General File, LB 552.

CLERK: Mr. President, LB 552 by Senator Landis. (Read title.) Bill was read on January 19, at that time referred to the Banking, Commerce, and Insurance Committee. Bill was advanced to General File. I have no amendments to the bill at this time, Mr. President.

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. To open on LB 552, Senator Landis.

SENATOR LANDIS: Thank you, Mr. President, members of the Legislature. In about, oh, a year and a half, we will move to a centralized filing system for all security transactions and liens, with the possible exception of statutory liens on land filed as a tax lien by the state and the federal government. That is one piece of this puzzle. A second piece of this puzzle is the new revision of Article IX of the Commercial Code, which has been advanced by the Banking, Commerce, and Insurance Committee, and which will be out on the floor for action later this year. It contemplates...it contemplates that kind of a system and it contemplates a world in which, when somebody wants to have a security transaction, that there are two documents. The first document is the security agreement itself and the second document is the financing statement. The security transaction itself is that promise between the two parties that one's going to loan money and the other one is going to repay it, and if they don't repay it there are goods that can be claimed, pledged, if you will, and sold in the event that the debt is not paid off. That document is now signed. It will continue to be signed. And the second document, the financing statement, will not be signed. In many cases today they are not signed, but there are cases where there are, and there are for the effective financing statements which are refiled on a continuation agreement. LB 552 would remove the debtor's signature requirement on many UCC filings and authorize the secured party to file and sign UCC documents electronically. It essentially removes the debtor's signature requirement on effective financing statements which are going to be filed electronically, and on all effective financing statement continuation statements, whether they're filed electronically or by paper. There will be a signature, an underlying signature or