



From the Office of Secretary of State

John Gale

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Forfeiture looms for certain business entities in Nebraska

LINCOLN – As a new state law goes into effect, the Secretary of State is warning Nebraska business entities to take steps to make sure they are in good standing with his office.

Under LB854, passed by state senators in 2012, business entities that have been administratively dissolved for five years may still be in business unaware that they have lost their good standing. They must reinstate themselves before January 1, 2013, or permanently forfeit their status. Attempts to reinstate after five years will be null and void.

"Every year there are thousands of business entities that fail to comply with the law and lose their good standing," said Sec. John Gale. "Under past law, entities had an unlimited time to reinstate. That is not the case now."

The bill, which applies to limited liability companies, corporations, nonprofit corporations and limited cooperative associations, goes into effect Jan. 1, 2013.

According to Sec. Gale, the law helps combat business identity theft, a growing national problem. "Limiting the time for reinstatement removes business entities that have long stopped operating in the state and keeps them from being reinstated by someone else for criminal purposes."

Gale said all business entities in Nebraska should review their status with his office and reinstate when appropriate before the expiration of five years. "For some businesses, those that were dissolved in 2007 and before but are still operating will essentially be wiped off the books if they have not taken the appropriate steps to reinstate prior to the January 1 deadline," said Gale. Between 2002 and 2007, approximately 18,000 businesses in Nebraska have been dissolved.

If the reinstatement is granted, the business entity can resume its activities as if the dissolution or revocation had not occurred.

The status of a business can be checked for free by logging onto the Secretary of State's website. The address is: www.sos.ne.gov. Look Under "Quick Links" on the main page for "Corporate & Business Search".

If the status of your business is inactive, call the Business Services Division of the Secretary of State's office at 402-471-4079 or send an email to sos.corp@nebraska.gov to request the appropriate forms to reinstate.

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