

**ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009**  
**COMMITTEE STATEMENT**  
**LB87**

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**Hearing Date:** Monday January 26, 2009  
**Committee On:** Banking, Commerce and Insurance  
**Introducer:** Pahls  
**One Liner:** Change provisions relating to the effects of errors and omissions in financing statements

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File

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**Vote Results:**

**Aye:** 8 Senators Christensen, Gloor, Langemeier, McCoy, Pahls, Pankonin,  
Pirsch, Utter

**Nay:**

**Absent:**

**Present Not Voting:**

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**Proponents:**

Senator Rich Pahls  
Robert Hallstrom

**Representing:**

Introducer  
NE Bankers Association

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

LB 87 (Pahls) would amend Uniform Commercial Code Section 9-506, which regards the effect of errors and omissions in a financing statement. This section was amended by the Nebraska Legislature in 2008 to provide that a financing statement with minor errors or omissions is not seriously misleading if a search of "the debtor's correct last name" in the records of the filing office would disclose the financing statement. UCC Section 9-506 otherwise provides, as a general matter, that a financing statement substantially satisfying the requirements of the code is effective, even if it has minor errors or omissions, unless the errors or omissions make the financing statement seriously misleading. The 2008 amendments to this section are non-uniform and do not become applicable until September 2, 2009. The bill would move back the date of applicability in order to provide that the non-uniform 2008 amendments would not become applicable until September 2, 2010.

Other states have adopted various non-uniform amendments to this section regarding the debtor's last name. It is expected that the Uniform Law Commissioners will be considering uniform amendments regarding this matter for recommendation to all the states. LB 87 would put the 2008 Nebraska amendments on hold pending completion by the Uniform Law Commissioners of their work.

The bill carries the emergency clause.

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Rich Pahls, Chairperson