

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

March 29, 1999 LB 550

are involved in providing agricultural credit commercially, although many times they don't want to, are the suppliers of fertilizer and fuel are the main items, but there are other things that are provided and liens are filed. If...and generally, these products are being sold on credit to be used on a specific legal description. If that legal description is shown...when they do their lien search with the Secretary of State is not shown on the lien to the bank, there's no good indication of whether that person either has control of the land that it's going there, or if they are going to have any growing crops to seek recourse against in the event that...that the loan does go bad or there is a short crop year or something happens that the convenience credit that has been extended by the supplier isn't...isn't paid in full. It's not an easy thing to explain but I believe that it is something that we need to speak about this morning, and given the volume of the bill and the number of points that are considered within it, I am of the opinion that we ought not change current law in 550, that if this is an issue that is still contentious between those banks who do work in the agricultural loan field and the agricultural suppliers who usually work in coordination with and cooperation with the commercial lending institutions in their community, then there should be, I believe, a bill introduced and this issue to be taken up separately because what 550 does is, in fact, change current law, to the best of my understanding, in a way that advantages, I believe, one set of lenders over the other set of lenders, who are involved in the agricultural credit situation. So with that, Madam President, is an opening that was clear to me. I don't know how clear it was to the rest. I would tell you that in this issue, I have been, as I said, a participant in the extension of credit. I served for quite a number of years as the director of a bank for several sets of owners and, of course, I've been the middleman in this transaction all of my life as a borrower. So I've seen this issue from all three sides. I happen to believe that this particular amendment is a better thing to do at this time. If there's still disagreement, let's change that in a mechanism other than 550. Thank you, Madam President.

SENATOR SCHIMEK: Thank you, Senator Coordsen. Senator Landis, yours is the next light that is on.