

One Hundred Seventh Legislature - First Session - 2021

Introducer's Statement of Intent

LB177

Chairperson: Senator Matt Williams

Committee: Banking, Commerce and Insurance

Date of Hearing: February 02, 2021

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

The purpose of LB 177 is to increase the time for the perfection of Fertilizer and Agricultural Chemical Liens under 52-1101 et. seq. and increase the time for the perfection of Seed Lien or Electrical Power/Energy Liens under Section 52-1202 et. seq. from the current sixty (60) days to one hundred twenty (120) after the last delivery of goods or services covered by these respective liens.

This amendment is sought to reduce the administrative burdens resulting from the current requirement that an agricultural chemical, fertilizer or seed supplier must perfect a statutory lien by filing the lien within sixty (60) days of the last delivery of goods or services associated with the sale of agricultural chemicals, fertilizers or seed or electrical power/energy. The current statutory scheme results in suppliers having to file more than one lien when a sales/application season may extend beyond sixty (60) days. Which happens frequently due to weather conditions and the large size of some farming operations.

This short time for perfection of these liens requires extra diligence by office support staff on the timing of deliveries and service to make sure that the input supplier is always covered by the applicable statutory lien.

Specifically, LB 177 amends 52-1103 to allow statutory agricultural chemical and fertilizer liens to be filed within one hundred twenty (120) days of the last delivery of goods or services and amends 52-1202 to allow statutory seed and electrical power/energy liens to be filed one hundred twenty (120) days after the seed was furnished or the meter read with respect to electric power or energy furnished.

Statutory provisions governing the time for perfection for other agricultural input liens have longer periods: Petroleum liens under 52-902 et. seq. require perfection by filing within six months after the fuel or lubricant is furnished. Feed liens under 542-08 may be filed any time prior to removal of the cattle or livestock from the location at which they were fed.

LB 177 would make it easier for input suppliers of agricultural chemicals, fertilizer, seed and electrical energy to administer the perfection of liens and protection of their interests in the crops raised as a result of their sale of these agricultural inputs to the producer.

Principal Introducer: _____

Senator Brett Lindstrom