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HOUSE BILL 297

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

RICHARD T. KNOWLES

AN ACT

RELATING TO LIMITED LIABILITY PARTNERSHIPS; AMENDING SECTION
54-1-47 NMSA 1978 (BEING LAWS 1995, CHAPTER 185, SECTION 12).

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 54-1-47 NMSA 1978 (being Laws 1995,
Chapter 185, Section 12) is amended to read:

"54-1-47. INSURANCE OR FINANCIAL RESPONSIBILITY OF
REGISTERED LIMITED LIABILITY PARTNERSHIPS. --

A. A registered limited liability partnership
shall carry at least five hundred thousand dollars (\$500,000)
per occurrence and one million dollars (\$1,000,000) in the
aggregate per year of liability insurance, beyond the amount
of any applicable deductible, covering the partnership for
errors, omissions, negligence, wrongful acts, misconduct and
malpractice for which the liability of partners is limited by

Underscored material = new
[bracketed material] = delete

1 Section [~~54-1-15~~] 54-1A-306 NMSA 1978. Such an insurance
2 policy may contain reasonable provisions with respect to
3 policy periods, deductibles, territory, claims, conditions,
4 exclusions and other usual matters.

5 B. If a registered limited liability partnership
6 is in substantial compliance with the requirements of
7 Subsection A of this section, the requirements of this section
8 shall not be admissible or in any way be made known to a jury
9 in determining an issue of liability for or extent of the debt
10 or obligation or damages in question.

11 C. A registered limited liability partnership is
12 considered to be in substantial compliance with Subsection A
13 of this section if the partnership provides an amount of funds
14 equal to the amount of insurance required by that subsection
15 specifically designated and segregated for the satisfaction of
16 judgments against the partnership or its partners based on
17 errors, omissions, negligence, wrongful acts, misconduct and
18 malpractice for which liability is limited by Section
19 [~~54-1-15~~] 54-1A-306 NMSA 1978 as follows:

20 (1) a deposit in trust or bank escrow or
21 cash, bank certificates of deposit or United States treasury
22 obligations; or

23 (2) a bank letter of credit or insurance
24 company surety bond.

25 D. The amount of liability insurance described in

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[bracketed material] = delete

1 Subsection A of this section or the amount described in
2 Subsection C of this section shall be adjusted as follows:

3 (1) [~~on January 1 of the second year~~
4 ~~following enactment of this section, and~~] on January 1 of each
5 year, [~~thereafter~~] the amounts specified in Subsections A and
6 C of this section shall be multiplied by an inflation factor,
7 which shall be a number determined by dividing the June 30
8 consumer price index immediately preceding the calendar year
9 in which the adjustment shall take effect by the December 31
10 consumer price index for 1995. The secretary of state shall
11 round the adjusted amount to the nearest one hundred thousand
12 dollars (\$100,000) and publish a notice setting forth this
13 adjustment on February 1 of each year in which the adjustment
14 is required to be made. A registered limited liability
15 partnership shall adjust the amount of liability insurance
16 described in Subsection A of this section or the amount
17 described in Subsection C of this section no later than April
18 1 of the year in which the adjustment is required to be made;
19 and

20 (2) as used in this subsection, "consumer
21 price index" means the Albuquerque consumer price index for
22 all urban consumers, all items, using the 1982-1984 base of
23 one hundred, as published by the bureau of labor statistics of
24 the United States department of labor. "

1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998
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6 February 9, 1998
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8 Mr. Speaker:
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10 Your JUDICIARY COMMITTEE, to whom has been referred
11

12 HOUSE BILL 297
13

14 has had it under consideration and reports same with
15 recommendation that it DO PASS.
16

17 Respectfully submitted,
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20 _____
21 Thomas P. Foy, Chairman
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1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998

3 HJC/HB 297

Page 5

4 Adopted _____ Not Adopted _____

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6 (Chief Clerk)

(Chief Clerk)

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8 Date _____

9
10 The roll call vote was 7 For 0 Against

11 Yes: 7

12 Excused: Alwin, King, Luna, Pederson, Sanchez, Vaughn

13 Absent: None

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FORTY-THIRD LEGISLATURE
SECOND SESSION, 1998

1 HJC/HB 297

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FORTY-THIRD LEGISLATURE
SECOND SESSION, 1998

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February 13, 1998

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Mr. President:

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Your JUDICIARY COMMITTEE, to whom has been referred

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HOUSE BILL 297

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has had it under consideration and reports same with
recommendation that it DO PASS.

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Respectfully submitted,

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Fernando R. Macias, Chairman

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FORTY-THIRD LEGISLATURE
SECOND SESSION, 1998

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Adopted _____ Not

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Adopted _____

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(Chief Clerk)

(Chief Clerk)

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Date _____

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The roll call vote was 5 For 1 Against

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Yes: 5

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No: McSorley

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Excused: Tsosie, Vernon

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Absent: None

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FORTY-THIRD LEGISLATURE
SECOND SESSION

February 16, 1998

SENATE FLOOR AMENDMENT number _____ to HOUSE BILL 297

Amendment sponsored by Senator William F. Davis

1. On page 2, strike line 25 and on page 3, strike lines 2 through 24 and insert a closing quotation mark.

William F. Davis

Adopted _____ Not Adopted

(Chief Clerk)

(Chief Clerk)

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FORTY-THIRD LEGISLATURE
SECOND SESSION

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Date _____

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