

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

March 29, 1999 LB 550, 620, 622, 673, 675, 722, 734, 759
822

Retirement reports (LB) 620, (LB) 673, (LB) 675 indefinitely postponed. Judiciary reports (LB) 622, (LB) 722, (LB) 734, (LB) 759 to General File. I have a series of amendments to be printed to LB 822 by Senator Beutler. (See pages 1249-1251 of the Legislative Journal.)

SENATOR SCHIMEK: We will now move to the part of the agenda that is listed for three o'clock, LB 550, and...

CLERK: Madam President, 550, excuse me, introduced by Senator Landis. (Read title.) The bill was introduced in January, referred to the Banking, Commerce and Insurance Committee. The bill was advanced to General File. I do have committee amendments, Madam President. (See AM0364 found on page 597 of the Legislative Journal.)

SENATOR SCHIMEK: Thank you. Senator Landis, you are recognized to open on the bill.

SENATOR LANDIS: Thank you, Madam President, members of the Legislature. Article 9 is the section of the Uniform Commercial Code with respect to secured transactions. Secured transactions are where somebody makes a loan and to ensure that the loan is going to be paid back they take a security interest in property. It's a way of making sure people are going to pay you back. There are several levels at which the secured transaction law operates. One of them is between the debtor and the creditor, and that relationship is created when the secured transaction attaches. Attachment is the relationship that accrues between the creditor and the debtor that the debtor is supposed to repay, and if they don't, that the goods that the creditor and debtor have specified can be taken and sold, repossessed and sold to pay off the debt. There is a second level under secured transaction and that's to take this relationship between the creditor and the debtor and make it known to the world, so that other people who might be doing business with the debtor would have knowledge that the debtor, in fact, had promised certain goods to secure a previously made obligation. Perfection requires filing information in almost all circumstances, and that that information is public record, searchable, discoverable, so that some later potential creditor can look to see whether or not the debtor has already promised the goods to