

LEGISLATIVE BILL 706

Approved by the Governor February 7, 2008

Introduced by Executive Board: Engel, 17, Chairperson.

FOR AN ACT relating to limited cooperative associations; to amend section 21-2970, Revised Statutes Supplement, 2007; to delete erroneous references to corporation that should be references to limited cooperative association; to repeal the original section; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 21-2970, Revised Statutes Supplement, 2007, is amended to read:

21-2970 (1) A director shall discharge his or her duties as a director, including his or her duties as a member of a committee:

(a) In good faith;

(b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and

(c) In a manner he or she reasonably believes to be in the best interests of the ~~corporation~~ limited cooperative association.

(2) In discharging his or her duties, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

(a) One or more officers or employees of the ~~corporation~~ limited cooperative association whom the director reasonably believes to be reliable and competent in the matters presented;

(b) Legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the person's professional or expert competence; or

(c) A committee of the board of directors of which he or she is not a member, if the director reasonably believes the committee merits confidence.

(3) A director shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection (2) of this section unwarranted.

(4) A director shall not be liable for any action taken as a director or any failure to take any action if he or she performed the duties of his or her office in compliance with this section.

Sec. 2. Original section 21-2970, Revised Statutes Supplement, 2007, is repealed.

Sec. 3. Since an emergency exists, this act takes effect when passed and approved according to law.