

Introducer's Statement of Intent

LB1018

Chairperson: Senator Rich Pahls

Committee: Banking, Commerce and Insurance

Date of Hearing: January 31, 2012

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

LB 1018 makes changes to the Business Corporation Act and to the Limited Partnership Act to bring these two acts in line with changes made in 2011 with LB 888, which adopted the Nebraska Uniform Limited Liability Company Act.

First, the legislation creates the necessary authorization for conversions from a corporation or a limited partnership to an LLC. Conversions are allowed in the new Uniform Limited Liability Company Act, but was not similarly added to the corresponding business entity statutes, which is required before a conversion can be properly enacted. Prior to the adoption of the Nebraska Uniform Limited Liability Company Act, conversions were allowed between limited partnerships and LLCs. The changes proposed by this bill would again ensure these conversions may take place.

The bill would also allow mergers between corporations, limited partnerships, and other "business entities" and streamline voting requirements. Mergers with other business entities are allowed in the new Uniform Limited Liability Company Act, so long as they are allowed in the corresponding business entity statutes, which is the change being implemented by this legislation. Business entities is defined in the bill to include a foreign corporation, a domestic or foreign partnership, a domestic or foreign limited partnership, or a domestic or foreign limited liability company.

Principal Introducer: _____

Senator Danielle Conrad

