

ONE HUNDRED FIRST LEGISLATURE - SECOND SESSION - 2010
COMMITTEE STATEMENT (CORRECTED)
LB751

Hearing Date: Tuesday January 19, 2010
Committee On: Banking, Commerce and Insurance
Introducer: Pahls
One Liner: Change provisions relating to the effect of errors and omissions in financing statements

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye:	5	Senators Christensen, Langemeier, Pahls, Pankonin, Pirsch
Nay:		
Absent:	2	Senators McCoy, Utter
Present Not Voting:	1	Senator Gloor

Proponents:

Senator Rich Pahls
Robert J. Hallstrom

Representing:

Introducer
NE Bankers Association

Opponents:

Representing:

Neutral:

Colleen Byelick

Representing:

Office of the Secretary of State

Summary of purpose and/or changes:

LB751 (Pahls) would remove recently enacted non-uniform provisions from a section of Article 9 (Secured Transactions) of the Uniform Commercial Code (UCC).

The bill would amend UCC Section 9-506, which regards the effect of errors and omissions in a financing statement. This section was amended by the Nebraska Legislature in 2008 to provide that a financing statement with minor errors or omissions is not seriously misleading if a search of "the debtor's correct last name" in the records of the filing office would disclose the financing statement. UCC Section 9-506 otherwise provides, as a general matter, that a financing statement substantially satisfying the requirements of the code is effective, even if it has minor errors or omissions, unless the errors or omissions make the financing statement seriously misleading. The 2008 amendments to this section were non-uniform and were not to have become applicable until September 2, 2009. This section was further amended by the Nebraska Legislature in 2009 to provide that the 2008 amendments would not become applicable until September 2, 2010. LB751 would repeal the 2008 amendments before they can become applicable.

Other states have adopted various non-uniform amendments to their versions of this section regarding the debtor's last name on a financing statement. It is expected that the Uniform Law Commissioners will be considering uniform amendments regarding this and related matters for recommendation to all the states. LB751 would return Nebraska's UCC Section 9-506 to its original uniform text pending completion by the Uniform Law Commissioners of their work.

The bill carries the emergency clause.

Rich Pahls, Chairperson