

State of South Dakota

NINETIETH SESSION
LEGISLATIVE ASSEMBLY, 2015

445W0080

HOUSE BILL NO. 1099

Introduced by: Representatives Langer, Gibson, Gosch, Haugaard, Johns, and Stevens and
Senators Rusch and Rave

1 FOR AN ACT ENTITLED, An Act to revise certain provisions related to transferable interests
2 in limited liability partnerships.

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

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

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

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

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

13 (1) By the judgment debtor;

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



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

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

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

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