

February 8, 1996 LB 1036

is the adoption of the committee amendments to LB 1036. All those in favor vote aye; all those opposed vote nay. Please record.

ASSISTANT CLERK: 26 ayes, 0 nays on the adoption of committee amendments.

PRESIDENT ROBAK: The committee amendments are adopted. The Chair recognizes Senator Kristensen to open on the bill.

SENATOR KRISTENSEN: Thank you, Madam President, members of the Legislature. Senator Landis has accurately portrayed the bill and that being the cleanup to the Model Business Corporation Act, which we did pass last year. This is, I think, technically a cleanup, an administrative matter. Senator Landis has touched on the domestication procedure and that's one of the...the bill did allow for that to occur so that there are procedures for foreign corporations wishing to transact business in Nebraska that they may do so, and allow them to domesticate. The other item that's in the bill that I think I want to touch on right now, that's perhaps of more immediate need, is that it would allow the Secretary of State to administratively reinstate a certificate of authority for a foreign corporation who has had their certificate administratively revoked. Here's a common example of what happens. People incorporate, they don't pay their occupation tax, easy to do, they forget to do it. It happens to me all the time with corporations that are done, family corporations, small businesses, they forget to do that. The Secretary of State has a procedure where, if they don't pay their corporation occupation tax or annual fees they're just administratively...have their certificate revoked. Ultimately they'll come around and say, oh my goodness, we're not in good standing with the Secretary of State, and the Secretary of State allows them to pay all the back fees, they get reinstated, it's administratively done and not a problem. That happens with residents and with Nebraska corporations all the time. The... And that's been allowed for foreign corporations as well. When we did the Model Business Corporations Act, the model act did not allow for that, and allowed that the only way that the foreign corporation could be reinstated was to go to district court, which, by the way, is Lancaster County District Court, and that can become, one, a considerable administrative and legal hurdle to get over. What this does is allow the foreign corporations to be treated similar to what we do for Nebraska