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March 29, 1999 LB 550

SENATOR JENSEN: Understand.

SENATOR SCHIMEK: Time. There are no further lights on. Senator Coordsen, would you care to close on your amendment?

SENATOR COORDSEN: Love to, Madam President and members of the body. Only a couple of things and then I'll get to the reason for the amendment. In this day and age, and certainly this is happening in my community, if not over the rest of the state, many, many people in production agriculture today are, in fact, being financed, as I said, by two different sources, the bank or similar institution, and then the supplier. And in some cases, certainly with younger farmers, those with less equity many times the only supplier of credit they have is via the agriculture input lien through an agriculture supplier. Landlords were mentioned. I don't know if there is an exception to this at all, but it's been my experience that landlords in the case of agricultural rentals come first. It is absolutely illegal for a tenant to encumber the landlord's portion, or for a cash renter to encumber the landlord's real estate. Landlords are pretty well taken care of. Senator Landis said something I think that...that was of quite...quite interest and I think an appropriate comment. He used the phrase, general neutral principles, general neutral principles. This amendment that I have has three goals, three goals. Number one is to retain the law as it currently exists, generally neutral principles. Number two is to continue the law as it currently exists which requires on a lien a legal description of the real estate on which the chattel property is located, generally neutral principles. And number three is to balance the situation of potential creditors on the land and chattel property, general neutral principles. This law doesn't (sic) anything, I do support 550. I indicated that in my opening. I don't intend to change that, but I would suggest that given the differences between two very, very, very, very important principal participants in production agriculture in Nebraska and in the United States, both the banking industry, the formal banking industry and the informal banking industry that is done by farm supply people, fertilizer, ag chemical, there are seed and feed, there are machinery types of different arrangements, to maintain where we are today I believe would be the better course of