

# COMMITTEE STATEMENT

## LB 274

HEARING DATE: February 8, 1999

COMMITTEE ON: Banking, Commerce, and Insurance

TITLE: (Jones, Baker, Bourne, Byars, Coordsen, Hudkins, Kremer, Landis, C. Peterson, Schellpeper, Wickersham, Jensen, Tyson, Bruning ) Change provisions relating to the organization of agricultural business entities

### ROLL CALL VOTE – FINAL COMMITTEE ACTION

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Advanced to General File

Advanced to General File with Amendments

X Indefinitely Postponed

#### Vote Results:

8	Yes	Senators Landis, Tyson, Aguilar, Bourne, Bruning, Jensen, Kremer, Schmitt
	No	
	Present, not voting	
	Absent	

#### PROPOSERS

Senator Jim Jones

Bob VanValkenburg

Robert Hallstrom

Ron Ochsner

#### REPRESENTING

Introducer

Self

NE Bankers Association

NE Corn Growers Association

#### OPPOSERS

Nancy Thompson

Ron Schooley

Norma Hall

John Hansen

#### REPRESENTING

Center for Rural Affairs

Mid-NE PRIDE

Friends of the Constitution

NE Farmers Union

NE League of Rural Voters

Annette Dubas

Robert Jeary

Donna Ziemis

NE State Grange

#### NEUTRAL

Cynthia Thomsen

#### REPRESENTING

Women Involved in Farm Econo

## COMMITTEE STATEMENT

### SUMMARY OF PURPOSE AND/OR CHANGES:

LB 274 (Jones, Baker, Bourne, et al) would amend the Limited Liability Company Act and both the Uniform Partnership Act and the Uniform Partnership Act of 1998 to provide that a limited liability company (LLC) or a limited liability partnership (LLP) meeting certain conditions is deemed not to be a syndicate for purposes of Article XII, section 8 (Initiative 300, 1982), of the Constitution of Nebraska.

The bill would amend section 21-2602 of the Limited Liability Company Act (section 1 of the bill), section 67-306 of the Uniform Partnership Act (section 2 of the bill), and section 67-409 of the Uniform Partnership Act of 1998 (section 3 of the bill), to provide that an LLC or an LLP shall not be deemed a syndicate for purposes of Article XII, section 8, of the Constitution of Nebraska, if the members (in the case of an LLC) or the partners (in the case of an LLP) total no more than two; the members or partners are not related to one another within the fourth degree of kindred; one member or partner is at least sixty-five years of age and owns a farm or ranch; and the remaining member or partner is less than forty years of age when he or she becomes a member or partner and is actively engaged in the day-to-day labor and management of such farm or ranch.

(Note: Nebraska currently has two uniform acts regarding partnerships. Each of them has an LLP component. The Uniform Partnership Act (sections 67-301 to 67-346) (“Old Act”) dates back to 1943. The Old Act’s LLP components was added in 1996. The Uniform Partnership Act of 1998 (sections 67-401 to 67-467) (“New Act”) was enacted with an LLP component in 1997. The New Act became operative on January 1, 1998 and governs partnerships formed on or after that date. The Old Act governs partnerships formed before January 1, 1998. The New Act governs partnerships formed before January 1, 1998 that elect to be governed by the New Act. The Old Act terminates on January 1, 2001, and on and after that date the New Act governs all partnerships.)

### EXPLANATION OF AMENDMENTS, IF ANY:

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Senator David Landis