



From the Office of Secretary of State

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Trends point to positive growth in Nebraska business

LINCOLN – More companies are doing business in Nebraska, states Secretary of State John Gale. Overall, the numbers are growing, but especially for one entity type in particular. Filings for domestic limited liability companies (LLCs) jumped 16 percent between 2013 and 2014. They went up 13 percent during that same time period for foreign LLCs.

“New businesses enterprises prefer the LLC over a domestic corporation due to the increased flexibility, less formalized operational requirements and greater ease of dissolving. Additionally, the investors are usually the managers,” explained Gale. “I think this increase in domestic LLCs is a good marker and reflects a robust entrepreneurial drive across Nebraska to start new businesses.”

Since 2009, domestic LLC filings have gone up 79 percent. There were 50,948 on file at the end of 2014. At the same time formulation of business corporations have continued to fall off. In 2009 there were 45,323 domestic business corporations on file. As of last year, there were 39,719. Gale noted the same trend was true among foreign LLCs – they have increased 58 percent in five years.

Among the most popular business entity types in Nebraska, growth increased four percent from 2013 to 2014. They include foreign and domestic corporations, nonprofits, LLCs, limited liability partnerships (LLPs), and limited partnerships (LPs). Among those categories, there were a total of 130,590 entities on file at the end of the year. They included two businesses which were created under a class of entities approved by the state legislature in 2014 known as benefit corporations.

"These are for profit companies that promote social responsibility as part of their corporate purpose," added Gale.

When it comes to filing annual and biennial reports with the Secretary of State's office, growth has been steady for online services. Combined, domestic and foreign business corporations filed 8,424 reports online in 2010. In 2014, that number reached 30,953, an increase of 267 percent over three reporting periods (2010, 2012 & 2014).

The same trend has held true for LLCs. Online filings increased from 9,056 in 2011 to 14,118 in 2013, a 56 percent increase. Interestingly, during the same time period, in house filings for LLCs also went up slightly. But as Gale observed, that is likely due to the significant increase of LLCs overall in Nebraska.

"The business services division of my office has been very proactive with launching new online applications to make business filings accessible 24/7 from Harrison to Falls City for our owners," said Gale. "We are pleased the public has responded so well to this convenient and accessible way to filing reports with the state."

Uniform Commercial Code (UCC) filings submitted online by banks and other financial institutions reached almost 90 percent in 2014. However, as Gale points out, that online system has been in use longer than the one currently utilized by business entities. "The hope is that over time, business entities will also become as familiar and comfortable with online filing, resulting in that same type of turnout on an annual and biennial basis, as requirements dictate."

Gale serves as chief business officer for Nebraska and has regulatory authority over all business entities that operate within the state.

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