

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

535E0031

SENATE COMMERCE COMMITTEE ENGROSSED NO.

SB 3 - 01/23/2001

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

Introduced by: Senators Ham and Madden and Representatives McCoy, Monroe, and Slaughter at the request of Interim Judiciary Committee

1 FOR AN ACT ENTITLED, An Act to provide the director of insurance with rule-making
2 authority regarding personal nonpublic financial information.

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

4 Section 1. That chapter 58-2 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 The director shall promulgate rules pursuant to chapter 1-26 relating to the privacy of
7 personal nonpublic financial information. The rules must be designed to provide privacy to the
8 public of the personal nonpublic financial information that is shared or obtained in connection
9 with insurance transactions. The director shall design the rules to protect the public's personal
10 nonpublic financial information but also consider the impact of any rules on the cost and
11 availability of insurance in this state. In promulgating the rules required by this Act the director
12 shall give substantial consideration to the privacy standards contained in the NAIC Privacy of
13 Consumer Financial and Health Information Regulation as in effect as of January 1, 2001, and
14 otherwise design the rules to achieve uniformity, to the degree reasonably possible, in the

1 standards for personal nonpublic financial information. The rules may include the following as
2 they relate to financial privacy:

- 3 (1) Definition of terms;
- 4 (2) Permitting the disclosure and use of personal nonpublic financial information between
5 affiliates;
- 6 (3) Opt out procedures for the disclosure and use of personal nonpublic financial
7 information with nonaffiliates;
- 8 (4) Notice and disclosure requirements and formats;
- 9 (5) Limits on disclosure of personal nonpublic financial information;
- 10 (6) Limits on redisclosure and reuse of personal nonpublic financial information;
- 11 (7) Limits on sharing account number information for marketing purposes;
- 12 (8) Exceptions for opt out and notice requirements; and
- 13 (9) Nondiscrimination requirements as they relate to persons who opt out or who do not
14 grant an authorization.

15 Nothing in this Act applies to any rules that may be promulgated pursuant to § 58-2-40.

16 Nothing in this Act may be construed to impair or conflict with the Fair Credit Reporting Act.

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

645E0062

SENATE LOCAL GOVERNMENT COMMITTEE

ENGROSSED NO. **SB 7** - 01/18/2001

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

Introduced by: The Committee on Local Government at the request of the Secretary of State

1 FOR AN ACT ENTITLED, An Act to revise the dates for filing certain certificates of
2 nomination.

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

4 Section 1. That § 12-7-1 be amended to read as follows:

5 12-7-1. Any candidate for nonjudicial public office, except as provided in section 2 of this
6 Act, who is not nominated by a primary election may be nominated by filing with the secretary
7 of state or county auditor as prescribed by § 12-6-4, not prior to January first at eight a.m. and
8 not later than the third Tuesday in June at five p.m. prior to the election, a certificate of
9 nomination which shall be executed as provided in chapter 12-6. If the certificate of nomination
10 is mailed by registered mail by the third Tuesday in June at five p.m. prior to the election, it is
11 timely submitted. The certificate shall specify that an independent candidate for nonjudicial public
12 office shall designate the name of any national political party, or political party organized
13 pursuant to chapter 12-5, with which the candidate has an affiliation. If no affiliation exists, the
14 candidate shall be designated by the term, no party. It shall be signed by registered voters within

1 the district or political subdivision in and for which the officers are to be elected. The number
2 of signatures required may not be less than one percent of the total combined vote cast for
3 Governor at the last certified gubernatorial election within the district or political subdivision.
4 An independent candidate for Governor shall certify the candidate's selection for lieutenant
5 governor to the secretary of state prior to circulation of the candidate's nominating petition. ~~An~~
6 ~~independent candidate for President shall file a declaration of candidacy and a certification of the~~
7 ~~candidate's selection for vice president with the secretary of state prior to circulation of the~~
8 ~~candidate's nominating petitions.~~ The candidate and the candidate's selection for lieutenant
9 governor or vice president shall sign the certification before it is filed. The State Board of
10 Elections shall promulgate rules pursuant to chapter 1-26 prescribing the forms for the certificate
11 of nomination and the certification for lieutenant governor ~~and vice president.~~

12 Section 2. That chapter 12-7 be amended by adding thereto a NEW SECTION to read as
13 follows:

14 Any candidate for President or Vice President of the United States who is not nominated by
15 a primary election may be nominated by filing with the secretary of state or county auditor as
16 prescribed by § 12-6-4, not prior to January twentieth at eight a.m. and not later than the first
17 Tuesday in August at five p.m. prior to the election, a certificate of nomination which shall be
18 executed as provided in chapter 12-6. If the certificate of nomination is mailed by registered mail
19 by the first Tuesday in August at five p.m. prior to the election, it is timely submitted. The
20 certificate shall specify that an independent candidate for President or Vice President shall
21 designate the name of any national political party, or political party organized pursuant to chapter
22 12-5, with which the candidate has an affiliation. If no affiliation exists, the candidate shall be
23 designated by the term, no party. The number of signatures required may not be less than one
24 percent of the total combined vote cast for Governor at the last certified gubernatorial election

1 within the state. An independent candidate for President shall file a declaration of candidacy and
2 a certification of the candidate's selection for Vice President with the secretary of state prior to
3 circulation of the candidate's nominating petitions. The candidate and the candidate's selection
4 for Vice President shall sign the certification before it is filed. The State Board of Elections shall
5 promulgate rules pursuant to chapter 1-26 prescribing the forms for the certificate of nomination
6 and the certification for Vice President.

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

376E0049 **SENATE AGRICULTURE AND NATURAL RESOURCES**
COMMITTEE ENGROSSED NO. SB 8 - 01/19/2001

Introduced by: Senators Symens, Diedtrich (Elmer), and Vitter and Representatives Fryslie and Hanson (Gary) at the request of the Interim Agriculture and Natural Resources Committee

1 FOR AN ACT ENTITLED, An Act to establish a public policy of protecting cropland and
2 pasture in county drainage plans.

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

4 Section 1. That § 46A-10A-17 be amended to read as follows:

5 46A-10A-17. A drainage plan shall be for the purpose of enhancing and promoting physical,
6 economic, and environmental management of the county; protecting the tax base; encouraging
7 land utilization that will facilitate economical and adequate productivity of all types of land;
8 lessening governmental expenditure; and conserving and developing natural resources. The plan
9 may incorporate appropriate contingencies for the protection of private cropland and pasture.

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

400E0233

SENATE STATE AFFAIRS COMMITTEE ENGROSSED

NO. **SB 28** - 01/17/2001

Introduced by: The Committee on State Affairs at the request of the Department of
Corrections

1 FOR AN ACT ENTITLED, An Act to authorize South Dakota to participate in the revised
2 Interstate Compact for Adult Offender Supervision.

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

4 Section 1. The Interstate Compact for Adult Offender Supervision is hereby enacted as
5 follows:

6 ARTICLE I

7 PURPOSE

8 The compacting states to this Interstate Compact recognize that each state is responsible for
9 the supervision of adult offenders in the community who are authorized pursuant to the bylaws
10 and rules of this compact to travel across state lines both to and from each compacting state in
11 such a manner as to track the location of offenders, transfer supervision authority in an orderly
12 and efficient manner, and when necessary return offenders to the originating jurisdictions. The
13 compacting states also recognized that Congress, by enacting the Crime Control Act, 4 U.S.C.
14 Section 112 (1965), has authorized and encouraged compacts for cooperative efforts and mutual

1 assistance in the prevention of crime. It is the purpose of this compact and the Interstate
2 Commission created hereunder, through means of joint and cooperative action among the
3 compacting states: to provide the framework for the promotion of public safety and protect the
4 rights of victims through the control and regulation of the interstate movement of offenders in
5 the community; to provide for the effective tracking, supervision, and rehabilitation of these
6 offenders by the sending and receiving states; and to equitably distribute the costs, benefits and
7 obligations of the compact among the compacting states.

8 In addition, this compact will: create an Interstate Commission which will establish uniform
9 procedures to manage the movement between states of adults placed under community
10 supervision and released to the community under the jurisdiction of courts, paroling authorities,
11 corrections, or other criminal justice agencies which will promulgate rules to achieve the purpose
12 of this compact; ensure an opportunity for input and timely notice to victims and to jurisdictions
13 where defined offenders are authorized to travel or to relocate across state lines; establish a
14 system of uniform data collection, access to information on active cases by authorized criminal
15 justice officials, and regular reporting of compact activities to heads of state councils, state
16 executive, judicial, and legislative branches and criminal justice administrators; monitor
17 compliance with rules governing interstate movement of offenders and initiate interventions to
18 address and correct noncompliance; and coordinate training and education regarding regulations
19 of interstate movement of offenders for officials involved in such activity.

20 The compacting states recognize that there is no "right" of any offender to live in another
21 state and that duly accredited officers of a sending state may at all times enter a receiving state
22 and there apprehend and retake any offender under supervision subject to the provisions of this
23 compact and bylaws and rules promulgated hereunder.

24 It is the policy of the compacting states that the activities conducted by the Interstate

1 Commission created herein are the formation of public policies and are therefore public business.

2 ARTICLE II

3 DEFINITIONS

4 As used in this compact, unless the context clearly requires a different construction:

5 (1) "Adult" means both individuals legally classified as adults and juveniles treated as
6 adults by court order, statute, or operation of law;

7 (2) "By-laws" mean those by-laws established by the Interstate Commission for it
8 governance, or for directing or controlling the Interstate Commission's actions or
9 conduct;

10 (3) "Compact Administrator" means the individual in each compacting state appointed
11 pursuant to the terms of this compact responsible for the administration and
12 management of the state's supervision and transfer of offenders subject to the terms
13 of this compact, the rules adopted by the Interstate Commission and policies adopted
14 by the state council under this compact;

15 (4) "Compacting state" means any state which has enacted the enabling legislation for this
16 compact;

17 (5) "Commissioner" means the voting representative of each compacting state appointed
18 pursuant to Article III of this compact;

19 (6) "Interstate Commission" means the Interstate Commission for Adult Offender
20 Supervision established by this compact;

21 (7) "Member" means the commissioner of a compacting state or designee, who shall be
22 a person officially, connected with the commissioner;

23 (8) "Noncompacting state" means any state which has not enacted the enabling legislation
24 for this compact;

- 1 (9) "Offender" means an adult placed under or subject to, supervision as the result of the
2 commission of a criminal offense and released to the community under the jurisdiction
3 of courts, paroling authorities, corrections, or other criminal justice agencies;
- 4 (10) "Person" means any individual, corporation, business enterprise, or other legal entity,
5 either public or private;
- 6 (11) "Rules" means acts of the Interstate Commission, duly promulgated pursuant to
7 Article VIII of this compact, substantially affecting interested parties in addition to the
8 Interstate Commission, which shall have the force and effect of law in the compacting
9 states;
- 10 (12) "State" means a state of the United States, the District of Columbia, and any other
11 territorial possessions of the United States;
- 12 (13) "State council" means the resident members of the State Council for Interstate Adult
13 Offender Supervision created by each state under Article III of this compact.

14 ARTICLE III

15 THE COMPACT COMMISSION

16 The compacting states hereby create the "Interstate Commission for Adult Offender
17 Supervision." The Interstate Commission shall be a body corporate and joint agency of the
18 compacting states. The Interstate Commission shall have all the responsibilities, powers, and
19 duties set forth herein, including the power to sue and be sued, and such additional powers as
20 may be conferred upon it by subsequent action of the respective legislatures of the compacting
21 states in accordance with the terms of this compact.

22 The Interstate Commission shall consist of commissioners selected and appointed by resident
23 members of a State Council for Interstate Adult Offender Supervision for each state.

24 In addition to the commissioners who are the voting representatives of each state, the

1 Interstate Commission shall include individuals who are not commissioners but who are members
2 of interested organizations; such noncommissioner members must include a member of the
3 national organizations of governors, legislators, state chief justices, attorneys general, and crime
4 victims. All noncommissioner members of the Interstate Commission shall be ex-officio,
5 nonvoting members. The Interstate Commission may provide in its by-laws for such additional
6 ex-officio, nonvoting members as it deems necessary.

7 Each compacting state represented at any meeting of the Interstate Commission is entitled
8 to one vote. A majority of the compacting states shall constitute a quorum for the transaction
9 of business, unless a larger quorum is required by the by-laws of the Interstate Commission. The
10 Interstate Commission shall meet at least once each calendar year. The chairperson may call
11 additional meetings and, upon the request of twenty-seven or more compacting states, shall call
12 additional meetings. Public notice shall be given of all meetings and meetings shall be open to
13 the public.

14 The Interstate Commission shall establish an Executive Committee, which shall include
15 commission officers, members, and others as shall be determined by the by-laws. The Executive
16 Committee shall have the power to act on behalf of the Interstate Commission during periods
17 when the Interstate Commission is not in session, with the exception of rule making, amendment,
18 or both to the compact. The Executive Committee oversees the day-to-day activities managed
19 by the Executive Director and Interstate Commission staff; administers enforcement and
20 compliance with the provisions of the compact, its by-laws and as directed by the Interstate
21 Commission and performs other duties as directed by commission or set forth in the by-laws.

22 ARTICLE IV

23 THE STATE COUNCIL

24 Each member state shall create a State Council for Interstate Adult Offender Supervision,

1 which shall be responsible for the appointment of the commissioner who shall serve on the
2 Interstate Commission from that state. Each state council shall appoint as its commissioner the
3 Compact Administrator from that state to serve on the Interstate Commission in such capacity
4 under or pursuant to applicable law of the member state. While each member state may
5 determine the membership of its own state council, its membership must include at least one
6 representative from the legislative, judicial, and executive branches of government, victims
7 groups and compact administrators. Each compacting state retains the right to determine the
8 qualifications of the Compact Administrator who shall be appointed by the state council or by
9 the Governor in consultation with the Legislature and the Judiciary. In addition to appointment
10 of its commissioner to the National Interstate Commission, each state council shall exercise
11 oversight and advocacy concerning its participation in Interstate Commission activities and other
12 duties as may be determined by each member state including but not limited to, development of
13 policy concerning operations and procedures of the compact within that state.

14 ARTICLE V

15 POWERS AND DUTIES OF THE INTERSTATE COMMISSION

16 The Interstate Commission shall have the following powers:

- 17 (1) To adopt a seal and suitable by-laws governing the management and operation of the
18 Interstate Commission;
- 19 (2) To promulgate rules which shall have the force and effect of statutory law and shall
20 be binding in the compacting states to the extent and in the manner provided in this
21 compact;
- 22 (3) To oversee, supervise, and coordinate the interstate movement of offenders subject
23 to the terms of this compact and any by-laws adopted and rules promulgated by the
24 compact commission;

- 1 (4) To enforce compliance with compact provisions, Interstate Commission rules, and by-
2 laws, using all necessary and proper means, including but not limited to, the use of
3 judicial process;
- 4 (5) To establish and maintain offices;
- 5 (6) To purchase and maintain insurance and bonds;
- 6 (7) To borrow, accept, or contract for services of personnel, including members and their
7 staffs;
- 8 (8) To establish and appoint committees and hire staff which it deems necessary for the
9 carrying out of its functions including an executive committee as required by Article
10 III which shall have the power to act on behalf of the Interstate Commission in
11 carrying out its powers and duties hereunder;
- 12 (9) To elect or appoint such officers, attorneys, employees, agents, or consultants, and
13 to fix their compensation, define their duties and determine their qualifications; and
14 to establish the Interstate Commission's personnel policies and programs relating to,
15 among other things, conflicts of interest, rates of compensation, and qualifications of
16 personnel;
- 17 (10) To accept any and all donations and grants of money, equipment, supplies, materials,
18 and services, and to receive, utilize, and dispose of same;
- 19 (11) To lease, purchase, accept contributions or donations of, or otherwise to own, hold,
20 improve or use any property, real, personal or mixed;
- 21 (12) To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of
22 any property, real, personal, or mixed;
- 23 (13) To establish a budget and make expenditures and levy dues as provided in Article X
24 of this compact;

- 1 (14) To sue and be sued;
- 2 (15) To provide for dispute resolution among compacting states;
- 3 (16) To perform such functions as may be necessary or appropriate to achieve the
- 4 purposes of this compact;
- 5 (17) To report annually to the legislatures, governors, judiciary, and state councils of the
- 6 compacting states concerning the activities of the Interstate Commission during the
- 7 preceding year. Such reports shall also include any recommendations that may have
- 8 been adopted by the Interstate Commission;
- 9 (18) To coordinate education, training, and public awareness regarding the interstate
- 10 movement of offenders for officials involved in such activity;
- 11 (19) To establish uniform standards for the reporting, collecting, and exchanging of data.

12 ARTICLE VI

13 ORGANIZATION AND OPERATION OF THE INTERSTATE COMMISSION

14 Section A. By-laws

15 The Interstate Commission shall, by a majority of the members, within twelve months of the

16 first Interstate Commission meeting, adopt by-laws to govern its conduct as may be necessary

17 or appropriate to carry out the purposes of the compact, including:

- 18 (1) Establishing the fiscal year of the Interstate Commission;
- 19 (2) Establishing an executive committee and such other committees as may be necessary;
- 20 providing reasonable standards and procedures:
 - 21 (a) For the establishment of committees; and
 - 22 (b) Governing any general or specific delegation of any authority or function of the
 - 23 Interstate Commission;
- 24 (3) Providing reasonable procedures for calling and conducting meetings of the Interstate

- 1 Commission, and ensuring reasonable notice of each such meeting;
- 2 (4) Establishing the titles and responsibilities of the officers of the Interstate Commission;
- 3 (5) Providing reasonable standards and procedures for the establishment of the personnel
- 4 policies and programs of the Interstate Commission. Notwithstanding any civil service
- 5 or other similar laws of any compacting state, the by-laws shall exclusively govern the
- 6 personnel policies and programs of the Interstate Commission;
- 7 (6) Providing a mechanism for winding up the operations of the Interstate Commission
- 8 and the equitable return of any surplus funds that may exist upon the termination of
- 9 the compact after the payment reserving of all its debts and obligations or both;
- 10 (7) Providing transition rules for "start up" administration of the compact;
- 11 (8) Establishing standards and procedures for compliance and technical assistance in
- 12 carrying out the compact.

13 Section B. Officers and Staff

14 The Interstate Commission shall, by a majority of the members, elect from among its

15 members a chairperson and a vice chairperson, each of whom shall have such authorities and

16 duties as may be specified in the by-laws. The chairperson or, in his or her absence or disability,

17 the vice chairperson, shall preside at all meetings of the Interstate Commission. The officers so

18 elected shall serve without compensation or remuneration from the Interstate Commission;

19 subject to the availability of budgeted funds, the officers shall be reimbursed for any actual and

20 necessary costs and expenses incurred by them in the performance of their duties and

21 responsibilities as officers of the Interstate Commission.

22 The Interstate Commission shall, through its executive committee, appoint or retain an

23 executive director for such period, upon such terms and conditions and for such compensation

24 as the Interstate Commission may deem appropriate. The executive director shall serve as

1 secretary to the Interstate Commission, and hire and supervise such other staff as may be
2 authorized by the Interstate Commission, but shall not be a member.

3 Section C. Corporate Records of the Interstate Commission.

4 The Interstate Commission shall maintain its corporate books and records in accordance with
5 the by-laws.

6 Section D. Qualified Immunity, Defense, and Indemnification

7 The members, officers, executive director, and employees of the Interstate Commission shall
8 be immune from suit and liability, either personally or in their official capacity, for any claim for
9 damage to or loss of property or personal injury or other civil liability caused or arising out of
10 any actual or alleged act, error or omission that occurred within the scope of Interstate
11 Commission employment, duties or responsibilities. However, nothing in this paragraph shall be
12 construed to protect any such person from suit or liability, or both for any damage, loss, injury,
13 or liability caused by the intentional or willful and wanton misconduct of any such person. The
14 Interstate Commission shall defend the commissioner of a compacting state, or his or her
15 representatives or employees, or the Interstate Commission's representatives or employee, in any
16 civil action seeking to impose liability, arising out of any actual or alleged act, error or omission
17 that occurred within the scope of Interstate Commission employment, duties or responsibilities,
18 or that the defendant had a reasonable basis for believing occurred within the scope of Interstate
19 Commission employment, duties or responsibilities, if the actual or alleged act, error or omission
20 did not result from intentional wrongdoing on the part of such person.

21 The Interstate Commission shall indemnify and hold the commissioner of a compacting state,
22 the appointed designee or employees, or the Interstate Commission's representatives or
23 employees, harmless in the amount of any settlement or judgement obtained against such persons
24 arising out of any actual or alleged act, error or omission that occurred within the scope of

1 Interstate Commission employment, duties or responsibilities, or that such persons had a
2 reasonable basis for believing occurred within the scope of Interstate Commission employment,
3 duties or responsibilities, provided, that the actual or alleged act, error or omission did not result
4 from gross negligence or intentional wrongdoing on the part of such person.

5 ARTICLE VII

6 ACTIVITIES OF THE INTERSTATE COMMISSION

7 The Interstate Commission shall meet and take such actions as are consistent with the
8 provisions of this compact.

9 Except as otherwise provided in this compact and unless a greater percentage is required by
10 the by-laws, in order to constitute an act of the Interstate Commission, such act shall have been
11 taken at a meeting of the Interstate Commission and shall have received an affirmative vote of
12 a majority of the members present.

13 Each member of the Interstate Commission shall have the right and power to cast a vote to
14 which that compacting state is entitled and to participate in the business and affairs of the
15 Interstate Commission. A member shall vote in person on behalf of the state and shall not
16 delegate a vote to another member state. However, a state council shall appoint another
17 authorized representative, in the absence of the commissioner from that state, to cast a vote on
18 behalf of the member state at a specified meeting. The by-laws may provide for member'
19 participation in meetings by telephone or other means of telecommunication or electronic
20 communication. Any voting conducted by telephone, or other means of telecommunication or
21 electronic communication shall be subject to the same quorum requirements of meetings where
22 members are present in person.

23 The Interstate Commission shall meet at least once during each calendar year. The
24 chairperson of the Interstate Commission may call additional meetings at any time and, upon the

1 request of a majority of the members, shall call additional meetings.

2 The Interstate Commission's by-laws shall establish conditions and procedures under which
3 the Interstate Commission shall make its information and official records available to the public
4 for inspection or copying. The Interstate Commission may exempt from disclosure any
5 information or official records to the extent they would adversely affect personal privacy rights
6 or proprietary interests. In promulgating such rules, the Interstate Commission may make
7 available to law enforcement agencies records and information otherwise exempt from
8 disclosure, and may enter into agreements with law enforcement agencies to receive or exchange
9 information or records subject to nondisclosure and confidentiality provisions.

10 Public notice shall be given of all meetings and all meetings shall be open to the public,
11 except as set forth in the rules or as otherwise provided in the compact. The Interstate
12 Commission shall promulgate rules consistent with the principles contained in the "Government
13 in Sunshine Act," 5 U.S.C. Section 552(b), as may be amended. The Interstate Commission and
14 any of its committees may close a meeting to the public where it is determines by two-thirds vote
15 that an open meeting would be likely to:

- 16 (1) Relate solely to the Interstate Commission's internal personnel practices and
17 procedures;
- 18 (2) Disclose matters specifically exempted from disclosure by statute;
- 19 (3) Disclose trade secrets or commercial or financial information which is privileged or
20 confidential;
- 21 (4) Involve accusing any person of a crime, or formally censuring any person;
- 22 (5) Disclose information of a personal nature where disclosure would constitute a clearly
23 unwarranted invasion of personal privacy;
- 24 (6) Disclose investigatory records compiled for law enforcement purposes;

- 1 (7) Disclose information contained in or related to examination, operating, or condition
2 reports prepared by, or on behalf of or for the use of, the Interstate Commission with
3 respect to a regulated entity for the purpose of regulation or supervision of such
4 entity;
- 5 (8) Disclose information, the premature disclosure of which would significantly endanger
6 the life of a person or the stability of a regulated entity;
- 7 (9) Specifically related to the Interstate Commission's issuance of a subpoena, or its
8 participation in a civil action or proceeding.

9 For every meeting closed pursuant to this provision, the Interstate Commission's chief legal
10 officer shall publicly certify that, in his or her opinion, the meeting may be closed to the public,
11 and shall reference each relevant exemptive provision. The Interstate Commission shall keep
12 minutes which shall fully and clearly describe all matters discussed in any meeting and shall
13 provide a full and accurate summary of any actions taken, and the reasons therefor, including a
14 description of each of the views expressed on any item and the record of any roll call vote
15 (reflected in the vote of each member on the question). All documents considered in connection
16 with any action shall be identified in such minutes.

17 The Interstate Commission shall collect standardized data concerning the interstate
18 movement of offenders as directed through its by-laws and rules which shall specify the data to
19 be collected, the means of collection and data exchange and reporting requirements.

20 **ARTICLE VIII**

21 **RULE MAKING FUNCTIONS OF THE INTERSTATE COMMISSION**

22 The Interstate Commission shall promulgate rules in order to effectively and efficiently
23 achieve the purposes of the compact including transition rules governing administration of the
24 compact during the period in which it is being considered and enacted by the states.

1 Rule making shall occur pursuant to the criteria set forth in this article and the by-laws and
2 rules adopted pursuant thereto. Such rule making shall substantially conform to the principles
3 of the federal Administrative Procedure Act, 5 U.S.C.S. section 551 etseq., and the Federal
4 Advisory Committee Act, 5 U.S.C.S. app.2, section 1 et seq., as may be amended (hereinafter
5 "APA"). All rules and amendments shall become binding as of the date specified in each rule or
6 amendment.

7 If a majority of the legislatures of the compacting states rejects a rule, by enactment of a
8 statute or resolution in the same manner used to adopt the compact, then such rule shall have not
9 further force and effect in any compacting state.

10 When promulgating a rule, the Interstate Commission shall publish the proposed rule stating
11 with particularity the text of the rule which is proposed and the reason for the proposed rule;
12 allow persons to submit written data, facts, opinions, and arguments, which information shall be
13 publicly available; provide an opportunity for an informal hearing; and promulgate a final rule and
14 its effective date, if appropriate, based on the rule making record.

15 No later than sixty days after a rule is promulgated, any interested person may file a petition
16 in the United States District Court for the District of Columbia or in the Federal District Court
17 where the Interstate Commission's principle office is located for judicial review of such rule. If
18 the court finds that the Interstate Commission's action is not supported by substantial evidence,
19 (as defined in the APA), in the rule making record, the court shall hold the rule unlawful and set
20 it aside. Subjects to be addressed within twelve months after the first meeting must at a minimum
21 include:

- 22 (1) Notice to victims and opportunity to be heard;
- 23 (2) Offender registration and compliance;
- 24 (3) Violations/returns;

- 1 (4) Transfer procedures and forms;
- 2 (5) Eligibility for transfer;
- 3 (6) Collection of restitution and fees from offenders;
- 4 (7) Data collection and reporting;
- 5 (8) The level of supervision to be provided by the receiving state;
- 6 (9) Transition rules governing the operation of the compact and the Interstate
7 Commission during all or part of the period between the effective date of the compact
8 and the date on which the last eligible state adopts the compact; and
- 9 (10) Mediation, arbitration, and dispute resolution.

10 The existing rules governing the operation of the previous compact superceded by this Act
11 shall be null and void twelve months after the first meeting of the Interstate Commission created
12 hereunder.

13 Upon determination by the Interstate Commission that an emergency exists, it may
14 promulgate an emergency rule which shall become effective immediately upon adoption,
15 provided that the usual rule making procedures provided hereunder shall be retroactively applied
16 to said rule as soon as reasonably possible, in no event later than ninety days after the effective
17 date of the rule.

18 ARTICLE IX

19 OVERSIGHT, ENFORCEMENT, AND DISPUTE RESOLUTION BY THE
20 INTERSTATE COMMISSION

21 Section A. Oversight

22 The Interstate Commission shall oversee the interstate movement of adult offenders in the
23 compacting states and shall monitor such activities being administered in noncompacting states,
24 which may significantly affect compacting states.

1 The courts and executive agencies in each compacting state shall enforce this compact and
2 shall take all actions necessary and appropriate to effectuate the compact's purposes and intent.
3 In any judicial or administrative proceeding in a compacting state pertaining to the subject matter
4 of this compact which may affect the powers, responsibilities, or actions of the Interstate
5 Commission, the Interstate Commission shall be entitled to receive all service of process in any
6 such proceeding, and shall have standing to intervene in the proceedings for all purposes.

7 Section B. Dispute Resolution.

8 The compacting states shall report to the Interstate Commission on issues or activities of
9 concern to them, and cooperate with and support the Interstate Commission in the discharge of
10 its duties and responsibilities.

11 The Interstate Commission shall attempt to resolve any disputes or other issues which are
12 subject to the compact and which may arise among compacting states and noncompacting states.

13 The Interstate Commission shall enact a by-law or promulgate a rule providing for both
14 mediation and binding dispute resolution for disputes among the compacting states.

15 Section C. Enforcement

16 The Interstate Commission, in the reasonable exercise of its' discretion, shall enforce the
17 provisions of this compact using any or all means set forth in Article XII, Section B of this
18 compact.

19 ARTICLE X

20 FINANCE

21 The Interstate Commission shall pay or provide for the payment of the reasonable expenses
22 of its establishment, organization, and on-going activities.

23 The Interstate Commission shall levy on and collect an annual assessment from each
24 compacting state to cover the cost of the internal operations and activities of the Interstate

1 Commission and its staff which must be in a total amount sufficient to cover the Interstate
2 Commission's annual budget as approved each year. The aggregate annual assessment amount
3 shall be allocated based upon a formula to be determined by the Interstate Commission, taking
4 into consideration the population of the state and the volume of interstate movement of offenders
5 in each compacting state and shall promulgate a rule binding upon all compacting states which
6 governs said assessment.

7 The Interstate Commission shall not incur any obligation of any kind prior to securing the
8 funds adequate to meet the same; nor shall the Interstate Commission pledge the credit of any
9 of the compacting states, except by and with the authority of the compacting state.

10 The Interstate Commission shall keep accurate accounts of all receipts and disbursements.
11 The receipts and disbursements of the Interstate Commission shall be subject to the audit and
12 accounting procedures established under its by-laws. However, all receipts and disbursements
13 of funds handled by the Interstate Commission shall be audited yearly by a certified or licensed
14 public accountant and the report of the audit shall be included in and become part of the annual
15 report of the Interstate Commission.

16 ARTICLE XI

17 COMPACTING STATES, EFFECTIVE DATE AND AMENDMENT

18 Any state, as defined in Article II of this compact, is eligible to become a compacting state.
19 The compact shall become effective and binding upon legislative enactment of the compact into
20 law by no less than thirty-five of the states. The initial effective date shall be the later of July 1,
21 2001, or upon enactment into law by the thirty-fifth jurisdiction. Thereafter it shall become
22 effective and binding, as to any other compacting state, upon enactment of the compact into law
23 by that state. The governors of nonmember states or their designees will be invited to participate
24 in Interstate Commission activities on a nonvoting basis prior to adoption of the compact by all

1 states and territories of the United States.

2 Amendments to the compact may be proposed by the Interstate Commission for enactment
3 by the compacting states. No amendment shall become effective and binding upon the Interstate
4 Commission and the compacting states unless and until it is enacted into law by unanimous
5 consent of the compacting states.

6 ARTICLE XII

7 WITHDRAWAL, DEFAULT, TERMINATION, AND JUDICIAL ENFORCEMENT

8 Section A. Withdrawal

9 Once effective, the compact shall continue in force and remain binding upon each and every
10 compacting state. However, that a compacting state may withdraw from the compact
11 (withdrawing state) by enacting a statute specifically repealing the statute which enacted the
12 compact into law.

13 The effective date of withdrawal is the effective date of the repeal.

14 The withdrawing state shall immediately notify the chairperson of the Interstate Commission
15 in writing upon the introduction of legislation repealing this compact in the withdrawing state.
16 The Interstate Commission shall notify the other compacting states of the withdrawing state's
17 intent to withdraw within sixty days of its receipt thereof.

18 The withdrawing state is responsible for all assessments, obligations, and liabilities incurred
19 through the effective date of withdrawal, including any obligations, the performance of which
20 extend beyond the effective date of withdrawal.

21 Reinstatement following withdrawal of any compacting state shall occur upon the
22 withdrawing state reenacting the compact or upon such later date as determined by the Interstate
23 Commission.

24 Section B. Default

1 If the Interstate Commission determines that any compacting state has at any time defaulted
2 (defaulting state) in the performance of any of its obligations or responsibilities under this
3 compact, the by-laws or any duly promulgated rules the Interstate Commission may impose any
4 or all of the following penalties: fines, fees, costs in such amounts as are deemed to be reasonable
5 as fixed by the Interstate Commission; remedial training and technical assistance as directed by
6 the Interstate Commission; suspension and termination of membership in the compact.

7 Suspension shall be imposed only after all other reasonable means of securing compliance
8 under the by-laws and rules have been exhausted. Immediate notice of suspension shall be given
9 by the Interstate Commission to the Governor, the Chief Justice, or Chief Judicial Officer of the
10 state; the majority and minority leaders of the defaulting state's Legislature, and the state council.

11 The grounds for default include but are not limited to, failure of a compacting state to
12 perform such obligations or responsibilities imposed upon it by this compact, Interstate
13 Commission by-laws, or duly promulgated rules. The Interstate Commission shall immediately
14 notify the defaulting state in writing of the penalty imposed by the Interstate Commission on the
15 defaulting state pending a cure of the default. The Interstate Commission shall stipulate the
16 conditions and the time period within which the defaulting state must cure its default. If the
17 defaulting state fails to cure the default within the time period specified by the Interstate
18 Commission, in addition to any other penalties imposed herein, the defaulting state may be
19 terminated from the compact upon an affirmative vote of a majority of the compacting states and
20 all rights, privileges, and benefits conferred by this compact shall be terminated from the effective
21 date of suspension. Within sixty days of the effective date of termination of a defaulting state,
22 the Interstate Commission shall notify the Governor, the Chief Justice, or Chief Judicial Officer
23 and the Majority and Minority Leaders of the defaulting state's Legislature and the state council
24 of such termination.

1 The defaulting state is responsible for all assessments, obligations, and liabilities incurred
2 through the effective date of termination including any obligations, the performance of which
3 extends beyond the effective date of termination.

4 The Interstate Commission shall not bear any costs relating to the defaulting state unless
5 otherwise mutually agreed upon between the Interstate Commission and the defaulting state.

6 Reinstatement following termination of any compacting state requires both a reenactment of the
7 compact by the defaulting state and the approval of the Interstate Commission pursuant to the
8 rules.

9 Section C. Judicial Enforcement

10 The Interstate Commission may, by majority vote of the members, initiate legal action in the
11 United States District Court for the District of Columbia or, at the discretion of the Interstate
12 Commission, in the Federal District where the Interstate Commission has its offices to enforce
13 compliance with the provisions of the compact, its duly promulgated rules and by-laws, against
14 any compacting state in default. In the event judicial enforcement is necessary the prevailing
15 party shall be awarded all costs of such litigation including reasonable attorneys' fees.

16 Section D. Dissolution of Compact

17 The compact dissolves effective upon the date of the withdrawal or default of the compacting
18 state, which reduces the membership in the compact to one compacting state.

19 Upon the dissolution of this compact, the compact becomes null and void and shall be of no
20 further force or effect, and the business and affairs of the Interstate Commission shall be wound
21 up and any surplus funds shall be distributed in accordance with the by-laws.

22 ARTICLE XIII

23 SEVERABILITY AND CONSTRUCTION

24 The provisions of this compact shall be severable, and if any phrase, clause, sentence, or

1 provision is deemed unenforceable, the remaining provisions of the compact shall be enforceable.

2 The provisions of this compact shall be liberally constructed to effectuate its purposes.

3 ARTICLE XIV

4 BINDING EFFECT OF COMPACT AND OTHER LAWS

5 Section A. Other Laws

6 Nothing herein prevents the enforcement of any other law of a compacting state that is not
7 inconsistent with this compact.

8 All compacting states' laws conflicting with this compact are superseded to the extent of the
9 conflict.

10 Section B. Binding Effect of the Compact

11 All lawful actions of the Interstate Commission, including all rules and by-laws promulgated
12 by the Interstate Commission, are binding upon the compacting states.

13 All agreements between the Interstate Commission and the compacting states are binding in
14 accordance with their terms.

15 Upon the request of a party to a conflict over meaning or interpretation of the Interstate
16 Commission actions, and upon a majority vote of the compacting states, the Interstate
17 Commission may issue advisory opinions regarding such meaning or interpretation.

18 In the event any provision of this compact exceeds the constitutional limits imposed on the
19 legislature of any compacting state, the obligations, duties, powers, or jurisdiction sought to be
20 conferred by such provision upon the Interstate Commission shall be ineffective and such
21 obligations, duties, powers, or jurisdiction shall remain in the compacting state and shall be
22 exercised by the agency thereof to which such obligations, duties, powers, or jurisdiction are
23 delegated by law in effect at the time this compact becomes effective.

24 Section 2. This provisions of this Act are effective, and the provisions of chapter 24-16 are

- 1 simultaneously repealed on July 1, 2001, or the final ratification of the compact pursuant to
- 2 Article XI, whichever occurs later.

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

400E0310

SENATE ENGROSSED NO. **SB 38** - 01/25/2001

Introduced by: The Committee on Commerce at the request of the Department of
Commerce and Regulation

1 FOR AN ACT ENTITLED, An Act to revise health plan coverage requirements for newborns
2 and newly adopted children.

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

4 Section 1. That § 58-17-30.3 be amended to read as follows:

5 58-17-30.3. The coverage for a newly born child from the moment of birth or for a newly
6 adopted child, from the beginning of the six-month adoption bonding period, shall consist of
7 coverage of injury or sickness including the necessary care and treatment of premature birth and
8 medically diagnosed congenital defects and birth abnormalities. The coverage required by this
9 section applies to any subsequent health benefit plan that is purchased providing coverage for
10 that newly born or newly adopted child if application for the subsequent coverage is made within
11 sixty-three days of the termination of the prior coverage and if the coverage is issued pursuant
12 to § 58-17-85. The provisions of §§ 58-17-30.2 to 58-17-30.4, inclusive, apply to any
13 individually written health benefit plan issued or renewed by any health insurer, health carrier,
14 health maintenance organization, fraternal benefit society, nonprofit medical and surgical plan,
15 nonprofit hospital service plan, or other entity providing coverage through a health benefit plan

1 subject to the provisions of this title.

2 Section 2. That § 58-18-33 be amended to read as follows:

3 58-18-33. The coverage for a newly born child from the moment of birth or for a newly
4 adopted child, from the beginning of the six-month adoption bonding period, shall consist of
5 coverage of injury or sickness including the necessary care and treatment of premature birth and
6 medically diagnosed congenital defects and birth abnormalities. The coverage required by this
7 section applies to any subsequent health benefit plan that is purchased providing coverage for
8 that newly born or newly adopted child if application for the subsequent coverage is made within
9 sixty-three days of the termination of the prior coverage. The provisions of §§ 58-18-32 to 58-
10 18-34, inclusive, apply to any group health benefit plan issued or renewed by any health insurer,
11 health carrier, health maintenance organization, fraternal benefit society, nonprofit medical and
12 surgical plan, nonprofit hospital service plan, or other entity providing coverage through a health
13 benefit plan subject to the provisions of this title.

14 Section 3. That § 58-33-85 be amended to read as follows:

15 58-33-85. Any insurer subject to this chapter, including any group health plan, as defined in
16 section 607(1) of the Employee Retirement Income Security Act of 1974, as amended to
17 January 1, 1994, who are engaged in the business of health insurance is prohibited from denying
18 enrollment of a dependent child, ~~as defined by subdivision 25-7A-1(7),~~ under the health insurance
19 coverage of either the child's natural, adoptive, or stepparents for any of the following reasons:

- 20 (1) The child was born out of wedlock; or
21 (2) The child is not claimed as a dependent on the parent's federal income tax return; or
22 (3) The child does not reside with the parent or in the insurer's service area.

23 Section 4. That § 58-38-11.7 be repealed.

24 ~~58-38-11.7. Any health insurance policy or indemnity type contract issued by a nonprofit~~

1 ~~medical and surgical service plan corporation which offers coverage for a family member of an~~
2 ~~insured or subscriber shall provide that the health insurance benefits applicable for children are~~
3 ~~payable with respect to a newly born child of the insured or subscriber from the moment of birth~~
4 ~~or to a newly adopted child of the insured or subscriber from the beginning of the six-month~~
5 ~~adoption bonding period. The newly born or newly adopted child shall be added to the policy~~
6 ~~without underwriting and without the imposition of any preexisting waiting period. Any policy~~
7 ~~or contract issued before July 1, 1984, shall, upon its next anniversary date, also provide that the~~
8 ~~health insurance benefits applicable for children are payable with respect to a newly born child~~
9 ~~of the insured or subscriber from the moment of birth or to a newly adopted child of the insured~~
10 ~~or subscriber from the beginning of the six-month adoption bonding period.~~

11 Section 5. That § 58-38-11.8 be repealed.

12 ~~—58-38-11.8. The coverage for a newly born child from the moment of birth or for a newly~~
13 ~~adopted child, from the beginning of the six-month adoption bonding period, shall consist of~~
14 ~~coverage of injury or sickness including the necessary care and treatment of premature birth and~~
15 ~~medically diagnosed congenital defects and birth abnormalities.~~

16 Section 6. That § 58-38-11.9 be repealed.

17 ~~—58-38-11.9. An insurer may require notice that a newly born or newly adopted child is to be~~
18 ~~added to the policy or that coverage is to be changed from single or spousal coverage to family~~
19 ~~coverage. However, the insurer may not require notification sooner than the birth of the child~~
20 ~~or the start of the adoption bonding period. If the child is added or coverage changed to family~~
21 ~~coverage before the birth of the child or the start of the adoption bonding period, no additional~~
22 ~~premium may be charged by the insurer until the birth of the child or the start of the adoption~~
23 ~~bonding period. The insurer shall take reasonable steps to provide adequate notice to insureds~~
24 ~~of the need to alter coverage to ensure newborn or adopted children are covered and of the lack~~

1 of premium adjustment until the birth of the child or the start of the adoption bonding period. An
2 insurer is considered to have taken reasonable steps if prominent disclosure of the requirements
3 of this section are included in a certificate, subscriber contract, evidence of coverage, or
4 employee handbook if such are provided to all insureds.

5 — If payment of a specific premium or subscription fee is required to provide coverage for a
6 child, the policy or contract may require that notification of birth of a newly born child or
7 notification of the start of the six-month adoption bonding period for an adopted child and
8 payment of the required premium or fees be furnished to the nonprofit medical and surgical
9 service plan corporation within thirty-one days after the date of birth or start of the bonding
10 period in order to have the coverage continued beyond the thirty-one day period.

11 Section 7. That § 58-40-10.7 be repealed.

12 — 58-40-10.7. Any health insurance policy or indemnity type contract issued by a nonprofit
13 hospital service plan corporation which offers coverage for a family member of an insured or
14 subscriber shall provide that the health insurance benefits applicable for children are payable with
15 respect to a newly born child of the insured or subscriber from the moment of birth or to a newly
16 adopted child of the insured or subscriber from the beginning of the six-month adoption bonding
17 period. The newly born or newly adopted child shall be added to the policy without underwriting
18 and without the imposition of any preexisting waiting period. Any policy or contract issued
19 before July 1, 1984, shall, upon its next anniversary date, also provide that the health insurance
20 benefits applicable for children are payable with respect to a newly born child of the insured or
21 subscriber from the moment of birth or to a newly adopted child of the insured or subscriber
22 from the beginning of the six-month adoption bonding period.

23 Section 8. That § 58-40-10.8 be repealed.

24 — 58-40-10.8. The coverage for a newly born child from the moment of birth or for a newly

1 ~~adopted child, from the beginning of the six-month adoption bonding period, shall consist of~~
2 ~~coverage of injury or sickness including the necessary care and treatment of premature birth and~~
3 ~~medically diagnosed congenital defects and birth abnormalities.~~

4 Section 9. That § 58-40-10.9 be repealed.

5 ~~—58-40-10.9. An insurer may require notice that a newly born or newly adopted child is to be~~
6 ~~added to the policy or that coverage is to be changed from single or spousal coverage to family~~
7 ~~coverage. However, the insurer may not require notification sooner than the birth of the child~~
8 ~~or the start of the adoption bonding period. If the child is added or coverage changed to family~~
9 ~~coverage before the birth of the child or the start of the adoption bonding period, no additional~~
10 ~~premium may be charged by the insurer until the birth of the child or the start of the adoption~~
11 ~~bonding period. The insurer shall take reasonable steps to provide adequate notice to insureds~~
12 ~~of the need to alter coverage to ensure newborn or adopted children are covered and of the lack~~
13 ~~of premium adjustment until the birth of the child or the start of the adoption bonding period. An~~
14 ~~insurer is considered to have taken reasonable steps if prominent disclosure of the requirements~~
15 ~~of this section are included in a certificate, subscriber contract, evidence of coverage, or~~
16 ~~employee handbook if such are provided to all insureds.~~

17 ~~—If payment of a specific premium or subscription fee is required to provide coverage for a~~
18 ~~child, the policy or contract may require that notification of birth of a newly born child or~~
19 ~~notification of the start of the six-month adoption bonding period for an adopted child and~~
20 ~~payment of the required premium or fees be furnished to the nonprofit medical and surgical~~
21 ~~service plan corporation within thirty-one days after the date of birth or start of the bonding~~
22 ~~period in order to have the coverage continued beyond the thirty-one day period.~~

23 Section 10. That § 58-41-35.2 be repealed.

24 ~~—58-41-35.2. Any health insurance policy or indemnity type contract issued by a health~~

1 maintenance organization which offers coverage for a family member of an insured or subscriber
2 shall provide that the health insurance benefits applicable for children are payable with respect
3 to a newly born child of the insured or subscriber from the moment of birth or to a newly
4 adopted child of the insured or subscriber from the beginning of the six-month adoption bonding
5 period. The newly born or newly adopted child shall be added to the policy without underwriting
6 and without the imposition of any preexisting waiting period. Any policy or contract issued
7 before July 1, 1984, shall, upon its next anniversary date, also provide that the health insurance
8 benefits applicable for children are payable with respect to a newly born child of the insured or
9 subscriber from the moment of birth or to a newly adopted child of the insured or subscriber
10 from the beginning of the six-month adoption bonding period.

11 Section 11. That § 58-41-35.3 be repealed.

12 ~~— 58-41-35.3. The coverage for a newly born child from the moment of birth or for a newly~~
13 ~~adopted child, from the beginning of the six-month adoption bonding period, shall consist of~~
14 ~~coverage of injury or sickness including the necessary care and treatment of premature birth and~~
15 ~~medically diagnosed congenital defects and birth abnormalities.~~

16 Section 12. That § 58-41-35.4 be repealed.

17 ~~— 58-41-35.4. An insurer may require notice that a newly born or newly adopted child is to be~~
18 ~~added to the policy or that coverage is to be changed from single or spousal coverage to family~~
19 ~~coverage. However, the insurer may not require notification sooner than the birth of the child~~
20 ~~or the start of the adoption bonding period. If the child is added or coverage changed to family~~
21 ~~coverage before the birth of the child or the start of the adoption bonding period, no additional~~
22 ~~premium may be charged by the insurer until the birth of the child or the start of the adoption~~
23 ~~bonding period. The insurer shall take reasonable steps to provide adequate notice to insureds~~
24 ~~of the need to alter coverage to ensure newborn or adopted children are covered and of the lack~~

1 ~~of premium adjustment until the birth of the child or the start of the adoption bonding period. An~~
2 ~~insurer is considered to have taken reasonable steps if prominent disclosure of the requirements~~
3 ~~of this section are included in a certificate, subscriber contract, evidence of coverage, or~~
4 ~~employee handbook if such are provided to all insureds.~~

5 ~~— If payment of a specific premium or subscription fee is required to provide coverage for a~~
6 ~~child, the policy or contract may require that notification of birth of a newly born child or~~
7 ~~notification of the start of the six-month adoption bonding period for an adopted child and~~
8 ~~payment of the required premium or fees be furnished to the nonprofit medical and surgical~~
9 ~~service plan corporation within thirty-one days after the date of birth or start of the bonding~~
10 ~~period in order to have the coverage continued beyond the thirty-one day period.~~

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

781E0395

SENATE COMMERCE COMMITTEE ENGROSSED NO. **SB 74 - 01/23/2001**

Introduced by: Senator Munson and Representative Konold

1 FOR AN ACT ENTITLED, An Act to add the Student Loan Marketing Association to certain
2 existing permitted investments of insurers.

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

4 Section 1. That § 58-27-57 be amended to read as follows:

5 58-27-57. Except with the director's consent, no insurer may have invested at any one time
6 more than forty percent of its assets in the class of securities described in subdivisions
7 58-27-17(1), (2), (3), and (4) and in § 58-27-28, exclusive of obligations of the Student Loan
8 Marketing Association, public utilities and securities described in §§ 58-27-103 and 58-27-104
9 and obligations guaranteed or insured by the United States Government or any instrumentality
10 or subdivision thereof, or any state as defined in subdivision 58-1-2(16). For purposes of
11 determining compliance with this section, the investments under subdivision 58-27-17(4) are
12 limited to those mutual funds that are investing at least ninety percent in bonds defined in
13 subdivisions 58-27-17(1), (2), and (3) and §§ 58-27-9 to 58-27-13, inclusive.

14 Section 2. That § 58-27-51 be amended to read as follows:

15 58-27-51. Notwithstanding the aggregate limitations set forth in chapter 58-27, an insurer

1 may exceed such limitations if it does not invest, in the aggregate, an amount in excess of fifty
2 percent of its capital and surplus in excess of four hundred thousand dollars, if such investment
3 otherwise complies with chapter 58-27. The provisions of this section do not apply to the
4 exceptions set forth in § 58-27-53 or 58-27-57.

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

552E0462 **SENATE AGRICULTURE AND NATURAL RESOURCES**
COMMITTEE ENGROSSED NO. SB 94 - 01/25/2001

Introduced by: Senators Bogue, Duxbury, Koetzle, McCracken, Moore, Reedy, and
Sutton (Dan) and Representatives Jaspers, Bartling, Hennies (Thomas),
Jensen, Kloucek, McCaulley, Michels, Monroe, Nachtigal, Rhoden, Sebert,
and Slaughter

1 FOR AN ACT ENTITLED, An Act to establish a statute of limitations for veterinary services.

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

3 Section 1. An action against a veterinarian or any member of a veterinarian's staff for
4 malpractice, error, mistake, or failure to cure, whether based upon contract or tort, may be
5 commenced only within three years after the alleged malpractice, error, mistake, or failure to
6 cure has occurred. However, the provisions of this section do not prohibit any counterclaim for
7 malpractice, error, mistake, or failure to cure, as a defense to any action for services brought by
8 a veterinarian.

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

762E0409

SENATE ENGROSSED NO. **SB 100** - 01/31/2001

Introduced by: Senators Hainje and Koetzle and Representatives Murschel and Hennies
(Thomas)

1 FOR AN ACT ENTITLED, An Act to update the references to the building codes.

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

3 Section 1. That § 9-33-4.1 be amended to read as follows:

4 9-33-4.1. ~~Municipalities are hereby authorized to~~ Each municipality may adopt by ordinance
5 ~~those certain~~ building codes ~~known as the Uniform Codes adopted and proposed by the~~
6 ~~International Conference of Building Officials and the whole thereof, except such portions as the~~
7 ~~municipality may delete, modify, or amend, and as so deleted, modified, or amended it shall be~~
8 ~~filed in the office of the city auditor, city finance officer, or town clerk. Additional deletions,~~
9 ~~modifications, and amendments may, from time to time, be made by the governing body, and~~
10 ~~shall be effective upon their adoption and filing with the city auditor, city finance officer, or town~~
11 ~~clerk pursuant to § 11-10-5.~~

12 Section 2. That subdivision (17) of § 7-8-20 be amended to read as follows:

13 (17) To enact by ordinance, for any portion of the county which is zoned, ~~the 1997 Edition~~
14 ~~of the Uniform Building Code as published by the International Conference of~~
15 ~~Building Officials and to amend, modify, or delete any portion of the Uniform~~

1 ~~Building Code before enacting such an ordinance. Such ordinance may not apply to~~
2 ~~mobile or manufactured homes as defined in chapter 32-7A which are constructed in~~
3 ~~compliance with the applicable prevailing standards of the United States Department~~
4 ~~of Housing and Urban Development at the time of construction. The ordinance and~~
5 ~~any further amendments, modifications, or deletions shall be filed with the county~~
6 ~~auditor and shall become effective upon such filing certain building codes pursuant to~~
7 ~~§ 11-10-5.~~

8 Section 3. That § 11-10-5 be amended to read as follows:

9 11-10-5. If the governing body of any local unit of government adopts any ordinance
10 prescribing standards for new construction, such ~~ordinances~~ ordinance shall comply with the
11 1997 Edition of the Uniform Building Code as published by the International Conference of
12 Building Officials or the 2000 edition of the International Building Code as published by the
13 International Code Council, Incorporated. The governing body may amend, modify, or delete
14 any portion of the Uniform or International Building Code before enacting such an ordinance.
15 Additional deletions, modifications, and amendments to the municipal ordinance may, from time
16 to time, be made by the governing body and are effective upon their adoption and filing with the
17 municipal finance officer. Additional deletions, modifications, and amendments to the county
18 ordinance may, from time to time, be made by the governing body, and are effective upon their
19 adoption and filing with the county auditor. The ordinance may not apply to mobile or
20 manufactured homes as defined in chapter 32-7A which are constructed in compliance with the
21 applicable prevailing standards of the United States Department of Housing and Urban
22 Development at the time of construction.

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

535E0385

HOUSE JUDICIARY COMMITTEE ENGROSSED NO.

SB 123 - 02/14/2001

Introduced by: Senators Bogue, Daugaard, de Hueck, Koetzle, Moore, and Whiting and
Representatives McCaulley, Gillespie, Madsen, and Michels

1 FOR AN ACT ENTITLED, An Act to adopt the Uniform Partnership Act and to repeal
2 conflicting provisions.

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

4 Section 101. In this Act:

5 (1) "Business" includes every trade, occupation, and profession.

6 (2) "Debtor in bankruptcy" means a person who is the subject of:

7 (i) An order for relief under Title 11 of the United States Code or a comparable
8 order under a successor statute of general application; or

9 (ii) A comparable order under federal, state, or foreign law governing insolvency.

10 (3) "Distribution" means a transfer of money or other property from a partnership to a
11 partner in the partner's capacity as a partner or to the partner's transferee.

12 (4) "Foreign limited liability partnership" means a partnership that:

13 (i) Is formed under laws other than the laws of this state; and

14 (ii) Has the status of a limited liability partnership under those laws.

- 1 (5) "Limited liability partnership" means a partnership that has filed a statement of
2 qualification under Section 1001 and does not have a similar statement in effect in any
3 other jurisdiction.
- 4 (6) "Partnership" means an association of two or more persons to carry on as co-owners
5 a business for profit formed under Section 202, predecessor law, or comparable law
6 of another jurisdiction.
- 7 (7) "Partnership agreement" means the agreement, whether written, oral, or implied,
8 among the partners concerning the partnership, including amendments to the
9 partnership agreement.
- 10 (8) "Partnership at will" means a partnership in which the partners have not agreed to
11 remain partners until the expiration of a definite term or the completion of a particular
12 undertaking.
- 13 (9) "Partnership interest" or "partner's interest in the partnership" means all of a partner's
14 interests in the partnership, including the partner's transferable interest and all
15 management and other rights.
- 16 (10) "Person" means an individual, corporation, business trust, estate, trust, partnership,
17 association, joint venture, government, governmental subdivision, agency, or
18 instrumentality, or any other legal or commercial entity.
- 19 (11) "Property" means all property, real, personal, or mixed, tangible or intangible, or any
20 interest therein.
- 21 (12) "State" means a state of the United States, the District of Columbia, the
22 Commonwealth of Puerto Rico, or any territory or insular possession subject to the
23 jurisdiction of the United States.
- 24 (13) "Statement" means a statement of partnership authority under Section 303, a

1 statement of denial under Section 304, a statement of dissociation under Section 704,
2 a statement of dissolution under Section 805, a statement of merger under Section
3 907, a statement of qualification under Section 1001, a statement of foreign
4 qualification under Section 1102, or an amendment or cancellation of any of the
5 foregoing.

6 (14) "Transfer" includes an assignment, conveyance, lease, mortgage, deed, and
7 encumbrance.

8 Section 102. (a) A person knows a fact if the person has actual knowledge of it.

9 (b) A person has notice of a fact if the person:

10 (1) Knows of it;

11 (2) Has received a notification of it; or

12 (3) Has reason to know it exists from all of the facts known to the person at the time in
13 question.

14 (c) A person notifies or gives a notification to another by taking steps reasonably required
15 to inform the other person in ordinary course, whether or not the other person learns of it.

16 (d) A person receives a notification when the notification:

17 (1) Comes to the person's attention; or

18 (2) Is duly delivered at the person's place of business or at any other place held out by the
19 person as a place for receiving communications.

20 (e) Except as otherwise provided in subsection (f), a person other than an individual knows,
21 has notice, or receives a notification of a fact for purposes of a particular transaction when the
22 individual conducting the transaction knows, has notice, or receives a notification of the fact, or
23 in any event when the fact would have been brought to the individual's attention if the person had
24 exercised reasonable diligence. The person exercises reasonable diligence if it maintains

1 reasonable routines for communicating significant information to the individual conducting the
2 transaction and there is reasonable compliance with the routines. Reasonable diligence does not
3 require an individual acting for the person to communicate information unless the communication
4 is part of the individual's regular duties or the individual has reason to know of the transaction
5 and that the transaction would be materially affected by the information.

6 (f) A partner's knowledge, notice, or receipt of a notification of a fact relating to the
7 partnership is effective immediately as knowledge by, notice to, or receipt of a notification by
8 the partnership, except in the case of a fraud on the partnership committed by or with the consent
9 of that partner.

10 Section 103. (a) Except as otherwise provided in subsection (b), relations among the partners
11 and between the partners and the partnership are governed by the partnership agreement. To the
12 extent the partnership agreement does not otherwise provide, this Act governs relations among
13 the partners and between the partners and the partnership.

14 (b) The partnership agreement may not:

15 (1) Vary the rights and duties under Section 105 except to eliminate the duty to provide
16 copies of statements to all of the partners;

17 (2) Unreasonably restrict the right of access to books and records under Section 403(b);

18 (3) Eliminate the duty of loyalty under Section 404(b) or 603(b)(3), but:

19 (i) The partnership agreement may identify specific types or categories of
20 activities that do not violate the duty of loyalty, if not manifestly unreasonable;

21 or

22 (ii) All of the partners or a number or percentage specified in the partnership
23 agreement may authorize or ratify, after full disclosure of all material facts, a
24 specific act or transaction that otherwise would violate the duty of loyalty;

- 1 (4) Unreasonably reduce the duty of care under Section 404(c) or 603(b)(3);
- 2 (5) Eliminate the obligation of good faith and fair dealing under Section 404(d), but the
- 3 partnership agreement may prescribe the standards by which the performance of the
- 4 obligation is to be measured, if the standards are not manifestly unreasonable;
- 5 (6) Vary the power to dissociate as a partner under Section 602(a), except to require the
- 6 notice under Section 601(1) to be in writing;
- 7 (7) Vary the right of a court to expel a partner in the events specified in Section 601(5);
- 8 (8) Vary the requirement to wind up the partnership business in cases specified in Section
- 9 801(4), (5), or (6);
- 10 (9) Vary the law applicable to a limited liability partnership under Section 106(b); or
- 11 (10) Restrict rights of third parties under this Act.

12 Section 104. (a) Unless displaced by particular provisions of this Act, the principles of law
13 and equity supplement this Act.

14 (b) If an obligation to pay interest arises under this Act and the rate is not specified, the rate
15 is that specified in Category B of subdivision 54-3-16(2).

16 Section 105. (a) A statement may be filed in the Office of the Secretary of State. A certified
17 copy of a statement that is filed in an office in another state may be filed in the Office of the
18 Secretary of State. Either filing has the effect provided in this Act with respect to partnership
19 property located in or transactions that occur in this state.

20 (b) A certified copy of a statement that has been filed in the Office of the Secretary of State
21 and recorded in the office of the register of deeds has the effect provided for recorded statements
22 in this Act. A recorded statement that is not a certified copy of a statement filed in the Office of
23 the Secretary of State does not have the effect provided for recorded statements in this Act.

24 (c) A statement filed by a partnership must be executed by at least two partners. Other

1 statements must be executed by a partner or other person authorized by this Act. An individual
2 who executes a statement as, or on behalf of, a partner or other person named as a partner in a
3 statement shall personally declare under penalty of perjury that the contents of the statement are
4 accurate.

5 (d) A person authorized by this Act to file a statement may amend or cancel the statement
6 by filing an amendment or cancellation that names the partnership, identifies the statement, and
7 states the substance of the amendment or cancellation.

8 (e) A person who files a statement pursuant to this section shall promptly send a copy of the
9 statement to every nonfiling partner and to any other person named as a partner in the statement.
10 Failure to send a copy of a statement to a partner or other person does not limit the effectiveness
11 of the statement as to a person not a partner.

12 The secretary of state may collect a fee for filing or providing a certified copy of a statement.
13 The register of deeds may collect a fee, not to exceed ten dollars, for recording a statement.

14 Section 106. (a) Except as otherwise provided in subsection (b), the law of the jurisdiction
15 in which a partnership has its chief executive office governs relations among the partners and
16 between the partners and the partnership.

17 (b) The law of this state governs relations among the partners and between the partners and
18 the partnership and the liability of partners for an obligation of a limited liability partnership.

19 Section 107. A partnership governed by this Act is subject to any amendment to or repeal
20 of this Act.

21 Section 201. (a) A partnership is an entity distinct from its partners.

22 (b) A limited liability partnership continues to be the same entity that existed before the filing
23 of a statement of qualification under Section 1001.

24 Section 202. (a) Except as otherwise provided in subsection (b), the association of two or

1 more persons to carry on as co-owners a business for profit forms a partnership, whether or not
2 the persons intend to form a partnership.

3 (b) An association formed under a statute other than this Act, a predecessor statute, or a
4 comparable statute of another jurisdiction is not a partnership under this Act.

5 (c) In determining whether a partnership is formed, the following rules apply:

6 (1) Joint tenancy, tenancy in common, tenancy by the entireties, joint property, common
7 property, or part ownership does not by itself establish a partnership, even if the co-
8 owners share profits made by the use of the property.

9 (2) The sharing of gross returns does not by itself establish a partnership, even if the
10 persons sharing them have a joint or common right or interest in property from which
11 the returns are derived.

12 (3) A person who receives a share of the profits of a business is presumed to be a partner
13 in the business, unless the profits were received in payment:

14 (i) Of a debt by installments or otherwise;

15 (ii) For services as an independent contractor or of wages or other compensation
16 to an employee;

17 (iii) Of rent;

18 (iv) Of an annuity or other retirement or health benefit to a beneficiary,
19 representative, or designee of a deceased or retired partner;

20 (v) Of interest or other charge on a loan, even if the amount of payment varies
21 with the profits of the business, including a direct or indirect present or future
22 ownership of the collateral, or rights to income, proceeds, or increase in value
23 derived from the collateral; or

24 (vi) For the sale of the goodwill of a business or other property by installments or

1 otherwise.

2 Section 203. Property acquired by a partnership is property of the partnership and not of the
3 partners individually.

4 Section 204. (a) Property is partnership property if acquired in the name of:

5 (1) The partnership; or

6 (2) One or more partners with an indication in the instrument transferring title to the
7 property of the person's capacity as a partner or of the existence of a partnership but
8 without an indication of the name of the partnership.

9 (b) Property is acquired in the name of the partnership by a transfer to:

10 (1) The partnership in its name; or

11 (2) One or more partners in their capacity as partners in the partnership, if the name of
12 the partnership is indicated in the instrument transferring title to the property.

13 (c) Property is presumed to be partnership property if purchased with partnership assets,
14 even if not acquired in the name of the partnership or of one or more partners with an indication
15 in the instrument transferring title to the property of the person's capacity as a partner or of the
16 existence of a partnership.

17 (d) Property acquired in the name of one or more of the partners, without an indication in
18 the instrument transferring title to the property of the person's capacity as a partner or of the
19 existence of a partnership and without use of partnership assets, is presumed to be separate
20 property, even if used for partnership purposes.

21 Section 301. Subject to the effect of a statement of partnership authority under Section 303:

22 (1) Each partner is an agent of the partnership for the purpose of its business. An act of
23 a partner, including the execution of an instrument in the partnership name, for
24 apparently carrying on in the ordinary course the partnership business or business of

1 the kind carried on by the partnership binds the partnership, unless the partner had no
2 authority to act for the partnership in the particular matter and the person with whom
3 the partner was dealing knew or had received a notification that the partner lacked
4 authority.

5 (2) An act of a partner which is not apparently for carrying on in the ordinary course the
6 partnership business or business of the kind carried on by the partnership binds the
7 partnership only if the act was authorized by the other partners.

8 Section 302. (a) Partnership property may be transferred as follows:

9 (1) Subject to the effect of a statement of partnership authority under Section 303,
10 partnership property held in the name of the partnership may be transferred by an
11 instrument of transfer executed by a partner in the partnership name.

12 (2) Partnership property held in the name of one or more partners with an indication in
13 the instrument transferring the property to them of their capacity as partners or of the
14 existence of a partnership, but without an indication of the name of the partnership,
15 may be transferred by an instrument of transfer executed by the persons in whose
16 name the property is held.

17 (3) Partnership property held in the name of one or more persons other than the
18 partnership, without an indication in the instrument transferring the property to them
19 of their capacity as partners or of the existence of a partnership, may be transferred
20 by an instrument of transfer executed by the persons in whose name the property is
21 held.

22 (b) A partnership may recover partnership property from a transferee only if it proves that
23 execution of the instrument of initial transfer did not bind the partnership under Section 301 and:

24 (1) As to a subsequent transferee who gave value for property transferred under

1 subsection (a)(1) and (2), proves that the subsequent transferee knew or had received
2 a notification that the person who executed the instrument of initial transfer lacked
3 authority to bind the partnership; or

4 (2) As to a transferee who gave value for property transferred under subsection (a)(3),
5 proves that the transferee knew or had received a notification that the property was
6 partnership property and that the person who executed the instrument of initial
7 transfer lacked authority to bind the partnership.

8 (c) A partnership may not recover partnership property from a subsequent transferee if the
9 partnership would not have been entitled to recover the property, under subsection (b), from any
10 earlier transferee of the property.

11 (d) If a person holds all of the partners' interests in the partnership, all of the partnership
12 property vests in that person. The person may execute a document in the name of the partnership
13 to evidence vesting of the property in that person and may file or record the document.

14 Section 303. (a) A partnership may file a statement of partnership authority in the Office of
15 the Secretary of State, which:

16 (1) Must include:

17 (i) The name of the partnership;

18 (ii) The street address of its chief executive office and of one office in this state,
19 if there is one;

20 (iii) The names and mailing addresses of all of the partners or of an agent appointed
21 and maintained by the partnership for the purpose of subsection (b); and

22 (iv) The names of the partners authorized to execute an instrument transferring real
23 property held in the name of the partnership; and

24 (2) May state the authority, or limitations on the authority, of some or all of the partners

1 to enter into other transactions on behalf of the partnership and any other matter.

2 (b) If a statement of partnership authority names an agent, the agent shall maintain a list of
3 the names and mailing addresses of all of the partners and make it available to any person on
4 request for good cause shown.

5 (c) If a filed statement of partnership authority is executed pursuant to Section 105(c) and
6 states the name of the partnership but does not contain all of the other information required by
7 subsection (a), the statement nevertheless operates with respect to a person not a partner as
8 provided in subsections (d) and (e).

9 (d) Except as otherwise provided in subsection (g), a filed statement of partnership authority
10 supplements the authority of a partner to enter into transactions on behalf of the partnership as
11 follows:

12 (1) Except for transfers of real property, a grant of authority contained in a filed
13 statement of partnership authority is conclusive in favor of a person who gives value
14 without knowledge to the contrary, so long as and to the extent that a limitation on
15 that authority is not then contained in another filed statement. A filed cancellation of
16 a limitation on authority revives the previous grant of authority.

17 (2) A grant of authority to transfer real property held in the name of the partnership
18 contained in a certified copy of a filed statement of partnership authority recorded in
19 the office for recording transfers of that real property is conclusive in favor of a
20 person who gives value without knowledge to the contrary, so long as and to the
21 extent that a certified copy of a filed statement containing a limitation on that
22 authority is not then of record in the office for recording transfers of that real
23 property. The recording in the office for recording transfers of that real property of
24 a certified copy of a filed cancellation of a limitation on authority revives the previous

1 grant of authority.

2 (e) A person not a partner is deemed to know of a limitation on the authority of a partner to
3 transfer real property held in the name of the partnership if a certified copy of the filed statement
4 containing the limitation on authority is of record in the office for recording transfers of that real
5 property.

6 (f) Except as otherwise provided in subsections (d) and (e) and Sections 704 and 805, a
7 person not a partner is not deemed to know of a limitation on the authority of a partner merely
8 because the limitation is contained in a filed statement.

9 (g) Unless earlier canceled, a filed statement of partnership authority is canceled by operation
10 of law five years after the date on which the statement, or the most recent amendment, was filed
11 with the secretary of state.

12 Section 304. A partner or other person named as a partner in a filed statement of partnership
13 authority or in a list maintained by an agent pursuant to Section 303(b) may file a statement of
14 denial in the Office of the Secretary of State stating the name of the partnership and the fact that
15 is being denied, which may include denial of a person's authority or status as a partner. A
16 statement of denial is a limitation on authority as provided in Section 303(d) and (e).

17 Section 305. (a) A partnership is liable for loss or injury caused to a person, or for a penalty
18 incurred, as a result of a wrongful act or omission, or other actionable conduct, of a partner
19 acting in the ordinary course of business of the partnership or with authority of the partnership.

20 (b) If, in the course of the partnership's business or while acting with authority of the
21 partnership, a partner receives or causes the partnership to receive money or property of a person
22 not a partner, and the money or property is misapplied by a partner, the partnership is liable for
23 the loss.

24 Section 306. (a) Except as otherwise provided in subsections (b) and (c), all partners are

1 liable jointly and severally for all obligations of the partnership unless otherwise agreed by the
2 claimant or provided by law.

3 (b) A person admitted as a partner into an existing partnership is not personally liable for any
4 partnership obligation incurred before the person's admission as a partner.

5 (c) An obligation of a partnership incurred while the partnership is a limited liability
6 partnership, whether arising in contract, tort, or otherwise, is solely the obligation of the
7 partnership. A partner is not personally liable, directly or indirectly, by way of contribution or
8 otherwise, for such an obligation solely by reason of being or so acting as a partner. This
9 subsection applies notwithstanding anything inconsistent in the partnership agreement that
10 existed immediately before the vote required to become a limited liability partnership under
11 Section 1001(b).

12 Section 307. (a) A partnership may sue and be sued in the name of the partnership.

13 (b) An action may be brought against the partnership and, to the extent not inconsistent with
14 Section 306, any or all of the partners in the same action or in separate actions.

15 (c) A judgment against a partnership is not by itself a judgment against a partner. A judgment
16 against a partnership may not be satisfied from a partner's assets unless there is also a judgment
17 against the partner.

18 (d) A judgment creditor of a partner may not levy execution against the assets of the partner
19 to satisfy a judgment based on a claim against the partnership unless the partner is personally
20 liable for the claim under Section 306 and:

21 (1) A judgment based on the same claim has been obtained against the partnership and a
22 writ of execution on the judgment has been returned unsatisfied in whole or in part;

23 (2) The partnership is a debtor in bankruptcy;

24 (3) The partner has agreed that the creditor need not exhaust partnership assets;

1 (4) A court grants permission to the judgment creditor to levy execution against the
2 assets of a partner based on a finding that partnership assets subject to execution are
3 clearly insufficient to satisfy the judgment, that exhaustion of partnership assets is
4 excessively burdensome, or that the grant of permission is an appropriate exercise of
5 the court's equitable powers; or

6 (5) Liability is imposed on the partner by law or contract independent of the existence of
7 the partnership.

8 (e) This section applies to any partnership liability or obligation resulting from a
9 representation by a partner or purported partner under Section 308.

10 Section 308. (a) If a person, by words or conduct, purports to be a partner, or consents to
11 being represented by another as a partner, in a partnership or with one or more persons not
12 partners, the purported partner is liable to a person to whom the representation is made, if that
13 person, relying on the representation, enters into a transaction with the actual or purported
14 partnership. If the representation, either by the purported partner or by a person with the
15 purported partner's consent, is made in a public manner, the purported partner is liable to a
16 person who relies upon the purported partnership even if the purported partner is not aware of
17 being held out as a partner to the claimant. If partnership liability results, the purported partner
18 is liable with respect to that liability as if the purported partner were a partner. If no partnership
19 liability results, the purported partner is liable with respect to that liability jointly and severally
20 with any other person consenting to the representation.

21 (b) If a person is thus represented to be a partner in an existing partnership, or with one or
22 more persons not partners, the purported partner is an agent of persons consenting to the
23 representation to bind them to the same extent and in the same manner as if the purported
24 partner were a partner, with respect to persons who enter into transactions in reliance upon the

1 representation. If all of the partners of the existing partnership consent to the representation, a
2 partnership act or obligation results. If fewer than all of the partners of the existing partnership
3 consent to the representation, the person acting and the partners consenting to the representation
4 are jointly and severally liable.

5 (c) A person is not liable as a partner merely because the person is named by another in a
6 statement of partnership authority.

7 (d) A person does not continue to be liable as a partner merely because of a failure to file a
8 statement of dissociation or to amend a statement of partnership authority to indicate the
9 partner's dissociation from the partnership.

10 (e) Except as otherwise provided in subsections (a) and (b), persons who are not partners
11 as to each other are not liable as partners to other persons.

12 Section 401. (a) Each partner is deemed to have an account that is:

13 (1) Credited with an amount equal to the money plus the value of any other property, net
14 of the amount of any liabilities, the partner contributes to the partnership and the
15 partner's share of the partnership profits; and

16 (2) Charged with an amount equal to the money plus the value of any other property, net
17 of the amount of any liabilities, distributed by the partnership to the partner and the
18 partner's share of the partnership losses.

19 (b) Each partner is entitled to an equal share of the partnership profits and is chargeable with
20 a share of the partnership losses in proportion to the partner's share of the profits.

21 (c) A partnership shall reimburse a partner for payments made and indemnify a partner for
22 liabilities incurred by the partner in the ordinary course of the business of the partnership or for
23 the preservation of its business or property.

24 (d) A partnership shall reimburse a partner for an advance to the partnership beyond the

1 amount of capital the partner agreed to contribute.

2 (e) A payment or advance made by a partner which gives rise to a partnership obligation
3 under subsection (c) or (d) constitutes a loan to the partnership which accrues interest from the
4 date of the payment or advance.

5 (f) Each partner has equal rights in the management and conduct of the partnership business.

6 (g) A partner may use or possess partnership property only on behalf of the partnership.

7 (h) A partner is not entitled to remuneration for services performed for the partnership,
8 except for reasonable compensation for services rendered in winding up the business of the
9 partnership.

10 (i) A person may become a partner only with the consent of all of the partners.

11 (j) A difference arising as to a matter in the ordinary course of business of a partnership may
12 be decided by a majority of the partners. An act outside the ordinary course of business of a
13 partnership and an amendment to the partnership agreement may be undertaken only with the
14 consent of all of the partners.

15 (k) This section does not affect the obligations of a partnership to other persons under
16 Section 301.

17 Section 402. A partner has no right to receive, and may not be required to accept, a
18 distribution in kind.

19 Section 403. (a) A partnership shall keep its books and records, if any, at its chief executive
20 office.

21 (b) A partnership shall provide partners and their agents and attorneys access to its books
22 and records. It shall provide former partners and their agents and attorneys access to books and
23 records pertaining to the period during which they were partners. The right of access provides
24 the opportunity to inspect and copy books and records during ordinary business hours. A

1 partnership may impose a reasonable charge, covering the costs of labor and material, for copies
2 of documents furnished.

3 (c) Each partner and the partnership shall furnish to a partner, and to the legal representative
4 of a deceased partner or partner under legal disability:

5 (1) Without demand, any information concerning the partnership's business and affairs
6 reasonably required for the proper exercise of the partner's rights and duties under the
7 partnership agreement or this Act; and

8 (2) On demand, any other information concerning the partnership's business and affairs,
9 except to the extent the demand or the information demanded is unreasonable or
10 otherwise improper under the circumstances.

11 Section 404. (a) The only fiduciary duties a partner owes to the partnership and the other
12 partners are the duty of loyalty and the duty of care set forth in subsections (b) and (c).

13 (b) A partner's duty of loyalty to the partnership and the other partners is limited to the
14 following:

15 (1) To account to the partnership and hold as trustee for it any property, profit, or benefit
16 derived by the partner in the conduct and winding up of the partnership business or
17 derived from a use by the partner of partnership property, including the appropriation
18 of a partnership opportunity;

19 (2) To refrain from dealing with the partnership in the conduct or winding up of the
20 partnership business as or on behalf of a party having an interest adverse to the
21 partnership; and

22 (3) To refrain from competing with the partnership in the conduct of the partnership
23 business before the dissolution of the partnership.

24 (c) A partner's duty of care to the partnership and the other partners in the conduct and

1 winding up of the partnership business is limited to refraining from engaging in grossly negligent
2 or reckless conduct, intentional misconduct, or a knowing violation of law.

3 (d) A partner shall discharge the duties to the partnership and the other partners under this
4 Act or under the partnership agreement and exercise any rights consistently with the obligation
5 of good faith and fair dealing.

6 (e) A partner does not violate a duty or obligation under this Act or under the partnership
7 agreement merely because the partner's conduct furthers the partner's own interest.

8 (f) A partner may lend money to and transact other business with the partnership, and as to
9 each loan or transaction the rights and obligations of the partner are the same as those of a
10 person who is not a partner, subject to other applicable law.

11 (g) This section applies to a person winding up the partnership business as the personal or
12 legal representative of the last surviving partner as if the person were a partner.

13 Section 405. (a) A partnership may maintain an action against a partner for a breach of the
14 partnership agreement, or for the violation of a duty to the partnership, causing harm to the
15 partnership.

16 (b) A partner may maintain an action against the partnership or another partner for legal or
17 equitable relief, with or without an accounting as to partnership business, to:

18 (1) Enforce the partner's rights under the partnership agreement;

19 (2) Enforce the partner's rights under this Act, including:

20 (i) The partner's rights under Section 401, 403, or 404;

21 (ii) The partner's right on dissociation to have the partner's interest in the
22 partnership purchased pursuant to Section 701 or enforce any other right under
23 Article 6 or 7; or

24 (iii) The partner's right to compel a dissolution and winding up of the partnership

1 business under Section 801 or enforce any other right under Article 8; or

2 (3) Enforce the rights and otherwise protect the interests of the partner, including rights
3 and interests arising independently of the partnership relationship.

4 (c) The accrual of, and any time limitation on, a right of action for a remedy under this
5 section is governed by other law. A right to an accounting upon a dissolution and winding up
6 does not revive a claim barred by law.

7 Section 406. (a) If a partnership for a definite term or particular undertaking is continued,
8 without an express agreement, after the expiration of the term or completion of the undertaking,
9 the rights and duties of the partners remain the same as they were at the expiration or
10 completion, so far as is consistent with a partnership at will.

11 (b) If the partners, or those of them who habitually acted in the business during the term or
12 undertaking, continue the business without any settlement or liquidation of the partnership, they
13 are presumed to have agreed that the partnership will continue.

14 Section 501. A partner is not a co-owner of partnership property and has no interest in
15 partnership property which can be transferred, either voluntarily or involuntarily.

16 Section 502. The only transferable interest of a partner in the partnership is the partner's
17 share of the profits and losses of the partnership and the partner's right to receive distributions.
18 The interest is personal property.

19 Section 503. (a) A transfer, in whole or in part, of a partner's transferable interest in the
20 partnership:

21 (1) Is permissible;

22 (2) Does not by itself cause the partner's dissociation or a dissolution and winding up of
23 the partnership business; and

24 (3) Does not, as against the other partners or the partnership, entitle the transferee, during

1 the continuance of the partnership, to participate in the management or conduct of the
2 partnership business, to require access to information concerning partnership
3 transactions, or to inspect or copy the partnership books or records.

4 (b) A transferee of a partner's transferable interest in the partnership has a right:

5 (1) To receive, in accordance with the transfer, distributions to which the transferor
6 would otherwise be entitled;

7 (2) To receive upon the dissolution and winding up of the partnership business, in
8 accordance with the transfer, the net amount otherwise distributable to the transferor;
9 and

10 (3) To seek under Section 801(6) a judicial determination that it is equitable to wind up
11 the partnership business.

12 (c) In a dissolution and winding up, a transferee is entitled to an account of partnership
13 transactions only from the date of the latest account agreed to by all of the partners.

14 (d) Upon transfer, the transferor retains the rights and duties of a partner other than the
15 interest in distributions transferred.

16 (e) A partnership need not give effect to a transferee's rights under this section until it has
17 notice of the transfer.

18 (f) A transfer of a partner's transferable interest in the partnership in violation of a restriction
19 on transfer contained in the partnership agreement is ineffective as to a person having notice of
20 the restriction at the time of transfer.

21 Section 504. (a) On application by a judgment creditor of a partner or of a partner's
22 transferee, a court having jurisdiction may charge the transferable interest of the judgment debtor
23 to satisfy the judgment. The court may appoint a receiver of the share of the distributions due
24 or to become due to the judgment debtor in respect of the partnership and make all other orders,

1 directions, accounts, and inquiries the judgment debtor might have made or which the
2 circumstances of the case may require.

3 (b) A charging order constitutes a lien on the judgment debtor's transferable interest in the
4 partnership. The court may order a foreclosure of the interest subject to the charging order at
5 any time. The purchaser at the foreclosure sale has the rights of a transferee.

6 (c) At any time before foreclosure, an interest charged may be redeemed:

7 (1) By the judgment debtor;

8 (2) With property other than partnership property, by one or more of the other partners;

9 or

10 (3) With partnership property, by one or more of the other partners with the consent of
11 all of the partners whose interests are not so charged.

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

14 (e) This section provides the exclusive remedy by which a judgment creditor of a partner or
15 partner's transferee may satisfy a judgment out of the judgment debtor's transferable interest in
16 the partnership.

17 Section 601. A partner is dissociated from a partnership upon the occurrence of any of the
18 following events:

19 (1) The partnership's having notice of the partner's express will to withdraw as a partner
20 or on a later date specified by the partner;

21 (2) An event agreed to in the partnership agreement as causing the partner's dissociation;

22 (3) The partner's expulsion pursuant to the partnership agreement;

23 (4) The partner's expulsion by the unanimous vote of the other partners if:

24 (i) It is unlawful to carry on the partnership business with that partner;

- 1 (ii) There has been a transfer of all or substantially all of that partner's transferable
- 2 interest in the partnership, other than a transfer for security purposes, or a
- 3 court order charging the partner's interest, which has not been foreclosed;
- 4 (iii) Within ninety days after the partnership notifies a corporate partner that it will
- 5 be expelled because it has filed a certificate of dissolution or the equivalent, its
- 6 charter has been revoked, or its right to conduct business has been suspended
- 7 by the jurisdiction of its incorporation, there is no revocation of the certificate
- 8 of dissolution or no reinstatement of its charter or its right to conduct business;
- 9 or
- 10 (iv) A partnership that is a partner has been dissolved and its business is being
- 11 wound up;
- 12 (5) On application by the partnership or another partner, the partner's expulsion by
- 13 judicial determination because:
 - 14 (i) The partner engaged in wrongful conduct that adversely and materially affected
 - 15 the partnership business;
 - 16 (ii) The partner willfully or persistently committed a material breach of the
 - 17 partnership agreement or of a duty owed to the partnership or the other
 - 18 partners under Section 404; or
 - 19 (iii) The partner engaged in conduct relating to the partnership business which
 - 20 makes it not reasonably practicable to carry on the business in partnership with
 - 21 the partner;
- 22 (6) The partner's:
 - 23 (i) Becoming a debtor in bankruptcy;
 - 24 (ii) Executing an assignment for the benefit of creditors;

- 1 (iii) Seeking, consenting to, or acquiescing in the appointment of a trustee,
2 receiver, or liquidator of that partner or of all or substantially all of that
3 partner's property; or
- 4 (iv) Failing, within ninety days after the appointment, to have vacated or stayed the
5 appointment of a trustee, receiver, or liquidator of the partner or of all or
6 substantially all of the partner's property obtained without the partner's consent
7 or acquiescence, or failing within ninety days after the expiration of a stay to
8 have the appointment vacated;
- 9 (7) In the case of a partner who is an individual:
 - 10 (i) The partner's death;
 - 11 (ii) The appointment of a guardian or general conservator for the partner; or
 - 12 (iii) A judicial determination that the partner has otherwise become incapable of
13 performing the partner's duties under the partnership agreement;
- 14 (8) In the case of a partner that is a trust or is acting as a partner by virtue of being a
15 trustee of a trust, distribution of the trust's entire transferable interest in the
16 partnership, but not merely by reason of the substitution of a successor trustee;
- 17 (9) In the case of a partner that is an estate or is acting as a partner by virtue of being a
18 personal representative of an estate, distribution of the estate's entire transferable
19 interest in the partnership, but not merely by reason of the substitution of a successor
20 personal representative; or
- 21 (10) Termination of a partner who is not an individual, partnership, corporation, trust, or
22 estate.

23 Section 602. (a) A partner has the power to dissociate at any time, rightfully or wrongfully,
24 by express will pursuant to Section 601(1).

1 (b) A partner's dissociation is wrongful only if:

2 (1) It is in breach of an express provision of the partnership agreement; or

3 (2) In the case of a partnership for a definite term or particular undertaking, before the
4 expiration of the term or the completion of the undertaking:

5 (i) The partner withdraws by express will, unless the withdrawal follows within
6 ninety days after another partner's dissociation by death or otherwise under
7 Section 601(6) to (10), inclusive, or wrongful dissociation under this
8 subsection;

9 (ii) The partner is expelled by judicial determination under Section 601(5);

10 (iii) The partner is dissociated by becoming a debtor in bankruptcy; or

11 (iv) In the case of a partner who is not an individual, trust other than a business
12 trust, or estate, the partner is expelled or otherwise dissociated because it
13 willfully dissolved or terminated.

14 (c) A partner who wrongfully dissociates is liable to the partnership and to the other partners
15 for damages caused by the dissociation. The liability is in addition to any other obligation of the
16 partner to the partnership or to the other partners.

17 Section 603. (a) If a partner's dissociation results in a dissolution and winding up of the
18 partnership business, Article 8 applies; otherwise, Article 7 applies.

19 (b) Upon a partner's dissociation:

20 (1) The partner's right to participate in the management and conduct of the partnership
21 business terminates, except as otherwise provided in Section 803;

22 (2) The partner's duty of loyalty under Section 404(b)(3) terminates; and

23 (3) The partner's duty of loyalty under Section 404(b)(1) and (2) and duty of care under
24 Section 404(c) continue only with regard to matters arising and events occurring

1 before the partner's dissociation, unless the partner participates in winding up the
2 partnership's business pursuant to Section 803.

3 Section 701. (a) If a partner is dissociated from a partnership without resulting in a
4 dissolution and winding up of the partnership business under Section 801, the partnership shall
5 cause the dissociated partner's interest in the partnership to be purchased for a buyout price
6 determined pursuant to subsection (b).

7 (b) The buyout price of a dissociated partner's interest is the amount that would have been
8 distributable to the dissociating partner under Section 807(b) if, on the date of dissociation, the
9 assets of the partnership were sold at a price equal to the greater of the liquidation value or the
10 value based on a sale of the entire business as a going concern without the dissociated partner
11 and the partnership were wound up as of that date. Interest must be paid from the date of
12 dissociation to the date of payment.

13 (c) Damages for wrongful dissociation under Section 602(b), and all other amounts owing,
14 whether or not presently due, from the dissociated partner to the partnership, must be offset
15 against the buyout price. Interest must be paid from the date the amount owed becomes due to
16 the date of payment.

17 (d) A partnership shall indemnify a dissociated partner whose interest is being purchased
18 against all partnership liabilities, whether incurred before or after the dissociation, except
19 liabilities incurred by an act of the dissociated partner under Section 702.

20 (e) If no agreement for the purchase of a dissociated partner's interest is reached within one
21 hundred twenty days after a written demand for payment, the partnership shall pay, or cause to
22 be paid, in cash to the dissociated partner the amount the partnership estimates to be the buyout
23 price and accrued interest, reduced by any offsets and accrued interest under subsection (c).

24 (f) If a deferred payment is authorized under subsection (h), the partnership may tender a

1 written offer to pay the amount it estimates to be the buyout price and accrued interest, reduced
2 by any offsets under subsection (c), stating the time of payment, the amount and type of security
3 for payment, and the other terms and conditions of the obligation.

4 (g) The payment or tender required by subsection (e) or (f) must be accompanied by the
5 following:

6 (1) A statement of partnership assets and liabilities as of the date of dissociation;

7 (2) The latest available partnership balance sheet and income statement, if any;

8 (3) An explanation of how the estimated amount of the payment was calculated; and

9 (4) Written notice that the payment is in full satisfaction of the obligation to purchase
10 unless, within one hundred twenty days after the written notice, the dissociated
11 partner commences an action to determine the buyout price, any offsets under
12 subsection (c), or other terms of the obligation to purchase.

13 (h) A partner who wrongfully dissociates before the expiration of a definite term or the
14 completion of a particular undertaking is not entitled to payment of any portion of the buyout
15 price until the expiration of the term or completion of the undertaking, unless the partner
16 establishes to the satisfaction of the court that earlier payment will not cause undue hardship to
17 the business of the partnership. A deferred payment must be adequately secured and bear
18 interest.

19 (i) A dissociated partner may maintain an action against the partnership, pursuant to Section
20 405(b)(2)(ii), to determine the buyout price of that partner's interest, any offsets under subsection
21 (c), or other terms of the obligation to purchase. The action must be commenced within one
22 hundred twenty days after the partnership has tendered payment or an offer to pay or within one
23 year after written demand for payment if no payment or offer to pay is tendered. The court shall
24 determine the buyout price of the dissociated partner's interest, any offset due under subsection

1 (c), and accrued interest, and enter judgment for any additional payment or refund. If deferred
2 payment is authorized under subsection (h), the court shall also determine the security for
3 payment and other terms of the obligation to purchase. The court may assess reasonable
4 attorney's fees and the fees and expenses of appraisers or other experts for a party to the action,
5 in amounts the court finds equitable, against a party that the court finds acted arbitrarily,
6 vexatiously, or not in good faith. The finding may be based on the partnership's failure to tender
7 payment or an offer to pay or to comply with subsection (g).

8 Section 702. (a) For two years after a partner dissociates without resulting in a dissolution
9 and winding up of the partnership business, the partnership, including a surviving partnership
10 under Article 9, is bound by an act of the dissociated partner which would have bound the
11 partnership under Section 301 before dissociation only if at the time of entering into the
12 transaction the other party:

- 13 (1) Reasonably believed that the dissociated partner was then a partner;
- 14 (2) Did not have notice of the partner's dissociation; and
- 15 (3) Is not deemed to have had knowledge under Section 303(e) or notice under Section
16 704(c).

17 (b) A dissociated partner is liable to the partnership for any damage caused to the partnership
18 arising from an obligation incurred by the dissociated partner after dissociation for which the
19 partnership is liable under subsection (a).

20 Section 703. (a) A partner's dissociation does not of itself discharge the partner's liability for
21 a partnership obligation incurred before dissociation. A dissociated partner is not liable for a
22 partnership obligation incurred after dissociation, except as otherwise provided in subsection (b).

23 (b) A partner who dissociates without resulting in a dissolution and winding up of the
24 partnership business is liable as a partner to the other party in a transaction entered into by the

1 partnership, or a surviving partnership under Article 9, within two years after the partner's
2 dissociation, only if the partner is liable for the obligation under Section 306 and at the time of
3 entering into the transaction the other party:

- 4 (1) Reasonably believed that the dissociated partner was then a partner;
- 5 (2) Did not have notice of the partners dissociation; and
- 6 (3) Is not deemed to have had knowledge under Section 303(e) or notice under Section
7 704(c).

8 (c) By agreement with the partnership creditor and the partners continuing the business, a
9 dissociated partner may be released from liability for a partnership obligation.

10 (d) A dissociated partner is released from liability for a partnership obligation if a partnership
11 creditor, with notice of the partner's dissociation but without the partner's consent, agrees to a
12 material alteration in the nature or time of payment of a partnership obligation.

13 Section 704. (a) A dissociated partner or the partnership may file a statement of dissociation
14 in the Office of the Secretary of State stating the name of the partnership and that the partner is
15 dissociated from the partnership.

16 (b) A statement of dissociation is a limitation on the authority of a dissociated partner for the
17 purposes of Section 303(d) and (e).

18 (c) For the purposes of Sections 702(a)(3) and 703(b)(3), a person not a partner is deemed
19 to have notice of the dissociation ninety days after the statement of dissociation is filed.

20 Section 705. Continued use of a partnership name, or a dissociated partner's name as part
21 thereof, by partners continuing the business does not of itself make the dissociated partner liable
22 for an obligation of the partners or the partnership continuing the business.

23 Section 801. A partnership is dissolved, and its business must be wound up, only upon the
24 occurrence of any of the following events:

- 1 (1) In a partnership at will, the partnership's having notice from a partner, other than a
2 partner who is dissociated under Section 601(2) to (10), inclusive, of that partner's
3 express will to withdraw as a partner, or on a later date specified by the partner;
- 4 (2) In a partnership for a definite term or particular undertaking:
 - 5 (i) Within ninety days after a partner's dissociation by death or otherwise under
6 Section 601(6) to (10), inclusive, or wrongful dissociation under Section
7 602(b), the express will of at least half of the remaining partners to wind up the
8 partnership business, for which purpose a partner's rightful dissociation
9 pursuant to Section 602(b)(2)(i) constitutes the expression of that partner's will
10 to wind up the partnership business;
 - 11 (ii) The express will of all of the partners to wind up the partnership business; or
 - 12 (iii) The expiration of the term or the completion of the undertaking;
- 13 (3) An event agreed to in the partnership agreement resulting in the winding up of the
14 partnership business;
- 15 (4) An event that makes it unlawful for all or substantially all of the business of the
16 partnership to be continued, but a cure of illegality within ninety days after notice to
17 the partnership of the event is effective retroactively to the date of the event for
18 purposes of this section;
- 19 (5) On application by a partner, a judicial determination that:
 - 20 (i) The economic purpose of the partnership is likely to be unreasonably
21 frustrated;
 - 22 (ii) Another partner has engaged in conduct relating to the partnership business
23 which makes it not reasonably practicable to carry on the business in
24 partnership with that partner; or

1 (iii) It is not otherwise reasonably practicable to carry on the partnership business
2 in conformity with the partnership agreement; or

3 (6) On application by a transferee of a partner's transferable interest, a judicial
4 determination that it is equitable to wind up the partnership business:

5 (i) After the expiration of the term or completion of the undertaking, if the
6 partnership was for a definite term or particular undertaking at the time of the
7 transfer or entry of the charging order that gave rise to the transfer; or

8 (ii) At any time, if the partnership was a partnership at will at the time of the
9 transfer or entry of the charging order that gave rise to the transfer.

10 Section 802. (a) Subject to subsection (b), a partnership continues after dissolution only for
11 the purpose of winding up its business. The partnership is terminated when the winding up of its
12 business is completed.

13 (b) At any time after the dissolution of a partnership and before the winding up of its business
14 is completed, all of the partners, including any dissociating partner other than a wrongfully
15 dissociating partner, may waive the right to have the partnership's business wound up and the
16 partnership terminated. In that event:

17 (1) The partnership resumes carrying on its business as if dissolution had never occurred,
18 and any liability incurred by the partnership or a partner after the dissolution and
19 before the waiver is determined as if dissolution had never occurred; and

20 (2) The rights of a third party accruing under Section 804(1) or arising out of conduct in
21 reliance on the dissolution before the third party knew or received a notification of the
22 waiver may not be adversely affected.

23 Section 803. (a) After dissolution, a partner who has not wrongfully dissociated may
24 participate in winding up the partnership's business, but on application of any partner, partner's

1 legal representative, or transferee, the circuit court, for good cause shown, may order judicial
2 supervision of the winding up.

3 (b) The legal representative of the last surviving partner may wind up a partnership's
4 business.

5 (c) A person winding up a partnership's business may preserve the partnership business or
6 property as a going concern for a reasonable time, prosecute and defend actions and
7 proceedings, whether civil, criminal, or administrative, settle and close the partnership's business,
8 dispose of and transfer the partnership's property, discharge the partnership's liabilities, distribute
9 the assets of the partnership pursuant to Section 807, settle disputes by mediation or arbitration,
10 and perform other necessary acts.

11 Section 804. Subject to Section 805, a partnership is bound by a partner's act after
12 dissolution that:

- 13 (1) Is appropriate for winding up the partnership business; or
- 14 (2) Would have bound the partnership under Section 301 before dissolution, if the other
15 party to the transaction did not have notice of the dissolution.

16 Section 805. (a) After dissolution, a partner who has not wrongfully dissociated may file a
17 statement of dissolution in the Office of the Secretary of State stating the name of the partnership
18 and that the partnership has dissolved and is winding up its business.

19 (b) A statement of dissolution cancels a filed statement of partnership authority for the
20 purposes of Section 303(d) and is a limitation on authority for the purposes of Section 303(e).

21 (c) For the purposes of Sections 301 and 804, a person not a partner is deemed to have
22 notice of the dissolution and the limitation on the partners' authority as a result of the statement
23 of dissolution ninety days after it is filed.

24 (d) After filing and, if appropriate, recording a statement of dissolution, a dissolved

1 partnership may file and, if appropriate, record a statement of partnership authority which will
2 operate with respect to a person not a partner as provided in Section 303(d) and (e) in any
3 transaction, whether or not the transaction is appropriate for winding up the partnership business.

4 Section 806. (a) Except as otherwise provided in subsection (b) and Section 306, after
5 dissolution a partner is liable to the other partners for the partner's share of any partnership
6 liability incurred under Section 804.

7 (b) A partner who, with knowledge of the dissolution, incurs a partnership liability under
8 Section 804(2) by an act that is not appropriate for winding up the partnership business is liable
9 to the partnership for any damage caused to the partnership arising from the liability.

10 Section 807. (a) In winding up a partnership's business, the assets of the partnership,
11 including the contributions of the partners required by this section, must be applied to discharge
12 its obligations to creditors, including, to the extent permitted by law, partners who are creditors.
13 Any surplus must be applied to pay in cash the net amount distributable to partners in accordance
14 with their right to distributions under subsection (b).

15 (b) Each partner is entitled to a settlement of all partnership accounts upon winding up the
16 partnership business. In settling accounts among the partners, profits and losses that result from
17 the liquidation of the partnership assets must be credited and charged to the partners' accounts.
18 The partnership shall make a distribution to a partner in an amount equal to any excess of the
19 credits over the charges in the partner's account. A partner shall contribute to the partnership an
20 amount equal to any excess of the charges over the credits in the partner's account but excluding
21 from the calculation charges attributable to an obligation for which the partner is not personally
22 liable under Section 306.

23 (c) If a partner fails to contribute the full amount required under subsection (b), all of the
24 other partners shall contribute, in the proportions in which those partners share partnership

1 losses, the additional amount necessary to satisfy the partnership obligations for which they are
2 personally liable under Section 306. A partner or partner's legal representative may recover from
3 the other partners any contributions the partner makes to the extent the amount contributed
4 exceeds that partner's share of the partnership obligations for which the partner is personally
5 liable under Section 306.

6 (d) After the settlement of accounts, each partner shall contribute, in the proportion in which
7 the partner shares partnership losses, the amount necessary to satisfy partnership obligations that
8 were not known at the time of the settlement and for which the partner is personally liable under
9 Section 306.

10 (e) The estate of a deceased partner is liable for the partner's obligation to contribute to the
11 partnership.

12 (f) An assignee for the benefit of creditors of a partnership or a partner, or a person
13 appointed by a court to represent creditors of a partnership or a partner, may enforce a partner's
14 obligation to contribute to the partnership.

15 Section 901. In this article:

16 (1) "General Partner" means a partner in a partnership and a general partner in a limited
17 partnership.

18 (2) "Limited Partner" means a limited partner in a limited partnership.

19 (3) "Limited Partnership" means a limited partnership created under the chapter 48-7, the
20 Uniform Limited Partnership Act, predecessor law, or comparable law of another
21 jurisdiction.

22 (4) "Partner" includes both a general partner and a limited partner.

23 Section 902. (a) A partnership may be converted to a limited partnership pursuant to this
24 section.

1 (b) The terms and conditions of a conversion of a partnership to a limited partnership must
2 be approved by all of the partners or by a number or percentage specified for conversion in the
3 partnership agreement.

4 (c) After the conversion is approved by the partners, the partnership shall file a certificate of
5 limited partnership in the jurisdiction in which the limited partnership is to be formed. The
6 certificate must include:

7 (1) A statement that the partnership was converted to a limited partnership from a
8 partnership;

9 (2) Its former name; and

10 (3) A statement of the number of votes cast by the partners for and against the conversion
11 and, if the vote is less than unanimous, the number or percentage required to approve
12 the conversion under the partnership agreement.

13 (d) The conversion takes effect when the certificate of limited partnership is filed or at any
14 later date specified in the certificate.

15 (e) A general partner who becomes a limited partner as a result of the conversion remains
16 liable as a general partner for an obligation incurred by the partnership before the conversion
17 takes effect. If the other party to a transaction with the limited partnership reasonably believes
18 when entering the transaction that the limited partner is a general partner, the limited partner is
19 liable for an obligation incurred by the limited partnership within ninety days after the conversion
20 takes effect. The limited partner's liability for all other obligations of the limited partnership
21 incurred after the conversion takes effect is that of a limited partner as provided in the chapter
22 48-7, the Uniform Limited Partnership Act.

23 Section 903. (a) A limited partnership may be converted to a partnership pursuant to this
24 section.

1 (b) Notwithstanding a provision to the contrary in a limited partnership agreement, the terms
2 and conditions of a conversion of a limited partnership to a partnership must be approved by all
3 of the partners.

4 (c) After the conversion is approved by the partners, the limited partnership shall cancel its
5 certificate of limited partnership.

6 (d) The conversion takes effect when the certificate of limited partnership is canceled.

7 (e) A limited partner who becomes a general partner as a result of the conversion remains
8 liable only as a limited partner for an obligation incurred by the limited partnership before the
9 conversion takes effect. Except as otherwise provided in Section 306, the partner is liable as a
10 general partner for an obligation of the partnership incurred after the conversion takes effect.

11 Section 904. (a) A partnership or limited partnership that has been converted pursuant to this
12 Article is for all purposes the same entity that existed before the conversion.

13 (b) When a conversion takes effect:

14 (1) All property owned by the converting partnership or limited partnership remains
15 vested in the converted entity;

16 (2) All obligations of the converting partnership or limited partnership continue as
17 obligations of the converted entity; and

18 (3) An action or proceeding pending against the converting partnership or limited
19 partnership may be continued as if the conversion had not occurred.

20 Section 905. (a) Pursuant to a plan of merger approved as provided in subsection (c), a
21 partnership may be merged with one or more partnerships or limited partnerships.

22 (b) The plan of merger must set forth:

23 (1) The name of each partnership or limited partnership that is a party to the merger;

24 (2) The name of the surviving entity into which the other partnerships or limited

1 partnerships will merge;

2 (3) Whether the surviving entity is a partnership or a limited partnership and the status of
3 each partner;

4 (4) The terms and conditions of the merger;

5 (5) The manner and basis of converting the interests of each party to the merger into
6 interests or obligations of the surviving entity, or into money or other property in
7 whole or part; and

8 (6) The street address of the surviving entity's chief executive office.

9 (c) The plan of merger must be approved:

10 (1) In the case of a partnership that is a party to the merger, by all of the partners, or a
11 number or percentage specified for merger in the partnership agreement; and

12 (2) In the case of a limited partnership that is a party to the merger, by the vote required
13 for approval of a merger by the law of the state or foreign jurisdiction in which the
14 limited partnership is organized and, in the absence of such a specifically applicable
15 law, by all of the partners, notwithstanding a provision to the contrary in the
16 partnership agreement.

17 (d) After a plan of merger is approved and before the merger takes effect, the plan may be
18 amended or abandoned as provided in the plan.

19 (e) The merger takes effect on the later of:

20 (1) The approval of the plan of merger by all parties to the merger, as provided in
21 subsection (c);

22 (2) The filing of all documents required by law to be filed as a condition to the
23 effectiveness of the merger; or

24 (3) Any effective date specified in the plan of merger.

1 Section 906. (a) When a merger takes effect:

2 (1) The separate existence of every partnership or limited partnership that is a party to the
3 merger, other than the surviving entity, ceases;

4 (2) All property owned by each of the merged partnerships or limited partnerships vests
5 in the surviving entity;

6 (3) All obligations of every partnership or limited partnership that is a party to the merger
7 become the obligations of the surviving entity; and

8 (4) An action or proceeding pending against a partnership or limited partnership that is
9 a party to the merger may be continued as if the merger had not occurred, or the
10 surviving entity may be substituted as a party to the action or proceeding.

11 (b) The secretary of state of this state is the agent for service of process in an action or
12 proceeding against a surviving foreign partnership or limited partnership to enforce an obligation
13 of a domestic partnership or limited partnership that is a party to a merger. The surviving entity
14 shall promptly notify the secretary of state of the mailing address of its chief executive office and
15 of any change of address. Upon receipt of process, the secretary of state shall mail a copy of the
16 process to the surviving foreign partnership or limited partnership.

17 (c) A partner of the surviving partnership or limited partnership is liable for:

18 (1) All obligations of a party to the merger for which the partner was personally liable
19 before the merger;

20 (2) All other obligations of the surviving entity incurred before the merger by a party to
21 the merger, but those obligations may be satisfied only out of property of the entity;
22 and

23 (3) Except as otherwise provided in Section 306, all obligations of the surviving entity
24 incurred after the merger takes effect, but those obligations may be satisfied only out

1 of property of the entity if the partner is a limited partner.

2 (d) If the obligations incurred before the merger by a party to the merger are not satisfied out
3 of the property of the surviving partnership or limited partnership, the general partners of that
4 party immediately before the effective date of the merger shall contribute the amount necessary
5 to satisfy that party's obligations to the surviving entity, in the manner provided in Section 807
6 or in the Limited Partnership Act of the jurisdiction in which the party was formed, as the case
7 may be, as if the merged party were dissolved.

8 (e) A partner of a party to a merger who does not become a partner of the surviving
9 partnership or limited partnership is dissociated from the entity, of which that partner was a
10 partner, as of the date the merger takes effect. The surviving entity shall cause the partner's
11 interest in the entity to be purchased under Section 701 or another statute specifically applicable
12 to that partner's interest with respect to a merger. The surviving entity is bound under Section
13 702 by an act of a general partner dissociated under this subsection, and the partner is liable
14 under Section 703 for transactions entered into by the surviving entity after the merger takes
15 effect.

16 Section 907. (a) After a merger, the surviving partnership or limited partnership may file in
17 the Office of the Secretary of State a statement that one or more partnerships or limited
18 partnerships have merged into the surviving entity.

19 (b) A statement of merger must contain:

- 20 (1) The name of each partnership or limited partnership that is a party to the merger;
- 21 (2) The name of the surviving entity into which the other partnerships or limited
22 partnership were merged;
- 23 (3) The street address of the surviving entity's chief executive office and of an office in
24 this state, if any; and

1 (4) Whether the surviving entity is a partnership or a limited partnership.

2 (c) Except as otherwise provided in subsection (d), for the purposes of Section 302, property
3 of the surviving partnership or limited partnership which before the merger was held in the name
4 of another party to the merger is property held in the name of the surviving entity upon filing a
5 statement of merger.

6 (d) For the purposes of Section 302, real property of the surviving partnership or limited
7 partnership which before the merger was held in the name of another party to the merger is
8 property held in the name of the surviving entity upon recording a certified copy of the statement
9 of merger in the office for recording transfers of that real property.

10 (e) A filed and, if appropriate, recorded statement of merger, executed and declared to be
11 accurate pursuant to Section 105(c), stating the name of a partnership or limited partnership that
12 is a party to the merger in whose name property was held before the merger and the name of the
13 surviving entity, but not containing all of the other information required by subsection (b),
14 operates with respect to the partnerships or limited partnerships named to the extent provided
15 in subsections (c) and (d).

16 Section 908. This Article is not exclusive. Partnerships or limited partnerships may be
17 converted or merged in any other manner provided by law.

18 Section 1001. (a) A partnership may become a limited liability partnership pursuant to this
19 section.

20 (b) The terms and conditions on which a partnership becomes a limited liability partnership
21 must be approved by the vote necessary to amend the partnership agreement except, in the case
22 of a partnership agreement that expressly considers obligations to contribute to the partnership,
23 the vote necessary to amend those provisions.

24 (c) After the approval required by subsection (b), a partnership may become a limited liability

1 partnership by filing a statement of qualification in the Office of the Secretary of State. The
2 statement must contain:

- 3 (1) The name of the partnership;
- 4 (2) The street address of the partnership's chief executive office and, if different, the street
5 address of an office in this state, if any;
- 6 (3) If the partnership does not have an office in this state, the name and street address of
7 the partnership's agent for service of process;
- 8 (4) A statement that the partnership elects to be a limited liability partnership; and
- 9 (5) A deferred effective date, if any.

10 (d) The agent of a limited liability partnership for service of process must be an individual
11 who is a resident of this state or other person authorized to do business in this state.

12 (1) Any registered agent of a limited liability partnership may resign upon written notice
13 to the limited liability partnership. The registered agent shall file a copy of the
14 resignation with the secretary of state;

15 (2) Upon an agent's resignation, the secretary of state is appointed the agent of the limited
16 liability partnership for service of process until a new agent is appointed.

17 (e) The status of a partnership as a limited liability partnership is effective on the later of the
18 filing of the statement or a date specified in the statement. The status remains effective,
19 regardless of changes in the partnership, until it is canceled pursuant to Section 105(d) or
20 revoked pursuant to Section 1003.

21 (f) The status of a partnership as a limited liability partnership and the liability of its partners
22 is not affected by errors or later changes in the information required to be contained in the
23 statement of qualification under subsection (c).

24 (g) The filing of a statement of qualification under this Act or, before July 1, 2001,

1 registering as a registered limited liability partnership under prior law establishes that a
2 partnership has satisfied all conditions precedent to the qualification of the partnership as a
3 limited liability partnership.

4 (h) An amendment or cancellation of a statement of qualification is effective when it is filed
5 or on a deferred effective date specified in the amendment or cancellation.

6 Section 1002. The name of a limited liability partnership must end with "Registered Limited
7 Liability Partnership," "Limited Liability Partnership," "R.L.L.P.," "L.L.P.," "RLLP," or "LLP."
8 if the limited liability partnership is also a limited partnership its name shall also comply with the
9 name provisions in chapter 48-7.

10 Section 1003. (a) A limited liability partnership, and a foreign limited liability partnership
11 authorized to transact business in this state, shall file an annual report in the Office of the
12 Secretary of State which contains:

- 13 (1) The name of the limited liability partnership and the state or other jurisdiction under
14 whose laws the foreign limited liability partnership is formed;
- 15 (2) The street address of the partnership's chief executive office and, if different, the street
16 address of an office of the partnership in this state, if any; and
- 17 (3) If the partnership does not have an office in this state, the name and street address of
18 the partnership's current agent for service of process.

19 (b) An annual report must be filed with the secretary of state by the date specified by the
20 secretary of state in each year following the calendar year in which a partnership files a statement
21 of qualification or a foreign partnership becomes authorized to transact business in this state.

22 (c) The secretary of state may revoke the statement of qualification of a partnership that fails
23 to file an annual report when due or pay the required filing fee. To do so, the secretary of state
24 shall provide the partnership at least sixty days' written notice of intent to revoke the statement.

1 The notice must be mailed to the partnership at its chief executive office set forth in the last filed
2 statement of qualification or annual report. The notice must specify the annual report that has
3 not been filed, the fee that has not been paid, and the effective date of the revocation. The
4 revocation is not effective if the annual report is filed and the fee is paid before the effective date
5 of the revocation.

6 (d) A revocation under subsection (c) only affects a partnership's status as a limited liability
7 partnership and is not an event of dissolution of the partnership.

8 (e) A partnership whose statement of qualification has been revoked may apply to the
9 secretary of state for reinstatement within two years after the effective date of the revocation.

10 The application must state:

11 (1) The name of the partnership and the effective date of the revocation; and

12 (2) That the ground for revocation either did not exist or has been corrected.

13 (f) A reinstatement under subsection (e) relates back to and takes effect as of the effective
14 date of the revocation, and the partnership's status as a limited liability partnership continues as
15 if the revocation had never occurred.

16 Section 1004. Any person registered, certified, or licensed pursuant to chapter 16-16, 36-4,
17 36-4A, 36-5, 36-6A, 36-7, 36-8, 36-9, 36-9A, 36-10, 36-12, or 36-20A may practice in a limited
18 liability partnership.

19 Section 1101. (a) The law under which a foreign limited liability partnership is formed
20 governs relations among the partners and between the partners and the partnership and the
21 liability of partners for obligations of the partnership.

22 (b) A foreign limited liability partnership may not be denied a statement of foreign
23 qualification by reason of any difference between the law under which the partnership was
24 formed and the law of this state.

1 (c) A statement of foreign qualification does not authorize a foreign limited liability
2 partnership to engage in any business or exercise any power that a partnership may not engage
3 in or exercise in this state as a limited liability partnership.

4 Section 1102. (a) Before transacting business in this state, a foreign limited liability
5 partnership must file a statement of foreign qualification in the Office of the Secretary of State.
6 The statement must contain:

7 (1) The name of the foreign limited liability partnership which satisfies the requirements
8 of the state or other jurisdiction under whose law it is formed and ends with
9 "Registered Limited Liability Partnership," "Limited Liability Partnership,"
10 "R.L.L.P.," "L.L.P.," "RLLP," or "LLP";

11 (2) The street address of the partnership's chief executive office and, if different, the street
12 address of an office of the partnership in this state, if any;

13 (3) If there is no office of the partnership in this state, the name and street address of the
14 partnership's agent for service of process; and

15 (4) A deferred effective date, if any.

16 (b) The agent of a foreign limited liability company for service of process must be an
17 individual who is a resident of this state or other person authorized to do business in this state.

18 (c) The status of a partnership as a foreign limited liability partnership is effective on the later
19 of the filing of the statement of foreign qualification or a date specified in the statement. The
20 status remains effective, regardless of changes in the partnership, until it is canceled pursuant to
21 Section 105(d) or revoked pursuant to Section 1003.

22 (d) An amendment or cancellation of a statement of foreign qualification is effective when
23 it is filed or on a deferred effective date specified in the amendment or cancellation.

24 Section 1103. (a) A foreign limited liability partnership transacting business in this state may

1 not maintain an action or proceeding in this state unless it has in effect a statement of foreign
2 qualification.

3 (b) The failure of a foreign limited liability partnership to have in effect a statement of foreign
4 qualification does not impair the validity of a contract or act of the foreign limited liability
5 partnership or preclude it from defending an action or proceeding in this state.

6 (c) A limitation on personal liability of a partner is not waived solely by transacting business
7 in this state without a statement of foreign qualification.

8 (d) If a foreign limited liability partnership transacts business in this state without a statement
9 of foreign qualification, the secretary of state is its agent for service of process with respect to
10 a right of action arising out of the transaction of business in this state.

11 Section 1104. (a) Activities of a foreign limited liability partnership which do not constitute
12 transacting business for the purpose of this article include:

- 13 (1) Maintaining, defending, or settling an action or proceeding;
- 14 (2) Holding meetings of its partners or carrying on any other activity concerning its
15 internal affairs;
- 16 (3) Maintaining bank accounts;
- 17 (4) Maintaining offices or agencies for the transfer, exchange, and registration of the
18 partnership's own securities or maintaining trustees or depositories with respect to
19 those securities;
- 20 (5) Selling through independent contractors;
- 21 (6) Soliciting or obtaining orders, whether by mail or through employees or agents or
22 otherwise, if the orders require acceptance outside this state before they become
23 contracts;
- 24 (7) Creating or acquiring indebtedness, with or without a mortgage, or other security

1 interest in property;

2 (8) Collecting debts or foreclosing mortgages or other security interests in property
3 securing the debts, and holding, protecting, and maintaining property so acquired;

4 (9) Conducting an isolated transaction that is completed within thirty days and is not one
5 in the course of similar transactions; and

6 (10) Transacting business in interstate commerce.

7 (b) For purposes of this article, the ownership in this state of income-producing real property
8 or tangible personal property, other than property excluded under subsection (a), constitutes
9 transacting business in this state.

10 (c) This section does not apply in determining the contacts or activities that may subject a
11 foreign limited liability partnership to service of process, taxation, or regulation under any other
12 law of this state.

13 Section 1105. The attorney general may maintain an action to restrain a foreign limited
14 liability partnership from transacting business in this state in violation of this article.

15 Section 1201. This Act shall be applied and construed to effectuate its general purpose to
16 make uniform the law with respect to the subject of this Act among states enacting it.

17 Section 1202. This Act may be cited as the Uniform Partnership Act (1997).

18 Section 1203. If any provision of this Act or its application to any person or circumstance
19 is held invalid, the invalidity does not affect other provisions or applications of this Act which
20 can be given effect without the invalid provision or application, and to this end the provisions
21 of this Act are severable.

22 Section 1204. This Act takes effect July 1, 2001.

23 Section 1205. That §§ 48-1-1 to 48-1-18, inclusive, 48-2-1 to 48-2-19, inclusive, 48-3-1 to
24 48-3-16, inclusive, 48-4-1 to 48-4-22, inclusive, 48-5-1 to 48-5-56, inclusive, and 48-7-108 to

1 48-7-111, inclusive, be repealed.

2 Section 1206. (a) Before July 1, 2001, this Act governs only a partnership or limited liability
3 partnership formed before the effective date of this Act, that elects, as provided by subsection
4 (c), to be governed by this Act.

5 (b) On and after July 1, 2001, this Act governs all partnerships and limited liability
6 partnerships.

7 (c) Before July 1, 2001, a partnership voluntarily may elect, in the manner provided in its
8 partnership or limited liability partnership agreement or by law for amending the partnership
9 agreement, to be governed by this Act. The provisions of this Act relating to the liability of the
10 partnership's partners or limited liability partnership's partners to third parties apply to limit those
11 partners' liability to a third party who had done business with the partnership within one year
12 before the partnership's election to be governed by this Act, or under prior law, only if the third
13 party knows or has received a notification of the partnership's election to be governed by this
14 Act.

15 Section 1207. This Act does not affect an action or proceeding commenced or right accrued
16 before this Act takes effect.

17 Section 1208. The provisions of § 1-8-10 notwithstanding, the fee for filing the statements
18 and reports provided for in the following sections with the secretary of state is as follows:

- 19 (1) Section 303, Statement of Authority, ninety dollars;
- 20 (2) Section 304, Statement of Denial, ten dollars;
- 21 (3) Section 704, Statement of Dissociation, ten dollars;
- 22 (4) Section 805, Statement of Dissolution, ten dollars;
- 23 (5) Section 907, Statement of Merger, ten dollars;
- 24 (6) Section 1001, Statement of Qualification, ninety dollars;

- 1 (7) Section 1003, Annual Report, twenty-five dollars; and
- 2 (8) Section 1102, Statement of Foreign Qualification, ninety dollars.

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

935E0499

SENATE LOCAL GOVERNMENT COMMITTEE

ENGROSSED NO. **SB 126** - 01/31/2001

Introduced by: Senators Kleven, Apa, Dennert, Staggers, and Whiting and Representatives Van Etten, Brown (Richard), McCoy, Napoli, and Pummel

1 FOR AN ACT ENTITLED, An Act to clarify the survey requirements for sanitary districts.

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

3 Section 1. That § 34A-5-3 be amended to read as follows:

4 34A-5-3. ~~Persons~~ Any person making application for the organization of a sanitary district
5 shall first cause an accurate ~~survey and~~ map to be made of the territory intended to be embraced
6 within the limits of such sanitary district, showing the boundaries and area thereof, and the
7 accuracy thereof shall be verified by the affidavit of ~~the~~ a surveyor. The map may be completed
8 by reviewing records and legal descriptions at a county register of deeds office.

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

770E0577

SENATE TRANSPORTATION COMMITTEE

ENGROSSED NO. **SB 137** - 02/01/2001

Introduced by: Senators Diedtrich (Elmer) and Dennert and Representatives Sutton
(Duane) and Frost

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding the delivery of the
2 certificate of title upon the sale of a secondhand vehicle.

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

4 Section 1. That § 32-3-7 be amended to read as follows:

5 32-3-7. ~~Every~~ Any person, firm, or corporation, upon the sale and delivery of any used or
6 secondhand motor vehicle, shall within thirty days thereof deliver to the purchaser a certificate
7 of title, endorsed according to law, and issued for the vehicle by the department. However,
8 notwithstanding any other provision of law, if the purchaser defaults on the terms of the sale
9 within the thirty-day period, the seller does not have to deliver the certificate of title to the
10 purchaser. The seller shall notify the department in writing of the seller's refusal to deliver title
11 to the purchaser within fourteen days of the purchaser's default on the terms of the sale. A
12 violation of this section is a Class 2 misdemeanor.

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

169E0486

SENATE ENGROSSED NO. **SB 154** - 02/08/2001

Introduced by: Senators Bogue, Daugaard, de Hueck, Koetzle, Moore, and Whiting and
Representatives Madsen, Brown (Jarvis), Gillespie, McCaulley, and
Michels

1 FOR AN ACT ENTITLED, An Act to increase the penalty for practicing law without a license.

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

3 Section 1. That § 16-16-1 be amended to read as follows:

4 16-16-1. No person, ~~excepting~~ except as provided in § 16-18-2, ~~shall be permitted to~~ may
5 practice as an attorney and counselor at law in any court of record within this state, either by
6 using or subscribing his or her own name or the name of any other person ~~or persons~~, without
7 having previously obtained a license for that purpose from the Supreme Court of this state and
8 having become an active member in good standing of the State Bar of South Dakota. A violation
9 of this section is a ~~Class 2~~ Class 1 misdemeanor.

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

474E0620

SENATE ENGROSSED NO. **SB 199** - 02/01/2001

This bill has been extensively amended (houghoused) and may no longer be consistent with the original intention of the sponsor.

Introduced by: Senator Kleven and Representatives Pummel and Hansen (Tom)

1 FOR AN ACT ENTITLED, An Act to revise municipal authority to license, tax, and regulate
2 certain transient merchants.

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

4 Section 1. That § 9-34-7 be amended to read as follows:

5 9-34-7. ~~Every~~ Each municipality ~~shall have power to~~ may license, tax, and regulate transient
6 merchants, auctioneers, transient, bankrupt, and auction stores, and stores of like nature, gift
7 enterprises, and ~~every~~ any business or vocation of like character, ~~except when carried on by a~~
8 ~~person retailing merchandise or products of his own manufacture or production, and except,~~
9 However, the municipality may exempt from any such licensure, taxation, or regulation a
10 transient merchant who is retailing merchandise or products that the municipality determines to
11 be of the person's own manufacture or production. This section does not apply to the distribution
12 of any commodity from a railroad car by a cooperative association purchased in car lot for the
13 personal use of its members.

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

400E0691

SENATE JUDICIARY COMMITTEE ENGROSSED NO.

SB 203 - 02/07/2001

Introduced by: Senators Bogue and Koskan and Representatives Smidt, Madsen, Michels,
and Teupel

1 FOR AN ACT ENTITLED, An Act to clarify the responsibilities of foster parents in regard to
2 foster children.

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

4 Section 1. That chapter 25-5 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 No foster parent is liable for the acts of his or her foster child. However, this section does
7 not apply to any action based on agency or negligent entrustment of a motor vehicle. No costs
8 or fees may be charged or assessed against a foster parent as a result of a foster child in their care
9 being adjudicated under § 26-8B-6 or 26-8C-7.

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

400E0755

SENATE ENGROSSED NO. **SB 250** - 02/07/2001

Introduced by: Senators Bogue, Duxbury, Greenfield, and Moore and Representatives
Jaspers, Broderick, Brown (Jarvis), Brown (Richard), Flowers, Michels,
and Pederson (Gordon)

1 FOR AN ACT ENTITLED, An Act to provide that taking money or property from patients or
2 inmates by certain institution employees constitutes theft.

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

4 Section 1. Any employee of the Department of Corrections or Department of Human
5 Services who, for personal benefit, takes, borrows, or steals anything with a value of five dollars
6 or more in property or money, from a patient, juvenile, or inmate who is under the care or
7 supervision of the Department of Corrections or the Department of Human Services, is guilty
8 of a Class 1 misdemeanor theft.

9 Section 2. For purposes of this Act, an employee of the Department of Corrections or the
10 Department of Human Services means any person employed by the department, full or part time,
11 including an individual under contract assigned to the department, an employee of another state
12 agency assigned to the department, or a volunteer working in a department facility or for a
13 department agency or program.