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LB 550

SENATOR SCHIMEK: Senator Landis, your light is next.

SENATOR LANDIS: Thank you, Madam President, members of the Legislature. I want to say that I think Senator Coordsen has described in fair and reasonable terms what is essentially a value choice, and we're going to make that value choice here, we're going to live with it one way or the other. Let me tell you that he gave an interesting analogy and that was the roofer who had built seven...seven roofs and would you...you know, wouldn't you want to know which roof the security agreement should fall against. And by the way, I agree with his hypothetical. We would do that under existing law and that new roof would be a fixture. It would be part of the real estate, the real property, and LB...this bill maintains the notion that real property claims are over in the area where they do the deeds, the register of deeds area, but these are kept someplace else, and to make this even clearer, think of this. Farmer goes in, borrows 10,000 bucks, goes out and buys seed and fertilizer for 10,000 bucks. Let's assume, by the way, that there is a notice on all of the personal property of the farmer. Would you have to describe the location of the seed and the fertilizer? No. You just say seed and fertilizer, personal property. Once you planted that, then the growing crops under the rule that Senator Coordsen suggests, then the description of the land it grew on would have to be on the financing statement. But let's assume that you harvested the growing crops, does the harvested grain have to appear? Does the location of the harvested grain have to appear on the financing statement? Nope. Nope, it's inventory and inventory doesn't appear there. What if you sold the seed and now had \$10,000 that you had sold from the proceeds of the growing crops, would you have to locate that amount of money? No, you wouldn't. They would just appear as proceeds. It would say proceeds. There's only one moment in which all of the forms in which that personal property could take that you'd have to put on the legal description, and that's from that period of time when it was growing crops. But it wouldn't make a difference if you had the seed, if you had the harvested grain, or if you had the proceeds from the harvested grain, all those wouldn't have a legal description to it. Why? Because this is personal property. It's personal property. Now let me make you an offer. If Senator Coordsen thinks there's some undue gain for bankers here, we have fertilizer and ag chemical