

LAWS OF DELAWARE  
VOLUME 83  
CHAPTER 63  
151st GENERAL ASSEMBLY  
FORMERLY  
SENATE BILL NO. 116

AN ACT TO AMEND CHAPTER 17, TITLE 6 OF THE DELAWARE CODE RELATING TO THE CREATION, REGULATION, OPERATION AND DISSOLUTION OF DOMESTIC LIMITED PARTNERSHIPS AND THE REGISTRATION AND REGULATION OF FOREIGN LIMITED PARTNERSHIPS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 17-106, Chapter 17, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 17-106. Nature of business permitted; powers.

(e) Any act or transaction that may be taken by or in respect of a limited partnership under this chapter or a limited partnership agreement, but that is void or voidable when taken, may be ratified (or the failure to comply with any requirements of the partnership agreement making such act or transaction void or voidable may be waived) by the partners or other persons whose approval would be required under the partnership agreement (i) for such act or transaction to be validly taken, or (ii) to amend the partnership agreement in a manner that would permit such act or transaction to be validly taken, in each case at the time of such ratification or waiver; provided, that if the void or voidable act or transaction was the issuance or assignment of any partnership interests, the partnership interests purportedly issued or assigned shall be deemed not to have been issued or assigned for purposes of determining whether the void or voidable act or transaction was ratified or waived pursuant to this subsection (e). Any act or transaction ratified, or with respect to which the failure to comply with any requirements of the partnership agreement is waived, pursuant to this subsection (e) shall be deemed validly taken at the time of such act or transaction. If an amendment to the partnership agreement to permit any such act or transaction to be validly taken would require notice to any partners or other persons under the partnership agreement and the ratification or waiver of such act or transaction is effectuated pursuant to this subsection (e) by the partners or other persons whose approval would be required to amend the partnership agreement, notice of such ratification or waiver shall be given following such ratification or waiver to the partners or other persons who would have been entitled to notice of such an amendment and who have not otherwise received notice of, or participated in, such ratification or waiver. The provisions of this subsection (e) shall not be construed to limit the accomplishment of a ratification or waiver of a void or voidable act by other means permitted by law. Upon application of the limited partnership, any partner or

any person claiming to be substantially and adversely affected by a ratification or waiver pursuant to this subsection (e) (excluding any harm that would have resulted if such act or transaction had been valid when taken), the Court of Chancery may hear and determine the validity and effectiveness of the ratification of, or waiver with respect to, any void or voidable act or transaction effectuated pursuant to this subsection (e), and in any such application, the limited partnership shall be named as a party and service of the application upon the registered agent of the limited partnership shall be deemed to be service upon the limited partnership, and no other party need be joined in order for the Court to adjudicate the validity and effectiveness of the ratification or waiver, and the Court may make such order respecting further or other notice of such application as it deems proper under these circumstances; provided, that nothing herein limits or affects the right to serve process in any other manner now or hereafter provided by law, and this sentence is an extension of and not a limitation upon the right otherwise existing of service of legal process upon nonresidents.

Section 2. Amend § 17-220, Chapter 17, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 17-220. Division of a limited partnership.

(a) As used in this section and §§ 17-203; and 17-301 ~~and 17-1203~~:

Section 3. Amend § 17-305, Chapter 17, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 17-305. Access to and confidentiality of information; records.

(a) Each limited partner, in person or by attorney or other agent, has the right, subject to such reasonable standards (including standards governing what information (including books, records and other documents) ~~is~~ ~~are~~ to be furnished, at what time and location and at whose expense) as may be set forth in the partnership agreement or otherwise established by the general partners, to obtain from the general partners from time to time upon reasonable demand for any purpose reasonably related to the limited partner's interest as a limited partner:

(c) A limited partnership may maintain its books, records and other documents in other than paper form, including on, by means of, or in the form of any information storage device, method, or 1 or more electronic networks or databases (including 1 or more distributed electronic networks or databases), if such form is capable of conversion into paper form within a reasonable time.

(e) Any action to enforce any right arising under this section shall be brought in the Court of Chancery. If a general partner refuses to permit a limited partner, or attorney or other agent acting for the limited partner, to obtain from the general partner the information described in subsection (a) of this section or does not reply to the demand that has been made within 5 business days (or such shorter or longer period of time as is provided for in a

partnership agreement but not longer than 30 business days) after the demand has been made, the limited partner may apply to the Court of Chancery for an order to compel such disclosure. The Court of Chancery is hereby vested with exclusive jurisdiction to determine whether or not the person seeking such information is entitled to the information sought. The Court of Chancery may summarily order the general partner to permit the limited partner to obtain the information described in subsection (a) of this section and to make copies or abstracts therefrom, or the Court of Chancery may summarily order the general partner to furnish to the limited partner the information described in subsection (a) of this section on the condition that the limited partner first pay to the limited partnership the reasonable cost of obtaining and furnishing such information and on such other conditions as the Court of Chancery deems appropriate. When a limited partner seeks to obtain the information described in subsection (a) of this section, the limited partner shall first establish: (1) that the limited partner has complied with the provisions of this section respecting the form and manner of making demand for obtaining such information, and (2) that the information the limited partner seeks is reasonably related to the limited partner's interest as a limited partner. The Court of Chancery may, in its discretion, prescribe any limitations or conditions with reference to the obtaining of information, or award such other or further relief as the Court of Chancery may deem just and proper. The Court of Chancery may order books, records and other documents ~~and records~~, pertinent extracts therefrom, or duly authenticated copies thereof, to be brought within the State of Delaware and kept in the State of Delaware upon such terms and conditions as the order may prescribe.

(f) If a limited partner is entitled to obtain information under this chapter or a partnership agreement for a purpose reasonably related to the limited partner's interest as a limited partner or other stated purpose, the limited partner's right shall be to obtain such information as is necessary and essential to achieving that purpose. The rights of a limited partner to obtain information as provided in this section may be expanded or restricted in an original partnership agreement or in any subsequent amendment approved or adopted by all of the partners or in compliance with any applicable requirements of the partnership agreement. The provisions of this subsection shall not be construed to limit the ability to ~~impose restrictions on~~ expand or restrict the rights of a limited partner to obtain information by any other means permitted ~~under this chapter~~ by law.

Section 4. Amend § 17-403, Chapter 17, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 17-403. General powers and liabilities.

(c) Unless otherwise provided in the partnership agreement, a general partner of a limited partnership has the power and authority to delegate to 1 or more other persons any or all of the general partner's rights, powers and duties to manage and control the business and affairs of the limited partnership, which delegation may be made irrespective of whether the general partner has a conflict of interest with respect to the matter as to which its rights, powers or duties are being delegated, and the person or persons to whom any such rights, powers or duties are being delegated shall not be deemed conflicted solely by reason of the conflict of interest of the general partner. Any such delegation may be to agents, officers, and employees of the general partner or the limited partnership and by a management agreement or another agreement with, or otherwise to, other persons, including a committee of 1 or

more persons. Unless otherwise provided in the partnership agreement, such delegation by a general partner of a limited partnership shall be irrevocable if it states that it is irrevocable. Unless otherwise provided in the partnership agreement, such delegation by a general partner of a limited partnership shall not cause the general partner to cease to be a general partner of the limited partnership or cause the person to whom any such rights, powers and duties have been delegated to be a general partner of the limited partnership. No other provision of this chapter or other law shall be construed to restrict a general partner's power and authority to delegate any or all of its rights, powers, and duties to manage and control the business and affairs of the limited partnership.

Section 5. Amend § 17-1201, Chapter 17, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 17-1201. Law applicable to statutory public benefit limited partnerships; how formed.

This subchapter applies to all statutory public benefit limited partnerships, as defined in § 17-1202(a) of this title. If a limited partnership is formed as or elects to become a statutory public benefit limited partnership ~~under this subchapter~~ in the manner prescribed in this ~~subchapter~~ section, it shall be subject in all respects to the provisions of this chapter, except to the extent this subchapter imposes additional or different requirements, in which case such additional or different requirements shall apply, and notwithstanding § 17-1101 of this title or any other provision of this title, such additional or different requirements imposed by this subchapter may not be altered in the partnership agreement. If a limited partnership is not formed as a statutory public benefit limited partnership, it may become a statutory public benefit limited partnership in the manner specified in its partnership agreement or by amending its partnership agreement and certificate of limited partnership to comply with the requirements of this subchapter.

Section 6. Amend § 17-1202, Chapter 17, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 17-1202. Statutory public benefit limited partnership defined; contents of certificate of limited partnership and partnership agreement.

(a) A "statutory public benefit limited partnership" is a for-profit limited partnership formed under and subject to the requirements of this chapter that is intended to produce a public benefit or public benefits and to operate in a responsible and sustainable manner. To that end, a statutory public benefit limited partnership shall be managed in a manner that balances the partners' pecuniary interests, the best interests of those materially affected by the limited partnership's conduct, and the public benefit or public benefits set forth in its partnership agreement and in its certificate of limited partnership. A statutory public benefit limited partnership shall state in its partnership agreement and in the heading of its certificate of limited partnership that it is a statutory public benefit limited partnership and shall set forth in its partnership agreement and in its certificate of limited partnership 1 or more specific public benefits to be promoted by the limited partnership ~~in its certificate of limited partnership. The partnership agreement.~~ In the event of any inconsistency between the public benefit or benefits to be promoted by the limited partnership as set forth in its partnership agreement and in its certificate of limited partnership, the partnership agreement shall control as among the partners and other persons who are party to or otherwise bound by the partnership agreement. A general partner who becomes aware that the specific public benefit or benefits to be

promoted by the limited partnership as set forth in its partnership agreement are inaccurately set forth in its certificate of limited partnership, shall promptly amend the certificate of limited partnership. Any provision in the partnership agreement or certificate of limited partnership of a statutory public benefit limited partnership may not contain any provision that is inconsistent with this subchapter shall not be effective to the extent of such inconsistency.

Section 7. Amend § 17-1203, Chapter 17, Title 6 of the Delaware Code by repealing § 17-1203 in its entirety and inserting in lieu thereof the insertions as shown by underline as follows:

§ 17-1203. [Reserved]

Section 8. Amend § 17-1204, Chapter 17, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 17-1204. Duties of general partners or other persons.

(a) The general partners or other persons with authority to manage or direct the business and affairs of a statutory public benefit limited partnership shall manage or direct the business and affairs of the statutory public benefit limited partnership in a manner that balances the pecuniary interests of the partners, the best interests of those materially affected by the limited partnership's conduct, and the specific public benefit or public benefits set forth in its partnership agreement and certificate of limited partnership. Unless otherwise provided in a partnership agreement, no general partner or other person with authority to manage or direct the business and affairs of the statutory public benefit limited partnership shall have any liability for monetary damages for the failure to manage or direct the business and affairs of the statutory public benefit limited partnership as provided in this subsection.

(b) A general partner of a statutory public benefit limited partnership or any other person with authority to manage or direct the business and affairs of the statutory public benefit limited partnership shall not, by virtue of the public benefit provisions or § 17-1202(a) of this title, have any duty to any person on account of any interest of such person in the public benefit or public benefits set forth in its partnership agreement and certificate of limited partnership or on account of any interest materially affected by the limited partnership's conduct and, with respect to a decision implicating the balance requirement in subsection (a) of this section, will be deemed to satisfy such person's fiduciary duties to limited partners and the limited partnership if such person's decision is both informed and disinterested and not such that no person of ordinary, sound judgment would approve.

Section 9. Amend § 17-1205, Chapter 17, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 17-1205. Periodic statements and third-party certification.

A statutory public benefit limited partnership shall no less than biennially provide its limited partners with a statement as to the limited partnership's promotion of the public benefit or public benefits set forth in its partnership agreement and certificate of limited partnership and as to the best interests of those materially affected by the limited partnership's conduct. The statement shall include:

Section 10. This Act shall become effective August 1, 2021.

Approved June 30, 2021