

One Hundred Third Legislature - Second Session - 2014

Introducer's Statement of Intent

LB750

Chairperson: Senator Mike Gloor

Committee: Banking, Commerce and Insurance

Date of Hearing: February 04, 2014

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB750 addresses how the Secretary of State's Office files financing statements related to statutory agricultural liens.

There have been approximately 3900 of these types of financing statements filed from 1979 and 2003. The only way to remove these financing statements from the record is to file a termination statement. Under current law, once an initial document is filed, it remains active in the index and available up to 5 years from the date of filing.

The financing statements related to statutory agricultural liens are not included in current statute so they would not lapse off the record after 5 years.

Many of the lien holders for these liens have gone out of business or cannot be located so therefore the liens cannot be terminated. This has created a problem for the debtors listed because these liens appear on the buyers' registration list (or master lien list) that is used by purchasers of agricultural products.

LB750 addresses this issue by requiring the filing of a continuation statement for these older liens in-order for them to remain active. These liens would be treated similarly to the UCC Article 9 rules which would allow them to lapse off the record after 5 years, unless continued.

Principal Introducer: _____

Senator Burke Harr