

or their grandchildren. Obviously their children or grandchildren may be living 1500 miles away. They may not know what is going on on a day to day operation of that business with that farm or that ranch and it is better that they just hold the stock in a nonvoting status. They are going to have it. It permits the family to make gifts, to take advantage of the IRS federal state and tax planning and at the same time it allows the corporation to function in a most direct and efficient way. Most family corporations do function with merely the mom and pop idea where they can have their board meetings right across the breakfast table. If you have to call in and have waivers from sons and daughters or grandchildren across the country, most people just aren't going to bother with it. This is a good plan. It is not just reserved for the family farm or the family ranch, however, it is for any corporation where you have this type of situation develop. I see nothing wrong with this bill. I think it is an excellent bill. I think it will help people in the state of Nebraska.

PRESIDENT: Senator Murphy.

SENATOR MURPHY: I would oppose the motion and I would just briefly mention one other point that did develop in the hearing. Of course, I'm sure you're aware that we presently have nonvoting stock called preferred stock which is traded commonly. But more importantly, the employer who would be motivated by an incentive program could offer stock which would appreciate and grow with the corporation based on the employees efforts could also make use of this program without losing control of the corporation.

PRESIDENT: Senator Dworak. Senator Mills.

SENATOR MILLS: Mr. President, members of the Legislature. I certainly rise in opposition to the motion to kill this meritorious bill. Those people that I know involved in agriculture using that instrument of the corporation, that vehicle certainly need this and I am surprised at Senator Burrows and his misunderstanding perhaps of this issue because I know how strongly he worked for those people involved in agriculture and agricultural family organizations. This bill is a great thing for them. I have a number of friends who have small family corporations and are very concerned about this issue and hope to goodness it does pass. For those persons that I know who are involved in a state planning and those attorneys who use this vehicle for agricultural friends are certainly in favor of this bill. I don't really see anything wrong with it and I hope that you would oppose this motion to indefinitely postpone this. It is meritorious. It is going to help your family farm constituents should they wish to use the corporate vehicle in their state planning.

PRESIDENT: Senator Dworak.

SENATOR DWORAK: Mr. President, colleagues. I also rise in opposition of the kill motion. I can see this as another tool to preserve the family farm. There is no way with the present level of inheritance and estate taxes can a small family farmer pass this on to his children. Now we talk this word corporation, all of a sudden it's become a very bad word but we're finding more and more every day that the