

ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013
COMMITTEE STATEMENT
LB210

Hearing Date: Tuesday January 29, 2013
Committee On: Banking, Commerce and Insurance
Introducer: Harr
One Liner: Provide remedies and procedures regarding unauthorized financing statement filings

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Campbell, Carlson, Christensen, Crawford, Gloor, Howard, Pirsch, Schumacher
Nay:
Absent:
Present Not Voting:

Proponents:

Senator Burke Harr
John Gale
Colleen Byelick
Bob Hallstrom
Katie Zulkoski

Representing:

Introducer
Secretary of State
Secretary of State
NE Bankers Association
NE State Bar Association

Opponents:

Neutral:

Tom Jeffers

Representing:

Representing:

NE Cooperative Council

Summary of purpose and/or changes:

LB210 (Harr) would enact a new section in Uniform Commercial Code Article 9 (Secured Transactions) to establish procedures by which an individual who is improperly identified as a debtor on a financing statement can file an affidavit with the filing office (usually the Secretary of State) seeking filing by the filing office of a termination statement with regard to the financing statement. The bill would provide that no such affidavit may be filed with respect to a financing statement filed by or on behalf of a financial institution.

The bill would also establish procedures by which a secured party of record identified on the financing statement as to which a termination statement has been filed under the new provisions of the bill may bring an action in district court to challenge the termination statement.

Explanation of amendments:

The committee amendments would make the following changes:

1. The committee amendments would provide that an affidavit may not be filed with respect to a financing statement filed by an agricultural input supplier. With this change, financing statements filed by agricultural input suppliers would

be treated the same as financing statements filed by financial institutions.

2. The committee amendments would define an agricultural input supplier as a person regularly in the business of extending credit to agricultural producers.
3. The committee amendments would add a new subsection (b) to provide that an affidavit shall include pertinent information the Secretary of State may reasonably require.
4. The committee amendments would provide that a secured party of record on the financing statement must commence a court action within twenty days after the termination statement is filed in order to challenge the termination statement.

Mike Gloor, Chairperson