

beneficiary. What LB 97 does is this. It recognizes a new definition for profit in the partnership situation and it says that where you have a limited partnership or an equivalent organization, let's say a joint venture, a legal association, less than a corporate format, but one in which there is the possibility of retained earnings or retained profits, profit will be determined by that amount of money which is distributed by the legal entity, that is distributed by the legal entity. Otherwise they would be trapped by the definition of profit equalling revenues minus costs and that is not what occurs here because in those situations you could have retained earnings and the trustee would never be given the money, yet the trustee would have the obligation to pass that money out to the beneficiary, the organization wouldn't have turned it over to the trustee, but the trustee, because of this law that we have on the books, would have the obligation to somehow make that good to the beneficiary. I've passed out to you the people who are benefitted by this bill. Who is benefitted? Trustees. Why? Because they get clear directions instead of getting two different directions, one from the Principal and Income Act, one from the distribution of profits and they can't make both of those things work. So here are some trustees who tell you the FirstTier Bank's Trust Department, NBC's Trust Department, an attorney who does work in this area, they tell you that it is necessary to give them clearer instructions, that's what 97 does, I would urge for its advancement. I'll be happy to answer any questions that I have left unanswered.

SPEAKER BARRETT: Thank you. Discussion on the advancement of LB 97. There are no lights on. Senator Landis, anything further?

SENATOR LANDIS: Frank Korshoj asked me to do the whole thing a second time, but I...I'll tell you what, I'll talk to him privately and I'll waive closing.

SPEAKER BARRETT: Thank you. The question is then the advancement of LB 97 to E & R Initial. Those in favor vote aye, opposed nay. Have you all voted? Record, please.

CLERK: 33 ayes, 0 nays, Mr. President, on the motion to advance LB 97.

SPEAKER BARRETT: LB 97 is advanced. LB 94.