

2013 HOUSE JUDICIARY

HB 1158

2013 HOUSE STANDING COMMITTEE MINUTES

House Judiciary Committee
Prairie Room, State Capitol

HB 1158
January 21, 2013
Job 17437

Conference Committee

Kristie Helzlsouer

Explanation or reason for introduction of bill/resolution:

Treatment of a partnership's omitted assets.

Minutes:

Testimony 1

Chairman Koppelman: Opens

Rep Klemin: Supports HB 1158, See testimony 1.

Rep Hogan: Does this happen very often?

Rep Klemin: I know that it does happen.

Chairman Koppelman: Closes

Rep Paur: Do Pass

Rep Brabandt: Second

Rep Maragos: What happens once we give the court ability to transfer assets?

Rep Klemin: Court will appropriate distribute the assets after looking over case and/or if any burden of proof exists.

Rep Maragos: Is there any statute of limitation.

Rep Klemin: If a corporation owns a lot of assets, something could be forgotten. If the partners no longer get along or do business together, the court will be the party to decide what is fair for distribution of those forgotten assets.

Yes: 13

No: 0

House Judiciary Committee
HB 1158
January 15, 2013
Page 2

Absent: 1

Carried by: Rep Brabandt.

Date: 1-21-13
 Roll Call Vote #: 1

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1158**

House Judiciary Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Paur Seconded By Rep. Brabandt

Representatives	Yes	No	Representatives	Yes	No
Chairman Kim Koppelman	/		Rep. Lois Delmore		
Vice Chairman Lawrence Klemin	/		Rep. Ben Hanson	/	
Rep. Randy Boehning	/		Rep. Kathy Hogan	/	
Rep. Roger Brabandt	/				
Rep. Karen Karls	/				
Rep. William Kretschmar	/				
Rep. Diane Larson	/				
Rep. Andrew Maragos	/				
Rep. Gary Paur	/				
Rep. Vicky Steiner	/				
Rep. Nathan Toman	/				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Rep. Brabandt

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1158: Judiciary Committee (Rep. K. Koppelman, Chairman) recommends DO PASS
(13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1158 was placed on the
Eleventh order on the calendar.

2013 SENATE JUDICIARY

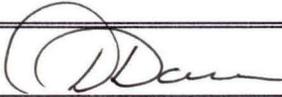
HB 1158

2013 SENATE STANDING COMMITTEE MINUTES

Senate Judiciary Committee
Fort Lincoln Room, State Capitol

HB1158
2/19/2013
Job #19192

Conference Committee

Committee Clerk Signature 

Minutes:

Attached testimony

Relating to treatment of a partnerships omitted assets

Senator David Hogue - Chairman

Representative Larry Klemin - District 47 - See written testimony

Senator Nelson asks Rep. Klemin if he has an example of what might have been missed in the dissolution of the partnership.

Representative Klemin - Gives her a real life example that he was involved in. He adds that there is no other law or case that he could find in ND relating to omitted assets of a partnership that has been dissolved. He said this may be the solution.

Senator Hogue - Asks if any more guidance is needed to the Court and who is to get notice of this petition such as the former partners.

Rep. Klemin - Replied notifications should be sent to all parties involved.

Opposition
Neutral

Close the hearing

2013 SENATE STANDING COMMITTEE MINUTES

Senate Judiciary Committee
Fort Lincoln Room, State Capitol

HB1158
3/11/2013
Job #19686

Conference Committee

Committee Clerk Signature 

Minutes:

Vote

Senator David Hogue - Chairman

Committee work

Senator Hogue explains the transferring of assets that have been unintentionally omitted. He added that this bill makes the same provision available for entities that are formed as partnerships and provides a mechanism to accomplish that.

Senator Sitte motions a do pass
Senator Armstrong seconded

Discussion

Senator Berry asks what the mechanism is to do this and Senator Hogue explains how this works by petitioning the court and explaining to the court the partnership or corporation existed X amount of years ago and there was a distribution and now there is another distribution. He adds that the court will figure out a way to make sense of the distribution.

Vote - 7 yes, 0 no
Motion carries

Senator Nelson will carry

Date: 3-11-13
 Roll Call Vote #: 1

**2013 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1158**

Senate JUDICIARY Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By S Sitte Seconded By S Armstrong

Senators	Yes	No	Senator	Yes	No
Chairman David Hogue	X		Senator Carolyn Nelson	X	
Vice Chairman Margaret Sitte	X		Senator John Grabinger	X	
Senator Stanley Lyson	X				
Senator Spencer Berry	X				
Senator Kelly Armstrong	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment S Nelson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1158: Judiciary Committee (Sen. Hogue, Chairman) recommends DO PASS
(7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1158 was placed on the
Fourteenth order on the calendar.

2013 TESTIMONY

HB 1158

testimony

TESTIMONY OF REP. LAWRENCE R. KLEMIN
HOUSE BILL NO. 1158
HOUSE JUDICIARY COMMITTEE
JANUARY 21, 2013

Mr. Chairman and members of the House Judiciary Committee. I am Lawrence R. Klemin. Representative from District 47 in Bismarck. I am here to testify in support of House Bill 1158.

HB 1158 provides a method to dispose of assets of a partnership that were omitted when the partnership was dissolved. This question can arise many years after the dissolution of a partnership when someone discovers that the partnership had assets that should have been transferred during the dissolution process, but were overlooked.

HB 1058 simply says that a court can transfer the assets. A person would need to petition the court for an order transferring the omitted assets. The petitioner would need to explain to the satisfaction of the court that the assets were omitted when the partnership was dissolved and where the assets should now be transferred. The order of the court can then be used to accomplish the transfer of the assets, whether the assets be real property or personal property.

This new provision in the partnership law is the same provision that now exists in the corporation law. Section 10-19.1-126 of the business corporation law provides:

10-19.1-126. Omitted assets.

Title to assets remaining after payment of debts, obligations, or liabilities and after distributions to shareholders may be transferred by a court in this state.

A dissolved partnership no longer exists and therefore has no authority to transfer assets that were overlooked during the dissolution process. This bill provides a method to accomplish the transfer. I encourage the committee to give favorable consideration to HB 1158.

TESTIMONY OF REP. LAWRENCE R. KLEMIN
HOUSE BILL NO. 1158
SENATE JUDICIARY COMMITTEE
FEBRUARY 19, 2013

Mr. Chairman and members of the Senate Judiciary Committee. I am Lawrence R. Klemin, Representative from District 47 in Bismarck. I am here to testify in support of House Bill 1158.

HB 1158 provides a method to dispose of assets of a partnership that were omitted when the partnership was dissolved. This question can arise many years after the dissolution of a partnership when someone discovers that the partnership had assets that should have been transferred during the dissolution process, but were overlooked.

HB 1158 simply says that a court can transfer the assets. A person would need to petition the court for an order transferring the omitted assets. The petitioner would need to explain to the satisfaction of the court that the assets were omitted when the partnership was dissolved and where the assets should now be transferred. The judgment entered in the court can then be used to accomplish the transfer of the assets, whether the assets be real property or personal property.

This new provision in the partnership law is the same provision that now exists in the corporation law. Section 10-19.1-126 of the business corporation law provides:

10-19.1-126. Omitted assets.

Title to assets remaining after payment of debts, obligations, or liabilities and after distributions to shareholders may be transferred by a court in this state.

A dissolved partnership no longer exists and therefore has no authority to transfer assets that were overlooked during the dissolution process. This bill provides a method to accomplish the transfer. I encourage the committee to give favorable consideration to HB 1158.