

BUSINESS ORGANIZATIONS CODE
TITLE 4. PARTNERSHIPS
CHAPTER 153. LIMITED PARTNERSHIPS
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 153.001. DEFINITION. In this chapter, "other limited partnership provisions" means the provisions of Title 1 and Chapters 151 and 154, to the extent applicable to limited partnerships.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.002. CONSTRUCTION. (a) This chapter and the other limited partnership provisions shall be applied and construed to effect its general purpose to make uniform the law with respect to limited partnerships among states that have similar laws.

(b) The rule that a statute in derogation of the common law is to be strictly construed does not apply to this chapter and the other limited partnership provisions.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.003. APPLICABILITY OF OTHER LAWS. (a) Except as provided by Subsection (b), in a case not provided for by this chapter and the other limited partnership provisions, the provisions of Chapter 152 governing partnerships that are not limited partnerships and the rules of law and equity govern.

(b) The powers and duties of a limited partner shall not be governed by a provision of Chapter 152 that would be inconsistent with the nature and role of a limited partner as contemplated by this chapter.

(c) A limited partner shall not have any obligation or duty of a general partner solely by reason of being a limited partner.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.004. NONWAIVABLE TITLE 1 PROVISIONS. (a) Except as provided by this section, the following provisions of Title 1 may not be waived or modified in the partnership agreement of a limited

partnership:

(1) Chapter 1, if the provision is used to interpret a provision or define a word or phrase contained in a section listed in this subsection;

(2) Chapter 2, other than Section 2.104(c)(2), 2.104(c)(3), or 2.113;

(3) Chapter 3, other than Subchapters C and E of that chapter and Section 3.151 (provided, that in all events a partnership agreement may not validly waive or modify Section 153.551 or unreasonably restrict a partner's right of access to books and records under Section 153.552); or

(4) Chapter 4, 5, 10, 11, or 12, other than Section 11.058.

(b) A provision listed in Subsection (a) may be waived or modified in the partnership agreement if the provision that is waived or modified authorizes the limited partnership to waive or modify the provision in the limited partnership's governing documents.

(c) A provision listed in Subsection (a) may be modified in the partnership agreement if the provision that is modified specifies:

(1) the person or group of persons who are entitled to approve a modification; or

(2) the vote or other method by which a modification is required to be approved.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 139 (S.B. 748), Sec. 51, eff. September 1, 2011.

Sec. 153.005. WAIVER OR MODIFICATION OF RIGHTS OF THIRD PARTIES. A provision in this title or in that part of Title 1 applicable to a limited partnership that grants a right to a person, other than a general partner, a limited partner, or assignee of a partnership interest in a limited partnership, may be waived or modified in the partnership agreement of the limited partnership only if the person consents to the waiver or modification.

SUBCHAPTER B. SUPPLEMENTAL PROVISIONS REGARDING AMENDMENT TO
CERTIFICATE OF FORMATION

Sec. 153.051. REQUIRED AMENDMENT TO CERTIFICATE OF FORMATION. (a) A general partner shall file a certificate of amendment reflecting the occurrence of one or more of the following events not later than the 30th day after the date on which the event occurred:

- (1) the admission of a new general partner;
- (2) the withdrawal of a general partner;
- (3) a change in the name of the limited partnership; or
- (4) except as provided by Sections 5.202 and 5.203, a

change in:

- (A) the address of the registered office; or
- (B) the name or address of the registered agent

of the limited partnership.

(b) A general partner who becomes aware that a statement in a certificate of formation was false when made or that a matter described in the certificate has changed, making the certificate false in any material respect, shall promptly amend the certificate to make it accurate.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 23 (S.B. 859), Sec. 6, eff. September 1, 2015.

Sec. 153.052. DISCRETIONARY AMENDMENT TO CERTIFICATE OF FORMATION. (a) A certificate of formation may be amended at any time for a proper purpose as determined by the general partners.

(b) A certificate of formation may be amended to state the name, mailing address, and street address of the business or residence of each person winding up the limited partnership's affairs if, after an event requiring the winding up of a limited partnership but before the limited partnership is reconstituted or a certificate of termination is filed as provided by Section

11.101:

(1) the certificate of formation has been amended to reflect the withdrawal of all general partners; or

(2) a person who is not shown on the certificate of formation as a general partner is carrying out the winding up of a limited partnership's affairs.

(c) If the certificate of formation is amended under Subsection (b), each person winding up the limited partnership's affairs shall execute and file the certificate of amendment. A person winding up the partnership's affairs is not subject to liability as a general partner because of the filing of the certificate of amendment.

(d) A general partner who is not winding up the limited partnership's affairs is not required to execute and file a certificate of amendment as provided by this section.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2005, 79th Leg., Ch. 64 (H.B. 1319), Sec. 85, eff. January 1, 2006.

Acts 2007, 80th Leg., R.S., Ch. 688 (H.B. 1737), Sec. 120, eff. September 1, 2007.

Sec. 153.053. RESTATED CERTIFICATE OF FORMATION. (a) The general partners may adopt at any time a restated certificate of formation that does not contain an amendment to the certificate of formation.

(b) A restated certificate of formation that contains an amendment to the certificate of formation may be adopted at any time for a proper purpose as determined by the general partners.

Added by Acts 2005, 79th Leg., Ch. 64 (H.B. 1319), Sec. 86, eff. January 1, 2006.

SUBCHAPTER C. LIMITED PARTNERS

Sec. 153.101. ADMISSION OF LIMITED PARTNERS. (a) In connection with the formation of a limited partnership, a person acquiring a limited partnership interest becomes a limited partner

on the later of:

(1) the date on which the limited partnership is formed; or

(2) the date stated in the records of the limited partnership as the date on which the person becomes a limited partner or, if that date is not stated in those records, the date on which the person's admission is first reflected in the records of the limited partnership.

(b) After a limited partnership is formed, a person who acquires a partnership interest directly from the limited partnership becomes a new limited partner on:

(1) compliance with the provisions of the partnership agreement governing admission of new limited partners; or

(2) if the partnership agreement does not contain relevant admission provisions, the written consent of all partners.

(c) After formation of a limited partnership, an assignee of a partnership interest becomes a new limited partner as provided by Section 153.253(a).

(d) A person may be a limited partner unless the person lacks capacity apart from this chapter and the other limited partnership provisions.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.102. LIABILITY TO THIRD PARTIES. (a) A limited partner is not liable for the obligations of a limited partnership unless:

(1) the limited partner is also a general partner; or

(2) in addition to the exercise of the limited partner's rights and powers as a limited partner, the limited partner participates in the control of the business.

(b) If the limited partner participates in the control of the business, the limited partner is liable only to a person who transacts business with the limited partnership reasonably believing, based on the limited partner's conduct, that the limited partner is a general partner.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.103. ACTIONS NOT CONSTITUTING PARTICIPATION IN BUSINESS FOR LIABILITY PURPOSES. For purposes of this section and Sections 153.102, 153.104, and 153.105, a limited partner does not participate in the control of the business because the limited partner has or has acted in one or more of the following capacities or possesses or exercises one or more of the following powers:

(1) acting as:

(A) a contractor for or an officer or other agent or employee of the limited partnership;

(B) a contractor for or an agent or employee of a general partner;

(C) an officer, director, or stockholder of a corporate general partner;

(D) a partner of a partnership that is a general partner of the limited partnership; or

(E) a member or manager of a limited liability company that is a general partner of the limited partnership;

(2) acting in a capacity similar to that described in Subdivision (1) with any other person that is a general partner of the limited partnership;

(3) consulting with or advising a general partner on any matter, including the business of the limited partnership;

(4) acting as surety, guarantor, or endorser for the limited partnership, guaranteeing or assuming one or more specific obligations of the limited partnership, or providing collateral for borrowings of the limited partnership;

(5) calling, requesting, attending, or participating in a meeting of the partners or the limited partners;

(6) winding up the business of a limited partnership under Chapter 11 and Subchapter K of this chapter;

(7) taking an action required or permitted by law to bring, pursue, settle, or otherwise terminate a derivative action in the right of the limited partnership;

(8) serving on a committee of the limited partnership or the limited partners; or

(9) proposing, approving, or disapproving, by vote or otherwise, one or more of the following matters:

(A) the winding up or termination of the limited partnership;

(B) an election to reconstitute the limited partnership or continue the business of the limited partnership;

(C) the sale, exchange, lease, mortgage, assignment, pledge, or other transfer of, or granting of a security interest in, an asset of the limited partnership;

(D) the incurring, renewal, refinancing, or payment or other discharge of indebtedness by the limited partnership;

(E) a change in the nature of the business of the limited partnership;

(F) the admission, removal, or retention of a general partner;

(G) the admission, removal, or retention of a limited partner;

(H) a transaction or other matter involving an actual or potential conflict of interest;

(I) an amendment to the partnership agreement or certificate of formation;

(J) if the limited partnership is qualified as an investment company under the federal Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.), as amended, any matter required by that Act or the rules and regulations of the Securities and Exchange Commission under that Act, to be approved by the holders of beneficial interests in an investment company, including:

(i) electing directors or trustees of the investment company;

(ii) approving or terminating an investment advisory or underwriting contract;

(iii) approving an auditor; and

(iv) acting on another matter that that Act requires to be approved by the holders of beneficial interests in the investment company;

(K) indemnification of a general partner under Chapter 8 or otherwise;

(L) any other matter stated in the partnership

agreement;

(M) the exercising of a right or power granted or permitted to limited partners under this code and not specifically enumerated in this section; or

(N) the merger, conversion, or interest exchange with respect to a limited partnership.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 688 (H.B. 1737), Sec. 121, eff. September 1, 2007.

Acts 2009, 81st Leg., R.S., Ch. 84 (S.B. 1442), Sec. 51, eff. September 1, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 139 (S.B. 748), Sec. 52, eff. September 1, 2011.

Sec. 153.104. ENUMERATION OF ACTIONS NOT EXCLUSIVE. The enumeration in Section 153.103 does not mean that a limited partner who has acted or acts in another capacity or possesses or exercises another power constitutes participation by that limited partner in the control of the business of the limited partnership.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.105. CREATION OF RIGHTS. Sections 153.103 and 153.104 do not create rights of limited partners. Rights of limited partners may be created only by:

- (1) the certificate of formation;
- (2) the partnership agreement;
- (3) other sections of this chapter; or
- (4) the other limited partnership provisions.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.106. ERRONEOUS BELIEF OF CONTRIBUTOR BEING LIMITED PARTNER. Except as provided by Section 153.109, a person who erroneously but in good faith believes that the person has made a contribution to and has become a limited partner in a limited partnership is not liable as a general partner or otherwise obligated because of making or attempting to make the contribution,

receiving distributions from the partnership, or exercising the rights of a limited partner if, within a reasonable time after ascertaining the mistake, the person:

(1) causes an appropriate certificate of formation or certificate of amendment to be signed and filed;

(2) files or causes to be filed with the secretary of state a written statement in accordance with Section 153.107; or

(3) withdraws from participation in future profits of the enterprise by executing and filing with the secretary of state a certificate declaring the person's withdrawal under this section.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.107. STATEMENT REQUIRED FOR LIABILITY PROTECTION.

(a) A written statement filed under Section 153.106(2) must be entitled "Filing under Section 153.106(2), Business Organizations Code," and contain:

(1) the name of the partnership;

(2) the name and mailing address of the person signing the written statement; and

(3) a statement that:

(A) the person signing the written statement acquired a limited partnership interest in the partnership;

(B) the person signing the written statement has made an effort to cause a general partner of the partnership to file an accurate certificate of formation required by the code and the general partner has failed or refused to file the certificate; and

(C) the statement is being filed under Section 153.106(2) and the person signing the written statement is claiming status as a limited partner of the partnership named in the document.

(b) The statement is effective for 180 days.

(c) A statement filed under Section 153.106(2) may be signed by more than one person claiming limited partnership status under this section and Sections 153.106, 153.108, and 153.109.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.108. REQUIREMENTS FOR LIABILITY PROTECTION

FOLLOWING EXPIRATION OF STATEMENT. (a) If a certificate described by Section 153.106(1) has not been filed before the expiration of the 180-day period described by Section 153.107(b), the person filing the statement has no further protection from liability under Section 153.106(2) unless the person complies with this section. To be protected under Section 153.106 the person must, not later than the 10th day after the date of expiration of the 180-day period:

(1) withdraw under Section 153.106(3); or

(2) bring an action under Section 153.554 to compel the execution and filing of a certificate of formation or amendment.

(b) If an action is brought within the applicable period and is diligently prosecuted to conclusion, the person bringing the action continues to be protected from liability under Section 153.106(2) until the action is finally decided adversely to that person.

(c) This section and Sections 153.106, 153.107, and 153.109 do not protect a person from liability that arises under Sections 153.102-153.105.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.109. LIABILITY OF ERRONEOUS CONTRIBUTOR. Regardless of whether Sections 153.106, 153.107, and 153.108 apply, a person who makes a contribution in the circumstances described by Section 153.106 is liable as a general partner to a third party who transacts business with the partnership before an action taken under Section 153.106 if:

(1) the contributor has knowledge or notice that no certificate has been filed or that the certificate inaccurately referred to the contributor as a general partner; and

(2) the third party reasonably believed, based on the contributor's conduct, that the contributor was a general partner at the time of the transaction and extended credit to the partnership in reasonable reliance on the credit of the contributor.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.110. WITHDRAWAL OF LIMITED PARTNER. A limited partner may withdraw from a limited partnership only at the time or on the occurrence of an event specified in a written partnership agreement. The withdrawal of the partner must be made in accordance with that agreement.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.111. DISTRIBUTION ON WITHDRAWAL. Except as otherwise provided by Section 153.210 or the partnership agreement, on withdrawal a withdrawing limited partner is entitled to receive, not later than a reasonable time after withdrawal, the fair value of that limited partner's interest in the limited partnership as of the date of withdrawal.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.112. RECEIPT OF WRONGFUL DISTRIBUTION. A limited partner who receives a distribution that is not permitted under Section 153.210 is not required to return the distribution unless the limited partner knew that the distribution violated the prohibition of Section 153.210. This section does not affect an obligation of the limited partner under the partnership agreement or other applicable law to return the distribution.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.113. POWERS OF ESTATE OF LIMITED PARTNER WHO IS DECEASED OR INCAPACITATED. If a limited partner who is an individual dies or a court adjudges the limited partner to be incapacitated in managing the limited partner's person or property, the limited partner's executor, administrator, guardian, conservator, or other legal representative may exercise all of the limited partner's rights and powers to settle the limited partner's estate or administer the limited partner's property, including the power of an assignee to become a limited partner under the partnership agreement.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

SUBCHAPTER D. GENERAL PARTNERS

Sec. 153.151. ADMISSION OF GENERAL PARTNERS. (a) After a limited partnership is formed, additional general partners may be admitted:

(1) in the manner provided by a written partnership agreement; or

(2) if a written partnership agreement does not provide for the admission of additional general partners, with the written consent of all partners.

(a-1) On formation of a limited partnership, a person becomes a general partner if the person:

(1) has entered into the partnership agreement as a general partner; and

(2) is named as a general partner in the certificate of formation of the limited partnership.

(b) A person may be a general partner unless the person lacks capacity apart from this chapter.

(c) A written partnership agreement may provide that a person may be admitted as a general partner in a limited partnership, including as a sole general partner, and may acquire a partnership interest in the limited partnership without:

(1) making a contribution to the limited partnership; or

(2) assuming an obligation to make a contribution to the limited partnership.

(d) A written partnership agreement may provide that a person may be admitted as a general partner in a limited partnership, including as the sole general partner, without acquiring a partnership interest in the limited partnership.

(e) This section is not a limitation of or does not otherwise affect Section [153.152](#).

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2005, 79th Leg., Ch. 64 (H.B. [1319](#)), Sec. 87, eff. January 1, 2006.

Acts 2005, 79th Leg., Ch. 64 (H.B. [1319](#)), Sec. 88, eff.

January 1, 2006.

Acts 2021, 87th Leg., R.S., Ch. 39 (S.B. 1203), Sec. 31, eff. September 1, 2021.

Sec. 153.152. GENERAL POWERS AND LIABILITIES OF GENERAL PARTNER. (a) Except as provided by this chapter, the other limited partnership provisions, or a partnership agreement, a general partner of a limited partnership:

(1) has the rights and powers and is subject to the restrictions of a partner in a partnership without limited partners; and

(2) has the liabilities of a partner in a partnership without limited partners to the partnership and to the other partners.

(b) Except as provided by this chapter or the other limited partnership provisions, a general partner of a limited partnership has the liabilities of a partner in a partnership without limited partners to a person other than the partnership and the other partners.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.153. POWERS AND LIABILITIES OF PERSON WHO IS BOTH GENERAL PARTNER AND LIMITED PARTNER. A person who is both a general partner and a limited partner:

(1) has the rights and powers and is subject to the restrictions and liabilities of a general partner; and

(2) except as otherwise provided by the partnership agreement, this chapter, or the other limited partnership provisions, has the rights and powers and is subject to the restrictions and liabilities, if any, of a limited partner to the extent of the general partner's participation in the partnership as a limited partner.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.154. CONTRIBUTIONS BY AND DISTRIBUTIONS TO GENERAL PARTNER. A general partner of a limited partnership may make a contribution to, be allocated profits and losses of, and receive a

distribution from the limited partnership as a general partner, a limited partner, or both.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.155. WITHDRAWAL OF GENERAL PARTNER. (a) A person ceases to be a general partner of a limited partnership on the occurrence of one or more of the following events of withdrawal:

(1) the general partner withdraws as a general partner from the limited partnership as provided by Subsection (b);

(2) the general partner ceases to be a general partner of the limited partnership as provided by Section 153.252(b);

(3) the general partner is removed as a general partner in accordance with the partnership agreement;

(4) unless otherwise provided by a written partnership agreement, or with the written consent of all partners, the general partner:

(A) makes a general assignment for the benefit of creditors;

(B) files a voluntary bankruptcy petition;

(C) becomes the subject of an order for relief or is declared insolvent in a federal or state bankruptcy or insolvency proceeding;

(D) files a petition or answer seeking for the general partner a reorganization, arrangement, composition, readjustment, liquidation, winding up, termination, dissolution, or similar relief under law;

(E) files a pleading admitting or failing to contest the material allegations of a petition filed against the general partner in a proceeding of the type described by Paragraphs (A)-(D); or

(F) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the general partner or of all or a substantial part of the general partner's properties;

(5) unless otherwise provided by a written partnership agreement or with the written consent of all partners, the expiration of:

(A) 120 days after the date of the commencement of a proceeding against the general partner seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under law if the proceeding has not been previously dismissed;

(B) 90 days after the date of the appointment, without the general partner's consent, of a trustee, receiver, or liquidator of the general partner or of all or a substantial part of the general partner's properties if the appointment has not previously been vacated or stayed; or

(C) 90 days after the date of expiration of a stay, if the appointment has not previously been vacated;

(6) the death of a general partner;

(7) a court adjudicating a general partner who is an individual mentally incompetent to manage the general partner's person or property;

(8) unless otherwise provided by a written partnership agreement or with the written consent of all partners, the commencement of winding up activities intended to conclude in the termination of a trust that is a general partner, but not merely the substitution of a new trustee;

(9) unless otherwise provided by a written partnership agreement or with the written consent of all partners, the commencement of winding up activities of a separate partnership that is a general partner;

(10) unless otherwise provided by a written partnership agreement or with the written consent of all partners, the:

(A) filing of a certificate of termination or its equivalent for an entity, other than a nonfiling entity or a foreign nonfiling entity, that is a general partner; or

(B) termination or revocation of the certificate of formation or its equivalent of an entity, other than a nonfiling entity or a foreign nonfiling entity, that is a general partner and the expiration of 90 days after the date of notice to the entity of termination or revocation without a reinstatement of its certificate of formation or its equivalent; or

(11) the distribution by the fiduciary of an estate that is a general partner of the estate's entire interest in the limited partnership.

(b) A general partner may withdraw at any time from a limited partnership and cease to be a general partner under Subsection (a) by giving written notice to the other partners.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 688 (H.B. 1737), Sec. 122, eff. September 1, 2007.

Sec. 153.156. NOTICE OF EVENT OF WITHDRAWAL. A general partner who is subject to an event that with the passage of the specified period becomes an event of withdrawal under Section 153.155(a)(4) or (5) shall notify the other partners of the event not later than the 30th day after the date on which the event occurred.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.157. WITHDRAWAL OF GENERAL PARTNER IN VIOLATION OF PARTNERSHIP AGREEMENT. Unless otherwise provided by the partnership agreement, a withdrawal by a general partner of a partnership having a period of duration or for a particular undertaking before the expiration of that period or completion of that undertaking is a breach of the partnership agreement.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 688 (H.B. 1737), Sec. 123, eff. September 1, 2007.

Sec. 153.158. EFFECT OF WITHDRAWAL. (a) Unless otherwise provided by a written partnership agreement and subject to the liability created under Section 153.162, if a general partner ceases to be a general partner under Section 153.155, the remaining general partner or partners, or, if there are no remaining general partners, a majority-in-interest of the limited partners in a vote that excludes any limited partnership interest held by the

withdrawing general partner, may:

(1) convert that general partner's partnership interest to that of a limited partner; or

(2) pay to the withdrawn general partner in cash, or secure by bond approved by a court of competent jurisdiction, the value of that partner's partnership interest minus the damages caused if the withdrawal constituted a breach of the partnership agreement.

(b) Until an action described by Subsection (a) is taken, the owner of the partnership interest of the withdrawn general partner has the status of an assignee under Subchapter F.

(c) If there are no remaining general partners following the withdrawal of a general partner, the partnership may be reconstituted.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 139 (S.B. 748), Sec. 53, eff. September 1, 2011.

Sec. 153.159. CONVERSION OF PARTNERSHIP INTEREST AFTER WITHDRAWAL. If the partners convert the partnership interest under Section 153.158(a)(1), the limited partnership interest may be reduced pro rata with all other partners to provide compensation, an interest in the partnership, or both, to a replacement general partner.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.160. EFFECT OF CONVERSION OF PARTNERSHIP INTEREST.

(a) After an amendment to the certificate of formation reflecting the general partner's withdrawal as a general partner is filed under Section 153.051, the withdrawing general partner:

(1) may vote as a limited partner in all matters, to the same extent as the members of the class of limited partners having the least voting rights with respect to the matter on which the vote is taken; and

(2) may not vote on the admission and compensation of a general partner who replaces the withdrawing general partner.

(b) If the general partner's withdrawal violates the partnership agreement, the general partner does not have voting rights.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.161. LIABILITY OF GENERAL PARTNER FOR DEBT INCURRED AFTER EVENT OF WITHDRAWAL. (a) Unless otherwise provided by a written partnership agreement and subject to the liability created under Section 153.162, a general partner who ceases to be a general partner under Section 153.155 is not personally liable in the partner's capacity as a general partner for partnership debt incurred after that partner ceases to be a general partner unless the applicable creditor at the time the debt was incurred reasonably believed that the partner remained a general partner.

(b) A creditor of the partnership has reason to believe that a partner remains a general partner if:

(1) the creditor had no knowledge or notice of the general partner's withdrawal and:

(A) was a creditor of the partnership at the time of the general partner's withdrawal; or

(B) had extended credit to the partnership within two years before the date of withdrawal; or

(2) the creditor had known that the partner was a general partner in the partnership before the general partner's withdrawal and had no knowledge or notice of the withdrawal and the general partner's withdrawal had not been advertised in a newspaper of general circulation in each place at which the partnership business was regularly conducted.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.162. LIABILITY FOR WRONGFUL WITHDRAWAL. (a) If a general partner's withdrawal from a limited partnership violates the partnership agreement, the partnership may recover damages from the withdrawing general partner for breach of the partnership agreement, including the reasonable cost of obtaining replacement of the services the withdrawn partner was obligated to perform.

(b) In addition to pursuing any remedy available under

applicable law, the partnership may effect the recovery of damages under Subsection (a) by offsetting those damages against the amount otherwise distributable to the withdrawing general partner, reducing the limited partner interest into which the withdrawing general partner's interest may be converted under Section [153.158\(a\)\(1\)](#), or both.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

SUBCHAPTER E. FINANCES

Sec. 153.201. FORM OF CONTRIBUTION. The contribution of a partner may consist of a tangible or intangible benefit to the limited partnership or other property of any kind or nature, including:

- (1) cash;
- (2) a promissory note;
- (3) services performed;
- (4) a contract for services to be performed; and
- (5) another interest in or security of the limited partnership, another domestic or foreign limited partnership, or other entity.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2005, 79th Leg., Ch. 64 (H.B. [1319](#)), Sec. 89, eff. January 1, 2006.

Sec. 153.202. ENFORCEABILITY OF PROMISE TO MAKE CONTRIBUTION. (a) A promise by a limited partner to make a contribution to, or pay cash or transfer other property to, a limited partnership is not enforceable unless the promise is in writing and signed by the limited partner.

(b) Except as otherwise provided by the partnership agreement, a partner or the partner's legal representative or successor is obligated to the limited partnership to perform an enforceable promise to make a contribution to or pay cash or transfer other property to a limited partnership, notwithstanding the partner's death, disability, or other change in circumstances.

(c) If a partner or a partner's legal representative or successor does not make a contribution or other payment of cash or transfer of other property required by the enforceable promise, whether as a contribution or with respect to a contribution previously made, that partner or the partner's legal representative or successor is obligated, at the option of the limited partnership, to pay to the partnership an amount of cash equal to the portion of the agreed value, as stated in the partnership agreement or in the partnership records required to be kept under Sections 153.551 and 153.552, of the contribution represented by the amount of cash that has not been paid or the value of the property that has not been transferred.

(d) A partnership agreement may provide that the partnership interest of a partner who fails to make a payment of cash or transfer of other property to the partnership, whether as a contribution or with respect to a contribution previously made, required by an enforceable promise is subject to specified consequences, which may include:

(1) a reduction of the defaulting partner's percentage or other interest in the limited partnership;

(2) subordination of the partner's partnership interest to the interest of nondefaulting partners;

(3) a forced sale of the partner's partnership interest;

(4) forfeiture of the partner's partnership interest;

(5) the lending of money to the defaulting partner by other partners of the amount necessary to meet the defaulting partner's commitment;

(6) a determination of the value of the defaulting partner's partnership interest by appraisal or by formula and redemption or sale of the partnership interest at that value; or

(7) another penalty or consequence.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.203. RELEASE OF OBLIGATION TO PARTNERSHIP. Unless otherwise provided by the partnership agreement, the obligation of a partner or the legal representative or successor of a partner to

make a contribution, pay cash, transfer other property, or return cash or property paid or distributed to the partner in violation of this chapter or the partnership agreement may be compromised or released only by consent of all of the partners.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.204. ENFORCEABILITY OF OBLIGATION. (a) Notwithstanding a compromise or release under Section 153.203, a creditor of a limited partnership who extends credit or otherwise acts in reasonable reliance on an obligation described by Section 153.203 may enforce the original obligation if:

(1) the obligation is reflected in a document signed by the partner; and

(2) the document is not amended or canceled to reflect the compromise or release.

(b) Notwithstanding the compromise or release, a general partner remains liable to persons other than the partnership and the other partners, as provided by Sections 153.152(a)(2) and (b).

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.205. REQUIREMENTS TO ENFORCE CONDITIONAL OBLIGATION. (a) An obligation of a limited partner of a limited partnership that is subject to a condition may be enforced by the partnership creditor described by Section 153.204 only if the condition is satisfied or waived by or with respect to the limited partner.

(b) A conditional obligation of a limited partner of a limited partnership includes a contribution payable on a discretionary call of the limited partnership before the time the call occurs.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.206. ALLOCATION OF PROFITS AND LOSSES. (a) The profits and losses of a limited partnership shall be allocated among the partners in the manner provided by a written partnership agreement.

(b) If a written partnership agreement does not provide for

the allocation of profits and losses, the profits and losses shall be allocated:

(1) in accordance with the current percentage or other interest in the partnership stated in partnership records of the kind described by Section 153.551(a); or

(2) if the allocation of profits and losses is not provided for in partnership records of the kind described by Section 153.551(a), in proportion to capital accounts.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.207. RIGHT TO DISTRIBUTION. Subject to Section 153.210, when a partner becomes entitled to receive a distribution, the partner has with respect to the distribution the status of and is entitled to all remedies available to a creditor of the limited partnership.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.208. SHARING OF DISTRIBUTIONS. (a) A distribution of cash or another asset of a limited partnership shall be made to a partner in the manner provided by a written partnership agreement.

(b) If a written partnership agreement does not provide otherwise, a distribution that is a return of capital shall be made on the basis of the agreed value, as stated in the partnership records required to be maintained under Section 153.551(a), of the contribution made by each partner to the extent that the contribution has not been returned. A distribution that is not a return of capital shall be made in proportion to the allocation of profits as determined under Section 153.206.

(c) Unless otherwise defined by a written partnership agreement, in this section, "return of capital" means a distribution to a partner to the extent that the partner's capital account, immediately after the distribution, is less than the amount of that partner's contribution to the partnership as reduced by a prior distribution that was a return of capital.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.209. INTERIM DISTRIBUTIONS. Except as otherwise provided by this section and Section 153.210, a partner is entitled to receive a distribution from a limited partnership to the extent and at the time or on the occurrence of an event specified in the partnership agreement before:

- (1) the partner withdraws from the partnership; and
- (2) the winding up of the partnership business.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.210. LIMITATION ON DISTRIBUTION. (a) Unless the distribution is made in compliance with Chapter 11, a limited partnership may not make a distribution to a partner if, immediately after giving effect to the distribution and despite any compromise of a claim referred to by Sections 153.203 and 153.204, all liabilities of the limited partnership, other than liabilities to partners with respect to their partnership interests and liabilities for which the recourse of creditors is limited to specified property of the limited partnership, exceed the fair value of the partnership assets. The fair value of property that is subject to a liability for which recourse of creditors is limited shall be included in the partnership assets for purposes of this subsection only to the extent that the fair value of that property exceeds that liability.

(b) For purposes of this section, "distribution" does not include an amount constituting reasonable compensation for present or past services or a reasonable payment made in the ordinary course of business under a bona fide retirement plan or other benefits program.

(c) For purposes of this section, the determination of the amount of a limited partnership's liabilities or the value of a limited partnership's assets may be based on:

(1) financial statements of the limited partnership, which may include the financial statements of subsidiary entities or other entities accounted for on a consolidated basis or on the equity method of accounting, that:

(A) present the financial condition of the limited partnership and any subsidiary or other entities included

in those financial statements in accordance with generally accepted accounting principles or international financial reporting standards; or

(B) have been prepared using the method of accounting used to file the partnership's federal income tax return or using any other accounting practices and principles that are reasonable under the circumstances;

(2) financial information, including condensed or summary financial statements, that are prepared on the same basis as financial statements described by Subdivision (1);

(3) projections, forecasts, or other forward-looking information relating to the future economic performance, financial condition, or liquidity of the limited partnership that is reasonable under the circumstances;

(4) a fair valuation or information from any other method that is reasonable under the circumstances; or

(5) a combination of a statement, valuation, or information authorized by this subsection.

(d) Subsection (c) does not apply to the computation of the franchise tax or any other tax imposed on a limited partnership under the laws of this state.

(e) An action alleging a distribution is made in violation of this section must be commenced not later than the second anniversary of the date of the distribution.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 84 (S.B. [1442](#)), Sec. 52, eff. September 1, 2009.

Acts 2021, 87th Leg., R.S., Ch. 39 (S.B. [1203](#)), Sec. 32, eff. September 1, 2021.

SUBCHAPTER F. PARTNERSHIP INTEREST

Sec. 153.251. ASSIGNMENT OF PARTNERSHIP INTEREST. (a) Except as otherwise provided by the partnership agreement, a partnership interest is assignable wholly or partly.

(b) Except as otherwise provided by the partnership

agreement, an assignment of a partnership interest:

(1) does not require the winding up of a limited partnership;

(2) does not entitle the assignee to become, or to exercise rights or powers of, a partner; and

(3) entitles the assignee to be allocated income, gain, loss, deduction, credit, or similar items and to receive distributions to which the assignor was entitled to the extent those items are assigned.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 688 (H.B. 1737), Sec. 124, eff. September 1, 2007.

Sec. 153.252. RIGHTS OF ASSIGNOR. (a) Except as otherwise provided by the partnership agreement, until the assignee becomes a partner, the assignor partner continues to be a partner in the limited partnership. The assignor partner may exercise any rights or powers of a partner, except to the extent those rights or powers are assigned.

(b) Except as otherwise provided by the partnership agreement, on the assignment by a general partner of all of the general partner's rights as a general partner, the general partner's status as a general partner may be terminated by the affirmative vote of a majority-in-interest of the limited partners. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.253. RIGHTS OF ASSIGNEE. (a) An assignee of a partnership interest, including the partnership interest of a general partner, may become a limited partner if and to the extent that:

(1) the partnership agreement provides; or

(2) all partners consent.

(b) An assignee who becomes a limited partner, to the extent of the rights and powers assigned, has the rights and powers and is subject to the restrictions and liabilities of a limited partner under a partnership agreement and this code.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.254. LIABILITY OF ASSIGNEE. (a) Until an assignee of the partnership interest in a limited partnership becomes a partner, the assignee does not have liability as a partner solely as a result of the assignment.

(b) Unless otherwise provided by a written partnership agreement, an assignee who becomes a limited partner:

(1) is liable for the obligations of the assignor to make contributions as provided by Sections 153.202-153.204;

(2) is not obligated for liabilities unknown to the assignee at the time the assignee became a limited partner and that could not be ascertained from a written partnership agreement; and

(3) is not liable for the obligations of the assignor under Sections 153.105, 153.112, and 153.162.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.255. LIABILITY OF ASSIGNOR. Regardless of whether an assignee of a partnership interest becomes a limited partner, the assignor is not released from the assignor's liability to the limited partnership under Subchapter E and Sections 153.105, 153.112, and 153.162.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.256. PARTNER'S PARTNERSHIP INTEREST SUBJECT TO CHARGING ORDER. (a) On application by a judgment creditor of a partner or of any other owner of a partnership interest, a court having jurisdiction may charge the partnership interest of the judgment debtor to satisfy the judgment.

(b) To the extent that the partnership interest is charged in the manner provided by Subsection (a), the judgment creditor has only the right to receive any distribution to which the judgment debtor would otherwise be entitled in respect of the partnership interest.

(c) A charging order constitutes a lien on the judgment debtor's partnership interest. The charging order lien may not be foreclosed on under this code or any other law.

(d) The entry of a charging order is the exclusive remedy by which a judgment creditor of a partner or of any other owner of a partnership interest may satisfy a judgment out of the judgment debtor's partnership interest.

(e) This section does not deprive a partner or other owner of a partnership interest of a right under exemption laws with respect to the judgment debtor's partnership interest.

(f) A creditor of a partner or of any other owner of a partnership interest does not have the right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the property of the limited partnership.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 688 (H.B. 1737), Sec. 125, eff. September 1, 2007.

Acts 2009, 81st Leg., R.S., Ch. 84 (S.B. 1442), Sec. 53, eff. September 1, 2009.

Sec. 153.257. EXEMPTION LAWS APPLICABLE TO PARTNERSHIP INTEREST NOT AFFECTED. Section 153.256 does not deprive a partner of the benefit of an exemption law applicable to that partner's partnership interest.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

SUBCHAPTER G. REPORTS

Sec. 153.301. PERIODIC REPORT. The secretary of state may require a domestic limited partnership or a foreign limited partnership registered to transact business in this state that is not required to file a public information report with the comptroller under Section 171.203, Tax Code, to file a report not more than once every four years as required by this subchapter.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1097 (H.B. 2891), Sec. 2, eff. January 1, 2016.

Sec. 153.302. FORM AND CONTENTS OF REPORT. (a) The report must:

(1) include:

(A) the name of the limited partnership;

(B) the state or territory under the laws of which the limited partnership is formed;

(C) the address of the registered office of the limited partnership in this state and the name of the registered agent at that address;

(D) the address of the principal office in the United States where records are to be kept or made available under Sections [153.551](#) and [153.552](#); and

(E) the name, mailing address, and street address of the business or residence of each general partner;

(2) be made on a form adopted by the secretary of state for that purpose; and

(3) be signed on behalf of the limited partnership by at least one general partner.

(b) The information contained in the report must be given as of the date of the execution of the report.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.303. FILING FEE. The filing fee for the report is as provided by Chapter [4](#).

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.304. DELIVERY OF REPORT. The report must be delivered to the secretary of state not later than the 30th day after the date on which notice is mailed under Section [153.305](#).

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.305. ACTION BY SECRETARY OF STATE. (a) The secretary of state shall send a notice that the report required by Section [153.301](#) is due.

(b) The notice must be:

(1) addressed to the limited partnership; and

(2) mailed to:

(A) the registered office of the limited partnership;

(B) the last known address of the limited partnership as it appears on record in the office of the secretary of state; or

(C) any other known place of business of the limited partnership.

(c) The secretary of state shall include with the notice a copy of a report form to be prepared and filed as provided by this subchapter.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.306. EFFECT OF FILING REPORT. (a) If the secretary of state finds that the report complies with this subchapter, the secretary shall:

(1) accept the report for filing;

(2) acknowledge to the limited partnership the filing of the report; and

(3) update the records of the secretary of state's office to reflect:

(A) a reported change in the address of the registered office or principal office, or in the business or residence address of a general partner; and

(B) a reported change in the name of the registered agent.

(b) The filing of a report under Section 153.301 does not relieve the limited partnership of the requirement to file an amendment to the certificate of formation required under Section 153.051 or 153.052, except that the limited partnership is not required to file an amendment to change the information specified in Subsection (a)(3).

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.307. EFFECT OF FAILURE TO FILE REPORT. (a) A domestic or foreign limited partnership that fails to file a report under Section 153.301 when the report is due forfeits the limited partnership's right to transact business in this state. A

forfeiture under this section takes effect without judicial ascertainment.

(b) When the right to transact business has been forfeited under this section, the secretary of state shall note that the right to transact business has been forfeited and the date of forfeiture on the record kept in the secretary's office relating to the limited partnership.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.308. NOTICE OF FORFEITURE OF RIGHT TO TRANSACT BUSINESS. Notice of the forfeiture under Section 153.307 shall be mailed to the limited partnership at:

- (1) the registered office of the limited partnership;
- (2) the last known address of the limited partnership;

or

(3) any other place of business of the limited partnership.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.309. EFFECT OF FORFEITURE OF RIGHT TO TRANSACT BUSINESS. (a) Unless the right of the limited partnership to transact business is revived in accordance with Section 153.310:

- (1) the limited partnership may not maintain an action, suit, or proceeding in a court of this state; and
- (2) a successor or assignee of the limited partnership may not maintain an action, suit, or proceeding in a court of this state on a right, claim, or demand arising from the transaction of business by the limited partnership in this state.

(b) The forfeiture of the right to transact business in this state does not:

- (1) impair the validity of a contract or act of the limited partnership; or
- (2) prevent the limited partnership from defending an action, suit, or proceeding in a court of this state.

(c) This section and Sections 153.307 and 153.308 do not affect the liability of a limited partner.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 84 (S.B. 1442), Sec. 54, eff. September 1, 2009.

Sec. 153.310. REVIVAL OF RIGHT TO TRANSACT BUSINESS. (a) A limited partnership that forfeits the right to transact business in this state as provided by Section 153.309 may be relieved from the forfeiture by filing the required report not later than the 120th day after the date of mailing of the notice of forfeiture under Section 153.308, accompanied by the filing fees as provided by Chapter 4.

(b) If a limited partnership complies with Subsection (a), the secretary of state shall:

(1) revive the right of the limited partnership to transact business in this state;

(2) cancel the note regarding the forfeiture; and

(3) note the revival and the date of revival on the record kept in the secretary's office relating to the limited partnership.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.311. TERMINATION OF CERTIFICATE OR REVOCATION OF REGISTRATION AFTER FORFEITURE. (a) The secretary of state may terminate the certificate of formation of a domestic limited partnership, or revoke the registration of a foreign limited partnership, if the limited partnership:

(1) forfeits its right to transact business in this state under Section 153.307; and

(2) fails to revive that right under Section 153.310.

(b) Termination of the certificate or revocation of registration takes effect without judicial ascertainment.

(c) The secretary of state shall note the termination or revocation and the date on the record kept in the secretary's office relating to the limited partnership.

(d) On termination or revocation, the status of the limited partnership is changed to inactive according to the records of the secretary of state. The change to inactive status does not affect

the liability of a limited partner.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 84 (S.B. 1442), Sec. 55, eff. September 1, 2009.

Sec. 153.312. REINSTATEMENT OF CERTIFICATE OF FORMATION OR REGISTRATION. (a) A limited partnership the certificate of formation or registration of which has been terminated or revoked as provided by Section 153.311 may be relieved of the termination or revocation by filing the report required by Section 153.301, accompanied by the filing fees provided by Chapter 4.

(b) If the limited partnership pays the fees required by Subsection (a) and all taxes, penalties, and interest due and accruing before termination or revocation, the secretary of state shall:

(1) reinstate the certificate or registration of the limited partnership without judicial ascertainment;

(2) change the status of the limited partnership to active; and

(3) note the reinstatement on the record kept in the secretary's office relating to the limited partnership.

(c) If the name of the limited partnership is not available at the time of reinstatement, the secretary of state shall require the limited partnership as a precondition to reinstatement to:

(1) file an amendment to the partnership's certificate of formation; or

(2) in the case of a foreign limited partnership, amend its application for registration to adopt an assumed name for use in this state.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 84 (S.B. 1442), Sec. 56, eff. September 1, 2009.

SUBCHAPTER H. LIMITED PARTNERSHIP AS LIMITED LIABILITY PARTNERSHIP

Sec. 153.351. REQUIREMENTS. A limited partnership is a limited liability partnership and a limited partnership if the partnership:

(1) registers as a limited liability partnership:

(A) as permitted by its partnership agreement;

or

(B) if its partnership agreement does not include a provision for becoming a limited liability partnership, with the consent of partners required to amend its partnership agreement;

(2) complies with Subchapter J, Chapter 152; and

(3) complies with Chapter 5.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.352. APPLICABILITY OF OTHER REQUIREMENTS. For purposes of applying Section 152.802 to a limited partnership:

(1) an application to become a limited liability partnership or to withdraw a registration must be signed by at least one general partner; and

(2) other references to a partner mean a general partner only.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.353. LAW APPLICABLE TO PARTNERS. If a limited partnership is a limited liability partnership, Section 152.801 applies to a general partner and to a limited partner who is liable under other provisions of this chapter for the debts or obligations of the limited partnership.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

SUBCHAPTER I. DERIVATIVE ACTIONS

Sec. 153.401. DEFINITIONS. In this subchapter:

(1) "Derivative proceeding" means a civil suit in the right of a domestic limited partnership or, to the extent provided by Section 153.412, in the right of a foreign limited partnership.

(2) "Limited partner" means a person who is a limited partner or is an assignee of a partnership interest, including the

partnership interest of a general partner.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 899 (H.B. 3603), Sec. 25, eff. September 1, 2019.

Sec. 153.402. STANDING TO BRING PROCEEDING. (a) Subject to Subsection (b), a limited partner may not institute or maintain a derivative proceeding unless:

(1) the limited partner:

(A) was a limited partner of the limited partnership at the time of the act or omission complained of; or

(B) became a limited partner by operation of law originating from a person that was a limited partner or general partner at the time of the act or omission complained of; and

(2) the limited partner fairly and adequately represents the interests of the limited partnership in enforcing the right of the limited partnership.

(b) If the converted entity in a conversion is a limited partnership, a limited partner of that limited partnership may not institute or maintain a derivative proceeding based on an act or omission that occurred with respect to the converting entity before the date of the conversion unless:

(1) the limited partner was an equity owner of the converting entity at the time of the act or omission; and

(2) the limited partner fairly and adequately represents the interests of the limited partnership in enforcing the right of the limited partnership.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 899 (H.B. 3603), Sec. 26, eff. September 1, 2019.

Sec. 153.403. DEMAND. (a) A limited partner may not institute a derivative proceeding until the 91st day after the date a written demand is filed with the limited partnership stating with particularity the act, omission, or other matter that is the

subject of the claim or challenge and requesting that the limited partnership take suitable action.

(b) The waiting period required by Subsection (a) before a derivative proceeding may be instituted is not required or, if applicable, shall terminate if:

(1) the limited partner has been notified that the demand has been rejected by the limited partnership;

(2) the limited partnership is suffering irreparable injury; or

(3) irreparable injury to the limited partnership would result by waiting for the expiration of the 90-day period.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 899 (H.B. 3603), Sec. 27, eff. September 1, 2019.

Sec. 153.404. DETERMINATION BY INDEPENDENT PERSONS. (a) A determination of how to proceed on allegations made in a demand or petition relating to a derivative proceeding must be made by an affirmative vote of the majority of:

(1) the independent and disinterested general partners of the limited partnership, whether one or more, even if the independent and disinterested general partners are not a majority of the general partners of the limited partnership;

(2) a committee consisting of one or more independent and disinterested general partners appointed by a majority of one or more independent and disinterested general partners of the limited partnership, even if the appointing independent and disinterested general partners are not a majority of the general partners of the limited partnership; or

(3) a panel of one or more independent and disinterested individuals appointed by the court on a motion by the limited partnership listing the names of the individuals to be appointed and stating that, to the best of the limited partnership's knowledge, the individuals to be appointed are disinterested and qualified to make the determinations contemplated by Section 153.408.

(b) An entity to which this subsection applies is independent and disinterested under this section only if its decision with respect to the limited partnership's derivative proceeding is made by a majority of its governing persons who are independent and disinterested with respect to that derivative proceeding, even if those governing persons are not a majority of its governing persons. This subsection applies to an entity that is:

- (1) a general partner of the limited partnership; or
- (2) directly, or indirectly through one or more other entities, a governing person of that general partner.

(c) The court shall appoint a panel under Subsection (a)(3) if the court finds that the individuals recommended by the limited partnership are independent and disinterested and are otherwise qualified with respect to expertise, experience, independent judgment, and other factors considered appropriate by the court under the circumstances to make the determinations. An individual appointed by the court to a panel under this section may not be held liable to the limited partnership or the limited partnership's partners for an action taken or omission made by the individual in that capacity, except for an act or omission constituting fraud or wilful misconduct.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 899 (H.B. [3603](#)), Sec. 28, eff. September 1, 2019.

Sec. 153.405. STAY OF PROCEEDING. (a) If the limited partnership that is the subject of a derivative proceeding commences an inquiry into the allegations made in a demand or petition and the person or group of persons described by Section [153.404](#) is conducting an active review of the allegations in good faith, the court shall stay a derivative proceeding for not more than 60 days until the review is completed and a determination is made by the person or group regarding what further action, if any, should be taken.

(b) To obtain a stay, the limited partnership must provide

the court with a written statement agreeing to advise the court and the limited partner making the demand of the determination promptly on the completion of the review of the matter.

(c) A stay, on motion, may be reviewed every 60 days for continuation of the stay if the limited partnership provides the court and the limited partner with a written statement of the status of the review and the reasons why an extension for a period not to exceed 60 additional days is appropriate. An extension shall be granted for a period not to exceed 60 days if the court determines that the continuation is appropriate in the interests of the partnership.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 899 (H.B. 3603), Sec. 29, eff. September 1, 2019.

Sec. 153.406. DISCOVERY. (a) If a limited partnership proposes to dismiss a derivative proceeding under Section 153.408, discovery by a limited partner after the filing of the derivative proceeding in accordance with this subchapter shall be limited to:

(1) facts relating to whether the person or persons described by Section 153.404 are independent and disinterested;

(2) the good faith of the inquiry and review by the person or group; and

(3) the reasonableness of the procedures followed by the person or group in conducting the review.

(b) Discovery described by Subsection (a) may not be expanded to include a fact or substantive matter regarding the act, omission, or other matter that is the subject matter of the derivative proceeding, but the scope of discovery shall not be so limited if the court determines after notice and hearing that a good faith review of the allegations has not been made by an independent and disinterested person or group in accordance with Sections 153.404 and 153.408.

Added by Acts 2019, 86th Leg., R.S., Ch. 899 (H.B. 3603), Sec. 30, eff. September 1, 2019.

Sec. 153.407. TOLLING OF STATUTE OF LIMITATIONS. A written demand filed with the limited partnership under Section 153.403 tolls the statute of limitations on the claim on which demand is made until the later of:

(1) the 31st day after the expiration of any waiting period under Section 153.403; or

(2) the 31st day after the expiration of any stay granted under Section 153.405, including all continuations of the stay.

Added by Acts 2019, 86th Leg., R.S., Ch. 899 (H.B. 3603), Sec. 30, eff. September 1, 2019.

Sec. 153.408. DISMISSAL OF DERIVATIVE PROCEEDING. (a) A court, sitting in equity as the finder of fact, shall dismiss a derivative proceeding on a motion by the limited partnership if the person or group of persons described by Section 153.404 determines in good faith, after conducting a reasonable inquiry and based on factors the person or group considers appropriate under the circumstances, that continuation of the derivative proceeding is not in the best interests of the limited partnership.

(b) In determining whether the requirements of Subsection (a) have been met, the burden of proof shall be on:

(1) the plaintiff limited partner if:

(A) the applicable person or persons making the determination under Section 153.404(a)(1) or (2) are independent and disinterested at the time the determination is made;

(B) the determination is made by a panel of one or more independent and disinterested individuals appointed under Section 153.404(a)(3); or

(C) the limited partnership presents prima facie evidence that demonstrates that the applicable person or persons making the determination under Section 153.404(a) are independent and disinterested; or

(2) the limited partnership in any other circumstance.

Added by Acts 2019, 86th Leg., R.S., Ch. 899 (H.B. 3603), Sec. 30, eff. September 1, 2019.

Sec. 153.409. ALLEGATIONS AFTER DEMAND REJECTED. If a derivative proceeding is instituted after a demand is rejected, the petition must allege with particularity facts that establish that the rejection was not made in accordance with the requirements and standards under Sections [153.404](#) and [153.408](#).

Added by Acts 2019, 86th Leg., R.S., Ch. 899 (H.B. [3603](#)), Sec. 30, eff. September 1, 2019.

Sec. 153.410. DISCONTINUANCE OR SETTLEMENT. (a) A derivative proceeding may not be discontinued or settled without court approval.

(b) The court shall direct that notice be given to the affected partners if the court determines that a proposed discontinuance or settlement may substantially affect the interests of other partners.

Added by Acts 2019, 86th Leg., R.S., Ch. 899 (H.B. [3603](#)), Sec. 30, eff. September 1, 2019.

Sec. 153.411. PAYMENT OF EXPENSES. (a) In this section, "expenses" means reasonable expenses incurred by a party in a derivative proceeding, including:

- (1) attorney's fees;
- (2) costs in pursuing an investigation of the matter that was the subject of the derivative proceeding; or
- (3) expenses for which the limited partnership may be required to indemnify another person.

(b) On termination of a derivative proceeding, the court may order:

- (1) the limited partnership to pay expenses the plaintiff incurred in the proceeding if the court finds the proceeding has resulted in a substantial benefit to the limited partnership;
- (2) the plaintiff to pay expenses the limited partnership or other defendant incurred in investigating and defending the proceeding if the court finds the proceeding has been instituted or maintained without reasonable cause or for an improper purpose; or

(3) a party to pay expenses incurred by another party relating to the filing of a pleading, motion, or other paper if the court finds the pleading, motion, or other paper:

(A) was not well grounded in fact after reasonable inquiry;

(B) was not warranted by existing law or a good faith argument for the application, extension, modification, or reversal of existing law; or

(C) was interposed for an improper purpose, such as to harass, cause unnecessary delay, or cause a needless increase in the cost of litigation.

Added by Acts 2019, 86th Leg., R.S., Ch. 899 (H.B. 3603), Sec. 30, eff. September 1, 2019.

Sec. 153.412. APPLICATION TO FOREIGN LIMITED PARTNERSHIPS.

(a) In a derivative proceeding brought in the right of a foreign limited partnership, the matters covered by this subchapter are governed by the laws of the jurisdiction of formation of the foreign limited partnership, except for Sections 153.405, 153.410, and 153.411, which are procedural provisions and do not relate to the internal affairs of the foreign limited partnership, unless applying the laws of the jurisdiction of formation of the foreign limited partnership requires otherwise with respect to Section 153.405.

(b) In the case of matters relating to a foreign limited partnership under Section 153.405, a reference to a person or group of persons described by Section 153.404 refers to a person or group entitled under the laws of the jurisdiction of formation of the foreign limited partnership to make the determination described by Section 153.404(a). The standard of review of a determination made by the person or group shall be governed by the laws of the jurisdiction of formation of the foreign limited partnership.

Added by Acts 2019, 86th Leg., R.S., Ch. 899 (H.B. 3603), Sec. 30, eff. September 1, 2019.

Sec. 153.413. CLOSELY HELD LIMITED PARTNERSHIP. (a) In this section, "closely held limited partnership" means a limited

partnership that has:

(1) fewer than 35 limited partners; and

(2) no partnership interests listed on a national securities exchange or regularly quoted in an over-the-counter market by one or more members of a national securities association.

(b) Sections 153.402-153.410 do not apply to a claim or a derivative proceeding by a limited partner of a closely held limited partnership against a general partner, limited partner, or officer of the limited partnership. In the event the claim or derivative proceeding is also made against a person who is not that general partner, limited partner, or officer, this subsection shall apply only to the claim or derivative proceeding against the general partner, limited partner, or officer.

(c) If Sections 153.402-153.410 do not apply because of Subsection (b) and if justice requires:

(1) a derivative proceeding brought by a limited partner of a closely held limited partnership may be treated by a court as a direct action brought by the limited partner for the limited partner's own benefit; and

(2) a recovery in a direct or derivative proceeding by a limited partner may be paid directly to the plaintiff or to the limited partnership if necessary to protect the interests of creditors or other partners of the limited partnership.

(d) Other provisions of state law govern whether a limited partner has a direct cause of action or right to sue a general partner, limited partner, or officer, and this section may not be construed to create that direct cause of action or right to sue.

Added by Acts 2019, 86th Leg., R.S., Ch. 899 (H.B. 3603), Sec. 30, eff. September 1, 2019.

SUBCHAPTER K. SUPPLEMENTAL WINDING UP AND TERMINATION PROVISIONS

Sec. 153.501. CANCELLATION OR REVOCATION OF EVENT REQUIRING WINDING UP; CONTINUATION OF BUSINESS. (a) The limited partnership may cancel under Section 11.152 an event requiring winding up arising from the expiration of its period of duration as specified in Section 11.051(1) or from the occurrence of an event specified in

its governing documents as specified in Section 11.051(3) if, not later than the 90th day after the event, all remaining partners, or another group or percentage of partners as specified by the partnership agreement, agree in writing to continue the business of the limited partnership.

(b) The limited partnership may cancel under Section 11.152 an event requiring winding up arising from an event of withdrawal of a general partner as specified in Section 11.058(b) if:

(1) there remains at least one general partner and the partnership agreement permits the business of the limited partnership to be carried on by the remaining general partners and those remaining general partners carry on the business; or

(2) not later than one year after the event, all remaining partners, or another group or percentage of partners specified in the partnership agreement:

(A) agree in writing to continue the business of the limited partnership; and

(B) to the extent that they desire or if there are no remaining general partners, agree to the appointment of one or more new general partners.

(c) The appointment of one or more new general partners under Subsection (b)(2)(B) is effective from the date of withdrawal.

(d) To approve a revocation under Section 11.151 by a limited partnership of a voluntary decision to wind up as specified in Section 11.058(a), prior to filing the certificate of termination required by Section 11.101, all remaining partners, or another group or percentage of partners as specified by the partnership agreement, must agree in writing to revoke the voluntary decision to wind up and continue the business of the limited partnership.

(e) The limited partnership may cancel under Section 11.152 an event requiring winding up arising when there are no limited partners in the limited partnership, as specified in Section 11.058(c), if, not later than the first anniversary of the date of the event requiring winding up:

(1) the legal representative or successor of the last

remaining limited partner and all of the general partners agree to:

(A) continue the business of the limited partnership; and

(B) admit the legal representative or successor of the last remaining limited partner, or the person's nominee or designee, to the limited partnership as a limited partner, effective as of the date the event that caused the last remaining limited partner to cease to be a limited partner occurred; or

(2) a limited partner is admitted to the limited partnership in the manner provided by the partnership agreement, effective as of the date the event that caused the last remaining limited partner to cease to be a limited partner occurred.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2005, 79th Leg., Ch. 64 (H.B. 1319), Sec. 93, eff. January 1, 2006.

Acts 2007, 80th Leg., R.S., Ch. 688 (H.B. 1737), Sec. 126, eff. September 1, 2007.

Acts 2011, 82nd Leg., R.S., Ch. 139 (S.B. 748), Sec. 54, eff. September 1, 2011.

Sec. 153.502. WINDING UP PROCEDURES. (a) Except as provided by the partnership agreement, the winding up of the partnership's affairs shall be accomplished by:

(1) the general partners;

(2) if there are no general partners, the limited partners or a person chosen by the limited partners; or

(3) a person appointed by the court to carry out the winding up under Subsection (b).

(b) On application of a partner or a partner's legal representative or transferee, a court, on cause shown, may wind up the limited partnership's affairs and, in connection with the winding up, may appoint a person to carry out the liquidation and may make all other orders, directions, and inquiries that the circumstances require.

(c) Section 11.052(a)(2) shall not be applicable to a limited partnership.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.503. POWERS OF PERSON CONDUCTING WIND UP. (a) After the occurrence of an event requiring winding up of a limited partnership and until the filing of a certificate of termination as provided by Section 11.101, unless a written partnership agreement provides otherwise, a person winding up the limited partnership's business in the name of and on behalf of the limited partnership may take the actions specified in Sections 11.052 and 11.053.

(b) The acts described by Subsection (a) do not create a liability for a limited partner that did not exist before an action to wind up the business of the partnership was taken.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2005, 79th Leg., Ch. 64 (H.B. 1319), Sec. 94, eff. January 1, 2006.

Acts 2007, 80th Leg., R.S., Ch. 688 (H.B. 1737), Sec. 127, eff. September 1, 2007.

Sec. 153.504. DISPOSITION OF ASSETS. On the winding up of a limited partnership, its assets shall be paid or transferred as follows:

(1) to the extent otherwise permitted by law, to creditors, including partners who are creditors other than solely because of the application of Section 153.207, for the payment or the making of reasonable provision for payment to satisfy the liabilities of the limited partnership;

(2) unless otherwise provided by the partnership agreement, to partners and former partners to satisfy the partnership's liability for distributions under Section 153.111 or 153.209; and

(3) unless otherwise provided by the partnership agreement, to partners first for the return of their capital and second with respect to their partnership interests, in the proportions provided by Sections 153.208(a) and (b).

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 139 (S.B. 748), Sec. 55, eff. September 1, 2011.

Sec. 153.505. APPROVAL OF REINSTATEMENT. To approve a reinstatement of a limited partnership under Section 11.202, all of the remaining partners, or another group or percentage of partners as specified by the partnership agreement, must agree in writing to reinstate and continue the business of the limited partnership. Added by Acts 2007, 80th Leg., R.S., Ch. 688 (H.B. 1737), Sec. 128, eff. September 1, 2007.

SUBCHAPTER L. MISCELLANEOUS PROVISIONS

Sec. 153.551. RECORDS. (a) A domestic limited partnership shall maintain the following records in its principal office in the United States or make the records available in that office not later than the fifth day after the date on which a written request under Section 153.552(a) is received:

(1) a current list that states:

(A) the name and mailing address of each partner, separately identifying in alphabetical order the general partners and the limited partners;

(B) the last known street address of the business or residence of each general partner;

(C) the percentage or other interest in the partnership owned by each partner; and

(D) if one or more classes or groups are established under the partnership agreement, the names of the partners who are members of each specified class or group;

(2) a copy of:

(A) the limited partnership's federal, state, and local information or income tax returns for each of the partnership's six most recent tax years;

(B) the partnership agreement and certificate of formation; and

(C) all amendments or restatements;

(3) copies of any document that creates, in the manner

provided by the partnership agreement, classes or groups of partners;

(4) an executed copy of any powers of attorney under which the partnership agreement, certificate of formation, and all amendments or restatements to the agreement and certificate have been executed;

(5) unless contained in the written partnership agreement, a written statement of:

(A) the amount of the cash contribution and a description and statement of the agreed value of any other contribution made by each partner;

(B) the amount of the cash contribution and a description and statement of the agreed value of any other contribution that the partner has agreed to make in the future as an additional contribution;

(C) the events requiring additional contributions to be made or the date on which additional contributions are to be made;

(D) the events requiring the winding up of the limited partnership; and

(E) the date on which each partner in the limited partnership became a partner; and

(6) books and records of the accounts of the limited partnership.

(b) All books and records required to be maintained by a limited partnership under this section may be maintained in any form and manner permitted under Section 3.151(b).

(c) A limited partnership shall keep in its registered office in this state and make available to a partner on reasonable request the street address of its principal office in the United States in which the records required by this section are maintained or made available.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 688 (H.B. 1737), Sec. 129, eff. September 1, 2007.

Acts 2011, 82nd Leg., R.S., Ch. 139 (S.B. 748), Sec. 56, eff.

September 1, 2011.

Acts 2019, 86th Leg., R.S., Ch. 658 (S.B. 1859), Sec. 14, eff. September 1, 2019.

Sec. 153.552. EXAMINATION OF RECORDS AND INFORMATION. (a) On written request stating a proper purpose, a partner or an assignee of a partnership interest may examine and copy, in person or through a representative, records required to be kept under Section 153.551 and other information regarding the business, affairs, and financial condition of the limited partnership as is just and reasonable for the person to examine and copy.

(b) The records requested under Subsection (a) may be examined and copied at a reasonable time and at the partner's sole expense.

(c) On written request by a partner or an assignee of a partnership interest, the partnership shall provide to the requesting partner or assignee without charge copies of:

(1) the partnership agreement and certificate of formation and all amendments or restatements; and

(2) any tax return described by Section 153.551(a)(2).

(d) A request made under Subsection (c) must be made to:

(1) the person who is designated to receive the request in the partnership agreement at the address designated in the partnership agreement; or

(2) if there is no designation, a general partner at the partnership's principal office in the United States.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.5521. PENALTY FOR REFUSAL TO PERMIT EXAMINATION OF CERTAIN RECORDS. (a) A limited partnership that refuses to allow a partner or assignee of a partnership interest to examine and copy, on written request that complies with Section 153.552(a), records or other information described by that section is liable to the partner or assignee for any cost or expense, including attorney's fees, incurred in enforcing the partner's or assignee's rights under Section 153.552. The liability imposed on a limited partnership under this subsection is in addition to any other

damages or remedy afforded to the partner or assignee by law.

(b) It is a defense to an action brought under this section that the person suing:

(1) has improperly used information obtained through a prior examination of the records or other information of the limited partnership or any other limited partnership under Section [153.552](#); or

(2) was not acting in good faith or for a proper purpose in making the person's request for examination.

Added by Acts 2017, 85th Leg., R.S., Ch. 74 (S.B. [1517](#)), Sec. 15, eff. September 1, 2017.

Sec. 153.553. EXECUTION OF FILINGS.

(a) Except as provided by Subsection (a-1), a filing instrument required by this code to be filed by a limited partnership with the secretary of state must be signed by at least one general partner.

(a-1) The following certificates shall be executed as follows:

(1) an initial certificate of formation must be signed as provided in Section [3.004\(b\)\(1\)](#);

(2) a certificate of amendment or restated certificate of formation must be signed by at least one general partner and by each other general partner designated in the certificate of amendment as a new general partner, unless signed and filed by a person under Section [153.052\(b\)](#) or (c), but the certificate of amendment need not be signed by a withdrawing general partner;

(3) a certificate of termination must be signed by all general partners participating in the winding up of the limited partnership's business or, if no general partners are winding up the limited partnership's business, by all nonpartner liquidators or, if the limited partners are winding up the limited partnership's business, by a majority-in-interest of the limited partners;

(4) a certificate of merger, conversion, or exchange filed on behalf of a domestic limited partnership must be signed as provided by Chapter [10](#); and

(5) a certificate filed under Subchapter G, Chapter 10, must be signed by the person designated by the court.

(b) Any person may sign a certificate or partnership agreement or amendment or restated certificate by an attorney in fact. A power of attorney relating to the signing of a certificate or partnership agreement or amendment or restated certificate by an attorney in fact:

(1) is not required to be sworn to, verified, or acknowledged;

(2) is not required to be filed with the secretary of state; and

(3) shall be retained with the partnership records under Sections 153.551 and 153.552.

(c) The execution of a certificate by a general partner or the execution of a written statement by a person under Section 153.106(2) is an oath or affirmation, under a penalty of perjury, that, to the best of the executing party's knowledge and belief, the facts stated in the certificate or statement are true.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2005, 79th Leg., Ch. 64 (H.B. 1319), Sec. 95, eff. January 1, 2006.

Acts 2007, 80th Leg., R.S., Ch. 688 (H.B. 1737), Sec. 130, eff. September 1, 2007.

Acts 2007, 80th Leg., R.S., Ch. 688 (H.B. 1737), Sec. 131, eff. September 1, 2007.

Sec. 153.554. EXECUTION, AMENDMENT, OR CANCELLATION BY JUDICIAL ORDER. (a) If a person fails or refuses to execute or file a certificate as required by this chapter or Title 1 or to execute a partnership agreement, another person adversely affected by the failure or refusal may petition a court to direct the execution or filing of the certificate or the execution of the partnership agreement, as appropriate.

(b) If the court finds that the execution or filing of the certificate is proper and that a person required to execute or file the certificate has failed or refused to execute or file the

certificate, the court shall order the secretary of state to record an appropriate certificate.

(c) The judicial remedy described by Subsection (b) is not a limit on the rights of a person to file a written statement under Section [153.106\(2\)](#).

(d) If the court finds that the partnership agreement should be executed and that a person required to execute the partnership agreement has failed or refused to execute the agreement, the court shall enter an order granting appropriate relief.

(e) If a court enters an order in favor of the adversely affected person requesting relief under this section, the court shall award to that person reasonable expenses, including reasonable attorney's fees.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 153.555. PERMITTED TRANSFER IN CONNECTION WITH RACETRACK LICENSE. The following transfer relating to a limited partnership is not a prohibited transfer that violates Section [2025.107\(a\)](#), Occupations Code:

(1) a transfer by a general partnership of its assets to a limited partnership, the corporate general partner of which is controlled by the partners of the general partnership; or

(2) a transfer by a limited partnership of the beneficial use of or interest in any of its rights, privileges, or assets to a local development corporation incorporated before January 31, 1993, under Subchapter [D](#), Chapter [431](#), Transportation Code.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 963 (S.B. [1969](#)), Sec. 2.02, eff. April 1, 2019.