

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
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SENATOR LANDIS: Thank you, and may I inquire how many lights are on.

SENATOR SCHIMEK: Yours is the only one.

SENATOR LANDIS: Okay. This is a matter of who you side with in a relatively straight-up fight, and the fight is between the banks, who rather like 550 the way it is, and a number of inputs, particularly the agricultural chemicals and fertilizer, who want to preserve the existing rule with respect to the use of the legal description. I got to tell you that the outcome of this amendment is a relatively small piece in 550. If George is successful, we can live with that and we will move the bill, that's fine by me. On the other hand, I do have a preference as do the supporters. Understand that the Uniform Commercial Code redrafting was done at the national level with statutory lienholders such as agricultural input groups being represented. At the national level, they didn't have objection. This was, in fact, a noncontroversial change. Why is it helpful to make this change? First, understand that the thing which is filed against, if you were to look up a lien, you don't look it up under property, you look it up under a name. That's how come you access...that's how you access a lien. So you have to look up a debtor's name. And why would you look up the debtor's name? You'd look up a debtor's name to see what promises have they made the rest of the world on their goods, and do they have any property left which I might be able to exact a promise about if I'm going to lend them money. So the system that we're talking about is a system based on names, not legal descriptions. Why? Because essentially you're looking at a relationship between a lender and a borrower, and the lender is saying to the borrower, you know, you've got to make promises sufficient that if I can't get the money from you, I can get it from the property and, frankly, particularly in the farm situation, it's where a banker underwrites an operation. It could be in parcels of three or four different locations. It could be somebody who has acquired a number of sections of land, but what's essential there is the underlying relationship of banker to borrower and that one is the one in which I think you could give notice of, number one, the name and, number two, the general description of the collateral, in this case the growing crops because all this relates to is growing crops, but you