| 1 | HOUSE BILL 297 |
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| 2 | 43rd LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998 |
| 3 | INTRODUCED BY |
| 4 | RI CHARD T. KNOWLES |
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| 10 | AN ACT |
| 11 | RELATING TO LIMITED LIABILITY PARTNERSHIPS; AMENDING SECTION |
| 12 | 54-1-47 NMSA 1978 (BEING LAWS 1995, CHAPTER 185, SECTION 12). |
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| 14 | BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO: |
| 15 | Section 1. Section 54-1-47 NMSA 1978 (being Laws 1995, |
| 16 | Chapter 185, Section 12) is amended to read: |
| 17 | "54-1-47. INSURANCE OR FINANCIAL RESPONSIBILITY OF |
| 18 | REGISTERED LIMITED LIABILITY PARTNERSHIPS |
| 19 | A. A registered limited liability partnership |
| 20 | shall carry at least five hundred thousand dollars (\$500,000) |
| 21 | per occurrence <u>and one million dollars (\$1,000,000) in the</u> |
| 22 | aggregate per year of liability insurance, beyond the amount |
| 23 | of any applicable deductible, covering the partnership for |
| 24 | errors, omissions, negligence, wrongful acts, misconduct and |
| 25 | malpractice for which the liability of partners is limited by |
| | . 121403. 1 |

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

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

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

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

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

D. The amount of liability insurance described in . 121403.1

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1 Subsection A of this section or the amount described in 2 Subsection C of this section shall be adjusted as follows: [on January 1 of the second year 3 (1)following enactment of this section, and] on January 1 of each 4 year, [thereafter] the amounts specified in Subsections A and 5 C of this section shall be multiplied by an inflation factor, 6 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 partnership shall adjust the amount of liability insurance 15 16 described in Subsection A of this section or the amount described in Subsection C of this section no later than April 17 18 1 of the year in which the adjustment is required to be made; 19 and

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

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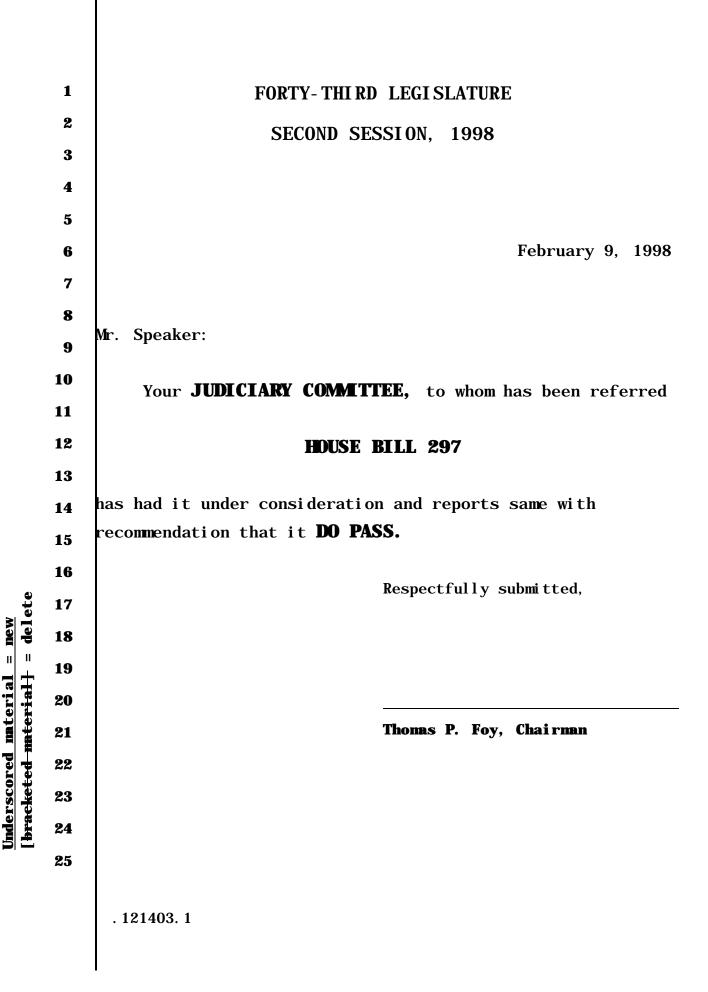
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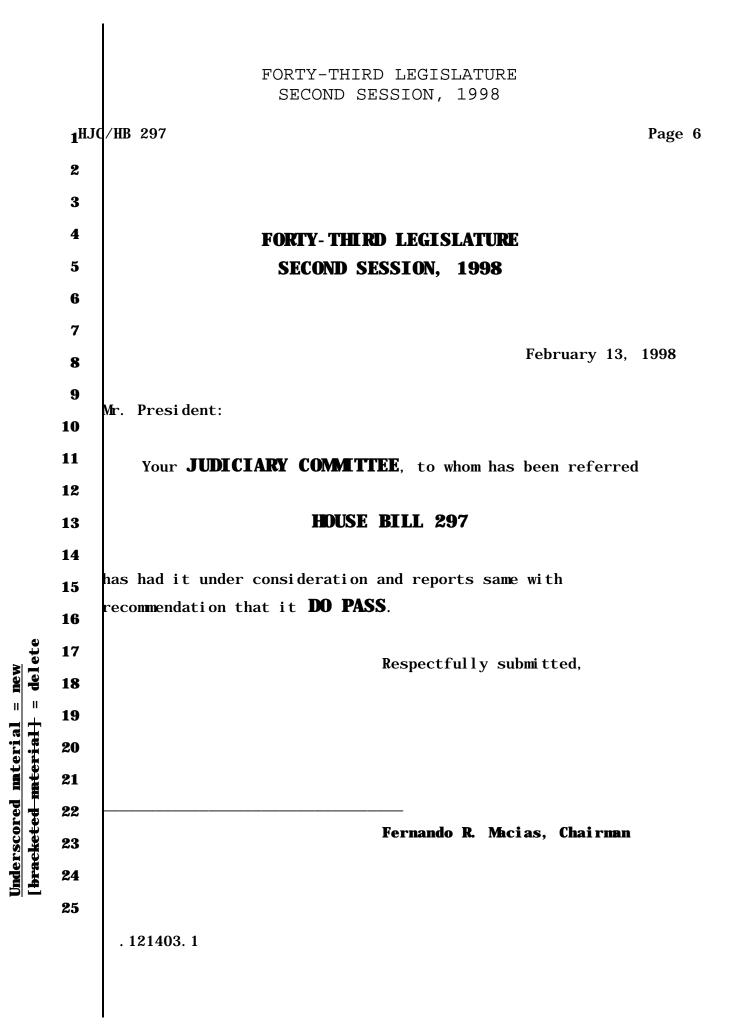
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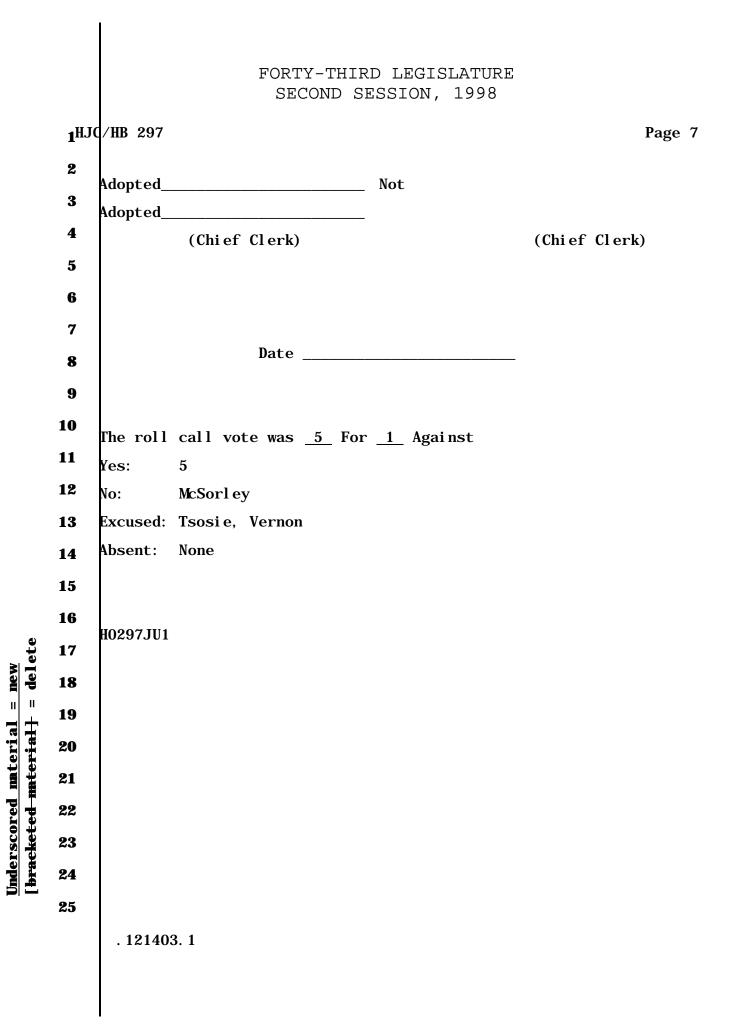
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| | 11 | Yes: | 7 | V. I | | D. I. | C | - L | | | | |
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| | 4 | February 16, 1998 | | | | | | | | | | | |
| | 5 | | | | | | | | | | | | |
| | 6 | SENATE FLOOR AMENDMENT number to HOUSE BILL 297 | | | | | | | | | | | |
| | 7 | | | | | | | | | | | | |
| | 8 | Amendment sponsored by Senator William F. Davis | | | | | | | | | | | |
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| | 11 12 | 1. On page 2, strike line 25 and on page 3, strike lines 2 through 24 and insert a closing quotation mark. | | | | | | | | | | | |
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