

February 26, 1996 LB 681

SENATOR JONES: Madam President and members of this body, I was going to ask Senator Landis a question. Maybe he can answer it, it might have to go to Kristensen. But anyway...

PRESIDENT ROBAK: Senator Landis.

SENATOR JONES: Anyway, my son tried to incorporate, but he couldn't, tried it for two years on Initiative 300. And now he tried to try a partnership with a person that's not related. If he did, would that let...if something would happen to the older gentleman can he keep the operation intact, or would he be forced to have a land sale and try to get out of it?

SENATOR LANDIS: A partnership comes to an end when one of the partners dies or leaves the partnership. That is general partnership law. And I'm going to...I see nothing in this bill that would change that. You can have a partnership that lasts over time, and you have, let's say, eight partners and one of them dies. But let's have you say that you have a partnership that has eight partners and one of them dies, and seven of them continue in business. What's actually happened is that a new partnership has formed. It's not the same partnership. It was a partnership with eight, when they died, the seven reconstitute in a new partnership with seven people.

SENATOR JONES: Okay.

SENATOR LANDIS: So it's not the same partnership it was, it becomes a new one. If you ask me a situation in which there are two partners, one an older gentleman, one a younger gentleman, the older gentleman dies and that...then you have one person, you have no partnership left because there's one person, there is no partnership. You got to have two people to have a partnership, so you're out of the partnership status and it can't continue in that form. If you had three people and one of the people died, the two who were there could continue in a partnership status, they would reform their partnership with two partners rather than three. Partnerships do not survive the death of the partners, they are reconstituted, it happens when partners leave a partnership, the partnership is reconstituted at that point with whoever the partners are that are there. They have special rules as to what the liability was for the person who was there for that period of time that they were a partner, and that can continue even after they've left the