

# **One Hundred Second Legislature - Second Session - 2012**

## **Introducer's Statement of Intent**

### **LB854**

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**Chairperson: Senator Rich Pahls**

**Committee: Banking, Commerce and Insurance**

**Date of Hearing: January 17, 2012**

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

The purpose of LB854 is to limit the time period an administrative dissolved Corporation, Professional Corporation, Non-Profit Corporation, Limited Cooperative Association, and Limited Liability Company may reinstate.

Currently, an administratively dissolved entity may be reinstated at any time after paying back fees and delivering an application for reinstatement. When the reinstatement is effective, it relates back to and takes effect as of the date of revocation and the company can resume carrying on its business as if the revocation had never occurred.

Under the proposed bill, an entity would only be able to reinstate within three years after the effective date of the administrative dissolution.

Business identity theft is a growing national issue, and limiting the time for reinstatement removes shelf entities dissolved by law and which have long ceased doing business from being reinstated by unrelated third parties and used for nefarious purposes.

The bill also provides a delayed operative date to allow entities the opportunity to review their records and reinstate where appropriate.

**Principal Introducer:** \_\_\_\_\_

**Senator Beau McCoy**