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FLOOR DEBATE

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LB 492

been...would have stood up by the courts, the current understanding is that all grain inventories, including warehouse-owned grain, applies to satisfy storage obligations, and that the successful action would have resulted in the PSC not being able to take or seize the warehouse-owned grain, subject to the liens claim by the secured lenders. It would also have complicated the PSC's examinations of warehouses, because the PSC would have to discover security liens of warehouse lenders in order to know if the sufficient grain was available to satisfy the storage obligations. It also defends the purpose of the...or, defeats the purpose of the Warehouse Act to that orderly distribution of grain assets by the administrative mechanism. If lenders have ability to seize liens asset before the PSC, the lenders of producers would be forced to intervene and result in many lawsuits to avoid...avoided by the current law. In the case of the Richland elevator, there was some action that said the...lost the word. Replevin action was filed, saying that they had superior liens over those that had stored. And it went to court. It held it up for about 12 months, and took a lot of time for the PSC, and the courts came back and ruled that the current law was okay. This just clarifies that so we don't have to go through that again. We do have a technical amendment that the bankers have brought to us. That would be the committee amendment. But this just really clarifies what we think the law says, so that there not be any misunderstanding and hold up the distribution of grain or the money that's the proceeds from grain when a warehouse files for bankruptcy. With that, I will answer any questions.

PRESIDENT SHEEHY: Thank you, Senator Kremer. We do...Mr. Clerk, do you have an amendment at the desk?

CLERK: I do have committee amendments, Mr. President.

PRESIDENT SHEEHY: Senator Kremer, you're recognized to open on the Agriculture Committee amendment, AM0326.

SENATOR KREMER: Okay. Thank you, Mr. Lieutenant Governor and members of the body. The committee amendment clarifies Section 3 of the bill. Section 3, subsection (1) of the bill