



Hundredth Legislature - First Session - 2007  
**Introducer's Statement of Intent**  
**LB 381**

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**Chairperson:** Rich Pahls  
**Committee:** Banking, Commerce and Insurance  
**Date of Hearing:** February 5, 2007

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

LB 381 is legislation requesting elimination of the reference to 'oral' inquiries in Neb. Rev. Stat. § 52-1316 (R.R.S.2004) for Effective Financing Statement (EFS) inquiries. No oral inquiries have been requested from the Secretary of State's Office since prior to 2001. The number of written EFS inquiries requested from the Secretary of State's Office has declined significantly (from over 10,000 annually in the early 1990's to 608 in 2006). EFS inquiries may be made online 24 hours per day, 365 days per year and the number of online inquiries reached an all time high of 13,798 in 2006.

Additionally, there are issues of liability if information conveyed over the telephone is misunderstood by the party calling to request lien information from the Secretary of State's central filing database or when the Secretary of State's Office must enumerate multiple lender names/addresses; filing dates/times of the EFS documents; and provide commodity information: crop(s), county(ies) where crops are produced, year crop produced, and product description if not all of the crop produced by the debtor is covered by the security interest.

Buyers of farm products are protected from double jeopardy only by registering with the Secretary of State's office to receive the master lien listings pursuant to Neb. Rev. Stat. §§ 52-1601 to 52-1605 (R.R.S.2004).

**Principal Introducer:**

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**Senator Rich Pahls**