



Hundredth Legislature - Second Session - 2008
Introducer's Statement of Intent
LB 848

Chairperson: Rich Pahls
Committee: Banking, Commerce and Insurance
Date of Hearing: February 4, 2008

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

In the first session of the 100th Legislature, the Legislature adopted LB 368 as the Nebraska Limited Cooperative Association Act. Subsequent to that adoption the National Conference of Commissioners on Uniform State Laws (“NCCUSL”) completed a final draft of its Uniform Limited Cooperative Association Act. The NCUSL draft was finalized on August 3, 2007.

The purpose of LB 848 is to generally harmonize provisions of the Nebraska Limited Cooperative Association Act with the Uniform Limited Cooperative Association Act in areas where differences do not reflect specific deviations from earlier versions of the Uniform Act that were intended in the drafting and adoption of LB 368 in 2007.

The amendments may be summarized as follows:

1. Harmonize the definition of “Distribution”.
2. Include “cooperative” in the definition of “Entity”.
3. Harmonize the definition of “Investor Member”.
4. Clarify definition of “Member” to include patron members and investor members.
5. Rectify name of “certificate of good standing”.
6. Harmonize that a limited cooperative association may have only one member if the member is a limited cooperative association, a cooperative or a non-stock cooperative.
7. Change the percentage of members required to call a special meeting from ten to twenty to be consistent with laws generally applicable to cooperatives in Nebraska.
8. Harmonize provisions concerning each investor member having only one vote unless articles of organization or bylaws provide otherwise and allowing for classes of investor members.
9. Harmonize provisions concerning Marketing Contracts between an LCA and its patron members.
10. Add language allowing the Board of Directors to adopt policies and procedures that are not in conflict with the articles of organization, the bylaws or the Act.

Principal Introducer:

Senator Philip Erdman