

SENATE BILL NO. 165

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE JUDICIARY COMMITTEE BY REQUEST

Introduced: 4/28/99

Referred: Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the remedies available to judgment creditors against limited
2 liability company members and their assignees and against limited partnership
3 general and limited partners and their assignees; and providing for an effective
4 date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** AS 10.50.380 is amended by adding new subsections to read:

7 (c) This section provides the exclusive remedy that a judgment creditor of a
8 member or a member's assignee may use to satisfy a judgment out of the judgment
9 debtor's interest in the limited liability company. Other remedies, including
10 foreclosure on the member's limited liability company interest and a court order for
11 directions, accounts, and inquiries that the debtor member might have made, are not
12 available to the judgment creditor attempting to satisfy a judgment out of the judgment
13 debtor's interest in the limited liability company and may not be ordered by a court.

14 (d) This section does not deprive a member of the benefit of an exemption

1 applicable to the member's membership interest.

2 * **Sec. 2.** AS 32.11.170(b) is amended to read:

3 (b) Except as provided in this chapter, a general partner of a limited
4 partnership has the liabilities of a partner in a partnership without limited partners to
5 persons other than the partnership and the other partners. Except as provided in this
6 chapter or in the partnership agreement, a general partner of a limited partnership has
7 the liabilities of a partner in a partnership without limited partners to the partnership
8 and to the other partners. **The rights of a creditor with respect to a general**
9 **partner's interest in a limited partnership are subject to AS 32.11.340.**

10 * **Sec. 3.** AS 32.11.340 is amended by adding a new subsection to read:

11 (b) This section provides the exclusive remedy that a judgment creditor of a
12 general or limited partner or of the general or limited partner's assignee may use to
13 satisfy a judgment out of the judgment debtor's interest in the partnership. Other
14 remedies, including foreclosure on the general or limited partner's partnership interest
15 and a court order for directions, accounts, and inquiries that the debtor general or
16 limited partner might have made, are not available to the judgment creditor attempting
17 to satisfy the judgment out of the judgment debtor's interest in the limited partnership
18 and may not be ordered by a court.

19 * **Sec. 4.** APPLICABILITY. This Act does not apply to the remedies available to a
20 judgment creditor for collecting a judgment entered by a court before the effective date of this
21 Act.

22 * **Sec. 5.** This Act takes effect immediately under AS 01.10.070(c).