a limited liability limited partnership;
 - (7) Alter or eliminate the duty of loyalty or the duty of care except as otherwise provided in subsection (d) of this section;
 - (8) Eliminate the contractual obligation of good faith and fair dealing under sections [30-24-305](#) (a) and [30-24-409](#) (d), Idaho Code, but the partnership agreement may prescribe the standards, if not manifestly unreasonable, by which the performance of the obligation is to be measured;
 - (9) Relieve or exonerate a person from liability for conduct involving bad faith, willful or intentional misconduct, or knowing violation of law;
 - (10) Vary the information required under section [30-24-108](#), Idaho Code, or unreasonably restrict the duties and rights under section [30-24-304](#) or [30-24-407](#), Idaho Code, but the partnership agreement may impose reasonable restrictions on the availability and use of information obtained under those sections and may define appropriate remedies, including liquidated damages, for a breach of any reasonable restriction on use;
 - (11) Vary the power of a person to dissociate as a general partner under section [30-24-604](#) (a), Idaho Code, except to require that the notice under section [30-24-603](#) (1), Idaho Code, be in a record;
 - (12) Vary the causes of dissolution specified in section [30-24-801](#) (a) (6), Idaho Code;
 - (13) Vary the requirement to wind up the partnership's activities and affairs as specified in section [30-24-802](#) (a), (b) (1) and (d), Idaho Code;
 - (14) Unreasonably restrict the right of a partner to maintain an action under part 9 of this chapter;
 - (15) Vary the provisions of section [30-24-905](#), Idaho Code, but the partnership agreement may provide that the partnership may not have a special litigation committee;
 - (16) Vary the right of a partner to approve a merger, interest exchange, conversion, or domestication under section [30-22-203](#) (a) (2), [30-22-303](#) (a) (2), [30-22-403](#) (a) (2) or [30-22-503](#) (a) (2), Idaho Code;
 - (17) Vary any requirement, procedure, or other provision of this chapter pertaining to the secretary of state, including provisions pertaining to records authorized or required to be delivered to the secretary of state for filing under this chapter; or
 - (18) Except as otherwise provided in sections [30-24-106](#) and [30-24-107](#) (b), Idaho Code, restrict the rights under this chapter of a person other than a partner.
- (d) Subject to subsection (c) (8) of this section, without limiting other terms that may be included in a partnership agreement, the following rules apply:
- (1) The partnership agreement may:

- (A) Specify the method by which a specific act or transaction that would otherwise violate the duty of loyalty may be authorized or ratified by one (1) or more disinterested and independent persons after full disclosure of all material facts; and
 - (B) Alter the prohibition in section [30-24-405](#) (a) (2), Idaho Code, so that the prohibition requires only that the company's total assets not be less than the sum of its total liabilities.
- (2) If not manifestly unreasonable, the partnership agreement may:
- (A) Alter or eliminate the aspects of the duty of loyalty stated in section [30-24-409](#) (b), Idaho Code;
 - (B) Identify specific types or categories of activities that do not violate the duty of loyalty;
 - (C) Alter the duty of care, but may not authorize conduct involving bad faith, willful or intentional misconduct, or knowing violation of law; and
 - (D) Alter or eliminate any other fiduciary duty.
- (e) The court shall decide as a matter of law whether a term of a partnership agreement is manifestly unreasonable under subsection (c) (7) or (d) (2) of this section. The court:
- (1) Shall make its determination as of the time the challenged term became part of the partnership agreement and by considering only circumstances existing at that time; and
 - (2) May invalidate the term only if, in light of the purposes, activities, and affairs of the limited partnership, it is readily apparent that:
 - (A) The objective of the term is unreasonable; or
 - (B) The term is an unreasonable means to achieve the provision's objective.

[30-24-105, added 2015, ch. 243, sec. 33, p. 840.]

30-24-106. PARTNERSHIP AGREEMENT -- EFFECT ON LIMITED PARTNERSHIP AND PERSON BECOMING PARTNER -- PREFORMATION AGREEMENT. (a) A limited partnership is bound by and may enforce the partnership agreement, whether or not the partnership has itself manifested assent to the agreement.

(b) A person that becomes a partner of a limited partnership is deemed to assent to the partnership agreement.

(c) Two (2) or more persons intending to become the initial partners of a limited partnership may make an agreement providing that upon the formation of the partnership the agreement will become the partnership agreement.

[30-24-106, added 2015, ch. 243, sec. 33, p. 842.]

30-24-107. PARTNERSHIP AGREEMENT -- EFFECT ON THIRD PARTIES -- RELATIONSHIP TO RECORDS EFFECTIVE ON BEHALF OF LIMITED PARTNERSHIP. (a) A partnership agreement may specify that its amendment requires the approval of a person that is not a party to the agreement or the satisfaction of a condition. An amendment is ineffective if its adoption does not include the required approval or satisfy the specified condition.

(b) The obligations of a limited partnership and its partners to a person in the person's capacity as a transferee or person dissociated as a partner are governed by the partnership agreement. Subject only to a court order issued under section [30-24-703](#) (b) (2), Idaho Code, to effectuate a charging

order, an amendment to the partnership agreement made after a person becomes a transferee or is dissociated as a partner:

(1) Is effective with regard to any debt, obligation, or other liability of the partnership or its partners to the person in the person's capacity as a transferee or person dissociated as a partner; and

(2) Is not effective to the extent the amendment imposes a new debt, obligation, or other liability on the transferee or person dissociated as a partner.

(c) If a record delivered by a limited partnership to the secretary of state for filing becomes effective and contains a provision that would be ineffective under section [30-24-105](#)(c) or (d) (2), Idaho Code, if contained in the partnership agreement, the provision is ineffective in the record.

(d) Subject to subsection (c) of this section, if a record delivered by a limited partnership to the secretary of state for filing becomes effective and conflicts with a provision of the partnership agreement:

(1) The agreement prevails as to partners, persons dissociated as partners, and transferees; and

(2) The record prevails as to other persons to the extent they reasonably rely on the record.

[30-24-107, added 2015, ch. 243, sec. 33, p. 842.]

30-24-108. REQUIRED INFORMATION. A limited partnership shall maintain at its principal office the following information:

(a) A current list showing the full name and last known street and mailing address of each partner, separately identifying the general partners, in alphabetical order, and the limited partners, in alphabetical order;

(b) A copy of the initial certificate of limited partnership and all amendments to and restatements of the certificate, together with signed copies of any powers of attorney under which any certificate, amendment, or restatement has been signed;

(c) A copy of any filed articles of merger, interest exchange, conversion, or domestication;

(d) A copy of the partnership's federal, state, and local income tax returns and reports, if any, for the three (3) most recent years;

(e) A copy of any partnership agreement made in a record and any amendment made in a record to any partnership agreement;

(f) A copy of any financial statement of the partnership for the three (3) most recent years;

(g) A copy of the three (3) most recent annual reports delivered by the partnership to the secretary of state pursuant to section [30-21-213](#), Idaho Code;

(h) A copy of any record made by the partnership during the past three (3) years of any consent given by or vote taken of any partner pursuant to this act or the partnership agreement; and

(i) Unless contained in a partnership agreement made in a record, a record stating:

(1) A description and statement of the agreed value of contributions other than money made and agreed to be made by each partner;

(2) The times at which, or events on the happening of which, any additional contributions agreed to be made by each partner are to be made;

(3) For any person that is both a general partner and a limited partner, a specification of what transferable interest the person owns in each capacity; and

(4) Any events upon the happening of which the partnership is to be dissolved and its activities and affairs wound up.

[30-24-108, added 2015, ch. 243, sec. 33, p. 842.]

30-24-109. DUAL CAPACITY. A person may be both a general partner and a limited partner. A person that is both a general and limited partner has the rights, powers, duties, and obligations provided by this chapter and the partnership agreement in each of those capacities. When the person acts as a general partner, the person is subject to the obligations, duties, and restrictions under this chapter and the partnership agreement for general partners. When the person acts as a limited partner, the person is subject to the obligations, duties, and restrictions under this chapter and the partnership agreement for limited partners.

[30-24-109, added 2015, ch. 243, sec. 33, p. 843.]

30-24-110. NATURE, PURPOSE AND DURATION OF LIMITED PARTNERSHIP. (a) A limited partnership is an entity distinct from its partners. A limited partnership is the same entity regardless of whether its certificate states that the limited partnership is a limited liability limited partnership.

(b) A limited partnership may have any lawful purpose.

(c) A limited partnership has perpetual duration.

[30-24-110, added 2015, ch. 243, sec. 33, p. 843.]

30-24-111. POWERS. A limited partnership has the capacity to sue and be sued in its own name and the power to do all things necessary or convenient to carry on its activities and affairs.

[30-24-111, added 2015, ch. 243, sec. 33, p. 843.]

30-24-112. APPLICATION TO EXISTING RELATIONSHIPS. (a) Before July 1, 2017, this chapter governs only:

(1) A limited partnership formed on or after July 1, 2015; and

(2) Except as otherwise provided in subsections (c) and (d) of this section, a limited partnership formed before July 1, 2015, which elects, in the manner provided in its partnership agreement or by law for amending the partnership agreement, to be subject to this chapter.

(b) Except as otherwise provided in subsections (c) and (d) of this section, on and after July 1, 2017, this chapter governs all limited partnerships.

(c) With respect to a limited partnership formed before July 1, 2006, the following rules apply except as the partners otherwise elect in the manner provided in the partnership agreement or by law for amending the partnership agreement:

(1) Section [30-24-110](#)(c), Idaho Code, does not apply and the limited partnership has whatever duration it had under the law applicable immediately before July 1, 2006.

(2) The limited partnership is not required to amend its certificate of limited partnership to comply with section [30-24-201](#)(b)(5), Idaho Code.

(3) Sections [30-24-601](#) and [30-24-602](#), Idaho Code, do not apply and a limited partner has the same right and power to dissociate from the lim-

ited partnership, with the same consequences, as existed immediately before July 1, 2006.

(4) Section [30-24-603](#) (4), Idaho Code, does not apply.

(5) Section [30-24-603](#) (5), Idaho Code, does not apply and a court has the same power to expel a general partner as the court had immediately before July 1, 2006.

(6) Section [30-24-801](#) (a) (3) and (4), Idaho Code, does not apply and the connection between a person's dissociation as a general partner and the dissolution of the limited partnership is the same as existed immediately before July 1, 2006.

(d) With respect to a limited partnership that elects pursuant to subsection (a) (2) of this section to be subject to this chapter, after the election takes effect the provisions of this chapter relating to the liability of the limited partnership's general partners to third parties apply:

(1) Before July 1, 2017, to:

(A) A third party that had not done business with the limited partnership in the year before the election took effect; and

(B) A third party that had done business with the limited partnership in the year before the election took effect only if the third party knows or has been notified of the election; and

(2) On and after July 1, 2017, to all third parties, but those provisions remain inapplicable to any obligation incurred while those provisions were inapplicable under paragraph (1) (B) of this subsection.

[30-24-112, added 2015, ch. 243, sec. 33, p. 843.]

30-24-113. SUBJECTS COVERED OUTSIDE CHAPTER. The following subjects are covered outside this chapter:

(1) Supplemental principles of law - section [30-21-702](#), Idaho Code.

(2) Permitted names - sections [30-21-301](#) and [30-21-302](#), Idaho Code.

(3) Reservation of name - section [30-21-303](#), Idaho Code.

(4) Registration of name - section [30-21-304](#), Idaho Code.

(5) Registered agent - sections [30-21-402](#) and [30-21-404](#), Idaho Code.

(6) Change of registered agent or address for registered agent by limited partnership - section [30-21-407](#), Idaho Code.

(7) Resignation of registered agent - section [30-21-410](#), Idaho Code.

(8) Change of name or address by registered agent - sections [30-21-408](#) and [30-21-409](#), Idaho Code.

(9) Service of process, notice or demand - section [30-21-412](#), Idaho Code.

(10) Delivery of record - section [30-21-104](#), Idaho Code.

(11) Reservation of power to amend or repeal - section [30-21-701](#), Idaho Code.

[30-24-113, added 2015, ch. 243, sec. 33, p. 844.]

PART 2

FORMATION; CERTIFICATE OF LIMITED PARTNERSHIP AND OTHER FILINGS

30-24-201. FORMATION OF LIMITED PARTNERSHIP -- CERTIFICATE OF LIMITED PARTNERSHIP. (a) To form a limited partnership, a person must deliver a certificate of limited partnership to the secretary of state for filing.

(b) A certificate of limited partnership must state:

(1) The name of the limited partnership, which must comply with sections [30-21-301](#) and [30-21-302](#) (b), Idaho Code;

(2) The street and mailing addresses of the partnership's principal office;

(3) The information required by section [30-21-404](#) (a), Idaho Code;

(4) The name and the street and mailing addresses of each general partner;

(5) Whether the limited partnership is a limited liability limited partnership; and

(6) If the partnership is a professional entity, a statement that the partnership is a professional limited partnership or professional limited liability limited partnership and the principal profession or professions for which the partnership's partners are duly licensed or otherwise legally authorized to render professional services.

(c) A certificate of limited partnership may contain statements as to matters other than those required by subsection (b) of this section, but may not vary or otherwise affect the provisions specified in section [30-24-105](#) (c) and (d), Idaho Code, in a manner inconsistent with that section. The secretary of state shall not accept partnership agreements for filing.

(d) A limited partnership is formed when:

(1) The certificate of limited partnership becomes effective;

(2) At least two (2) persons have become partners;

(3) At least one (1) person has become a general partner; and

(4) At least one (1) person has become a limited partner.

[30-24-201, added 2015, ch. 243, sec. 34, p. 845.]

30-24-202. AMENDMENT OR RESTATEMENT OF CERTIFICATE OF LIMITED PARTNERSHIP. (a) A certificate of limited partnership may be amended or restated at any time.

(b) To amend its certificate of limited partnership, a limited partnership must deliver to the secretary of state for filing an amendment stating:

(1) The name of the partnership;

(2) The date of filing of its initial certificate; and

(3) The text of the amendment.

(c) To restate its certificate of limited partnership, a limited partnership must deliver to the secretary of state for filing a restatement designated as such in its heading.

(d) A limited partnership shall promptly deliver to the secretary of state for filing an amendment to a certificate of limited partnership to reflect:

(1) The admission of a new general partner;

(2) The dissociation of a person as a general partner; or

(3) The appointment of a person to wind up the limited partnership's activities and affairs under section [30-24-802](#) (c) or (d), Idaho Code.

(e) If a general partner knows that any information in a filed certificate of limited partnership was inaccurate when the certificate was filed or has become inaccurate due to changed circumstances, the general partner shall promptly:

(1) Cause the certificate to be amended; or

(2) If appropriate, deliver to the secretary of state for filing a statement of change under section [30-21-407](#), Idaho Code, or a statement of correction under section [30-21-205](#), Idaho Code.

[30-24-202, added 2015, ch. 243, sec. 34, p. 845.]

30-24-203. SIGNING OF RECORDS TO BE DELIVERED FOR FILING TO SECRETARY OF STATE. (a) A record delivered to the secretary of state for filing pursuant to this act must be signed as follows:

(1) An initial certificate of limited partnership must be signed by all general partners listed in the certificate.

(2) An amendment to the certificate of limited partnership adding or deleting a statement that the limited partnership is a limited liability limited partnership must be signed by all general partners listed in the certificate.

(3) An amendment to the certificate of limited partnership designating as general partner a person admitted under section [30-24-801](#) (a) (3) (B), Idaho Code, following the dissociation of a limited partnership's last general partner must be signed by that person.

(4) An amendment to the certificate of limited partnership required by section [30-24-802](#) (c), Idaho Code, following the appointment of a person to wind up the dissolved limited partnership's activities and affairs must be signed by that person.

(5) Any other amendment to the certificate of limited partnership must be signed by:

(A) At least one (1) general partner listed in the certificate;

(B) Each other person designated in the amendment as a new general partner; and

(C) Each person that the amendment indicates has dissociated as a general partner, unless:

(i) The person is deceased or a guardian or general conservator has been appointed for the person and the amendment so states; or

(ii) The person has previously delivered to the secretary of state for filing a statement of dissociation.

(6) A restated certificate of limited partnership must be signed by at least one (1) general partner listed in the certificate, and, to the extent the restated certificate effects a change under any other paragraph of this subsection, the certificate must be signed in a manner that satisfies that paragraph.

(7) A statement of termination must be signed by all general partners listed in the certificate of limited partnership or, if the certificate of a dissolved limited partnership lists no general partners, by the person appointed pursuant to section [30-24-802](#) (c) or (d), Idaho Code, to wind up the dissolved limited partnership's activities and affairs.

(8) Any other record delivered by a limited partnership to the secretary of state for filing must be signed by at least one (1) general partner listed in the certificate of limited partnership.

(9) A statement by a person pursuant to section [30-24-605](#) (a) (3), Idaho Code, stating that the person has dissociated as a general partner must be signed by that person.

(10) A statement of negation by a person pursuant to section [30-24-306](#), Idaho Code, must be signed by that person.

(11) Any other record delivered on behalf of any person to the secretary of state for filing must be signed by that person.

(b) A record delivered for filing under this chapter may be signed by an agent. Whenever this chapter requires a particular individual to sign

a record and the individual is deceased or incompetent, the record may be signed by a legal representative of the individual.

(c) A person who signs a record as an agent or legal representative affirms as a fact that the person is authorized to sign the record.

[30-24-203, added 2015, ch. 243, sec. 34, p. 846.]

30-24-204. SUBJECTS COVERED OUTSIDE CHAPTER. The following subjects are covered outside this chapter:

(1) Signing and filing pursuant to judicial order - section [30-21-210](#), Idaho Code.

(2) Liability for inaccurate information in filed record - section [30-21-211](#), Idaho Code.

(3) Filing requirements - section [30-21-201](#), Idaho Code.

(4) Effective date and time - section [30-21-203](#), Idaho Code.

(5) Withdrawal of filed record before effectiveness - section [30-21-204](#), Idaho Code.

(6) Correcting filed record - section [30-21-205](#), Idaho Code.

(7) Duty of secretary of state to file; review of refusal to file; delivery of record by secretary of state - sections [30-21-206](#) and [30-21-212](#), Idaho Code.

(8) Certificate of good standing or registration - section [30-21-208](#), Idaho Code.

(9) Annual report for secretary of state - section [30-21-213](#), Idaho Code.

[30-24-204, added 2015, ch. 243, sec. 34, p. 847; am. 2020, ch. 82, sec. 30, p. 201.]

PART 3 LIMITED PARTNERS

30-24-301. BECOMING LIMITED PARTNER. (a) Upon formation of a limited partnership, a person becomes a limited partner as agreed among the persons that are to be the initial partners.

(b) After formation, a person becomes a limited partner:

(1) As provided in the partnership agreement;

(2) As the result of a transaction effective under [chapter 22, title 30](#), Idaho Code;

(3) With the affirmative vote or consent of all the partners; or

(4) As provided in section [30-24-801](#) (a) (4) or (5), Idaho Code.

(c) A person may become a limited partner without:

(1) Acquiring a transferable interest; or

(2) Making or being obligated to make a contribution to the limited partnership.

[30-24-301, added 2015, ch. 243, sec. 35, p. 847.]

30-24-302. NO AGENCY POWER OF LIMITED PARTNER AS LIMITED PARTNER. (1) A limited partner is not an agent of a limited partnership solely by reason of being a limited partner.

(2) A person's status as a limited partner does not prevent or restrict law other than this chapter from imposing liability on a limited partnership because of the person's conduct.

[30-24-302, added 2015, ch. 243, sec. 35, p. 847.]

30-24-303. NO LIABILITY AS LIMITED PARTNER FOR LIMITED PARTNERSHIP OBLIGATIONS. (a) A debt, obligation, or other liability of a limited partnership is not the debt, obligation, or other liability of a limited partner. A limited partner is not personally liable, directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or other liability of the limited partnership solely by reason of being or acting as a limited partner, even if the limited partner participates in the management and control of the limited partnership. This subsection applies regardless of the dissolution of the partnership.

(b) The failure of a limited partnership to observe formalities relating to the exercise of its powers or management of its activities and affairs is not a ground for imposing liability on a limited partner for a debt, obligation, or other liability of the partnership.

[30-24-303, added 2015, ch. 243, sec. 35, p. 847.]

30-24-304. RIGHTS TO INFORMATION OF LIMITED PARTNER AND PERSON DISSOCIATED AS LIMITED PARTNER. (a) On ten (10) days' demand, made in a record received by the limited partnership, a limited partner may inspect and copy required information during regular business hours in the limited partnership's principal office. The limited partner need not have any particular purpose for seeking the information.

(b) During regular business hours and at a reasonable location specified by the limited partnership, a limited partner may inspect and copy information regarding the activities, affairs, financial condition, and other circumstances of the limited partnership as is just and reasonable if:

- (1) The limited partner seeks the information for a purpose reasonably related to the partner's interest as a limited partner;
- (2) The limited partner makes a demand in a record received by the limited partnership, describing with reasonable particularity the information sought and the purpose for seeking the information; and
- (3) The information sought is directly connected to the limited partner's purpose.

(c) Not later than ten (10) days after receiving a demand pursuant to subsection (b) of this section, the limited partnership shall inform in a record the limited partner that made the demand of:

- (1) What information the partnership will provide in response to the demand and when and where the partnership will provide the information; and
- (2) The partnership's reasons for declining, if the partnership declines to provide any demanded information.

(d) Whenever this act or a partnership agreement provides for a limited partner to vote on or give or withhold consent to a matter, before the vote is cast or consent is given or withheld, the limited partnership shall, without demand, provide the limited partner with all information that is known to the partnership and is material to the limited partner's decision.

(e) Subject to subsection (j) of this section, on ten (10) days' demand made in a record received by a limited partnership, a person dissociated as a limited partner may have access to information to which the person was entitled while a limited partner if:

- (1) The information pertains to the period during which the person was a limited partner;

(2) The person seeks the information in good faith; and

(3) The person satisfies the requirements imposed on a limited partner by subsection (b) of this section.

(f) A limited partnership shall respond to a demand made pursuant to subsection (e) of this section in the manner provided in subsection (c) of this section.

(g) A limited partnership may charge a person that makes a demand under this section reasonable costs of copying, limited to the costs of labor and material.

(h) A limited partner or person dissociated as a limited partner may exercise the rights under this section through an agent or, in the case of an individual under legal disability, a legal representative. Any restriction or condition imposed by the partnership agreement or under subsection (j) of this section applies both to the agent or legal representative and to the limited partner or person dissociated as a limited partner.

(i) Subject to section [30-24-704](#), Idaho Code, the rights under this section do not extend to a person as transferee.

(j) In addition to any restriction or condition stated in its partnership agreement, a limited partnership, as a matter within the ordinary course of its activities and affairs, may impose reasonable restrictions and conditions on access to and use of information to be furnished under this section, including designating information confidential and imposing nondisclosure and safeguarding obligations on the recipient. In a dispute concerning the reasonableness of a restriction under this subsection, the partnership has the burden of proving reasonableness.

[30-24-304, added 2015, ch. 243, sec. 35, p. 848.]

30-24-305. LIMITED DUTIES OF LIMITED PARTNERS. (a) A limited partner shall discharge any duties to the partnership and the other partners under the partnership agreement and exercise any rights under this act or the partnership agreement consistently with the contractual obligation of good faith and fair dealing.

(b) Except as otherwise provided in subsection (a) of this section, a limited partner does not have any duty to the limited partnership or to any other partner solely by reason of acting as a limited partner.

(c) If a limited partner enters into a transaction with a limited partnership, the limited partner's rights and obligations arising from the transaction are the same as those of a person that is not a partner.

[30-24-305, added 2015, ch. 243, sec. 35, p. 849.]

30-24-306. LIABILITY FOR INACCURATE INFORMATION IN FILED RECORD. (a) Except as otherwise provided in subsection (b) of this section, a person that makes an investment in a business enterprise and erroneously but in good faith believes that the person has become a limited partner in the enterprise is not liable for the enterprise's obligations by reason of making the investment, receiving distributions from the enterprise, or exercising any rights of or appropriate to a limited partner, if, on ascertaining the mistake, the person:

(1) Causes an appropriate certificate of limited partnership, amendment, or statement of correction to be signed and delivered to the secretary of state for filing; or

(2) Withdraws from future participation as an owner in the enterprise by signing and delivering to the secretary of state for filing a statement of negation under this section.

(b) A person that makes an investment described in subsection (a) of this section is liable to the same extent as a general partner to any third party that enters into a transaction with the enterprise, believing in good faith that the person is a general partner, before the secretary of state files a statement of negation, certificate of limited partnership, amendment, or statement of correction to show that the person is not a general partner.

(c) If a person makes a diligent effort in good faith to comply with subsection (a) (1) of this section and is unable to cause the appropriate certificate of limited partnership, amendment, or statement of correction to be signed and delivered to the secretary of state for filing, the person has the right to withdraw from the enterprise pursuant to subsection (a) (2) of this section even if the withdrawal would otherwise breach an agreement with others that are or have agreed to become co-owners of the enterprise.

[30-24-306, added 2015, ch. 243, sec. 35, p. 849.]

PART 4 GENERAL PARTNERS

30-24-401. BECOMING GENERAL PARTNER. (a) Upon formation of a limited partnership, a person becomes a general partner as agreed among the persons that are to be the initial partners.

(b) After formation of a limited partnership, a person becomes a general partner:

- (1) As provided in the partnership agreement;
- (2) As the result of a transaction effective under [chapter 22, title 30](#), Idaho Code;
- (3) With the affirmative vote or consent of all the partners: or
- (4) Under section [30-24-801](#) (a) (3) (B), Idaho Code, following the dissociation of a limited partnership's last general partner.

(c) A person may become a general partner without:

- [(1)] (a) Acquiring a transferable interest; or
- [(2)] (b) Making or being obligated to make a contribution to the partnership.

[30-24-401, added 2015, ch. 243, sec. 36, p. 850.]

30-24-402. NO AGENCY POWER OF GENERAL PARTNER AS LIMITED PARTNER. (a) Each general partner is an agent of the limited partnership for the purposes of its activities and affairs. An act of a general partner, including the signing of a record in the partnership's name, for apparently carrying on in the ordinary course the partnership's activities and affairs or activities and affairs of the kind carried on by the partnership binds the partnership, unless the general partner did not have authority to act for the partnership in the particular matter and the person with which the general partner was dealing knew or had notice that the general partner lacked authority.

(b) An act of a general partner that is not apparently for carrying on in the ordinary course the limited partnership's activities and affairs or activities and affairs of the kind carried on by the partnership binds the

partnership only if the act was actually authorized by all the other partners.

[30-24-402, added 2015, ch. 243, sec. 36, p. 850.]

30-24-403. LIMITED PARTNERSHIP LIABLE FOR GENERAL PARTNER'S ACTIONABLE CONDUCT. (a) A limited partnership is liable for loss or injury caused to a person, or for a penalty incurred, as a result of a wrongful act or omission, or other actionable conduct, of a general partner acting in the ordinary course of activities and affairs of the partnership or with the actual or apparent authority of the partnership.

(b) If, in the course of a limited partnership's activities and affairs or while acting with actual or apparent authority of the partnership, a general partner receives or causes the partnership to receive money or property of a person not a partner, and the money or property is misapplied by a general partner, the partnership is liable for the loss.

[30-24-403, added 2015, ch. 243, sec. 36, p. 850.]

30-24-404. RIGHTS TO INFORMATION OF GENERAL PARTNER AND PERSON DISSOCIATED AS LIMITED PARTNER. (a) Except as otherwise provided in subsections (b) and (c) of this section, all general partners are liable jointly and severally for all debts, obligations, and other liabilities of the limited partnership unless otherwise agreed by the claimant or provided by law.

(b) A person that becomes a general partner is not personally liable for a debt, obligation, or other liability of the limited partnership incurred before the person became a general partner.

(c) A debt, obligation, or other liability of a limited partnership incurred while the partnership is a limited liability limited partnership is solely the debt, obligation, or other liability of the limited liability limited partnership. A general partner is not personally liable, directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or other liability of the limited liability limited partnership solely by reason of being or acting as a general partner. This subsection applies:

(1) Despite anything inconsistent in the partnership agreement that existed immediately before the vote or consent required to become a limited liability limited partnership under section [30-24-406](#) (b) (2), Idaho Code; and

(2) Regardless of the dissolution of the partnership.

(d) The failure of a limited liability limited partnership to observe formalities relating to the exercise of its powers or management of its activities and affairs is not a ground for imposing liability on a general partner for a debt, obligation, or other liability of the partnership.

(e) An amendment of a certificate of limited partnership that deletes a statement that the limited partnership is a limited liability limited partnership does not affect the limitation in this section on the liability of a general partner for a debt, obligation, or other liability of the limited partnership incurred before the amendment became effective.

[30-24-404, added 2015, ch. 243, sec. 36, p. 850.]

30-24-405. ACTIONS BY AND AGAINST PARTNERSHIP AND PARTNERS. (a) To the extent not inconsistent with section [30-24-404](#), Idaho Code, a general part-

ner may be joined in an action against the limited partnership or named in a separate action.

(b) A judgment against a limited partnership is not by itself a judgment against a general partner. A judgment against a limited partnership may not be satisfied from a general partner's assets unless there is also a judgment against the general partner.

(c) A judgment creditor of a general partner may not levy execution against the assets of the general partner to satisfy a judgment based on a claim against the limited partnership, unless the partner is personally liable for the claim under section [30-24-404](#), Idaho Code, and:

- (1) A judgment based on the same claim has been obtained against the limited partnership and a writ of execution on the judgment has been returned unsatisfied in whole or in part;
- (2) The partnership is a debtor in bankruptcy;
- (3) The general partner has agreed that the creditor need not exhaust partnership assets;
- (4) A court grants permission to the judgment creditor to levy execution against the assets of a general partner based on a finding that partnership assets subject to execution are clearly insufficient to satisfy the judgment, that exhaustion of assets is excessively burdensome, or that the grant of permission is an appropriate exercise of the court's equitable powers; or
- (5) Liability is imposed on the general partner by law or contract independent of the existence of the partnership.

[30-24-405, added 2015, ch. 243, sec. 36, p. 851.]

30-24-406. MANAGEMENT RIGHTS OF GENERAL PARTNER. (a) Each general partner has equal rights in the management and conduct of the limited partnership's activities and affairs. Except as otherwise provided in this chapter, any matter relating to the activities and affairs of the partnership is decided exclusively by the general partner or, if there is more than one (1) general partner, by a majority of the general partners.

(b) The affirmative vote or consent of all the partners is required to:

- (1) Amend the partnership agreement;
- (2) Amend the certificate of limited partnership to add or delete a statement that the limited partnership is a limited liability limited partnership; and
- (3) Sell, lease, exchange, or otherwise dispose of all, or substantially all, of the limited partnership's property, with or without the goodwill, other than in the usual and regular course of the limited partnership's activities and affairs.

(c) A limited partnership shall reimburse a general partner for an advance to the partnership beyond the amount of capital the general partner agreed to contribute.

(d) A payment or advance made by a general partner that gives rise to an obligation of the limited partnership under subsection (c) of this section or section [30-24-408](#)(a), Idaho Code, constitutes a loan to the limited partnership that accrues interest from the date of the payment or advance.

(e) A general partner is not entitled to remuneration for services performed for the partnership.

[30-24-406, added 2015, ch. 243, sec. 36, p. 851.]

30-24-407. RIGHTS TO INFORMATION OF GENERAL PARTNER AND PERSON DISSOCIATED AS GENERAL PARTNER. (a) A general partner may inspect and copy required information during regular business hours in the limited partnership's principal office, without having any particular purpose for seeking the information.

(b) On reasonable notice, a general partner may inspect and copy during regular business hours, at a reasonable location specified by the limited partnership, any record maintained by the partnership regarding the partnership's activities, affairs, financial condition, and other circumstances, to the extent the information is material to the general partner's rights and duties under the partnership agreement or this act.

(c) A limited partnership shall furnish to each general partner:

(1) Without demand, any information concerning the partnership's activities, affairs, financial condition, and other circumstances that the partnership knows and is material to the proper exercise of the general partner's rights and duties under the partnership agreement or this act, except to the extent the partnership can establish that it reasonably believes the general partner already knows the information; and

(2) On demand, any other information concerning the partnership's activities, affairs, financial condition, and other circumstances, except to the extent the demand or the information demanded is unreasonable or otherwise improper under the circumstances.

(d) The duty to furnish information under subsection (c) of this section also applies to each general partner to the extent the general partner knows any of the information described in subsection (b) of this section.

(e) Subject to subsection (j) of this section, on ten (10) days' demand made in a record received by a limited partnership, a person dissociated as a general partner may have access to the information and records described in subsections (a) and (b) of this section at the locations specified in those subsections if:

(1) The information or record pertains to the period during which the person was a general partner;

(2) The person seeks the information or record in good faith; and

(3) The person satisfies the requirements imposed on a limited partner by section [30-24-304](#)(b), Idaho Code.

(f) A limited partnership shall respond to a demand made pursuant to subsection (e) of this section in the manner provided in section [30-24-304](#)(c), Idaho Code.

(g) A limited partnership may charge a person that makes a demand under this section the reasonable costs of copying, limited to the costs of labor and material.

(h) A general partner or person dissociated as a general partner may exercise the rights under this section through an agent or, in the case of an individual under legal disability, a legal representative. Any restriction or condition imposed by the partnership agreement or under subsection (j) of this section applies both to the agent or legal representative and to the general partner or person dissociated as a general partner.

(i) The rights under this section do not extend to a person as transferee, but if:

(1) A general partner dies, section [30-24-704](#), Idaho Code, applies; and

(2) An individual dissociates as a general partner under section [30-24-603](#)(6)(B) or (C), Idaho Code, the legal representative of the individ-

ual may exercise the rights under subsection (d) of this section of a person dissociated as a general partner.

(j) In addition to any restriction or condition stated in its partnership agreement, a limited partnership, as a matter within the ordinary course of its activities and affairs, may impose reasonable restrictions and conditions on access to and use of information to be furnished under this section, including designating information confidential and imposing nondisclosure and safeguarding obligations on the recipient. In a dispute concerning the reasonableness of a restriction under this subsection, the partnership has the burden of proving reasonableness.

[30-24-407, added 2015, ch. 243, sec. 36, p. 852.]

30-24-408. REIMBURSEMENT -- INDEMNIFICATION -- ADVANCEMENT -- INSURANCE. (a) A limited partnership shall reimburse a general partner for any payment made by the general partner in the course of the general partner's activities on behalf of the partnership, if the general partner complied with sections [30-24-406](#), [30-24-409](#) and [30-24-504](#), Idaho Code, in making the payment.

(b) A limited partnership shall indemnify and hold harmless a person with respect to any claim or demand against the person and any debt, obligation, or other liability incurred by the person by reason of the person's former or present capacity as a general partner, if the claim, demand, debt, obligation, or other liability does not arise from the person's breach of section [30-24-406](#), [30-24-409](#) or [30-24-504](#), Idaho Code.

(c) In the ordinary course of its activities and affairs, a limited partnership may advance reasonable expenses, including attorney's fees and costs, incurred by a person in connection with a claim or demand against the person by reason of the person's former or present capacity as a general partner, if the person promises to repay the partnership if the person ultimately is determined not to be entitled to be indemnified under subsection (b) of this section.

(d) A limited partnership may purchase and maintain insurance on behalf of a general partner against liability asserted against or incurred by the general partner in that capacity or arising from that status even if, under section [30-24-105](#)(c)(8), Idaho Code, the partnership agreement could not eliminate or limit the person's liability to the partnership for the conduct giving rise to the liability.

[30-24-408, added 2015, ch. 243, sec. 36, p. 853.]

30-24-409. STANDARDS OF CONDUCT FOR GENERAL PARTNERS. (a) A general partner owes to the limited partnership and, subject to section [30-24-901](#), Idaho Code, the other partners the duties of loyalty and care stated in subsections (b) and (c) of this section.

(b) The fiduciary duty of loyalty of a general partner includes the duties:

(1) To account to the limited partnership and hold as trustee for it any property, profit or benefit derived by the general partner:

(A) In the conduct or winding up of the partnership's activities and affairs;

(B) A use by the general partner of the partnership's property; or

(C) From the appropriation of a partnership opportunity;

(2) To refrain from dealing with the partnership in the conduct or winding up of the partnership's activities and affairs as or on behalf of a person having an interest adverse to the partnership; and

(3) To refrain from competing with the partnership in the conduct or winding up of the partnership's activities and affairs.

(c) The duty of care of a general partner in the conduct or winding up of the limited partnership's activities and affairs is to refrain from engaging in grossly negligent or reckless conduct, willful or intentional misconduct, or knowing violation of law.

(d) A general partner shall discharge the duties and obligations under this act or under the partnership agreement and exercise any rights consistently with the contractual obligation of good faith and fair dealing.

(e) A general partner does not violate a duty or obligation under this chapter or under the partnership agreement solely because the general partner's conduct furthers the general partner's own interest.

(f) All the partners of a limited partnership may authorize or ratify, after full disclosure of all material facts, a specific act or transaction by a general partner that otherwise would violate the duty of loyalty.

(g) It is a defense to a claim under subsection (b) (2) of this section and any comparable claim in equity or at common law that the transaction was fair to the limited partnership.

(h) If, as permitted by subsection (f) of this section or the partnership agreement, a general partner enters into a transaction with the limited partnership that otherwise would be prohibited by subsection (b) (2) of this section, the general partner's rights and obligations arising from the transaction are the same as those of a person that is not a general partner.

[30-24-409, added 2015, ch. 243, sec. 36, p. 853.]

PART 5 CONTRIBUTIONS AND DISTRIBUTIONS

30-24-501. FORM OF CONTRIBUTION. A contribution may consist of property transferred to, services performed for, or another benefit provided to the limited partnership or an agreement to transfer property to, perform services for, or provide another benefit to the partnership.

[30-24-501, added 2015, ch. 243, sec. 37, p. 854.]

30-24-502. LIABILITY FOR CONTRIBUTION. (a) A person's obligation to make a contribution to a limited partnership is not excused by the person's death, disability, termination, or other inability to perform personally.

(b) If a person does not fulfill an obligation to make a contribution other than money, the person is obligated at the option of the limited partnership to contribute money equal to the value, as stated in the required information, of the part of the contribution that has not been made.

(c) The obligation of a person to make a contribution may be compromised only by the affirmative vote or consent of all partners. If a creditor of a limited partnership extends credit or otherwise acts in reliance on an obligation described in subsection (a) of this section without knowledge or notice of a compromise under this subsection, the creditor may enforce the obligation.

[30-24-502, added 2015, ch. 243, sec. 37, p. 854.]

30-24-503. SHARING OF AND RIGHT TO DISTRIBUTIONS BEFORE DISSOLUTION. (a) Any distribution made by a limited partnership before its dissolution and winding up must be shared among the partners on the basis of the value, as stated in the required information when the limited partnership decides to make the distribution, of the contributions the limited partnership has received from each partner, except to the extent necessary to comply with a transfer effective under section [30-24-702](#), Idaho Code, or charging order in effect under section [30-24-703](#), Idaho Code.

(b) A person has a right to a distribution before the dissolution and winding up of a limited partnership only if the partnership decides to make an interim distribution. A person's dissociation does not entitle the person to a distribution.

(c) A person does not have a right to demand or receive a distribution from a limited partnership in any form other than money. Except as otherwise provided in section [30-24-810](#)(f), Idaho Code, a partnership may distribute an asset in kind only if each part of the asset is fungible with each other part and each person receives a percentage of the asset equal in value to the person's share of distributions.

(d) If a partner or transferee becomes entitled to receive a distribution, the partner or transferee is entitled to all remedies available to a creditor of the limited partnership with respect to the distribution. However, the partnership's obligation to make a distribution is subject to offset for any amount owed to the partnership by the partner or a person dissociated as a partner on whose account the distribution is made.

[30-24-503, added 2015, ch. 243, sec. 37, p. 854.]

30-24-504. LIMITATIONS ON DISTRIBUTIONS. (a) A limited partnership may not make a distribution, including a distribution under section [30-24-810](#), Idaho Code, if after the distribution:

- (1) The partnership would not be able to pay its debts as they become due in the ordinary course of the partnership's activities and affairs; or
- (2) The partnership's total assets would be less than the sum of its total liabilities plus, the amount that would be needed, if the partnership were to be dissolved and wound up at the time of the distribution, to satisfy the preferential rights upon dissolution and winding up of partners and transferees whose preferential rights are superior to the rights of persons receiving the distribution.

(b) A limited partnership may base a determination that a distribution is not prohibited under subsection (a) of this section on:

- (1) Financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances; or
- (2) A fair valuation or other method that is reasonable under the circumstances.

(c) Except as otherwise provided in subsection (e) of this section, the effect of a distribution under subsection (a) of this section is measured:

- (1) In the case of distribution as defined in section [30-24-102](#)(4)(A), Idaho Code, as of the earlier of:
 - (A) The date money or other property is transferred or debt is incurred by the limited partnership; or
 - (B) The date the person entitled to the distribution ceases to own the interest or right being acquired by the partnership in return for the distribution;

(2) In the case of any other distribution of indebtedness, as of the date the indebtedness is distributed; and

(3) In all other cases, as of the date:

(A) The distribution is authorized, if the payment occurs not later than one hundred twenty (120) days after that date; or

(B) The payment is made, if the payment occurs more than one hundred twenty (120) days after the distribution is authorized.

(d) A limited partnership's indebtedness to a partner or transferee incurred by reason of a distribution made in accordance with this section is at parity with the partnership's indebtedness to its general, unsecured creditors, except to the extent subordinated by agreement.

(e) A limited partnership's indebtedness, including indebtedness issued as a distribution, is not a liability for purposes of subsection (a) of this section if the terms of the indebtedness provide that payment of principal and interest is made only if and to the extent that payment of a distribution could then be made under this section. If the indebtedness is issued as a distribution, each payment of principal or interest is treated as a distribution, the effect of which is measured on the date the payment is made.

(f) In measuring the effect of a distribution under section [30-24-810](#), Idaho Code, the liabilities of a dissolved limited partnership do not include any claim that has been disposed of under section [30-24-806](#), [30-24-807](#) or [30-24-808](#), Idaho Code.

[30-24-504, added 2015, ch. 243, sec. 37, p. 855.]

30-24-505. LIABILITY FOR IMPROPER DISTRIBUTIONS. (a) If a general partner consents to a distribution made in violation of section [30-24-504](#), Idaho Code, and in consenting to the distribution fails to comply with section [30-24-409](#), Idaho Code, the general partner is personally liable to the limited partnership for the amount of the distribution which exceeds the amount that could have been distributed without the violation of section [30-24-504](#), Idaho Code.

(b) A person that receives a distribution knowing that the distribution violated section [30-24-504](#), Idaho Code, is personally liable to the limited partnership, but only to the extent that the distribution received by the person exceeded the amount that could have been properly paid under section [30-24-504](#), Idaho Code.

(c) A general partner against which an action is commenced because the general partner is liable under subsection (a) of this section may:

(1) Implead any other person that is liable under subsection (a) of this section and seek to enforce a right of contribution from the person; and

(2) Implead any person that received a distribution in violation of subsection (b) of this section and seek to enforce a right of contribution from the person in the amount the person received in violation of subsection (b) of this section.

(d) An action under this section is barred unless commenced not later than two (2) years after the distribution.

[30-24-505, added 2015, ch. 243, sec. 37, p. 856.]

30-24-601. DISSOCIATION AS LIMITED PARTNER. (a) A person does not have a right to dissociate as a limited partner before the completion of the winding up of the limited partnership.

(b) A person is dissociated as a limited partner when:

(1) The limited partnership knows or has notice of the person's express will to withdraw as a limited partner, but, if the person has specified a withdrawal date later than the date the partnership knew or had notice, on that later date;

(2) An event stated in the partnership agreement as causing the person's dissociation as a limited partner occurs;

(3) The person is expelled as a limited partner pursuant to the partnership agreement;

(4) The person is expelled as a limited partner by the affirmative vote or consent of all the other partners if:

(A) It is unlawful to carry on the limited partnership's activities and affairs with the person as a limited partner;

(B) There has been a transfer of all of the person's transferable interest in the partnership, other than:

(i) A transfer for security purposes; or

(ii) A charging order in effect under section [30-24-703](#), Idaho Code, which has not been foreclosed;

(C) The person is an entity and:

(i) The partnership notifies the person that it will be expelled as a limited partner because the person has filed a statement of dissolution or the equivalent, the person has been administratively dissolved, the person's charter or the equivalent has been revoked, or the person's right to conduct business has been suspended by the person's jurisdiction of formation; and

(ii) Not later than ninety (90) days after the notification, the statement of dissolution or the equivalent has not been withdrawn, rescinded, or revoked, the person has not been reinstated, or the person's charter or the equivalent or right to conduct business has not been reinstated; or

(D) The person is an unincorporated entity that has been dissolved and whose activities and affairs are being wound up;

(5) On application by the limited partnership or a partner in a direct action under section [30-24-901](#), Idaho Code, the person is expelled as a limited partner by judicial order because the person:

(A) Has engaged or is engaging in wrongful conduct that has affected adversely and materially, or will affect adversely and materially, the partnership's activities and affairs;

(B) Has committed willfully or persistently, or is committing willfully and persistently, a material breach of the partnership agreement or the contractual obligation of good faith and fair dealing under section [30-24-305](#)(a), Idaho Code; or

(C) Has engaged or is engaging in conduct relating to the partnership's activities and affairs that makes it not reasonably practicable to carry on the activities and affairs with the person as a limited partner;

(6) In the case of an individual, the individual dies;

(7) In the case of a person that is a testamentary or inter vivos trust or is acting as a limited partner by virtue of being a trustee of such a

trust, the trust's entire transferable interest in the limited partnership is distributed;

(8) In the case of a person that is an estate or is acting as a limited partner by virtue of being a personal representative of an estate, the estate's entire transferable interest in the limited partnership is distributed;

(9) In the case of a person that is not an individual, the existence of the person terminates;

(10) The limited partnership participates in a merger under [chapter 22, title 30](#), Idaho Code, and:

(A) The partnership is not the surviving entity; or

(B) Otherwise as a result of the merger, the person ceases to be a limited partner;

(11) The limited partnership participates in an interest exchange under [chapter 22, title 30](#), Idaho Code, and as a result of the interest exchange, the person ceases to be a limited partner;

(12) The limited partnership participates in a conversion under [chapter 22, title 30](#), Idaho Code;

(13) The limited partnership participates in a domestication under [chapter 22, title 30](#), Idaho Code, and as a result of the domestication, the person ceases to be a limited partner;

(14) The limited partnership dissolves and completes winding up; or

(15) In the case of a professional entity, restrictions or limitations are placed upon a limited partner's ability to continue to render professional services.

[30-24-601, added 2015, ch. 243, sec. 38, p. 856.]

30-24-602. EFFECT OF DISSOCIATION AS LIMITED PARTNER. (a) If a person is dissociated as a limited partner:

(1) Subject to section [30-24-704](#), Idaho Code, the person does not have further rights as a limited partner;

(2) The person's contractual obligation of good faith and fair dealing as a limited partner under section [30-24-305](#)(a), Idaho Code, ends with regard to matters arising and events occurring after the person's dissociation; and

(3) Subject to section [30-24-704](#), Idaho Code, and [chapter 22, title 30](#), Idaho Code, any transferable interest owned by the person in the person's capacity as a limited partner immediately before dissociation is owned by the person solely as a transferee.

(b) A person's dissociation as a limited partner does not of itself discharge the person from any debt, obligation, or other liability to the limited partnership or the other partners that the person incurred while a limited partner.

[30-24-602, added 2015, ch. 243, sec. 38, p. 858.]

30-24-603. DISSOCIATION AS GENERAL PARTNER. A person is dissociated as a general partner when:

(1) The limited partnership knows or has notice of the person's express will to withdraw as a general partner, but, if the person has specified a withdrawal date later than the date the partnership knew or had notice, on that later date;

- (2) An event stated in the partnership agreement as causing the person's dissociation as a general partner occurs;
- (3) The person is expelled as a general partner pursuant to the partnership agreement;
- (4) The person is expelled as a general partner by the affirmative vote or consent of all the other partners if:
 - (A) It is unlawful to carry on the limited partnership's activities and affairs with the person as a general partner;
 - (B) There has been a transfer all of the person's transferable interest in the partnership, other than:
 - (i) A transfer for security purposes; or
 - (ii) A charging order in effect under section [30-24-703](#), Idaho Code, which has not been foreclosed;
 - (C) The person is an entity and:
 - (i) The partnership notifies the person that it will be expelled as a general partner because the person has filed a statement of dissolution or the equivalent, the person has been administratively dissolved, the person's charter or its equivalent has been revoked, or the person's right to conduct business has been suspended by the person's jurisdiction of its formation; and
 - (ii) Not later than ninety (90) days after the notification the statement of dissolution or the equivalent has not been withdrawn, rescinded, or revoked, the person has not been reinstated, or the person's charter or the equivalent of right to conduct business has not been reinstated; or
 - (D) The person is an unincorporated entity that has been dissolved and whose activities and affairs are being wound up;
- (5) On application by the limited partnership or a partner in a direct action under section [30-24-901](#), Idaho Code, the person is expelled as a general partner by judicial order because the person:
 - (A) Has engaged or is engaging in wrongful conduct that has affected adversely and materially, or will affect adversely and materially, the partnership's activities and affairs;
 - (B) Has committed willfully or persistently, or is committing willfully or persistently, a material breach of the partnership agreement or a duty or obligation under section [30-24-409](#), Idaho Code; or
 - (C) Has engaged or is engaging in conduct relating to the partnership's activities and affairs that makes it not reasonably practicable to carry on the activities and affairs of the limited partnership with the person as a general partner;
- (6) In the case of an individual:
 - (A) The individual dies;
 - (B) A guardian or general conservator for the individual is appointed; or
 - (C) A court orders that the individual has otherwise become incapable of performing the individual's duties as a general partner under this chapter or the partnership agreement;
- (7) The person:
 - (A) Becomes a debtor in bankruptcy;
 - (B) Executes an assignment for the benefit of creditors; or
 - (C) Seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the person or of all or substantially all the person's property;

(8) In the case of a person that is a testamentary or inter vivos trust or is acting as a general partner by virtue of being a trustee of such a trust, the trust's entire transferable interest in the limited partnership is distributed;

(9) In the case of a person that is an estate or is acting as a general partner by virtue of being a personal representative of an estate, the estate's entire transferable interest in the limited partnership is distributed;

(10) In the case of a person that is not an individual, the existence of the person terminates;

(11) The limited partnership participates in a merger under [chapter 22, title 30](#), Idaho Code, and:

(A) The partnership is not the surviving entity; or

(B) Otherwise as a result of the merger, the person ceases to be a general partner;

(12) The limited partnership participates in an interest exchange under [chapter 22, title 30](#), Idaho Code, and as a result of the interest exchange, the person ceases to be a general partner;

(13) The limited partnership participates in a conversion under [chapter 22, title 30](#), Idaho Code;

(14) The limited partnership participates in a domestication under [chapter 22, title 30](#), Idaho Code, and as a result of the domestication, the person ceases to be a general partner;

(15) The limited partnership dissolves and completes winding up; or

(16) In the case of a professional entity, restrictions or limitations are placed upon a general partner's ability to continue to render professional services.

[30-24-603, added 2015, ch. 243, sec. 38, p. 858.]

30-24-604. POWER TO DISSOCIATE AS GENERAL PARTNER -- WRONGFUL DISSOCIATION. (a) A person has the power to dissociate as a general partner at any time, rightfully or wrongfully, by withdrawing as a general partner by express will under section [30-24-603](#)(1), Idaho Code.

(b) A person's dissociation as a general partner is wrongful only if the dissociation:

(1) Is in breach of an express provision of the partnership agreement; or

(2) Occurs before the completion of the winding up of the limited partnership, and:

(A) The person withdraws as a general partner by express will;

(B) The person is expelled as a general partner by judicial order under section [30-24-603](#)(5), Idaho Code;

(C) The person is dissociated as a general partner under section [30-24-603](#)(7), Idaho Code; or

(D) In the case of a person that is not a trust other than a business trust, an estate, or an individual, the person is expelled or otherwise dissociated as a general partner because it willfully dissolved or terminated.

(c) A person that wrongfully dissociates as a general partner is liable to the limited partnership and, subject to section [30-24-901](#), Idaho Code, to the other partners for damages caused by the dissociation. The liability is in addition to any debt, obligation, or other liability of the general partner to the partnership or the other partners.

[30-24-604, added 2015, ch. 243, sec. 38, p. 859.]

30-24-605. EFFECT OF DISSOCIATION AS GENERAL PARTNER. (a) If a person is dissociated as a general partner:

(1) The person's right to participate as a general partner in the management and conduct of the limited partnership's activities and affairs terminates;

(2) The person's duties and obligations as a general partner under section [30-24-409](#), Idaho Code, end with regard to matters arising and events occurring after the person's dissociation;

(3) The person may sign and deliver to the secretary of state for filing a statement of dissociation pertaining to the person and, at the request of the limited partnership, shall sign an amendment to the certificate of limited partnership that states the person has dissociated as a general partner; and

(4) Subject to section [30-24-704](#), Idaho Code, and [chapter 22, title 30](#), Idaho Code, any transferable interest owned by the person in the person's capacity as a general partner immediately before dissociation is owned by the person solely as a transferee.

(b) A person's dissociation as a general partner does not of itself discharge the person from any debt, obligation, or other liability to the limited partnership or the other partners that the person incurred while a general partner.

[30-24-605, added 2015, ch. 243, sec. 38, p. 860.]

30-24-606. POWER TO BIND AND LIABILITY OF PERSON DISSOCIATED AS GENERAL PARTNER. (a) After a person is dissociated as a general partner and before the limited partnership is merged out of existence, converted, or domesticated under [chapter 22, title 30](#), Idaho Code, or dissolved, the partnership is bound by an act of the person only if:

(1) The act would have bound the partnership under section [30-24-402](#), Idaho Code, before the dissociation; and

(2) At the time the other party enters into the transaction:

(A) Less than two (2) years has passed since the dissociation; and

(B) The other party does not know or have notice of the dissociation and reasonably believes that the person is a general partner.

(b) If a limited partnership is bound under subsection (a) of this section, the person dissociated as a general partner that caused the partnership to be bound is liable:

(1) To the partnership for any damage caused to the partnership arising from the obligation incurred under subsection (a) of this section; and

(2) If a general partner or another person dissociated as a general partner is liable for the obligation, to the general partner or other person for any damage caused to the general partner or other person arising from the liability.

[30-24-606, added 2015, ch. 243, sec. 38, p. 860.]

30-24-607. LIABILITY OF PERSON DISSOCIATED AS GENERAL PARTNER TO OTHER PERSONS. (a) A person's dissociation as a general partner does not of itself discharge the person's liability as a general partner for a debt, obligation, or other liability of the limited partnership incurred before dissociation. Except as otherwise provided in subsections (b) and (c) of this sec-

tion, the person is not liable for a limited partnership obligation incurred after dissociation.

(b) A person whose dissociation as a general partner results in a dissolution and winding up of the limited partnership's activities and affairs is liable on an obligation incurred by the limited partnership under section [30-24-805](#), Idaho Code, to the same extent as a general partner under section [30-24-404](#), Idaho Code.

(c) A person that is dissociated as a general partner without the dissociation resulting in a dissolution and winding up of the limited partnership's activities and affairs is liable on a transaction entered into by the partnership after the dissociation only if:

- (1) A general partner would be liable on the transaction; and
- (2) At the time the other party enters into the transaction:
 - (A) Less than two (2) years has passed since the dissociation; and
 - (B) The other party does not have knowledge or notice of the dissociation and reasonably believes that the person is a general partner.

(d) By agreement with a creditor of a limited partnership and the partnership, a person dissociated as a general partner may be released from liability for a debt, obligation, or other liability of the partnership.

(e) A person dissociated as a general partner is released from liability for a debt, obligation, or other liability of the limited partnership if the partnership's creditor, with knowledge or notice of the person's dissociation as a general partner but without the person's consent, agrees to a material alteration in the nature or time of payment of the debt, obligation, or other liability.

[30-24-607, added 2015, ch. 243, sec. 38, p. 860.]

PART 7

TRANSFERABLE INTERESTS AND RIGHTS OF TRANSFEREES AND CREDITORS

30-24-701. NATURE OF TRANSFERABLE INTEREST. A transferable interest is personal property.

[30-24-701, added 2015, ch. 243, sec. 39, p. 861.]

30-24-702. TRANSFER OF TRANSFERABLE INTEREST. (a) A transfer, in whole or in part, of a transferable interest:

- (1) Is permissible, except the transfer of a transferable interest in a professional entity is not permissible without compliance with section [30-21-901](#)(i), Idaho Code;
- (2) Does not by itself cause a partner's dissociation or a dissolution and winding up of the limited partnership's activities and affairs; and
- (3) Subject to section [30-24-704](#), Idaho Code, does not entitle the transferee to:
 - (A) Participate in the management or conduct of the partnership's activities and affairs; or
 - (B) Except as otherwise provided in subsection (c) of this section, have access to required information, records, or other information concerning the partnership's activities and affairs.

(b) A transferee has the right to receive, in accordance with the transfer, distributions to which the transferor would otherwise be entitled.

(c) In a dissolution and winding up of a limited partnership, a transferee is entitled to an account of the partnership's transactions only from the date of dissolution.

(d) A transferable interest may be evidenced by a certificate of the interest issued by a limited partnership in a record, and, subject to this section, the interest represented by the certificate may be transferred by a transfer of the certificate.

(e) A limited partnership need not give effect to a transferee's rights under this section until the partnership knows or has notice of the transfer.

(f) A transfer of a transferable interest in violation of a restriction on transfer contained in the partnership agreement is ineffective as to a person having knowledge or notice of the restriction at the time of transfer.

(g) Except as otherwise provided in sections [30-24-601](#)(b)(4)(B) and [30-24-603](#)(4)(B), Idaho Code, if a general or limited partner transfers a transferable interest, the transferor retains the rights of a general or limited partner other than the transferable interest transferred and retains all the duties and obligations of a general or limited partner.

(h) If a general or limited partner transfers a transferable interest to a person that becomes a general or limited partner with respect to the transferred interest, the transferee is liable for the transferor's obligations under sections [30-24-502](#) and [30-24-505](#), Idaho Code, known to the transferee when the transferee becomes a partner.

[30-24-702, added 2015, ch. 243, sec. 39, p. 861.]

30-24-703. CHARGING ORDER. (a) On application by a judgment creditor of a partner or transferee, a court may enter a charging order against the transferable interest of the judgment debtor for the unsatisfied amount of the judgment. A charging order constitutes a lien on a judgment debtor's transferable interest and requires the limited partnership to pay over to the person to which the charging order was issued any distribution that otherwise would be paid to the judgment debtor.

(b) To the extent necessary to effectuate the collection of distributions pursuant to a charging order in effect under subsection (a) of this section, the court may:

(1) Appoint a receiver of the distributions subject to the charging order, with the power to make all inquiries the judgment debtor might have made; and

(2) Make all other orders necessary to give effect to the charging order.

(c) Upon a showing that distributions under a charging order will not pay the judgment debt within a reasonable time, the court may foreclose the lien and order the sale of the transferable interest. The purchaser at the foreclosure sale obtains only the transferable interest, does not thereby become a partner, and is subject to section [30-24-702](#), Idaho Code.

(d) At any time before foreclosure under subsection (c) of this section, the partner or transferee whose transferable interest is subject to a charging order under subsection (a) of this section may extinguish the charging order by satisfying the judgment and filing a certified copy of the satisfaction with the court that issued the charging order.

(e) At any time before foreclosure under subsection (c) of this section, a limited partnership or one (1) or more partners whose transferable interests are not subject to the charging order may pay to the judgment cred-

itor the full amount due under the judgment and thereby succeed to the rights of the judgment creditor, including the charging order.

(f) This act does not deprive any partner or transferee of the benefit of any exemption law applicable to the transferable interest of the partner or transferee.

(g) This section provides the exclusive remedy by which a person seeking, in the capacity of a judgment creditor, to enforce a judgment against a partner or transferee may satisfy the judgment from the judgment debtor's transferable interest.

[30-24-703, added 2015, ch. 243, sec. 39, p. 862.]

30-24-704. POWER OF LEGAL REPRESENTATIVE OF DECEASED PARTNER. If a partner dies, the deceased partner's legal representative may exercise:

(1) The rights of a transferee provided in section [30-24-702](#) (c), Idaho Code; and

(2) For the purposes of settling the estate, the rights of a current limited partner under section [30-24-304](#), Idaho Code.

[30-24-704, added 2015, ch. 243, sec. 39, p. 863.]

PART 8 DISSOLUTION AND WINDING UP

30-24-801. EVENTS CAUSING DISSOLUTION. (a) A limited partnership is dissolved, and its activities and affairs must be wound up, upon the occurrence of any of the following:

(1) An event or circumstance that the partnership agreement states causes dissolution;

(2) The affirmative vote or consent of all general partners and of limited partners owning a majority of the rights to receive distributions as limited partners at the time the vote or consent is to be effective;

(3) After the dissociation of a person as a general partner:

(A) If the partnership has at least one (1) remaining general partner, the affirmative vote or consent to dissolve the partnership not later than ninety (90) days after the dissociation by partners owning a majority of the rights to receive distributions as partners at the time the vote or consent is to be effective; or

(B) If the partnership does not have a remaining general partner, the passage of ninety (90) days after the dissociation, unless before the end of the period:

(i) Consent to continue the activities and affairs of the partnership and admit at least one (1) general partner is given by limited partners owning a majority of the rights to receive distributions as limited partners at the time the consent is to be effective; and

(ii) At least one (1) person is admitted as a general partner in accordance with the consent;

(4) The passage of ninety (90) consecutive days after the dissociation of the partnership's last limited partner, unless before the end of the period the partnership admits at least one (1) limited partner;

(5) The passage of ninety (90) consecutive days during which the partnership has only one (1) partner, unless before the end of the period:

(A) The partnership admits at least one (1) person as a partner;

- (B) If the previously sole remaining partner is only a general partner, the partnership admits the person as a limited partner; and
- (C) If the previously sole remaining partner is only a limited partner, the partnership admits a person as a general partner;
- (6) On application by a partner, the entry by the district court of an order dissolving the partnership on the grounds that:
 - (A) The conduct of all or substantially all the partnership's activities and affairs is unlawful; or
 - (B) It is not reasonably practicable to carry on the partnership's activities and affairs in conformity with the certificate of limited partnership and partnership agreement; or
- (7) The signing and filing of a statement of administrative dissolution by the secretary of state under section [30-21-602](#), Idaho Code.
- (b) If an event occurs that imposes a deadline on a limited partnership under subsection (a) of this section and before the partnership has met the requirements of the deadline, another event occurs that imposes a different deadline on the partnership under subsection (a) of this section:
 - (1) The occurrence of the second event does not affect the deadline caused by the first event; and
 - (2) The partnership's meeting of the requirements of the first deadline does not extend the second deadline.

[30-24-801, added 2015, ch. 243, sec. 40, p. 863; am. 2020, ch. 82, sec. 31, p. 202; am. 2021, ch. 321, sec. 4, p. 947.]

30-24-802. WINDING UP. (a) A dissolved limited partnership shall wind up its activities and affairs, and, except as otherwise provided in section [30-24-803](#), Idaho Code, the partnership continues after dissolution only for the purpose of winding up.

- (b) In winding up its activities and affairs, the limited partnership:
 - (1) Shall discharge the partnership's debts, obligations, and other liabilities, settle and close the partnership's activities and affairs, and marshal and distribute the assets of the partnership; and
 - (2) May:
 - (A) Amend its certificate of limited partnership to state that the limited partnership is dissolved;
 - (B) Preserve the partnership activities, affairs, and property as a going concern for a reasonable time;
 - (C) Prosecute and defend actions and proceedings, whether civil, criminal, or administrative;
 - (D) Transfer the partnership's property;
 - (E) Settle disputes by mediation or arbitration;
 - (F) Deliver to the secretary of state for filing a statement of termination stating the name of the partnership and that the partnership is terminated; and
 - (G) Perform other acts necessary or appropriate to the winding up.
- (c) If a dissolved limited partnership does not have a general partner, a person to wind up the dissolved partnership's activities and affairs may be appointed by the affirmative vote or consent of limited partners owning a majority of the rights to receive distributions as limited partners at the time the vote or consent is to be effective. A person appointed under this subsection:

(1) Has the powers of a general partner under section [30-24-804](#), Idaho Code, but is not liable for the debts, obligations, and other liabilities of the partnership solely by reason of having or exercising those powers or otherwise acting to wind up the dissolved partnership's activities and affairs; and

(2) Shall deliver promptly to the secretary of state for filing an amendment to the partnership's certificate of limited partnership stating:

(A) That the partnership does not have a general partner;

(B) The name and street and mailing addresses of the person; and

(C) That the person has been appointed pursuant to this subsection to wind up the partnership.

(d) On the application of a partner, the district court may order judicial supervision of the winding up of a dissolved limited partnership, including the appointment of a person to wind up the partnership's activities and affairs, if:

(1) The partnership does not have a general partner and within a reasonable time following the dissolution no person has been appointed pursuant to subsection (c) of this section; or

(2) The applicant establishes other good cause.

[30-24-802, added 2015, ch. 243, sec. 40, p. 864.]

30-24-803. RESCINDING DISSOLUTION. (a) A limited partnership may rescind its dissolution, unless a statement of termination applicable to the partnership is effective, the district court has entered an order under section [30-24-801](#)(a)(6), Idaho Code, dissolving the partnership, or the secretary of state has dissolved the partnership under section [30-21-602](#), Idaho Code.

(b) Rescinding dissolution under this section requires:

(1) The affirmative vote or consent of each partner; and

(2) If the limited partnership has delivered to the secretary of state for filing an amendment to the certificate of limited partnership stating that the partnership is dissolved and:

(A) The amendment is not effective, the filing by the partnership of a statement of withdrawal under section [30-21-204](#), Idaho Code, applicable to the amendment; or

(B) The amendment is effective, the delivery by the partnership to the secretary of state for filing of an amendment to the certificate of limited partnership stating that dissolution has been rescinded under this section.

(c) If a limited partnership rescinds its dissolution:

(1) The partnership resumes carrying on its activities and affairs as if dissolution had never occurred;

(2) Subject to paragraph (3) of this subsection, any liability incurred by the partnership after the dissolution and before the rescission is effective is determined as if dissolution had never occurred; and

(3) The rights of a third party arising out of conduct in reliance on the dissolution before the third party knew or had notice of the rescission may not be adversely affected.

[30-24-803, added 2015, ch. 243, sec. 40, p. 865; am. 2020, ch. 82, sec. 32, p. 203.]

30-24-804. POWER TO BIND PARTNERSHIP AFTER DISSOLUTION. (a) A limited partnership is bound by a general partner's act after dissolution which:

- (1) Is appropriate for winding up the partnership's activities and affairs; or
- (2) Would have bound the partnership under section [30-24-402](#), Idaho Code, before dissolution, if, at the time the other party enters into the transaction, the other party does not know or have notice of the dissolution.

(b) A person dissociated as a general partner binds a limited partnership through an act occurring after dissolution if:

- (1) At the time the other party enters into the transaction:
 - (A) Less than two (2) years has passed since the dissociation; and
 - (B) The other party does not know or have notice of the dissociation and reasonably believes that the person is a general partner; and
- (2) The act:
 - (A) Is appropriate for winding up the partnership's activities and affairs; or
 - (B) Would have bound the partnership under section [30-24-402](#), Idaho Code, before dissolution and at the time the other party enters into the transaction the other party does not know or have notice of the dissolution.

[30-24-804, added 2015, ch. 243, sec. 40, p. 865.]

30-24-805. LIABILITY AFTER DISSOLUTION OF GENERAL PARTNER AND PERSON DISSOCIATED AS GENERAL PARTNER. (a) If a general partner having knowledge of the dissolution causes a limited partnership to incur an obligation under section [30-24-804](#) (a), Idaho Code, by an act that is not appropriate for winding up the partnership's activities and affairs, the general partner is liable:

- (1) To the partnership for any damage caused to the partnership arising from the obligation; and
- (2) If another general partner or a person dissociated as a general partner is liable for the obligation, to that other general partner or person for any damage caused to that other general partner or person arising from the liability.

(b) If a person dissociated as a general partner causes a limited partnership to incur an obligation under section [30-24-804](#) (b), Idaho Code, the person is liable:

- (1) To the partnership for any damage caused to the partnership arising from the obligation; and
- (2) If a general partner or another person dissociated as a general partner is liable for the obligation, to the general partner or other person for any damage caused to the general partner or other person arising from the obligation.

[30-24-805, added 2015, ch. 243, sec. 40, p. 865.]

30-24-806. KNOWN CLAIMS AGAINST DISSOLVED LIMITED PARTNERSHIP. (a) Except as otherwise provided in subsection (d) of this section, a dissolved limited partnership may give notice of a known claim under subsection (b) of this section, which has the effect provided in subsection (c) of this section.

(b) A dissolved limited partnership may in a record notify its known claimants of the dissolution. The notice must:

- (1) Specify the information required to be included in a claim;
- (2) State that a claim must be in writing and provide a mailing address to which the claim is to be sent;
- (3) State the deadline for receipt of a claim, which may not be less than one hundred twenty (120) days after the date the notice is received by the claimant;
- (4) State that the claim will be barred if not received by the deadline; and
- (5) Unless the partnership has been throughout its existence a limited liability limited partnership, state that the barring of a claim against the partnership will also bar any corresponding claim against any general partner or person dissociated as a general partner that is based on section [30-24-404](#), Idaho Code.

(c) A claim against a dissolved limited partnership is barred if the requirements of subsection (b) of this section are met and:

- (1) The claim is not received by the specified deadline; or
- (2) If the claim is timely received but rejected by the partnership:
 - (A) The partnership causes the claimant to receive a notice in a record stating that the claim is rejected and will be barred unless the claimant commences an action against the partnership to enforce the claim not later than ninety (90) days after the claimant receives the notice; and
 - (B) The claimant does not commence the required action not later than ninety (90) days after the claimant receives the notice.

(d) This section does not apply to a claim based on an event occurring after the date of dissolution or a liability that on that date is contingent.

[30-24-806, added 2015, ch. 243, sec. 40, p. 866.]

30-24-807. OTHER CLAIMS AGAINST DISSOLVED LIMITED PARTNERSHIP. (a) A dissolved limited partnership may publish notice of its dissolution and request persons having claims against the partnership to present them in accordance with the notice.

(b) A notice under subsection (a) of this section must:

- (1) Be published at least once in a newspaper of general circulation in the county in this state in which the dissolved limited partnership's principal office is located or, if the principal office is not located in this state, in the county in which the office of the partnership's registered agent is or was last located;
- (2) Describe the information required to be contained in a claim, state that the claim must be in writing, and provide a mailing address to which the claim is to be sent;
- (3) State that a claim against the partnership is barred unless an action to enforce the claim is commenced not later than three (3) years after publication of the notice; and
- (4) Unless the partnership has been throughout its existence a limited liability limited partnership, state that the barring of a claim against the partnership will also bar any corresponding claim against any general partner or person dissociated as a general partner that is based on section [30-24-404](#), Idaho Code.

(c) If a dissolved limited partnership publishes a notice in accordance with subsection (b) of this section, the claim of each of the following

claimants is barred unless the claimant commences an action to enforce the claim against the partnership not later than three (3) years after the publication date of the notice:

- (1) A claimant that did not receive notice in a record under section [30-24-806](#), Idaho Code;
 - (2) A claimant whose claim was timely sent to the partnership but not acted on; and
 - (3) A claimant whose claim is contingent at, or based on an event occurring after, the date of dissolution.
- (d) A claim not barred under this section or section [30-24-806](#), Idaho Code, may be enforced:
- (1) Against the dissolved limited partnership, to the extent of its undistributed assets;
 - (2) Except as otherwise provided in section [30-24-808](#), Idaho Code, if assets of the partnership have been distributed after dissolution, against a partner or transferee to the extent of that person's proportionate share of the claim or of the partnership's assets distributed to the partner or transferee after dissolution, whichever is less, but a person's total liability for all claims under this paragraph may not exceed the total amount of assets distributed to the person after dissolution; and
 - (3) Against any person liable on the claim under sections [30-24-404](#) and [30-24-607](#), Idaho Code.

[30-24-807, added 2015, ch. 243, sec. 40, p. 866.]

30-24-808. COURT PROCEEDINGS. (1) A dissolved limited partnership that has published a notice under section [30-24-807](#), Idaho Code, may file an application with the district court in the county where the partnership's principal office is located or, if the principal office is not located in this state, where the office of its registered agent is or was last located, for a determination of the amount and form of security to be provided for payment of claims that are reasonably expected to arise after the date of dissolution based on facts known to the partnership and:

- (1) At the time of the application:
 - (A) Are contingent; or
 - (B) Have not been made known to the partnership; or
 - (2) Are based on an event occurring after the date of dissolution.
- (b) Security is not required for any claim that is or is reasonably anticipated to be barred under section [30-24-807](#), Idaho Code.
- (c) Not later than ten (10) days after the filing of an application under subsection (a) of this section, the dissolved limited partnership shall give notice of the proceeding to each claimant holding a contingent claim known to the partnership.
- (d) In a proceeding brought under this section, the court may appoint a guardian ad litem to represent all claimants whose identities are unknown. The reasonable fees and expenses of the guardian, including all reasonable expert witness fees, must be paid by the dissolved limited partnership.
- (e) A dissolved limited partnership that provides security in the amount and form ordered by the court under subsection (a) of this section satisfies the partnership's obligations with respect to claims that are contingent, have not been made known to the partnership, or are based on an event occurring after the date of dissolution, and such claims may not be

enforced against a partner or transferee on account of assets received in liquidation.

[30-24-808, added 2015, ch. 243, sec. 40, p. 867.]

30-24-809. LIABILITY OF GENERAL PARTNER AND PERSON DISSOCIATED AS GENERAL PARTNER WHEN CLAIM AGAINST LIMITED PARTNERSHIP BARRED. If a claim against a dissolved limited partnership is barred under section [30-24-806](#), [30-24-807](#) or [30-24-808](#), Idaho Code, any corresponding claim under section [30-24-404](#) or [30-24-607](#), Idaho Code, is also barred.

[30-24-809, added 2015, ch. 243, sec. 40, p. 868.]

30-24-810. DISPOSITION OF ASSETS IN WINDING UP -- WHEN CONTRIBUTIONS REQUIRED. (a) In winding up its activities and affairs, a limited partnership shall apply its assets, including the contributions required by this section, to discharge the partnership's obligations to creditors, including partners that are creditors.

(b) After a limited partnership complies with subsection (a) of this section, any surplus must be distributed in the following order, subject to any charging order in effect under section [30-24-703](#), Idaho Code:

(1) To each person owning a transferable interest that reflects contributions made and not previously returned, an amount equal to the value of the unreturned contributions; and

(2) Among partners and persons dissociated as partners in proportion to their respective rights to share in distributions immediately before the dissolution of the partnership, except to the extent necessary to comply with any transfer effective under section [30-24-702](#), Idaho Code.

(c) If a limited partnership's assets are insufficient to satisfy all of its obligations under subsection (a) of this section, with respect to each unsatisfied obligation incurred when the partnership was not a limited liability limited partnership, the following rules apply:

(1) Each person that was a general partner when the obligation was incurred and that has not been released from the obligation under section [30-24-607](#), Idaho Code, shall contribute to the partnership for the purpose of enabling the partnership to satisfy the obligation. The contribution due from each of those persons is in proportion to the right to receive distributions in the capacity of a general partner in effect for each of those persons when the obligation was incurred.

(2) If a person does not contribute the full amount required under paragraph (1) of this subsection with respect to an unsatisfied obligation of the partnership, the other persons required to contribute by paragraph (1) of this subsection on account of the obligation shall contribute the additional amount necessary to discharge the obligation. The additional contribution due from each of those other persons is in proportion to the right to receive distributions in the capacity of a general partner in effect for each of those other persons when the obligation was incurred.

(3) If a person does not make the additional contribution required by paragraph (2) of this subsection, further additional contributions are determined and due in the same manner as provided in that paragraph.

(d) A person that makes an additional contribution under subsection (c) (2) or (3) of this section may recover from any person whose failure to contribute under subsection (c) (1) or (2) of this section necessitated the

additional contribution. A person may not recover under this subsection more than the amount additionally contributed. A person's liability under this subsection may not exceed the amount the person failed to contribute.

(e) If a limited partnership does not have sufficient surplus to comply with subsection (b) (1) of this section, any surplus must be distributed among the owners of transferable interests in proportion to the value of the respective unreturned contributions.

(f) All distributions made under subsections (b) and (c) of this section must be paid in money.

[30-24-810, added 2015, ch. 243, sec. 40, p. 868.]

30-24-811. SUBJECTS COVERED OUTSIDE CHAPTER. The following subjects are covered outside this chapter:

(1) Administrative dissolution - sections [30-21-601](#) and [30-21-602](#), Idaho Code.

(2) Reinstatement - section [30-21-603](#), Idaho Code.

(3) Judicial review of denial of reinstatement - section [30-21-604](#), Idaho Code.

[30-24-811, added 2015, ch. 243, sec. 40, p. 869.]

PART 9 ACTIONS BY PARTNERS

30-24-901. DIRECT ACTION BY PARTNER. (a) Subject to subsection (b) of this section, a partner may maintain a direct action against another partner or the limited partnership, with or without an accounting as to the partnership's activities and affairs, to enforce the partner's rights and protect the partner's interests, including rights and interests under the partnership agreement or this act or arising independently of the partnership relationship.

(b) A partner maintaining a direct action under this section must plead and prove an actual or threatened injury that is not solely the result of an injury suffered or threatened to be suffered by the limited partnership.

(c) A right to an accounting upon a dissolution and winding up does not revive a claim barred by law.

[30-24-901, added 2015, ch. 243, sec. 41, p. 869.]

30-24-902. DERIVATIVE ACTION. A partner may maintain a derivative action to enforce a right of a limited partnership if:

(1) The partner first makes a demand on the general partners, requesting that they cause the partnership to bring an action to enforce the right, and the general partners do not bring the action within a reasonable time; or

(2) A demand under subsection (1) of this section would be futile.

[30-24-902, added 2015, ch. 243, sec. 41, p. 869.]

30-24-903. PROPER PLAINTIFF. A derivative action to enforce a right of a limited partnership may be maintained only by a person that is a partner at the time the action is commenced and:

(1) Was a partner when the conduct giving rise to the action occurred;
or

(2) Whose status as a partner devolved on the person by operation of law or pursuant to the terms of the partnership agreement from a person that was a partner at the time of the conduct.

[30-24-903, added 2015, ch. 243, sec. 41, p. 869.]

30-24-904. PLEADING. In a derivative action, the complaint must state with particularity:

- (1) The date and content of the plaintiff's demand and the response to the demand by the general partner; or
- (2) Why the demand should be excused as futile.

[30-24-904, added 2015, ch. 243, sec. 41, p. 869.]

30-24-905. SPECIAL LITIGATION COMMITTEE. (a) If a limited partnership is named as or made a party in a derivative proceeding, the partnership may appoint a special litigation committee to investigate the claims asserted in the proceeding and determine whether pursuing the action is in the best interests of the partnership. If the partnership appoints a special litigation committee, on motion by the committee made in the name of the partnership, except for good cause shown, the court shall stay discovery for the time reasonably necessary to permit the committee to make its investigation. This subsection does not prevent the court from:

- (1) Enforcing a person's right to information under section [30-24-304](#) or [30-24-407](#), Idaho Code; or
- (2) Granting extraordinary relief in the form of a temporary restraining order or preliminary injunction.
- (b) A special litigation committee must be composed of one (1) or more disinterested and independent individuals, who may be partners.
- (c) A special litigation committee may be appointed:
 - (1) By a majority of the general partners not named as parties in the proceeding; or
 - (2) If all general partners are named as parties in the proceeding, by a majority of the general partners named as defendants.
- (d) After appropriate investigation, a special litigation committee may determine that it is in the best interests of the limited partnership that the proceeding:
 - (1) Continue under the control of the plaintiff;
 - (2) Continue under the control of the committee;
 - (3) Be settled on terms approved by the committee; or
 - (4) Be dismissed.

(e) After making a determination under subsection (d) of this section, a special litigation committee shall file with the court a statement of its determination and its report supporting its determination and shall serve each party with a copy of the determination and report. The court shall determine whether the members of the committee were disinterested and independent and whether the committee conducted its investigation and made its recommendation in good faith, independently, and with reasonable care, with the committee having the burden of proof. If the court finds that the members of the committee were disinterested and independent and that the committee acted in good faith, independently, and with reasonable care, the court shall enforce the determination of the committee. Otherwise, the court shall dissolve the stay of discovery entered under subsection (a)

of this section and allow the action to continue under the control of the plaintiff.

[30-24-905, added 2015, ch. 243, sec. 41, p. 870.]

30-24-906. PROCEEDS AND EXPENSES. (a) Except as otherwise provided in subsection (b) of this section:

(1) Any proceeds or other benefits of a derivative action, whether by judgment, compromise, or settlement, belong to the limited partnership and not to the plaintiff; and

(2) If the plaintiff receives any proceeds, the plaintiff shall remit them immediately to the partnership.

(b) If a derivative action is successful in whole or in part, the court may award the plaintiff reasonable expenses, including reasonable attorney's fees and costs, from the recovery of the limited partnership.

(c) A derivative action on behalf of a limited partnership may not be voluntarily dismissed or settled without the court's approval.

[30-24-906, added 2015, ch. 243, sec. 41, p. 870.]