

JOHN A. GALE

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Limited cooperative associations now available in Nebraska

LINCOLN – A new corporate entity is now available to business interests in Nebraska, according to Secretary of State John Gale.

Effective Jan. 1, limited cooperative associations can be formed in the state as a result of authorization by the 2007 Legislature.

Gale said his office is ready to accept filings of limited cooperative associations.

"Limited cooperative associations allow greater opportunity to seek investment capital than traditional cooperatives," Gale said.

Potential applications for the new entity extend beyond agribusiness to include such enterprises as information technology sharing, housing cooperatives, food retailing, distribution associations and management systems.

Traditional cooperatives limit participation to patron members who use the cooperative's services. Federal and state laws restrict the ability of traditional cooperatives to seek investment capital to fund start-up costs, expansion or other activities.

A limited cooperative association combines the elements of a traditional cooperative with the ability to raise capital. Investor members can earn a return on their investments without participating in the enterprise as a patron.

"The limited cooperative association will provide another model to conduct business in the state," Gale said.

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