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FISCAL IMPACT REPORT

SPONSOR: Heaton DATE TYPED: 2/3/03 HB 27/aHBIC

SHORT TITLE: Amend Limited Partnership Act SB _____

ANALYST: Maloy

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	NFI				

SOURCES OF INFORMATION

Responses Received From
Secretary of State's Office

SUMMARY

Synopsis of HBIC Amendment

The House Business and Industry Committee amendment removes Section 2, lines 18 and 19 on page 2, which states: "REPEAL. Section 54-1-47, NMSA 1978 (being Laws 1995, Chapter 185, Section 12, as amended) is repealed."

Removal of this section reinstates the requirement that limited liability partnerships carry liability insurance.

Synopsis of Original Bill

House Bill 27 creates a new type of partnership entity for registration in New Mexico. Currently, the Secretary of State's Office registers general partnerships, limited partnerships and limited liability partnerships. HB27 adds limited liability limited partnerships.

HB27 also deletes the requirement that limited liability partnership's carry liability insurance.

Significant Issues

Limited liability limited partnerships must comply with the same registration and name requirements that currently apply with limited liability partnerships.

ADMINISTRATIVE IMPLICATIONS

The Secretary of State's office will need to make minor alternations to the data processing systems it currently uses to register partnerships.

POSSIBLE QUESTIONS

What are the distinctions between the liability exposure of a limited partnership (vs.) a limited liability partnership (vs.) a limited liability limited partnership ?

What is the affect of eliminating the requirement that limited liability partnerships carry liability insurance? Which party(ies) will be placed in the position of absorbing losses should there be a failure of the partnership ---- the partners personally, debtors of the partnership, consumers of the product or service ?

SJM/yr:njw