

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 351

Introduced by Lautenbaugh, 18.

Read first time January 15, 2009

Committee: Judiciary

A BILL

1 FOR AN ACT relating to limited liability companies; to amend
2 section 21-2601, Reissue Revised Statutes of Nebraska;
3 to provide for charging orders against a member's
4 transferable interest; to harmonize provisions; and to
5 repeal the original section.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. (1) On application to a court of competent
2 jurisdiction by any judgment creditor of a member or transferee,
3 the court may charge the transferable interest of the judgment
4 debtor in the limited liability company with payment of the
5 unsatisfied amount of the judgment with interest. To the extent of
6 the amounts so charged, the judgment creditor has only the rights
7 of the transferee to receive any distribution to which the judgment
8 debtor would otherwise have been entitled with respect to the
9 interest of the judgment debtor in the limited liability company.

10 (2) A charging order entered pursuant to this section
11 constitutes a lien on the judgment debtor's transferable interest
12 in the limited liability company.

13 (3) This section does not deprive any member or
14 transferee of the benefit of any exemption laws applicable to the
15 member's or transferee's interest in the limited liability company.

16 (4) The entry of a charging order pursuant to this
17 section is the exclusive remedy by which a judgment creditor of a
18 member or transferee may satisfy a judgment out of the judgment
19 debtor's interest in the limited liability company.

20 (5) No creditor of a member of a limited liability
21 company shall have any right to obtain possession of, or otherwise
22 exercise legal or equitable remedies with respect to, the property
23 of the limited liability company.

24 (6) This section applies to all limited liability
25 companies authorized under the Limited Liability Company Act.

1 Sec. 2. Section 21-2601, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 21-2601 Sections 21-2601 to 21-2653 and section 1 of
4 this act shall be known and may be cited as the Limited Liability
5 Company Act.

6 Sec. 3. Original section 21-2601, Reissue Revised
7 Statutes of Nebraska, is repealed.