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New law affects registration of professional business entities

LINCOLN – Legislation passed by the 2004 Legislature affects how businesses performing professional services must register with the state, according to Nebraska Secretary of State John Gale.

Nebraska law generally provides that some or all principals involved in a business entity that renders professional services must provide proof of licensing to the secretary of state's office. LB 16, which becomes effective July 16, modifies and clarifies requirement in this area.

Under LB 16, an application with the secretary of state's office to register a professional corporation or a limited liability company organized to render professional services shall include a certificate of registration from the applicable Nebraska licensing body. This requirement applies to domestic and foreign entities.

LB 16 also deals with domestic and foreign limited liability partnerships engaged in the practice of law. The application to register such entities with the secretary of state's office shall include a certificate of authority issued by the Nebraska Supreme Court.

In 1999 the Supreme Court adopted a rule that enables law firms to organize as limited liability entities. The rule requires firms to receive a certificate of authority from the Supreme Court prior to the firms filing with the secretary of state's office.

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