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FLOOR DEBATE

January 19, 2001 LB 49, 54

SENATOR COORDSEN: Thank you, Senator Landis. You've heard the opening. There are no lights on. Senator Landis, did you wish to say anything in closing? Closing is waived. The question before the body is the advancement of LB 49 to E & R Initial. Those in favor please vote aye, those opposed nay. Record, Mr. Clerk.

CLERK: 29 ayes, 0 nays, Mr. President, on the advancement of LB 49.

SENATOR COORDSEN: LB 49 is advanced. Next item, Mr. Clerk.

CLERK: Mr. President, on LB 54. It's a bill by Senator Landis. (Read title.) The bill was introduced on January 4, referred to the Banking, Commerce, and Insurance Committee for public hearing, advanced to General File. I have no amendments to the bill at this time, Mr. President.

SENATOR COORDSEN: Thank you, Mr. Clerk. To open on LB 54, Senator Landis please.

SENATOR LANDIS: Thank you, Senator Coordsen, and members of the Legislature. To explain LB 54, you need to go back to explain the Article 9 change that we made in 1999 and a little bit of history about security agreements in this state. A security agreement is a promise that a loan will be repaid, and the form of the promise that if the loan isn't repaid, there are goods or collateral that can be taken in the place of the proceeds for the loan that should be returned. So it says, look, if I don't pay you back, you can have the couch and chairs and TV in my living room, and this is in two forms; it has two stages. First, there is a security agreement between the debtor and the lender in which they make this promise to repay and you can take the goods if you don't repay, and the debtor's signature is on that instrument. Then the lender takes another piece of paper and historically went down to the county court house and filed it, and it was a financing statement. The financing statement isn't signed by the debtor, it is only signed by the lender, and it simply says these goods of so-and-so and so-and-so are now available to me as a promise against the loan I've given that person. So I'm telling the world that if you thought that you