

BUSINESS ORGANIZATIONS CODE
TITLE 4. PARTNERSHIPS
CHAPTER 151. GENERAL PROVISIONS

Sec. 151.001. DEFINITIONS. In this title:

(1) "Capital account" means the amount computed by:

(A) adding the amount of a partner's original and additional contributions of cash to a partnership, the agreed value of any other property that that partner originally or additionally contributed to the partnership, and allocations of partnership profits to that partner; and

(B) subtracting the amount of distributions to that partner and allocations of partnership losses to that partner.

(2) "Distribution" means a transfer of property, including cash, from a partnership to a partner in the partner's capacity as a partner or the partner's transferee.

(3) "Foreign limited partnership" means a partnership formed under the laws of another state that has one or more general partners and one or more limited partners.

(4) "Majority-in-interest," with respect to all or a specified group of partners, means partners who own more than 50 percent of the current percentage or other interest in the profits of the partnership that is owned by all of the partners or by the partners in the specified group, as appropriate.

(5) "Partnership agreement" means any agreement, written, implied, or oral, of the partners concerning a partnership and the partnership's affairs or business, and includes amendments to the partnership agreement. A partnership is not required to sign its partnership agreement. A partnership is bound by its partnership agreement whether or not the partnership signs the partnership agreement. A partnership agreement may provide rights to any person, including a person who is not a party to the partnership agreement, to the extent contained in the partnership agreement. A partner of a partnership or a transferee or assignee of a partnership interest is bound by the partnership agreement whether or not the partner, transferee, or assignee signs the partnership agreement. A written partnership agreement may

consist of one or more agreements, instruments, or other writings and may include or incorporate one or more schedules, supplements, or other writings providing for the conduct of the business and affairs of the partnership.

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

Amended by:

Acts 2005, 79th Leg., Ch. 64 (H.B. [1319](#)), Sec. 76, eff. January 1, 2006.

Acts 2007, 80th Leg., R.S., Ch. 688 (H.B. [1737](#)), Sec. 103, eff. September 1, 2007.

Acts 2023, 88th Leg., R.S., Ch. 27 (S.B. [1514](#)), Sec. 53, eff. September 1, 2023.

Sec. 151.002. KNOWLEDGE OF FACT. For purposes of this title, a person has knowledge of a fact only if the person has actual knowledge of the fact.

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

Sec. 151.003. NOTICE OF FACT. (a) For purposes of this title, a person has notice of a fact if the person:

- (1) has knowledge of the fact;
- (2) has received a communication of the fact as provided by Subsection (c); or
- (3) reasonably should have concluded, from all facts then known to that person, that the fact exists.

(b) A person notifies or gives notice to another person of a fact by taking actions reasonably required to inform the other person of the fact in the ordinary course of business, regardless of whether the other person actually has knowledge of the fact.

(c) A person is notified or receives notice of a fact when the fact is communicated to:

- (1) the person;
- (2) the person's place of business; or
- (3) another place held out by the person as the place for receipt of communications.

(d) Receipt of notice by a general partner of a fact relating to the partnership is effective immediately as notice to

the partnership unless fraud against the partnership is committed by or with the consent of the partner receiving the notice.

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. 41, eff. September 1, 2011.

Sec. 151.004. OFFICERS. A partnership may have elected or appointed officers in accordance with Section [3.103](#).

Added by Acts 2009, 81st Leg., R.S., Ch. 84 (S.B. [1442](#)), Sec. 46, eff. September 1, 2009.