AN ACT

ENTITLED, An Act to revise certain provisions related to transferable interests in limited liability partnerships.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That chapter 48-7A be amended by adding thereto a NEW SECTION to read as follows:

(a) On application by a judgment creditor of a partner in a limited liability partnership or of a partner's transferee, and following notice to the limited liability partnership of the application, a court having jurisdiction may charge the transferable interest of the judgment debtor to satisfy the judgment.

(b) A charging order constitutes a lien on the judgment debtor's transferable interest in the limited liability partnership.

(c) An interest which is charged may be redeemed:

(1) By the judgment debtor;

(2) With property other than the limited liability partnership's property, by one or more of the other partners; or

(3) With the partnership's property, but only if permitted by the partnership agreement.

(d) This chapter does not deprive a partner of a right under exemption laws with respect to the partner's transferable interest in the partnership.

(e) This section provides the exclusive remedy by which a judgment creditor of a partner in a limited liability partnership or partner's transferee may satisfy a judgment out of the judgment debtor's transferable interest in the limited liability partnership. No other remedy, including foreclosure of the partner's transferable interest or a court order for directions, accounts, and inquiries that the debtor partner might have made, is available to the judgment creditor attempting to satisfy

the judgment out of the judgment debtor's interest in the limited liability partnership.

(f) No creditor of a partner in a limited liability partnership, or a partner's assignee, has any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the property of a limited liability partnership.

An Act to revise certain provisions related to transferable interests in limited liability partnerships.

I certify that the attached Act originated in the

HOUSE as Bill No. 1099

_____
Chief Clerk

_____
Speaker of the House

Attest:

_____
Chief Clerk

_____
President of the Senate

Attest:

_____
Secretary of the Senate

House Bill No. 1099
File No. ____
Chapter No. _____

Received at this Executive Office this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

The attached Act is hereby approved this _____ day of _____ , A.D., 20___

_____
Governor

STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____ , 20___
at _____ o'clock __ M.

_____
Secretary of State

By _____
Asst. Secretary of State