

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1050

FINAL READING

Introduced by Harr, 8.

Read first time January 20, 2016

Committee: Banking, Commerce and Insurance

1 A BILL FOR AN ACT relating to partnerships; to amend section 67-401,
2 Reissue Revised Statutes of Nebraska; to authorize the conversion of
3 domestic partnerships and domestic limited liability partnerships
4 into domestic limited liability companies or foreign limited
5 liability companies as prescribed; to require notice to certain
6 holders of security interests as prescribed; to harmonize
7 provisions; and to repeal the original section.
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 67-401, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 67-401 Sections 67-401 to 67-467 and sections 2 and 3 of this act
4 shall be known and may be cited as the Uniform Partnership Act of 1998.

5 Sec. 2. A domestic partnership may convert into a domestic limited
6 liability company pursuant to sections 21-170 to 21-184 and may convert
7 into a foreign limited liability company in accordance with this section
8 and the applicable law of the state of formation of such foreign limited
9 liability company. In each case, the conversion of a domestic partnership
10 into such limited liability company shall be made pursuant to a plan of
11 conversion setting forth the information required in section 21-175 and
12 such information required pursuant to the statute under which such
13 conversion shall be effected. Unless otherwise provided in its
14 organizational documents, a plan of conversion shall be approved by the
15 domestic partnership by partners who own in the aggregate more than fifty
16 percent of the interests in the profits of such partnership.
17 Notwithstanding such approval, at any time before the articles of
18 conversion are filed, a plan of conversion may be terminated or amended
19 pursuant to a provision for such termination or amendment contained in
20 the plan of conversion. A domestic partnership converting into a domestic
21 limited liability company or a foreign limited liability company shall,
22 at least ten business days before the articles of conversion are filed,
23 send written notice of such conversion to the last-known address of any
24 holder of a security interest in collateral of such partnership.

25 Sec. 3. A domestic limited liability partnership may convert into a
26 domestic limited liability company pursuant to sections 21-170 to 21-184
27 and may convert into a foreign limited liability company in accordance
28 with this section and the applicable law of the state of formation of
29 such foreign limited liability company. In each case, the conversion of a
30 domestic limited liability partnership into such limited liability
31 company shall be made pursuant to a plan of conversion setting forth the

1 information required in section 21-175 and such information required
2 pursuant to the statute under which such conversion shall be effected.
3 Unless otherwise provided in its organizational documents, a plan of
4 conversion shall be approved by the domestic limited liability
5 partnership by partners who own in the aggregate more than fifty percent
6 of the interests in the profits of such limited liability partnership.
7 Notwithstanding such approval, at any time before the articles of
8 conversion are filed, a plan of conversion may be terminated or amended
9 pursuant to a provision for such termination or amendment contained in
10 the plan of conversion. A domestic limited liability partnership
11 converting into a domestic limited liability company or a foreign limited
12 liability company shall, at least ten business days before the articles
13 of conversion are filed, send written notice of such conversion to the
14 last-known address of any holder of a security interest in collateral of
15 such limited liability partnership.

16 Sec. 4. Original section 67-401, Reissue Revised Statutes of
17 Nebraska, is repealed.