



One Hundred First Legislature - First Session - 2009
Introducer's Statement of Intent
LB 351

Chairperson: Brad Ashford
Committee: Judiciary
Date of Hearing: February 26, 2009

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

LB 351 amends the Limited Liability Company Act to clarify that a judgment entered by a court against a Limited Liability Company may only be entered against the transferable interests in the LLC. This would force the Limited Liability Company to pay any distributions to the judgment creditor up to the amount of the judgment owed rather than making these distributions to the member of the LLC that owes the debt. Importantly LB 351 clarifies that a judgment creditor is prevented from receiving any management interests in the company. Today, 48 states and the Uniform Limited Liability Company Act have similar charging order statutes. Section 6 of the bill clarifies that this would apply to all LLC's, even those with a single member as allowed under Nebraska Law.

Principal Introducer:

Senator Scott Lautenbaugh