

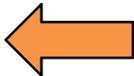
# The Impact of Act 170 on LLCs, LLPs, LPs and GPs

How Act 170 has changed the business  
landscape in Pennsylvania

## New Filings Defining Authority

William H. Clark, Jr./Lisa R. Jacobs

### Agency Authority Generally

- The agency authority of partners in a **general or limited partnership** remains as under the prior law.
- Agency authority in an **LLC** has changed significantly under the new law: 
  - A **member** is not an agent of an LLC solely by reason of being a member, regardless of whether the LLC is member-managed.
  - A **manager** will not be an agent of an LLC, unless the certificate of organization states that the LLC is manager-managed.
  - See § 8831.

## Certificates of Authority

- An LLC or GP may file a certificate of authority under § 8832 (LLCs) or 8433 (GPs) that pertains to:
  1. a **position** in the LLC or GP; or
  2. a **specific person**.
- The certificate may state the authority of a person holding the position or of the specific person to:
  1. transfer real property held in the name of the LLC or GP; or
  2. enter into other transactions involving the LLC or GP.
- Certificates are not authorized for LPs because the GP has statutory authority (§ 8642(a) – “each general partner is an agent of the limited partnership for the purposes of its activities and affairs”) and is already identified in the certificate of limited partnership.

3

## Why Consider Filing a Certificate

- An effective certificate protects a **third party** without knowledge to the contrary.
- A copy of a certificate **may be recorded** in the land records.
- See § 8433(d) – (g) and § 8413(d)(1).
- A person named in a filed certificate of authority may file a **certificate of denial** which acts as an amendment of the certificate and may be recorded in the land records.

4