



Hundredth Legislature - Second Session - 2008
Introducer's Statement of Intent
LB 907

Chairperson: Rich Pahls
Committee: Banking, Commerce and Insurance
Date of Hearing: February 4, 2008

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Sections 1 and 2 of LB 907, amending Sections 21-1905 and 21-2005, would remove from the Nebraska Nonprofit Corporation Act and the Business Corporation Act the provision for “application for use of indistinguishable name” and the corresponding fee of \$ 25.00 for the application.

In 1995 legislation changed the corporation name selection standard to “shall be distinguishable upon the records of the Secretary of State” with the corresponding addition of the “application for use of indistinguishable name.” That legislation also contained a provision allowing a corporation to apply to the Secretary of State for authorization to use a name that was not distinguishable from a corporate name already on record, if the corporation that had its name on record consented in writing and submitted an undertaking in a form satisfactory to the Secretary of State to change its name to a name that was distinguishable upon the records of the Secretary of State.

In 2003 legislation changed the corporation name selection standard back to “shall not be the same as or deceptively similar to, upon the records of the Secretary of State.” That legislation removed the provision allowing the use of an indistinguishable name if the corporate name on record consented in writing and agreed to change its name, but the legislation did not remove the application for use of indistinguishable name and corresponding fee language.

Section 3 of LB 907, amending Section 21-2604, will authorize a limited liability company to apply to the Secretary of State for authorization to use a name that is deceptively similar to another limited liability company name on file with the Secretary of State, if written consent from the existing company name of record is obtained or upon receipt of a court order declaring such. Currently the Limited Liability Company Act does not allow for use of a deceptively similar name. The Nebraska Nonprofit Corporation Act and Business Corporation Act each have such a provision.

Section 4 of LB 907, amending Section 21-2611, will allow a limited liability company unlimited time to apply for reinstatement after administrative forfeiture of its certificate by the

Secretary of State. Currently such company must seek revival and reinstatement within one year of the action of the Secretary of State. The Nebraska Nonprofit Corporation Act and the Business Corporation Act do not place time restrictions as to when the corporation may seek reinstatement as an active corporation.

Principal Introducer:

Senator Pete Pirsch