

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

# HOUSE BILL

## No. 2551

Session of  
1980

INTRODUCED BY MESSRS. BERSON AND SPENCER, MAY 13, 1980

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,  
JUNE 23, 1980

## AN ACT

~~1 Providing for the registration of foreign limited partnerships;~~ <—  
~~2 imposing additional powers and duties on the Department of~~  
~~3 State; limiting the legal remedies of foreign limited~~  
~~4 partnerships which are not registered and empowering the~~  
~~5 Attorney General to enforce the provisions of this act.~~

6 AMENDING TITLE 59 (PARTNERSHIPS) OF THE PENNSYLVANIA <—  
7 CONSOLIDATED STATUTES, ADDING PROVISIONS RELATING TO FOREIGN  
8 LIMITED PARTNERSHIPS AND MAKING A CONFORMING AMENDMENT TO  
9 TITLE 42 AS TO FOREIGN PARTNERSHIPS AND OTHER ENTITIES.

10 The General Assembly of the Commonwealth of Pennsylvania  
11 hereby enacts as follows:

12 ~~Section 1. Short title.~~ <—

13 ~~This act shall be known and may be cited as the "Foreign~~  
14 ~~Limited Partnership Registration Act."~~

15 ~~Section 2. Governing law.~~

16 ~~Subject to the Constitution and public policy of this~~  
17 ~~Commonwealth, the laws of the state under which a foreign~~  
18 ~~limited partnership is organized govern its organization and~~  
19 ~~internal affairs and the liability of its limited partners, and~~  
20 ~~a foreign limited partnership may not be denied registration by~~

~~reason of any difference between those laws and the laws of this Commonwealth.~~

~~Section 3.—Registration.~~

~~Before transacting business in this Commonwealth, a foreign limited partnership shall register with the Department of State. In order to register, a foreign limited partnership shall submit to the Department of State in duplicate an application for registration as a foreign limited partnership, signed and sworn to by a general partner and setting forth:~~

~~(1) The name of the foreign limited partnership and, if different, the name under which it proposes to transact business and register in this Commonwealth.~~

~~(2) The state and date of its formation.~~

~~(3) The general character of the business it proposes to transact in this Commonwealth.~~

~~(4) The name and address of any agent for service of process on the foreign limited partnership whom the foreign limited partnership desires to appoint, which agent must be an individual resident of this Commonwealth, a domestic corporation, or a foreign corporation authorized to do business in this Commonwealth; and with a place of business in this Commonwealth.~~

~~(5) A statement that the Department of State is appointed the agent of the foreign limited partnership for service of process if no agent has been appointed pursuant to paragraph (4) or, if appointed the agent's authority has been revoked or the agent cannot be found or served with the exercise of reasonable diligence.~~

~~(6) The address of the office required to be maintained in the state of its organization by the laws of that state~~

~~or, if not so required, of the principal office of the foreign limited partnership.~~

~~(7) If the certificate of limited partnership filed in the foreign limited partnership's state of organization is not required to include the names and business addresses of the partners, a list of the names and addresses of all partners.~~

#### ~~Section 4. Issuance of registration.~~

~~(a) Procedure. If the Department of State finds that an application for registration conforms to law and all requisite fees have been paid, it shall:~~

~~(1) Endorse on the application the word "filed," and the month, day and year of the filing thereof.~~

~~(2) File in this office one of the duplicate originals of the application.~~

~~(3) Issue a certificate of registration to transact business in this Commonwealth.~~

~~(b) Return to person filing. The certificate of registration, together with one duplicate original of the application, shall be returned to the person who filed the application or his representative.~~

#### ~~Section 5. Name.~~

~~A foreign limited partnership may register with the Department of State under any name (whether or not it is the name under which it is registered in its state of organization) that includes the words "limited partnership" and that could be registered by a domestic limited partnership.~~

#### ~~Section 6. Changes and amendments.~~

~~If any statement in a foreign limited partnership's application for registration was false when made or any~~

~~arrangements or other facts described have changed, making the application inaccurate in any respect, the foreign limited partnership shall promptly file in this office of the Department of State a certificate, signed and sworn to by a general partner, correcting the statement.~~

~~Section 7.— Cancellation of registration.~~

~~A foreign limited partnership may cancel its registration by filing with the Department of State a certificate of cancellation signed and sworn to by a general partner. A cancellation does not terminate the authority of the Department of State to accept service of process on the foreign limited partnership with respect to causes of action arising out of the transaction of business in this Commonwealth.~~

~~Section 8.— Transaction of business without registration.~~

~~(a) Maintenance of actions prohibited.— A foreign limited partnership transacting business in this Commonwealth without registration may not maintain any action, suit, or proceeding in any court of this Commonwealth until it has registered.~~

~~(b) Contracts and defense of actions.— The failure of a foreign limited partnership to register in this Commonwealth does not impair the validity of any contract or act of the foreign limited partnership, and does not prevent the foreign limited partnership from defending any action, suit, or proceeding in any court of this Commonwealth.~~

~~(c) Liability of limited partner.— A limited partner of a foreign limited partnership is not liable as a general partner of the foreign limited partnership solely by reason of the foreign limited partnership's transacting business in this Commonwealth without registration.~~

~~(d) Agents for service of process.— A foreign limited~~

1 ~~partnership by transacting business in this Commonwealth without~~  
2 ~~registration, appoints the Department of State as its agent for~~  
3 ~~service of process with respect to causes of action arising out~~  
4 ~~of the transaction of business in this Commonwealth.~~

5 ~~Section 9. Action by appropriate official.~~

6 ~~The Attorney General may bring an action to restrain a~~  
7 ~~foreign limited partnership from transacting business in this~~  
8 ~~Commonwealth in violation of this act.~~

9 ~~Section 10. Effective date.~~

10 ~~This act shall take effect in 60 days.~~

11 SECTION 1. CHAPTER 5 OF TITLE 59, ACT OF NOVEMBER 25, 1970 <—  
12 (P.L.707, NO.230), KNOWN AS THE PENNSYLVANIA CONSOLIDATED  
13 STATUTES, IS AMENDED BY ADDING A SUBCHAPTER TO READ:

14 SUBCHAPTER E

15 FOREIGN LIMITED PARTNERSHIPS

16 SEC.

17 561. FOREIGN LIMITED PARTNERSHIP DEFINED.

18 562. GOVERNING LAW.

19 563. REGISTRATION.

20 564. ISSUANCE OF REGISTRATION.

21 565. NAME.

22 566. CHANGES AND AMENDMENTS.

23 567. CANCELLATION OF REGISTRATION.

24 568. TRANSACTION OF BUSINESS WITHOUT REGISTRATION.

25 569. ACTION BY ATTORNEY GENERAL.

26 § 561. FOREIGN LIMITED PARTNERSHIP DEFINED.

27 A FOREIGN LIMITED PARTNERSHIP IS A LIMITED PARTNERSHIP FORMED  
28 UNDER THE LAWS OF ANY JURISDICTION OTHER THAN THIS COMMONWEALTH.

29 § 562. GOVERNING LAW.

30 SUBJECT TO THE CONSTITUTION OF PENNSYLVANIA AND PUBLIC POLICY

1 OF THIS COMMONWEALTH:

2 (1) THE LAWS OF THE JURISDICTION UNDER WHICH A FOREIGN  
3 LIMITED PARTNERSHIP IS ORGANIZED GOVERN ITS ORGANIZATION AND  
4 INTERNAL AFFAIRS AND THE LIABILITY OF ITS LIMITED PARTNERS.

5 (2) A FOREIGN LIMITED PARTNERSHIP MAY NOT BE DENIED  
6 REGISTRATION BY REASON OF ANY DIFFERENCE BETWEEN THOSE LAWS  
7 AND THE LAWS OF THIS COMMONWEALTH.

8 § 563. REGISTRATION.

9 BEFORE TRANSACTING BUSINESS IN THIS COMMONWEALTH, A FOREIGN  
10 LIMITED PARTNERSHIP SHALL REGISTER WITH THE DEPARTMENT OF STATE.  
11 IN ORDER TO REGISTER, A FOREIGN LIMITED PARTNERSHIP SHALL SUBMIT  
12 TO THE DEPARTMENT OF STATE AN APPLICATION FOR REGISTRATION AS A  
13 FOREIGN LIMITED PARTNERSHIP, SIGNED BY A GENERAL PARTNER AND  
14 SETTING FORTH:

15 (1) THE NAME OF THE FOREIGN LIMITED PARTNERSHIP AND, IF  
16 DIFFERENT, THE NAME UNDER WHICH IT PROPOSES TO TRANSACT  
17 BUSINESS AND REGISTER IN THIS COMMONWEALTH.

18 (2) THE JURISDICTION AND DATE OF ITS FORMATION.

19 (3) THE GENERAL CHARACTER OF THE BUSINESS IT PROPOSES TO  
20 TRANSACT IN THIS COMMONWEALTH, WHICH SHALL NOT BE ONE WHICH A  
21 DOMESTIC LIMITED PARTNERSHIP MAY NOT LAWFULLY DO IN THIS  
22 COMMONWEALTH.

23 (4) THE ADDRESS OF THE OFFICE REQUIRED TO BE MAINTAINED  
24 IN THE JURISDICTION OF ITS ORGANIZATION BY THE LAWS OF THAT  
25 JURISDICTION OR, IF NOT SO REQUIRED, OF THE PRINCIPAL OFFICE  
26 OF THE FOREIGN LIMITED PARTNERSHIP.

27 (5) IF THE CERTIFICATE OF LIMITED PARTNERSHIP FILED IN  
28 THE JURISDICTION OF ORGANIZATION OF THE FOREIGN LIMITED  
29 PARTNERSHIP IS NOT REQUIRED TO INCLUDE THE NAMES AND BUSINESS  
30 ADDRESSES OF THE PARTNERS, A LIST OF THE NAMES AND BUSINESS

1 ADDRESSES OF ALL PARTNERS.

2 § 564. ISSUANCE OF REGISTRATION.

3 UPON THE FILING OF THE APPLICATION FOR REGISTRATION AS A  
4 FOREIGN LIMITED PARTNERSHIP, THE DEPARTMENT OF STATE SHALL ISSUE  
5 TO THE PARTNERSHIP A CERTIFICATE OF REGISTRATION TO TRANSACT  
6 BUSINESS IN THIS COMMONWEALTH.

7 § 565. NAME.

8 A FOREIGN LIMITED PARTNERSHIP MAY REGISTER WITH THE  
9 DEPARTMENT OF STATE UNDER ANY NAME (WHETHER OR NOT IT IS THE  
10 NAME UNDER WHICH IT IS REGISTERED IN ITS JURISDICTION OF  
11 ORGANIZATION) THAT INCLUDES THE WORDS "LIMITED PARTNERSHIP" AND  
12 THAT COULD BE USED BY A DOMESTIC LIMITED PARTNERSHIP.

13 § 566. CHANGES AND AMENDMENTS.

14 IF ANY STATEMENT IN THE APPLICATION FOR REGISTRATION OF A  
15 FOREIGN LIMITED PARTNERSHIP WAS FALSE WHEN MADE OR ANY  
16 ARRANGEMENTS OR OTHER FACTS DESCRIBED HAVE CHANGED, MAKING THE  
17 APPLICATION INACCURATE IN ANY RESPECT, THE FOREIGN LIMITED  
18 PARTNERSHIP SHALL PROMPTLY FILE IN THE OFFICE OF THE DEPARTMENT  
19 OF STATE A CERTIFICATE, SIGNED BY A GENERAL PARTNER, CORRECTING  
20 THE STATEMENT.

21 § 567. CANCELLATION OF REGISTRATION.

22 A FOREIGN LIMITED PARTNERSHIP MAY CANCEL ITS REGISTRATION BY  
23 FILING WITH THE DEPARTMENT OF STATE A CERTIFICATE OF  
24 CANCELLATION SIGNED BY A GENERAL PARTNER.

25 § 568. TRANSACTION OF BUSINESS WITHOUT REGISTRATION.

26 (A) MAINTENANCE OF ACTIONS PROHIBITED.--A FOREIGN LIMITED  
27 PARTNERSHIP TRANSACTING BUSINESS IN THIS COMMONWEALTH MAY NOT  
28 MAINTAIN ANY ACTION IN ANY COURT OF THIS COMMONWEALTH UNTIL IT  
29 HAS REGISTERED IN THIS COMMONWEALTH.

30 (B) CONTRACTS AND DEFENSE OF ACTIONS.--THE FAILURE OF A

1 FOREIGN LIMITED PARTNERSHIP TO REGISTER IN THIS COMMONWEALTH  
2 DOES NOT IMPAIR THE VALIDITY OF ANY CONTRACT OR ACT OF THE  
3 FOREIGN LIMITED PARTNERSHIP OR PREVENT THE FOREIGN LIMITED  
4 PARTNERSHIP FROM DEFENDING ANY ACTION IN ANY COURT OF THIS  
5 COMMONWEALTH.

6 (C) LIABILITY OF LIMITED PARTNER.--A LIMITED PARTNER OF A  
7 FOREIGN LIMITED PARTNERSHIP IS NOT LIABLE AS A GENERAL PARTNER  
8 OF THE FOREIGN LIMITED PARTNERSHIP SOLELY BY REASON OF THE  
9 FOREIGN LIMITED PARTNERSHIP HAVING TRANSACTED BUSINESS IN THIS  
10 COMMONWEALTH WITHOUT REGISTRATION.

11 § 569. ACTION BY ATTORNEY GENERAL.

12 THE ATTORNEY GENERAL MAY BRING AN ACTION TO RESTRAIN A  
13 FOREIGN LIMITED PARTNERSHIP FROM TRANSACTING BUSINESS IN THIS  
14 COMMONWEALTH IN VIOLATION OF THIS SUBCHAPTER.

15 SECTION 2. SECTION 5301 OF TITLE 42 IS AMENDED TO READ:  
16 § 5301. PERSONS.

17 (A) GENERAL RULE.--THE EXISTENCE OF ANY OF THE FOLLOWING  
18 RELATIONSHIPS BETWEEN A PERSON AND THIS COMMONWEALTH SHALL  
19 CONSTITUTE A SUFFICIENT BASIS OF JURISDICTION TO ENABLE THE  
20 TRIBUNALS OF THIS COMMONWEALTH TO EXERCISE GENERAL PERSONAL  
21 JURISDICTION OVER SUCH PERSON, OR HIS PERSONAL REPRESENTATIVE IN  
22 THE CASE OF AN INDIVIDUAL, AND TO ENABLE SUCH TRIBUNALS TO  
23 RENDER PERSONAL ORDERS AGAINST SUCH PERSON OR REPRESENTATIVE:

24 (1) INDIVIDUALS.--

25 (I) PRESENCE IN THIS COMMONWEALTH AT THE TIME WHEN  
26 PROCESS IS SERVED.

27 (II) DOMICILE IN THIS COMMONWEALTH AT THE TIME WHEN  
28 PROCESS IS SERVED.

29 (III) CONSENT, TO THE EXTENT AUTHORIZED BY THE  
30 CONSENT.



1 (2) CORPORATIONS.--

2 (I) INCORPORATION UNDER OR QUALIFICATION AS A  
3 FOREIGN CORPORATION UNDER THE LAWS OF THIS COMMONWEALTH.

4 (II) CONSENT, TO THE EXTENT AUTHORIZED BY THE  
5 CONSENT.

6 (III) THE CARRYING ON OF A CONTINUOUS AND SYSTEMATIC  
7 PART OF ITS GENERAL BUSINESS WITHIN THIS COMMONWEALTH.

8 (3) PARTNERSHIPS, LIMITED PARTNERSHIPS, PARTNERSHIP  
9 ASSOCIATIONS, PROFESSIONAL ASSOCIATIONS, UNINCORPORATED  
10 ASSOCIATIONS AND SIMILAR ENTITIES.--

11 (I) FORMATION UNDER OR QUALIFICATION AS A FOREIGN  
12 ENTITY UNDER THE LAWS OF THIS COMMONWEALTH.

13 (II) CONSENT, TO THE EXTENT AUTHORIZED BY THE  
14 CONSENT.

15 (III) THE CARRYING ON OF A CONTINUOUS AND SYSTEMATIC  
16 PART OF ITS GENERAL BUSINESS WITHIN THIS COMMONWEALTH.

17 (B) SCOPE OF JURISDICTION.--WHEN JURISDICTION OVER A PERSON  
18 IS BASED UPON THIS SECTION ANY CAUSE OF ACTION MAY BE ASSERTED  
19 AGAINST HIM, WHETHER OR NOT ARISING FROM ACTS ENUMERATED IN THIS  
20 SECTION. DISCONTINUANCE OF THE ACTS ENUMERATED IN SUBSECTION  
21 (A)(2)(I) AND (III) AND (A)(3)(I) AND (III) SHALL NOT AFFECT  
22 JURISDICTION WITH RESPECT TO ANY ACT, TRANSACTION OR OMISSION  
23 OCCURRING DURING THE PERIOD SUCH STATUS EXISTED.

24 SECTION 3. THIS ACT SHALL TAKE EFFECT IN 60 DAYS.