

the Banking Committee did. This, I think Senator Hilgert and Senator Lindsay have this bill. We've incorporated it so we don't do something different than what they are doing. This body has, I believe, moved that bill over to Final Reading, and we just harmonize with what they are doing in the model Business Corporation Act. We also make a couple of tweaks to the limited liability companies' cleanup, after we had the seminars for the past year, we had some changes in LLCs. Again, these have been bills that were cleanup in nature, but they have been through the Banking Committee counsel and the committee has had a chance to look at them. Obviously, they weren't substantial enough to be an individual priority bill. They are things that we just need to do to clean up our LLCs, and the most important provision of that repeals the six month notice and demand for distribution of capital, serves no useful purpose. We copied it from Wyoming, which was the first state to do LLCs. Since that time, the IRS, in the last couple of years, has said that that provision has no tax consequence,...

SENATOR CROSBY: One minute.

SENATOR KRISTENSEN: ...is unnecessary, and so we've taken that out. That is consistent with most every other LLC statute in the country, and one that we thought we might as well do it while we were cleaning up. We also conformed that the voting provisions are consistent with the IRS revenue rulings, 9510, and 9446. Currently, those votes are a majority in interest. Some were two-thirds and some were unanimous. What we did is basically make all those statutory votes a majority in interest, or of greater interest, as provided by the articles of organization. That are the major changes to the LLC, what I call the cleanup. They are not tremendously earthshaking. I doubt if you will see any changes, but it is to make it technically correct. I appreciate the body's indulgence in doing this. Again, what the amendment really does do is adopts the model nonprofit act that has been sitting in committee...

SENATOR CROSBY: Time.

SENATOR KRISTENSEN: ...for two years. Thank you.

SENATOR CROSBY: Thank you, Senator Kristensen. Discussion on the Kristensen amendment, Senator Wesely, followed by Matzke, Beutler, Wickersham, and Lynch. Senator Wesely.