

MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

AS PASSED BY THE

One Hundred and Fourth Legislature

OF THE

STATE OF MAINE

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THE KNOWLTON AND MCLEARY COMPANY
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PUBLIC LAWS
OF THE
STATE OF MAINE
AS PASSED BY THE
ONE HUNDRED AND FOURTH LEGISLATURE
1969

Sec. 2. R. S., T. 23, § 753, amended. The 4th sentence of section 753 of Title 23 of the Revised Statutes is amended to read as follows:

Each bidder must accompany his bid with an official bank check, a cashier's check, a certified check, a certificate of deposit or a United States postal money order, payable to the Treasurer of State, for an amount which the commission considers sufficient to guarantee that if the work is awarded to him he will contract with the commission for its due execution.

Effective October 1, 1969

Chapter 323

AN ACT Relating to Fee for Breweries and Wholesale Outlets to Sell Malt Liquor.

Be it enacted by the People of the State of Maine, as follows:

R. S., T. 28, § 604, amended. The last sentence of the first paragraph of section 604 of Title 28 of the Revised Statutes is amended to read as follows:

The fee therefor shall be ~~\$300~~ \$500 per year, which sum shall accompany the application for such certificate.

Effective October 1, 1969

Chapter 324

AN ACT Creating the Uniform Limited Partnership Act.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., T. 31, c. 7, additional. Title 31 of the Revised Statutes is amended by adding a new chapter 7, to read as follows:

CHAPTER 7

UNIFORM LIMITED PARTNERSHIP ACT

§ 151. Limited partnership defined

A limited partnership is a partnership formed by 2 or more persons under

section 152, having as members one or more general partners and one or more limited partners. The limited partners as such shall not be bound by the obligations of the partnership.

§ 152. Formation

1. Procedure. Two or more persons desiring to form a limited partnership shall:

A. Sign and swear to a certificate, which shall state

- (1) The name of the partnership,
- (2) The character of the business,
- (3) The location of the principal place of business,
- (4) The name and place of residence of each member; general and limited partners being respectively designated,
- (5) The term for which the partnership is to exist,
- (6) The amount of cash and a description of and the agreed value of the other property contributed by each limited partner,
- (7) The additional contributions, if any, agreed to be made by each limited partner and the times at which or events on the happening of which they shall be made,
- (8) The time, if agreed upon, when the contribution of each limited partner is to be returned,
- (9) The share of the profits or the other compensation by way of income which each limited partner shall receive by reason of his contribution,
- (10) The right, if given, of a limited partner to substitute an assignee as contributor in his place, and the terms and conditions of the substitution,
- (11) The right, if given, of the partners to admit additional limited partners,
- (12) The right, if given, of one or more of the limited partners to priority over other limited partners, as to contributions or as to compensation by way of income, and the nature of such priority,
- (13) The right, if given, of the remaining general partner or partners to continue the business on the death, retirement or insanity of a general partner, and
- (14) The right, if given, of a limited partner to demand and receive property other than cash in return for his contribution.

B. File for record the certificate in the office of the Secretary of State. The fee for filing said certificate shall be \$5.

2. Compliance. A limited partnership is formed if there has been substantial compliance in good faith with the requirements of subsection 1.

§ 153. Business which may be carried on

A limited partnership may carry on any business which a partnership without limited partners may carry on.

§ 154. Character of limited partner's contribution

The contributions of a limited partner may be cash or other property, but not services.

§ 155. A name not to contain surname of limited partner; exceptions

1. Surname. The surname of a limited partner shall not appear in the partnership name, unless:

A. It is also the surname of a general partner, or

B. Prior to the time when the limited partner became such, the business had been carried on under a name in which his surname appeared.

2. Liability. A limited partner whose name appears in a partnership name contrary to subsection 1 is liable as a general partner to partnership creditors who extend credit to the partnership without actual knowledge that he is not a general partner.

§ 156. Liability for false statements in certificate

If the certificate contains a false statement, one who suffers loss by reliance on such statement may hold liable any party to the certificate who knew the statement to be false at the time he signed the certificate, or subsequently, but within a sufficient time before the statement was relied upon to enable him to cancel or amend the certificate, or to file a petition for its cancellation or amendment as provided in section 175, subsection 3.

§ 157. Limited partner not liable to creditors

A limited partner shall not become liable as a general partner unless, in addition to the exercise of his rights and powers as a limited partner, he takes part in the control of the business.

§ 158. Admission of additional limited partners

After the formation of a limited partnership, additional limited partners may be admitted upon filing an amendment to the original certificate in accordance with the requirements of section 175.

§ 159. Rights, powers and liabilities of a general partner

1. Powers and liabilities. A general partner shall have all the rights and powers and be subject to all the restrictions and liabilities of a partner in

a partnership without limited partners, except that without the written consent or ratification of the specific act by all the limited partners, a general partner or all of the general partners have no authority to:

- A. Do any act in contravention of the certificate,
- B. Do any act which would make it impossible to carry on the ordinary business of the partnership,
- C. Confess a judgment against the partnership,
- D. Possess partnership property, or assign their rights in specific partnership property, for other than a partnership purpose,
- E. Admit a person as a general partner,
- F. Admit a person as a limited partner, unless the right so to do is given in the certificate,
- G. Continue the business with partnership property on the death, retirement or insanity of a general partner, unless the right so to do is given in the certificate.

§ 160. Rights of a limited partner

1. Rights. A limited partner shall have the same rights as a general partner to:

- A. Have the partnership books kept at the principal place of business of the partnership, and at all times to inspect and copy any of them,
- B. Have on demand true and full information of all things affecting the partnership, and a formal account of partnership affairs whenever circumstances render it just and reasonable, and
- C. Have dissolution and winding up by decree of court.

2. Share of profits. A limited partner shall have the right to receive a share of the profits or other compensation by way of income, and to the return of his contribution as provided in sections 165 and 166.

§ 161. Status of person erroneously believing himself a limited partner

A person who has contributed to the capital of a business conducted by a person or partnership erroneously believing that he has become a limited partner in a limited partnership, is not, by reason of his exercise of the rights of a limited partner, a general partner with the person or in the partnership carrying on the business, or bound by the obligations of such person or partnership; provided that on ascertaining the mistake he promptly renounces his interest in the profits of the business, or other compensation by way of income.

§ 162. One person both general and limited partner

1. Both. A person may be a general partner and a limited partner in the same partnership at the same time.

2. Rights and powers. A person who is a general, and also at the same time a limited partner, shall have all the rights and powers and be subject to all the restrictions of a general partner, except that, in respect to his contribution, he shall have the rights against the other members which he would have had if he were not also a general partner.

§ 163. Loans and other business transactions with limited partner

1. Loans. A limited partner may loan money to and transact other business with the partnership, and, unless he is also a general partner, receive on account of resulting claims against the partnership, with general creditors, a pro rata share of the assets. No limited partner shall in respect to any such claim:

A. Receive or hold as collateral security any partnership property, or

B. Receive from a general partner or the partnership any payment, conveyance, or release from liability, if at the time the assets of the partnership are not sufficient to discharge partnership liabilities to persons not claiming as general or limited partners.

2. Security. The receiving of collateral security, or a payment, conveyance or release in violation of subsection 1 is a fraud on the creditors of the partnership.

§ 164. Relation of limited partners inter se

Where there are several limited partners the members may agree that one or more of the limited partners shall have a priority over other limited partners as to the return of their contributions, as to their compensation by way of income, or as to any other matter. If such an agreement is made it shall be stated in the certificate, and in the absence of such a statement all the limited partners shall stand upon equal footing.

§ 165. Compensation of limited partner

A limited partner may receive from the partnership the share of the profits or the compensation by way of income stipulated for in the certificate, provided that after such payment is made, whether from the property of the partnership or that of a general partner, the partnership assets are in excess of all liabilities of the partnership except liabilities to limited partners on account of their contributions and to general partners.

§ 166. Withdrawal or reduction of limited partner's contribution

1. Receipt of property. A limited partner shall not receive from a general partner or out of partnership property any part of his contribution until:

A. All liabilities of the partnership, except liabilities to general partners

and to limited partners on account of their contributions, have been paid or there remains property of the partnership sufficient to pay them,

B. The consent of all members is had, unless the return of the contribution may be rightfully demanded under subsection 2, and

C. The certificate is cancelled or so amended as to set forth the withdrawal or reduction.

2. Return of contribution. Subject to the provisions of subsection 1 a limited partner may rightfully demand the return of his contribution:

A. On the dissolution of a partnership, or

B. When the date specified in the certificate for its return has arrived, or

C. After he has given 6 months' notice in writing to all other members, if no time is specified in the certificate either for the return of the contribution or for the dissolution of the partnership.

3. Cash. In the absence of any statement in the certificate to the contrary or the consent of all members, a limited partner, irrespective of the nature of his contribution, has only the right to demand and receive cash in return for his contribution.

4. Dissolution. A limited partner may have the partnership dissolved and its affairs wound up when:

A. He rightfully but unsuccessfully demands the return of his contribution, or

B. The other liabilities of the partnership have not been paid, or the partnership property is insufficient for their payment as required by subsection 1, paragraph A and the limited partner would otherwise be entitled to the return of his contribution.

§ 167. Liability of limited partner to partnership

1. Liability. A limited partner is liable to the partnership:

A. For the difference between his contribution as actually made and that stated in the certificate as having been made, and

B. For any unpaid contribution which he agreed in the certificate to make in the future at the time and on the conditions stated in the certificate.

2. Trustee. A limited partner holds as trustee for the partnership:

A. Specific property stated in the certificate as contributed by him, but which was not contributed or which has been wrongfully returned, and

B. Money or other property wrongfully paid or conveyed to him on account of his contribution.

3. Waiver or compromise. The liabilities of a limited partner as set forth in this section can be waived or compromised only by the consent of all members, but a waiver or compromise shall not affect the right of a creditor of a partnership, who extended credit or whose claim arose after the filing and before a cancellation or amendment of the certificate, to enforce such liabilities.

4. Contributor. When a contributor has rightfully received the return in whole or in part of the capital of his contribution, he is nevertheless liable to the partnership for any sum, not in excess of such return with interest, necessary to discharge its liabilities to all creditors who extended credit or whose claims arose before such return.

§ 168. Nature of limited partner's interest in partnership

A limited partner's interest in the partnership is personal property.

§ 169. Assignment of limited partner's interest

1. Assignment. A limited partner's interest is assignable.

2. Substitution. A substituted limited partner is a person admitted to all the rights of a limited partner who has died or has assigned his interest in a partnership.

3. Assignee. An assignee, who does not become a substituted limited partner, has no right to require any information or account of the partnership transactions or to inspect the partnership books; he is only entitled to receive the share of the profits or other compensation by way of income, or the return of his contribution, to which his assignor would otherwise be entitled.

4. Consent. An assignee shall have the right to become a substituted limited partner if all the members, except the assignor, consent thereto or if the assignor, being thereunto empowered by the certificate, gives the assignee that right.

5. Certificate. An assignee becomes a substituted limited partner when the certificate is appropriately amended in accordance with section 175.

6. Rights and powers. The substituted limited partner has all the rights and powers, and is subject to all the restrictions and liabilities of his assignor, except those liabilities of which he was ignorant at the time he became a limited partner and which could not be ascertained from the certificate.

7. Release of liability. The substitution of the assignee as a limited partner does not release the assignor from liability to the partnership under sections 156 and 167.

§ 170. Effect of retirement, death or insanity of a general partner

The retirement, death or insanity of a general partner dissolves the partnership, unless the business is continued by the remaining general partners under a right so to do stated in the certificate, or with the consent of all members.

§ 171. Death of limited partner

On the death of a limited partner his executor or administrator shall have all the rights of a limited partner for the purpose of settling his estate, and such power as the deceased had to constitute his assignee a substituted limited partner.

The estate of a deceased limited partner shall be liable for all his liabilities as a limited partner.

§ 172. Rights of creditors of limited partner

1. Court orders. On due application to a court of competent jurisdiction by any judgment creditor of a limited partner, the court may charge the interest of the indebted limited partner with payment of the unsatisfied amount of the judgment debt; and may appoint a receiver, and make all other orders, directions and inquiries which the circumstances of the case may require.

2. Redemption. The interest may be redeemed with the separate property of any general partner, but may not be redeemed with partnership property.

3. Remedies. The remedies conferred by subsection 1 shall not be deemed exclusive of others which may exist.

4. Exemption. Nothing in this chapter shall be held to deprive a limited partner of his statutory exemption.

§ 173. Distribution of assets

1. Liabilities. In settling accounts after dissolution the liabilities of the partnership shall be entitled to payment in the following order:

- A. Those to creditors, in the order of priority as provided by law, except those to limited partners on account of their contributions, and to general partners,
- B. Those to limited partners in respect to their share of the profits and other compensation by way of income on their contributions,
- C. Those to limited partners in respect to the capital of their contributions,
- D. Those to general partners other than for capital and profits,
- E. Those to general partners in respect to profits,
- F. Those to general partners in respect to capital.

2. Share of assets. Subject to any statement in the certificate or to subsequent agreement, limited partners share in the partnership assets in respect to their claims for capital, and in respect to their claims for profits or for compensation by way of income on their contributions respectively, in proportion to the respective amounts of such claims.

§ 174. When certificate shall be cancelled or amended

1. Cancellation. The certificate shall be cancelled when the partnership is dissolved or all limited partners cease to be such.

2. Amendment. A certificate shall be amended when :

A. There is a change in the name of the partnership or in the amount or character of the contribution of any limited partner,

B. A person is substituted as a limited partner,

C. An additional limited partner is admitted,

D. A person is admitted as a general partner,

E. A general partner retires, dies or becomes insane and the business is continued under section 170,

F. There is a change in the character of the business of the partnership,

G. There is a false or erroneous statement in the certificate,

H. There is a change in the time as stated in the certificate for the dissolution of the partnership or for the return of a contribution,

I. A time is fixed for the dissolution of the partnership, or the return of a contribution, no time having been specified in the certificate, or

J. The members desire to make a change in any other statement in the certificate in order that it shall accurately represent the agreement between them.

§ 175. Requirements for amendment and for cancellation of certificate

1. Requirements. The writing to amend a certificate shall :

A. Conform to the requirements of section 152, subsection 1, paragraph A as far as necessary to set forth clearly the change in the certificate which it is desired to make, and

B. Be signed and sworn to by all members, and an amendment substituting a limited partner or adding a limited or general partner shall be signed also by the member to be substituted or added, and when a limited partner is to be substituted, the amendment shall also be signed by the assigning limited partner.

2. To cancel. The writing to cancel a certificate shall be signed by all members.

3. Petition. A person desiring the cancellation or amendment of a certificate, if any person designated in subsections 1 and 2 as a person who must execute the writing refuses to do so, may petition the Superior Court to direct a cancellation or amendment thereof.

4. Court order. If the court finds that the petitioner has a right to have the writing executed by a person who refuses to do so, it shall order the Secretary of State to record the cancellation or amendment of the certificate, and where the certificate is to be amended, the court shall also cause to be filed for record in said office a certified copy of its decree setting forth the amendment.

5. Filing. A certificate is amended or cancelled when there is filed for record in the office of the Secretary of State :

- A. A writing in accordance with subsection 1 or subsection 2, or
- B. A certified copy of the order of court in accordance with subsection 4.

The fee for filing said certificate shall be \$5.

6. Effect of amended certificate. After the certificate is duly amended in accordance with this section, the amended certificate shall thereafter be for all purposes the certificate provided for by this chapter.

§ 176. Parties to actions

A contributor, unless he is a general partner, is not a proper party to proceedings by or against a partnership, except where the object is to enforce a limited partner's right against or liability to the partnership.

§ 177. Name of chapter

This chapter may be cited as The Uniform Limited Partnership Act.

§ 178. Rules of construction

The rule that statutes in derogation of the common law are to be strictly construed shall have no application to this chapter.

This chapter shall be so interpreted and construed as to effect its general purpose to make uniform the law of those states which enact it.

This chapter shall not be so construed as to impair the obligations of any contract existing when this chapter goes into effect, nor to affect any action on proceedings begun or right accrued before this chapter takes effect.

§ 179. Rules for cases not provided for in this chapter

In any case not provided for in this chapter the rules of law and equity, including the law merchant, shall govern.

§ 180. Provisions for existing limited partnerships

1. Prior to effective date. A limited partnership formed under any statute of this State prior to the adoption of this chapter may become a limited partnership under this chapter by complying with section 152, provided the certificate sets forth :

A. The amount of the original contribution of each limited partner, and the time when the contribution was made, and

B. That the property of the partnership exceeds the amount sufficient to discharge its liabilities to persons not claiming as general or limited partners by an amount greater than the sum of the contributions of its limited partners.

2. Limited partnership. A limited partnership formed under any statute of this State prior to the adoption of this chapter, until or unless it becomes a limited partnership under this chapter shall continue to be governed by sections 51 to 60 except that such partnership shall not be renewed unless so provided in the original agreement.

Sec. 2. R. S., T. 31, §§ 51 - 60, repealed. Sections 51 to 60 of Title 31 of the Revised Statutes are repealed.

Effective October 1, 1969

Chapter 325

AN ACT Relating to Truth in Packaging.

Be it enacted by the People of the State of Maine, as follows:

R. S., T. 7, c. 101, sub-c. V, additional. Chapter 101 of Title 7 of the Revised Statutes is amended by adding a new subchapter V to read as follows:

SUBCHAPTER V

MAINE FAIR PACKAGING AND LABELING ACT

§ 521. Short title

This subchapter shall be known and be cited as the "Maine Fair Packaging and Labeling Act."

§ 522. Unfair and deceptive packaging and labeling

It shall be unlawful for any person engaged in the packaging or labeling of any consumer commodity, as defined in section 523, for the distribution in commerce, or for any person other than a common carrier for hire, a contract carrier for hire or a freight forwarder for hire engaged in the distribution in commerce of any packaged or labeled commodity, to distribute or cause to be distributed in commerce any commodity if such commodity is contained in a package, or if there is affixed to that commodity a label, which does not conform to this subchapter and to the regulations promulgated thereunder.

Persons engaged in business as wholesale or retail distributors of consumer commodities shall be exempt from this subchapter except to the extent that such persons are engaged in the packaging and labeling of such commodities or prescribe or specify by any means the manner in which such