

LEGISLATURE OF NEBRASKA  
 ONE HUNDRED SECOND LEGISLATURE  
 FIRST SESSION  
**LEGISLATIVE BILL 90**

Introduced by Harr, 8.

Read first time January 06, 2011

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to secured transactions; to amend sections 9-105,  
 2 9-304, 9-307, 9-309, 9-316, 9-326, 9-406, 9-408, 9-502,  
 3 9-503, 9-507, 9-515, 9-518, and 9-607, Uniform Commercial  
 4 Code, Reissue Revised Statutes of Nebraska, and sections  
 5 2A-103, 9-102, 9-311, 9-317, 9-506, and 9-516, Uniform  
 6 Commercial Code, Revised Statutes Cumulative Supplement,  
 7 2010; to update uniform laws and change provisions  
 8 relating to financing statements; to harmonize  
 9 provisions; to provide an operative date; to repeal the  
 10 original sections; and to outright repeal section 9-521,  
 11 Uniform Commercial Code, Reissue Revised Statutes of  
 12 Nebraska.

13 Be it enacted by the people of the State of Nebraska,

1                   Section 1. Section 2A-103, Uniform Commercial Code,  
2 Revised Statutes Cumulative Supplement, 2010, is amended to read:

3                   2A-103 Definitions and index of definitions.

4                   (1) In this article unless the context otherwise  
5 requires:

6                   (a) "Buyer in ordinary course of business" means a person  
7 who in good faith and without knowledge that the sale to him or her  
8 is in violation of the ownership rights or security interest or  
9 leasehold interest of a third party in the goods, buys in ordinary  
10 course from a person in the business of selling goods of that kind  
11 but does not include a pawnbroker. "Buying" may be for cash or by  
12 exchange of other property or on secured or unsecured credit and  
13 includes acquiring goods or documents of title under a preexisting  
14 contract for sale but does not include a transfer in bulk or as  
15 security for or in total or partial satisfaction of a money debt.

16                   (b) "Cancellation" occurs when either party puts an end  
17 to the lease contract for default by the other party.

18                   (c) "Commercial unit" means such a unit of goods as by  
19 commercial usage is a single whole for purposes of lease and division  
20 of which materially impairs its character or value on the market or  
21 in use. A commercial unit may be a single article, as a machine, or a  
22 set of articles, as a suite of furniture or a line of machinery, or a  
23 quantity, as a gross or carload, or any other unit treated in use or  
24 in the relevant market as a single whole.

25                   (d) "Conforming" goods or performance under a lease

1 contract means goods or performance that are in accordance with the  
2 obligations under the lease contract.

3 (e) "Consumer lease" means a lease that a lessor  
4 regularly engaged in the business of leasing or selling makes to a  
5 lessee who is an individual and who takes under the lease primarily  
6 for a personal, family, or household purpose, if the total payments  
7 to be made under the lease contract, excluding payments for options  
8 to renew or buy, do not exceed twenty-five thousand dollars.

9 (f) "Fault" means wrongful act, omission, breach, or  
10 default.

11 (g) "Finance lease" means a lease with respect to which:

12 (i) the lessor does not select, manufacture, or supply  
13 the goods;

14 (ii) the lessor acquires the goods or the right to  
15 possession and use of the goods in connection with the lease; and

16 (iii) one of the following occurs:

17 (A) the lessee receives a copy of the contract by which  
18 the lessor acquired the goods or the right to possession and use of  
19 the goods before signing the lease contract;

20 (B) the lessee's approval of the contract by which the  
21 lessor acquired the goods or the right to possession and use of the  
22 goods is a condition to effectiveness of the lease contract;

23 (C) the lessee, before signing the lease contract,  
24 receives an accurate and complete statement designating the promises  
25 and warranties, and any disclaimers of warranties, limitations or

1 modifications of remedies, or liquidated damages, including those of  
2 a third party, such as the manufacturer of the goods, provided to the  
3 lessor by the person supplying the goods in connection with or as  
4 part of the contract by which the lessor acquired the goods or the  
5 right to possession and use of the goods; or

6 (D) if the lease is not a consumer lease, the lessor,  
7 before the lessee signs the lease contract, informs the lessee in  
8 writing (a) of the identity of the person supplying the goods to the  
9 lessor, unless the lessee has selected that person and directed the  
10 lessor to acquire the goods or the right to possession and use of the  
11 goods from that person, (b) that the lessee is entitled under this  
12 article to the promises and warranties, including those of any third  
13 party, provided to the lessor by the person supplying the goods in  
14 connection with or as part of the contract by which the lessor  
15 acquired the goods or the right to possession and use of the goods,  
16 and (c) that the lessee may communicate with the person supplying the  
17 goods to the lessor and receive an accurate and complete statement of  
18 those promises and warranties, including any disclaimers and  
19 limitations of them or of remedies.

20 (h) "Goods" means all things that are movable at the time  
21 of identification to the lease contract, or are fixtures (section  
22 2A-309), but the term does not include money, documents, instruments,  
23 accounts, chattel paper, general intangibles, or minerals or the  
24 like, including oil and gas, before extraction. The term also  
25 includes the unborn young of animals.

1           (i) "Installment lease contract" means a lease contract  
2 that authorizes or requires the delivery of goods in separate lots to  
3 be separately accepted, even though the lease contract contains a  
4 clause "each delivery is a separate lease" or its equivalent.

5           (j) "Lease" means a transfer of the right to possession  
6 and use of goods for a term in return for consideration, but a sale,  
7 including a sale on approval or a sale or return, or retention or  
8 creation of a security interest is not a lease. Unless the context  
9 clearly indicates otherwise, the term includes a sublease.

10           (k) "Lease agreement" means the bargain, with respect to  
11 the lease, of the lessor and the lessee in fact as found in their  
12 language or by implication from other circumstances including course  
13 of dealing or usage of trade or course of performance as provided in  
14 this article. Unless the context clearly indicates otherwise, the  
15 term includes a sublease agreement.

16           (l) "Lease contract" means the total legal obligation  
17 that results from the lease agreement as affected by this article and  
18 any other applicable rules of law. Unless the context clearly  
19 indicates otherwise, the term includes a sublease contract.

20           (m) "Leasehold interest" means the interest of the lessor  
21 or the lessee under a lease contract.

22           (n) "Lessee" means a person who acquires the right to  
23 possession and use of goods under a lease. Unless the context clearly  
24 indicates otherwise, the term includes a sublessee.

25           (o) "Lessee in ordinary course of business" means a

1 person who in good faith and without knowledge that the lease to him  
2 or her is in violation of the ownership rights or security interest  
3 or leasehold interest of a third party in the goods leases in  
4 ordinary course from a person in the business of selling or leasing  
5 goods of that kind but does not include a pawnbroker. "Leasing" may  
6 be for cash or by exchange of other property or on secured or  
7 unsecured credit and includes acquiring goods or documents of title  
8 under a preexisting lease contract but does not include a transfer in  
9 bulk or as security for or in total or partial satisfaction of a  
10 money debt.

11 (p) "Lessor" means a person who transfers the right to  
12 possession and use of goods under a lease. Unless the context clearly  
13 indicates otherwise, the term includes a sublessor.

14 (q) "Lessor's residual interest" means the lessor's  
15 interest in the goods after expiration, termination, or cancellation  
16 of the lease contract.

17 (r) "Lien" means a charge against or interest in goods to  
18 secure payment of a debt or performance of an obligation, but the  
19 term does not include a security interest.

20 (s) "Lot" means a parcel or a single article that is the  
21 subject matter of a separate lease or delivery, whether or not it is  
22 sufficient to perform the lease contract.

23 (t) "Merchant lessee" means a lessee that is a merchant  
24 with respect to goods of the kind subject to the lease.

25 (u) "Present value" means the amount as of a date certain

1 of one or more sums payable in the future, discounted to the date  
2 certain. The discount is determined by the interest rate specified by  
3 the parties if the rate was not manifestly unreasonable at the time  
4 the transaction was entered into; otherwise, the discount is  
5 determined by a commercially reasonable rate that takes into account  
6 the facts and circumstances of each case at the time the transaction  
7 was entered into.

8 (v) "Purchase" includes taking by sale, lease, mortgage,  
9 security interest, pledge, gift, or any other voluntary transaction  
10 creating an interest in goods.

11 (w) "Sublease" means a lease of goods the right to  
12 possession and use of which was acquired by the lessor as a lessee  
13 under an existing lease.

14 (x) "Supplier" means a person from whom a lessor buys or  
15 leases goods to be leased under a finance lease.

16 (y) "Supply contract" means a contract under which a  
17 lessor buys or leases goods to be leased.

18 (z) "Termination" occurs when either party pursuant to a  
19 power created by agreement or law puts an end to the lease contract  
20 otherwise than for default.

21 (2) Other definitions applying to this article and the  
22 sections in which they appear are:

23 "Accessions". Section 2A-310(1).

24 "Construction mortgage". Section 2A-309(1)(d).

25 "Encumbrance". Section 2A-309(1)(e).

1	"Fixtures".	Section 2A-309(1)(a).
2	"Fixture filing".	Section 2A-309(1)(b).
3	"Purchase money lease".	Section 2A-309(1)(c).
4	(3) The following definitions in other articles apply to	
5	this article:	
6	"Account".	Section 9-102(a)(2).
7	"Between merchants".	Section 2-104(3).
8	"Buyer".	Section 2-103(1)(a).
9	"Chattel paper".	Section 9-102(a)(11).
10	"Consumer goods".	Section 9-102(a)(23).
11	"Document".	Section 9-102(a)(30).
12	"Entrusting".	Section 2-403(3).
13	"General intangible".	Section 9-102(a)(42).
14	"Good faith".	Section 2-103(1)(b).
15	"Instrument".	Section 9-102(a)(47).
16	"Merchant".	Section 2-104(1).
17	"Mortgage".	Section 9-102(a)(55).
18	<del>"Pursuant to commitment".</del>	<del>Section 9-102(a)(68).</del>
19	<u>"Pursuant to commitment".</u>	<u>Section 9-102(a)(69).</u>
20	"Receipt".	Section 2-103(1)(c).
21	"Sale".	Section 2-106(1).
22	"Sale on approval".	Section 2-326.



1 "Sale or return". Section 2-326.

2 "Seller". Section 2-103(1)(d).

3 (4) In addition, article 1 contains general definitions  
4 and principles of construction and interpretation applicable  
5 throughout this article.

6 Sec. 2. Section 9-102, Uniform Commercial Code, Revised  
7 Statutes Cumulative Supplement, 2010, is amended to read:

8 9-102 Definitions and index of definitions.

9 (a) In this article:

10 (1) "Accession" means goods that are physically united  
11 with other goods in such a manner that the identity of the original  
12 goods is not lost.

13 (2) "Account", except as used in "account for", means a  
14 right to payment of a monetary obligation, whether or not earned by  
15 performance, (i) for property that has been or is to be sold, leased,  
16 licensed, assigned, or otherwise disposed of, (ii) for services  
17 rendered or to be rendered, (iii) for a policy of insurance issued or  
18 to be issued, (iv) for a secondary obligation incurred or to be  
19 incurred, (v) for energy provided or to be provided, (vi) for the use  
20 or hire of a vessel under a charter or other contract, (vii) arising  
21 out of the use of a credit or charge card or information contained on  
22 or for use with the card, or (viii) as winnings in a lottery or other  
23 game of chance operated or sponsored by a state, governmental unit of  
24 a state, or person licensed or authorized to operate the game by a  
25 state or governmental unit of a state. The term includes health-care-

1 insurance receivables. The term does not include (i) rights to  
2 payment evidenced by chattel paper or an instrument, (ii) commercial  
3 tort claims, (iii) deposit accounts, (iv) investment property, (v)  
4 letter-of-credit rights or letters of credit, or (vi) rights to  
5 payment for money or funds advanced or sold, other than rights  
6 arising out of the use of a credit or charge card or information  
7 contained on or for use with the card.

8 (3) "Account debtor" means a person obligated on an  
9 account, chattel paper, or general intangible. The term does not  
10 include persons obligated to pay a negotiable instrument, even if the  
11 instrument constitutes part of chattel paper.

12 (4) "Accounting", except as used in "accounting for",  
13 means a record:

14 (A) authenticated by a secured party;

15 (B) indicating the aggregate unpaid secured obligations  
16 as of a date not more than thirty-five days earlier or thirty-five  
17 days later than the date of the record; and

18 (C) identifying the components of the obligations in  
19 reasonable detail.

20 (5) "Agricultural lien" means an interest, ~~other than a~~  
21 ~~security interest~~, in farm products:

22 (A) which secures payment or performance of an obligation  
23 for:

24 (i) goods or services furnished in connection with a  
25 debtor's farming operation; or

1           (ii) rent on real property leased by a debtor in  
2 connection with its farming operation;

3           (B) which is created by statute in favor of a person  
4 that:

5           (i) in the ordinary course of its business furnished  
6 goods or services to a debtor in connection with a debtor's farming  
7 operation; or

8           (ii) leased real property to a debtor in connection with  
9 the debtor's farming operation; and

10           (C) whose effectiveness does not depend on the person's  
11 possession of the personal property.

12           The term also includes every lien created under sections  
13 52-202, 52-501, 52-701, 52-901, 52-1101, 52-1201, 54-201, and 54-208,  
14 Reissue Revised Statutes of Nebraska, and Chapter 52, article 14,  
15 Reissue Revised Statutes of Nebraska.

16           (6) "As-extracted collateral" means:

17           (A) oil, gas, or other minerals that are subject to a  
18 security interest that:

19           (i) is created by a debtor having an interest in the  
20 minerals before extraction; and

21           (ii) attaches to the minerals as extracted; or

22           (B) accounts arising out of the sale at the wellhead or  
23 minehead of oil, gas, or other minerals in which the debtor had an  
24 interest before extraction.

25           (7) "Authenticate" means:

1 (A) to sign; or

2 ~~(B) to execute or otherwise adopt a symbol, or encrypt or~~  
3 ~~similarly process a record in whole or in part, with the present~~  
4 ~~intent of the authenticating person to identify the person and adopt~~  
5 ~~or accept a record.~~

6 (B) with present intent to adopt or accept a record, to  
7 attach to or logically associate with the record an electronic sound,  
8 symbol, or process.

9 (8) "Bank" means an organization that is engaged in the  
10 business of banking. The term includes savings banks, savings and  
11 loan associations, credit unions, and trust companies.

12 (9) "Cash proceeds" means proceeds that are money,  
13 checks, deposit accounts, or the like.

14 (10) "Certificate of title" means a certificate of title  
15 with respect to which a statute provides for the security interest in  
16 question to be indicated on the certificate as a condition or result  
17 of the security interest's obtaining priority over the rights of a  
18 lien creditor with respect to the collateral. The term includes  
19 another record maintained as an alternative to a certificate of title  
20 by the governmental unit that issues certificates of title if a  
21 statute permits the security interest in question to be indicated on  
22 the record as a condition or result of the security interest's  
23 obtaining priority over the rights of a lien creditor with respect to  
24 the collateral.

25 (11) "Chattel paper" means a record or records that

1 evidence both a monetary obligation and a security interest in  
2 specific goods, a security interest in specific goods and software  
3 used in the goods, a security interest in specific goods and license  
4 of software used in the goods, a lease of specific goods, or a lease  
5 of specific goods and license of software used in the goods. In this  
6 subdivision, "monetary obligation" means a monetary obligation  
7 secured by the goods or owed under a lease of the goods and includes  
8 a monetary obligation with respect to software used in the goods. The  
9 term does not include (i) charters or other contracts involving the  
10 use or hire of a vessel or (ii) records that evidence a right to  
11 payment arising out of the use of a credit or charge card or  
12 information contained on or for use with the card. If a transaction  
13 is evidenced by records that include an instrument or series of  
14 instruments, the group of records taken together constitutes chattel  
15 paper.

16 (12) "Collateral" means the property subject to a  
17 security interest or agricultural lien. The term includes:

- 18 (A) proceeds to which a security interest attaches;  
19 (B) accounts, chattel paper, payment intangibles, and  
20 promissory notes that have been sold; and  
21 (C) goods that are the subject of a consignment.

22 (13) "Commercial tort claim" means a claim arising in  
23 tort with respect to which:

- 24 (A) the claimant is an organization; or  
25 (B) the claimant is an individual and the claim:

1           (i) arose in the course of the claimant's business or  
2 profession; and

3           (ii) does not include damages arising out of personal  
4 injury to or the death of an individual.

5           (14) "Commodity account" means an account maintained by a  
6 commodity intermediary in which a commodity contract is carried for a  
7 commodity customer.

8           (15) "Commodity contract" means a commodity futures  
9 contract, an option on a commodity futures contract, a commodity  
10 option, or another contract if the contract or option is:

11           (A) traded on or subject to the rules of a board of trade  
12 that has been designated as a contract market for such a contract  
13 pursuant to federal commodities laws; or

14           (B) traded on a foreign commodity board of trade,  
15 exchange, or market, and is carried on the books of a commodity  
16 intermediary for a commodity customer.

17           (16) "Commodity customer" means a person for which a  
18 commodity intermediary carries a commodity contract on its books.

19           (17) "Commodity intermediary" means a person that:

20           (A) is registered as a futures commission merchant under  
21 federal commodities law; or

22           (B) in the ordinary course of its business provides  
23 clearance or settlement services for a board of trade that has been  
24 designated as a contract market pursuant to federal commodities law.

25           (18) "Communicate" means:

- 1           (A) to send a written or other tangible record;
- 2           (B) to transmit a record by any means agreed upon by the  
3 persons sending and receiving the record; or
- 4           (C) in the case of transmission of a record to or by a  
5 filing office, to transmit a record by any means prescribed by  
6 filing-office rule.
- 7           (19) "Consignee" means a merchant to which goods are  
8 delivered in a consignment.
- 9           (20) "Consignment" means a transaction, regardless of its  
10 form, in which a person delivers goods to a merchant for the purpose  
11 of sale and:
- 12           (A) the merchant:
- 13           (i) deals in goods of that kind under a name other than  
14 the name of the person making delivery;
- 15           (ii) is not an auctioneer; and
- 16           (iii) is not generally known by its creditors to be  
17 substantially engaged in selling the goods of others;
- 18           (B) with respect to each delivery, the aggregate value of  
19 the goods is one thousand dollars or more at the time of delivery;
- 20           (C) the goods are not consumer goods immediately before  
21 delivery; and
- 22           (D) the transaction does not create a security interest  
23 that secures an obligation.
- 24           (21) "Consignor" means a person that delivers goods to a  
25 consignee in a consignment.

1           (22) "Consumer debtor" means a debtor in a consumer  
2 transaction.

3           (23) "Consumer goods" means goods that are used or bought  
4 for use primarily for personal, family, or household purposes.

5           (24) "Consumer-goods transaction" means a consumer  
6 transaction in which:

7           (A) an individual incurs an obligation primarily for  
8 personal, family, or household purposes; and

9           (B) a security interest in consumer goods secures the  
10 obligation.

11           (25) "Consumer obligor" means an obligor who is an  
12 individual and who incurred the obligation as part of a transaction  
13 entered into primarily for personal, family, or household purposes.

14           (26) "Consumer transaction" means a transaction in which  
15 (i) an individual incurs an obligation primarily for personal,  
16 family, or household purposes, (ii) a security interest secures the  
17 obligation, and (iii) the collateral is held or acquired primarily  
18 for personal, family, or household purposes. The term includes  
19 consumer-goods transactions.

20           (27) "Continuation statement" means an amendment of a  
21 financing statement which:

22           (A) identifies, by its file number, the initial financing  
23 statement to which it relates; and

24           (B) indicates that it is a continuation statement for, or  
25 that it is filed to continue the effectiveness of, the identified



1 financing statement.

2 (28) "Debtor" means:

3 (A) a person having an interest, other than a security  
4 interest or other lien, in the collateral, whether or not the person  
5 is an obligor;

6 (B) a seller of accounts, chattel paper, payment  
7 intangibles, or promissory notes; or

8 (C) a consignee.

9 (29) "Deposit account" means a demand, time, savings,  
10 passbook, or similar account maintained with a bank. The term does  
11 not include investment property or accounts evidenced by an  
12 instrument.

13 (30) "Document" means a document of title or a receipt of  
14 the type described in section 7-201(b).

15 (31) "Electronic chattel paper" means chattel paper  
16 evidenced by a record or records consisting of information stored in  
17 an electronic medium.

18 (32) "Encumbrance" means a right, other than an ownership  
19 interest, in real property. The term includes mortgages and other  
20 liens on real property.

21 (33) "Equipment" means goods other than inventory, farm  
22 products, or consumer goods.

23 (34) "Farm products" means goods, other than standing  
24 timber, with respect to which the debtor is engaged in a farming  
25 operation and which are:

- 1 (A) crops grown, growing, or to be grown, including:  
2 (i) crops produced on trees, vines, and bushes; and  
3 (ii) aquatic goods produced in aquacultural operations;  
4 (B) livestock, born or unborn, including aquatic goods  
5 produced in aquacultural operations;  
6 (C) supplies used or produced in a farming operation; or  
7 (D) products of crops or livestock in their  
8 unmanufactured states.

9 (35) "Farming operation" means raising, cultivating,  
10 propagating, fattening, grazing, or any other farming, livestock, or  
11 aquacultural operation.

12 (36) "File number" means the number assigned to an  
13 initial financing statement pursuant to section 9-519(a).

14 (37) "Filing office" means an office designated in  
15 section 9-501 as the place to file a financing statement.

16 (38) "Filing-office rule" means a rule adopted pursuant  
17 to section 9-526.

18 (39) "Financing statement" means a record or records  
19 composed of an initial financing statement and any filed record  
20 relating to the initial financing statement.

21 (40) "Fixture filing" means the filing of a financing  
22 statement covering goods that are or are to become fixtures and  
23 satisfying section 9-502(a) and (b). The term includes the filing of  
24 a financing statement covering goods of a transmitting utility which  
25 are or are to become fixtures.

1           (41) "Fixtures" means goods that have become so related  
2 to particular real property that an interest in them arises under  
3 real property law.

4           (42) "General intangible" means any personal property,  
5 including things in action, other than accounts, chattel paper,  
6 commercial tort claims, deposit accounts, documents, goods,  
7 instruments, investment property, letter-of-credit rights, letters of  
8 credit, money, and oil, gas, or other minerals before extraction. The  
9 term includes payment intangibles and software.

10           (43) "Good faith" means honesty in fact and the  
11 observance of reasonable commercial standards of fair dealing.

12           (44) "Goods" means all things that are movable when a  
13 security interest attaches. The term includes (i) fixtures, (ii)  
14 standing timber that is to be cut and removed under a conveyance or  
15 contract for sale, (iii) the unborn young of animals, (iv) crops  
16 grown, growing, or to be grown, even if the crops are produced on  
17 trees, vines, or bushes, and (v) manufactured homes. The term also  
18 includes a computer program embedded in goods and any supporting  
19 information provided in connection with a transaction relating to the  
20 program if (i) the program is associated with the goods in such a  
21 manner that it customarily is considered part of the goods, or (ii)  
22 by becoming the owner of the goods, a person acquires a right to use  
23 the program in connection with the goods. The term does not include a  
24 computer program embedded in goods that consist solely of the medium  
25 in which the program is embedded. The term also does not include

1 accounts, chattel paper, commercial tort claims, deposit accounts,  
2 documents, general intangibles, instruments, investment property,  
3 letter-of-credit rights, letters of credit, money, or oil, gas, or  
4 other minerals before extraction.

5 (45) "Governmental unit" means a subdivision, agency,  
6 department, county, parish, municipality, or other unit of the  
7 government of the United States, a state, or a foreign country. The  
8 term includes an organization having a separate corporate existence  
9 if the organization is eligible to issue debt on which interest is  
10 exempt from income taxation under the laws of the United States.

11 (46) "Health-care-insurance receivable" means an interest  
12 in or claim under a policy of insurance which is a right to payment  
13 of a monetary obligation for health-care goods or services provided  
14 or to be provided.

15 (47) "Instrument" means a negotiable instrument or any  
16 other writing that evidences a right to the payment of a monetary  
17 obligation, is not itself a security agreement or lease, and is of a  
18 type that in ordinary course of business is transferred by delivery  
19 with any necessary indorsement or assignment including, but not  
20 limited to, a writing that would otherwise qualify as a certificate  
21 of deposit (defined in section 3-104(j)) but for the fact that the  
22 writing contains a limitation on transfer. The term does not include  
23 (i) investment property, (ii) letters of credit, or (iii) writings  
24 that evidence a right to payment arising out of the use of a credit  
25 or charge card or information contained on or for use with the card.

1                   (48) "Inventory" means goods, other than farm products,  
2    which:

3                   (A) are leased by a person as lessor;

4                   (B) are held by a person for sale or lease or to be  
5    furnished under a contract of service;

6                   (C) are furnished by a person under a contract of  
7    service; or

8                   (D) consist of raw materials, work in process, or  
9    materials used or consumed in a business.

10                  (49) "Investment property" means a security, whether  
11    certificated or uncertificated, security entitlement, securities  
12    account, commodity contract, or commodity account.

13                  (50) "Jurisdiction of organization", with respect to a  
14    registered organization, means the jurisdiction under whose law the  
15    organization is formed or organized.

16                  (51) "Letter-of-credit right" means a right to payment or  
17    performance under a letter of credit, whether or not the beneficiary  
18    has demanded or is at the time entitled to demand payment or  
19    performance. The term does not include the right of a beneficiary to  
20    demand payment or performance under a letter of credit.

21                  (52) "Lien creditor" means:

22                  (A) a creditor that has acquired a lien on the property  
23    involved by attachment, levy, or the like;

24                  (B) an assignee for benefit of creditors from the time of  
25    assignment;

1                   (C) a trustee in bankruptcy from the date of the filing  
2 of the petition; or

3                   (D) a receiver in equity from the time of appointment.

4                   (53) "Manufactured home" means a structure, transportable  
5 in one or more sections, which, in the traveling mode, is eight body  
6 feet or more in width or forty body feet or more in length, or, when  
7 erected on site, is three hundred twenty or more square feet, and  
8 which is built on a permanent chassis and designed to be used as a  
9 dwelling with or without a permanent foundation when connected to the  
10 required utilities, and includes the plumbing, heating, air-  
11 conditioning, and electrical systems contained therein. The term  
12 includes any structure that meets all of the requirements of this  
13 subdivision except the size requirements and with respect to which  
14 the manufacturer voluntarily files a certification required by the  
15 United States Secretary of Housing and Urban Development and complies  
16 with the standards established under Title 42 of the United States  
17 Code.

18                   (54) "Manufactured-home transaction" means a secured  
19 transaction:

20                   (A) that creates a purchase-money security interest in a  
21 manufactured home, other than a manufactured home held as inventory;  
22 or

23                   (B) in which a manufactured home, other than a  
24 manufactured home held as inventory, is the primary collateral.

25                   (55) "Mortgage" means a consensual interest in real

1 property, including fixtures, which secures payment or performance of  
2 an obligation.

3 (56) "New debtor" means a person that becomes bound as  
4 debtor under section 9-203(d) by a security agreement previously  
5 entered into by another person.

6 (57) "New value" means (i) money, (ii) money's worth in  
7 property, services, or new credit, or (iii) release by a transferee  
8 of an interest in property previously transferred to the transferee.  
9 The term does not include an obligation substituted for another  
10 obligation.

11 (58) "Noncash proceeds" means proceeds other than cash  
12 proceeds.

13 (59) "Obligor" means a person that, with respect to an  
14 obligation secured by a security interest in or an agricultural lien  
15 on the collateral, (i) owes payment or other performance of the  
16 obligation, (ii) has provided property other than the collateral to  
17 secure payment or other performance of the obligation, or (iii) is  
18 otherwise accountable in whole or in part for payment or other  
19 performance of the obligation. The term does not include issuers or  
20 nominated persons under a letter of credit.

21 (60) "Original debtor", except as used in section  
22 9-310(c), means a person that, as debtor, entered into a security  
23 agreement to which a new debtor has become bound under section  
24 9-203(d).

25 (61) "Payment intangible" means a general intangible

1 under which the account debtor's principal obligation is a monetary  
2 obligation.

3 (62) "Person related to", with respect to an individual,  
4 means:

5 (A) the spouse of the individual;

6 (B) a brother, brother-in-law, sister, or sister-in-law  
7 of the individual;

8 (C) an ancestor or lineal descendant of the individual or  
9 the individual's spouse; or

10 (D) any other relative, by blood or marriage, of the  
11 individual or the individual's spouse who shares the same home with  
12 the individual.

13 (63) "Person related to", with respect to an  
14 organization, means:

15 (A) a person directly or indirectly controlling,  
16 controlled by, or under common control with the organization;

17 (B) an officer or director of, or a person performing  
18 similar functions with respect to, the organization;

19 (C) an officer or director of, or a person performing  
20 similar functions with respect to, a person described in subdivision  
21 (A);

22 (D) the spouse of an individual described in subdivision  
23 (A), (B), or (C); or

24 (E) an individual who is related by blood or marriage to  
25 an individual described in subdivision (A), (B), (C), or (D) and



1 shares the same home with the individual.

2 (64) "Proceeds", except as used in section 9-609(b),  
3 means the following property:

4 (A) whatever is acquired upon the sale, lease, license,  
5 exchange, or other disposition of collateral;

6 (B) whatever is collected on, or distributed on account  
7 of, collateral;

8 (C) rights arising out of collateral;

9 (D) to the extent of the value of collateral, claims  
10 arising out of the loss, nonconformity, or interference with the use  
11 of, defects or infringement of rights in, or damage to, the  
12 collateral; or

13 (E) to the extent of the value of collateral and to the  
14 extent payable to the debtor or the secured party, insurance payable  
15 by reason of the loss or nonconformity of, defects or infringement of  
16 rights in, or damage to, the collateral.

17 (65) "Promissory note" means an instrument that evidences  
18 a promise to pay a monetary obligation, does not evidence an order to  
19 pay, and does not contain an acknowledgment by a bank that the bank  
20 has received for deposit a sum of money or funds.

21 (66) "Proposal" means a record authenticated by a secured  
22 party which includes the terms on which the secured party is willing  
23 to accept collateral in full or partial satisfaction of the  
24 obligation it secures pursuant to sections 9-620, 9-621, and 9-622.

25 (67) "Public-finance transaction" means a secured

1 transaction in connection with which:

2 (A) debt securities are issued;

3 (B) all or a portion of the securities issued have an  
4 initial stated maturity of at least twenty years; and

5 (C) the debtor, obligor, secured party, account debtor or  
6 other person obligated on collateral, assignor or assignee of a  
7 secured obligation, or assignor or assignee of a security interest is  
8 a state or a governmental unit of a state.

9 (68) "Public organic record" means a record that is  
10 available to the public for inspection and that is:

11 (A) a record consisting of the record initially filed  
12 with or issued by a state or the United States to form or organize an  
13 organization and any record filed with or issued by the state or the  
14 United States which amends or restates the initial record;

15 (B) an organic record of a business trust consisting of  
16 the record initially filed with a state and any record filed with the  
17 state which amends or restates the initial record, if a statute of  
18 the state governing business trusts requires that the record be filed  
19 with the state; or

20 (C) a record consisting of legislation enacted by the  
21 legislature of a state or the Congress of the United States which  
22 forms or organizes an organization, any record amending the  
23 legislation, and any record filed with or issued by the state or  
24 United States which amends or restates the name of the organization.

25 ~~(68)~~-(69) "Pursuant to commitment", with respect to an

1 advance made or other value given by a secured party, means pursuant  
2 to the secured party's obligation, whether or not a subsequent event  
3 of default or other event not within the secured party's control has  
4 relieved or may relieve the secured party from its obligation.

5 ~~(69)~~(70) "Record", except as used in "for record", "of  
6 record", "record or legal title", and "record owner", means  
7 information that is inscribed on a tangible medium or which is stored  
8 in an electronic or other medium and is retrievable in perceivable  
9 form.

10 ~~(70)~~(71) "Registered organization" means an organization  
11 formed or organized solely under the law of a single state or the  
12 United States and as to which the state or the United States must  
13 maintain a public record showing the organization to have been  
14 organized. by the filing of a public organic record with, the  
15 issuance of a public organic record by, or the enactment of  
16 legislation by the state or the United States. The term includes a  
17 business trust that is formed or organized under the law of a single  
18 state if a statute of the state governing business trusts requires  
19 that the business trust's organic record be filed with the state.

20 ~~(71)~~(72) "Secondary obligor" means an obligor to the  
21 extent that:

22 (A) the obligor's obligation is secondary; or

23 (B) the obligor has a right of recourse with respect to  
24 an obligation secured by collateral against the debtor, another  
25 obligor, or property of either.

1           ~~(72)~~-(73) "Secured party" means:

2           (A) a person in whose favor a security interest is  
3 created or provided for under a security agreement, whether or not  
4 any obligation to be secured is outstanding;

5           (B) a person that holds an agricultural lien;

6           (C) a consignor;

7           (D) a person to which accounts, chattel paper, payment  
8 intangibles, or promissory notes have been sold;

9           (E) a trustee, indenture trustee, agent, collateral  
10 agent, or other representative in whose favor a security interest or  
11 agricultural lien is created or provided for; or

12           (F) a person that holds a security interest arising under  
13 section 2-401, 2-505, 2-711(3), 2A-508(5), 4-210, or 5-118.

14           ~~(73)~~-(74) "Security agreement" means an agreement that  
15 creates or provides for a security interest.

16           ~~(74)~~-(75) "Send", in connection with a record or  
17 notification, means:

18           (A) to deposit in the mail, deliver for transmission, or  
19 transmit by any other usual means of communication, with postage or  
20 cost of transmission provided for, addressed to any address  
21 reasonable under the circumstances; or

22           (B) to cause the record or notification to be received  
23 within the time that it would have been received if properly sent  
24 under subdivision (A).

25           ~~(75)~~-(76) "Software" means a computer program and any

1 supporting information provided in connection with a transaction  
2 relating to the program. The term does not include a computer program  
3 that is included in the definition of goods.

4 ~~(76)~~ (77) "State" means a state of the United States, the  
5 District of Columbia, Puerto Rico, the United States Virgin Islands,  
6 or any territory or insular possession subject to the jurisdiction of  
7 the United States.

8 ~~(77)~~ (78) "Supporting obligation" means a letter-of-  
9 credit right or secondary obligation that supports the payment or  
10 performance of an account, chattel paper, a document, a general  
11 intangible, an instrument, or investment property.

12 ~~(78)~~ (79) "Tangible chattel paper" means chattel paper  
13 evidenced by a record or records consisting of information that is  
14 inscribed on a tangible medium.

15 ~~(79)~~ (80) "Termination statement" means an amendment of a  
16 financing statement which:

17 (A) identifies, by its file number, the initial financing  
18 statement to which it relates; and

19 (B) indicates either that it is a termination statement  
20 or that the identified financing statement is no longer effective.

21 ~~(80)~~ (81) "Transmitting utility" means a person primarily  
22 engaged in the business of:

23 (A) operating a railroad, subway, street railway, or  
24 trolley bus;

25 (B) transmitting communications electrically,

1 electromagnetically, or by light;

2 (C) transmitting goods by pipeline or sewer; or

3 (D) transmitting or producing and transmitting  
4 electricity, steam, gas, or water.

5 (b) "Control" as provided in section 7-106 and the  
6 following definitions in other articles apply to this article:

7 "Applicant".	Section 5-102.
8 "Beneficiary".	Section 5-102.
9 "Broker".	Section 8-102.
10 "Certificated security".	Section 8-102.
11 "Check".	Section 3-104.
12 "Clearing corporation".	Section 8-102.
13 "Contract for sale".	Section 2-106.
14 "Customer".	Section 4-104.
15 "Entitlement holder".	Section 8-102.
16 "Financial asset".	Section 8-102.
17 "Holder in due course".	Section 3-302.
18 "Issuer" (with respect to 19 a letter of credit or 20 letter-of-credit right).	Section 5-102.
21 "Issuer" (with respect to 22 a security).	Section 8-201.

1	"Issuer" (with respect to	
2	documents of title).	Section 7-102.
3	"Lease".	Section 2A-103.
4	"Lease agreement".	Section 2A-103.
5	"Lease contract".	Section 2A-103.
6	"Leasehold interest".	Section 2A-103.
7	"Lessee".	Section 2A-103.
8	"Lessee in ordinary course	
9	of business".	Section 2A-103.
10	"Lessor".	Section 2A-103.
11	"Lessor's residual interest".	Section 2A-103.
12	"Letter of credit".	Section 5-102.
13	"Merchant".	Section 2-104.
14	"Negotiable instrument".	Section 3-104.
15	"Nominated person".	Section 5-102.
16	"Note".	Section 3-104.
17	"Proceeds of a letter of credit".	Section 5-114.
18	"Prove".	Section 3-103.
19	"Sale".	Section 2-106.
20	"Securities account".	Section 8-501.
21	"Securities intermediary".	Section 8-102.

1 "Security". Section 8-102.

2 "Security certificate". Section 8-102.

3 "Security entitlement". Section 8-102.

4 "Uncertificated security". Section 8-102.

5 (c) Article 1 contains general definitions and principles  
6 of construction and interpretation applicable throughout this  
7 article.

8 Sec. 3. Section 9-105, Uniform Commercial Code, Reissue  
9 Revised Statutes of Nebraska, is amended to read:

10 9-105 Control of electronic chattel paper.

11 (a) A secured party has control of electronic chattel  
12 paper if a system employed for evidencing the transfer of interests  
13 in the chattel paper reliably establishes the secured party as the  
14 person to which the chattel paper was assigned.

15 (b) A system satisfies subsection (a) if the record or  
16 records comprising the chattel paper are created, stored, and  
17 assigned in such a manner that:

18 (1) a single authoritative copy of the record or records  
19 exists which is unique, identifiable, and, except as otherwise  
20 provided in subdivisions (4), (5), and (6), unalterable;

21 (2) the authoritative copy identifies the secured party  
22 as the assignee of the record or records;

23 (3) the authoritative copy is communicated to and  
24 maintained by the secured party or its designated custodian;

25 (4) copies or ~~revisions~~ amendments that add or change an



1 identified assignee of the authoritative copy can be made only with  
2 the ~~participation~~ consent of the secured party;

3 (5) each copy of the authoritative copy and any copy of a  
4 copy is readily identifiable as a copy that is not the authoritative  
5 copy; and

6 (6) any ~~revision~~ amendment of the authoritative copy is  
7 readily identifiable as an authorized or unauthorized revision.

8 Sec. 4. Section 9-304, Uniform Commercial Code, Reissue  
9 Revised Statutes of Nebraska, is amended to read:

10 9-304 Law governing perfection and priority of security  
11 interests in deposit accounts.

12 (a) The local law of a bank's jurisdiction governs  
13 perfection, the effect of perfection or nonperfection, and the  
14 priority of a security interest in a deposit account maintained with  
15 that bank.

16 (b) The following rules determine a bank's jurisdiction  
17 for purposes of this part:

18 (1) If an agreement between the bank and ~~the debtor~~ its  
19 customer governing the deposit account expressly provides that a  
20 particular jurisdiction is the bank's jurisdiction for purposes of  
21 this part, this article, or the Uniform Commercial Code, that  
22 jurisdiction is the bank's jurisdiction.

23 (2) If subdivision (1) does not apply and an agreement  
24 between the bank and its customer governing the deposit account  
25 expressly provides that the agreement is governed by the law of a

1 particular jurisdiction, that jurisdiction is the bank's  
2 jurisdiction.

3 (3) If neither subdivision (1) nor subdivision (2)  
4 applies and an agreement between the bank and its customer governing  
5 the deposit account expressly provides that the deposit account is  
6 maintained at an office in a particular jurisdiction, that  
7 jurisdiction is the bank's jurisdiction.

8 (4) If none of the preceding subdivisions applies, the  
9 bank's jurisdiction is the jurisdiction in which the office  
10 identified in an account statement as the office serving the  
11 customer's account is located.

12 (5) If none of the preceding subdivisions applies, the  
13 bank's jurisdiction is the jurisdiction in which the chief executive  
14 office of the bank is located.

15 Sec. 5. Section 9-307, Uniform Commercial Code, Reissue  
16 Revised Statutes of Nebraska, is amended to read:

17 9-307 Location of debtor.

18 (a) In this section, "place of business" means a place  
19 where a debtor conducts its affairs.

20 (b) Except as otherwise provided in this section, the  
21 following rules determine a debtor's location:

22 (1) A debtor who is an individual is located at the  
23 individual's principal residence.

24 (2) A debtor that is an organization and has only one  
25 place of business is located at its place of business.

1           (3) A debtor that is an organization and has more than  
2 one place of business is located at its chief executive office.

3           (c) Subsection (b) applies only if a debtor's residence,  
4 place of business, or chief executive office, as applicable, is  
5 located in a jurisdiction whose law generally requires information  
6 concerning the existence of a nonpossessory security interest to be  
7 made generally available in a filing, recording, or registration  
8 system as a condition or result of the security interest's obtaining  
9 priority over the rights of a lien creditor with respect to the  
10 collateral. If subsection (b) does not apply, the debtor is located  
11 in the District of Columbia.

12           (d) A person that ceases to exist, have a residence, or  
13 have a place of business continues to be located in the jurisdiction  
14 specified by subsections (b) and (c).

15           (e) A registered organization that is organized under the  
16 law of a state is located in that state.

17           (f) Except as otherwise provided in subsection (i), a  
18 registered organization that is organized under the law of the United  
19 States and a branch or agency of a bank that is not organized under  
20 the law of the United States or a state are located:

21           (1) in the state that the law of the United States  
22 designates, if the law designates a state of location;

23           (2) in the state that the registered organization,  
24 branch, or agency designates, if the law of the United States  
25 authorizes the registered organization, branch, or agency to

1 designate its state of location, including by designating its main  
2 office, home office, or other comparable office; or

3 (3) in the District of Columbia, if neither subdivision  
4 (1) nor subdivision (2) applies.

5 (g) A registered organization continues to be located in  
6 the jurisdiction specified by subsection (e) or (f) notwithstanding:

7 (1) the suspension, revocation, forfeiture, or lapse of  
8 the registered organization's status as such in its jurisdiction of  
9 organization; or

10 (2) the dissolution, winding up, or cancellation of the  
11 existence of the registered organization.

12 (h) The United States is located in the District of  
13 Columbia.

14 (i) A branch or agency of a bank that is not organized  
15 under the law of the United States or a state is located in the state  
16 in which the branch or agency is licensed, if all branches and  
17 agencies of the bank are licensed in only one state.

18 (j) A foreign air carrier under the Federal Aviation Act  
19 of 1958, as amended, is located at the designated office of the agent  
20 upon which service of process may be made on behalf of the carrier.

21 (k) This section applies only for purposes of this part.

22 Sec. 6. Section 9-309, Uniform Commercial Code, Reissue  
23 Revised Statutes of Nebraska, is amended to read:

24 9-309 Security interest perfected upon attachment.

25 The following security interests are perfected when they

1 attach:

2 (1) a purchase-money security interest in consumer goods,  
3 except as otherwise provided in section 9-311(b) with respect to  
4 consumer goods that are subject to a statute, regulation, or treaty  
5 described in section 9-311(a);

6 (2) an assignment of accounts or payment intangibles  
7 which does not by itself or in conjunction with other assignments to  
8 the same assignee transfer a significant part of the assignor's  
9 outstanding accounts or payment intangibles;

10 (3) a sale of a payment intangible;

11 (4) a sale of a promissory note;

12 (5) a security interest created by the assignment of a  
13 health-care-insurance receivable to the provider of the health-care  
14 goods or services;

15 (6) a security interest arising under section 2-401,  
16 2-505, 2-711(3), or 2A-508(5), until the debtor obtains possession of  
17 the collateral;

18 (7) a security interest of a collecting bank arising  
19 under section 4-210;

20 (8) a security interest of an issuer or nominated person  
21 arising under section 5-118;

22 (9) a security interest arising in the delivery of a  
23 financial asset under section 9-206(c);

24 (10) a security interest in investment property created  
25 by a broker or securities intermediary;

1           (11) a security interest in a commodity contract or a  
2 commodity account created by a commodity intermediary;

3           (12) an assignment for the benefit of all creditors of  
4 the transferor and subsequent transfers by the assignee thereunder;  
5 ~~and~~

6           (13) a security interest created by an assignment of a  
7 beneficial interest in a decedent's estate; and -

8           (14) a sale by an individual of an account that is a  
9 payment of winnings in a lottery or other game of chance.

10           Sec. 7. Section 9-311, Uniform Commercial Code, Revised  
11 Statutes Cumulative Supplement, 2010, is amended to read:

12           9-311 Perfection of security interests in property  
13 subject to certain statutes, regulations, and treaties.

14           (a) Except as otherwise provided in subsection (d), the  
15 filing of a financing statement is not necessary or effective to  
16 perfect a security interest in property subject to:

17           (1) a statute, regulation, or treaty of the United States  
18 whose requirements for a security interest's obtaining priority over  
19 the rights of a lien creditor with respect to the property preempt  
20 section 9-310(a);

21           (2) the following statutes of this state: (i) ~~section~~  
22 ~~60-164,~~ sections 60-164 and 60-165, Reissue Revised Statutes of  
23 Nebraska, but during any period in which collateral is inventory held  
24 for sale by a person who is in the business of selling goods of that  
25 kind, the filing provisions of part 5 apply to a security interest in

1 that collateral created by him or her as debtor; and (ii) section  
2 37-1282, Reissue Revised Statutes of Nebraska, but during any period  
3 in which collateral is inventory held for sale by a person who is in  
4 the business of selling goods of that kind, the filing provisions of  
5 part 5 apply to a security interest in that collateral created by him  
6 or her as debtor; or

7 (3) a ~~certificate of title~~ statute of another  
8 jurisdiction which provides for a security interest to be indicated  
9 on ~~the~~ a certificate of title as a condition or result of the  
10 security interest's obtaining priority over the rights of a lien  
11 creditor with respect to the property.

12 (b) Compliance with the requirements of a statute,  
13 regulation, or treaty described in subsection (a) for obtaining  
14 priority over the rights of a lien creditor is equivalent to the  
15 filing of a financing statement under this article. Except as  
16 otherwise provided in subsection (d) and sections 9-313 and 9-316(d)  
17 and (e) for goods covered by a certificate of title, a security  
18 interest in property subject to a statute, regulation, or treaty  
19 described in subsection (a) may be perfected only by compliance with  
20 those requirements, and a security interest so perfected remains  
21 perfected notwithstanding a change in the use or transfer of  
22 possession of the collateral.

23 (c) Except as otherwise provided in subsection (d) and  
24 section 9-316(d) and (e), duration and renewal of perfection of a  
25 security interest perfected by compliance with the requirements

1 prescribed by a statute, regulation, or treaty described in  
2 subsection (a) are governed by the statute, regulation, or treaty. In  
3 other respects, the security interest is subject to this article.

4 (d) During any period in which collateral subject to a  
5 statute specified in subdivision (a)(2) is inventory held for sale or  
6 lease by a person or leased by that person as lessor and that person  
7 is in the business of selling goods of that kind, this section does  
8 not apply to a security interest in that collateral created by that  
9 person.

10 Sec. 8. Section 9-316, Uniform Commercial Code, Reissue  
11 Revised Statutes of Nebraska, is amended to read:

12 9-316 ~~Continued perfection of security interest following~~  
13 Effect of change in governing law.

14 (a) A security interest perfected pursuant to the law of  
15 the jurisdiction designated in section 9-301(1) or 9-305(c) remains  
16 perfected until the earliest of:

17 (1) the time perfection would have ceased under the law  
18 of that jurisdiction;

19 (2) the expiration of four months after a change of the  
20 debtor's location to another jurisdiction; or

21 (3) the expiration of one year after a transfer of  
22 collateral to a person that thereby becomes a debtor and is located  
23 in another jurisdiction.

24 (b) If a security interest described in subsection (a)  
25 becomes perfected under the law of the other jurisdiction before the



1 earliest time or event described in that subsection, it remains  
2 perfected thereafter. If the security interest does not become  
3 perfected under the law of the other jurisdiction before the earliest  
4 time or event, it becomes unperfected and is deemed never to have  
5 been perfected as against a purchaser of the collateral for value.

6 (c) A possessory security interest in collateral, other  
7 than goods covered by a certificate of title and as-extracted  
8 collateral consisting of goods, remains continuously perfected if:

9 (1) the collateral is located in one jurisdiction and  
10 subject to a security interest perfected under the law of that  
11 jurisdiction;

12 (2) thereafter the collateral is brought into another  
13 jurisdiction; and

14 (3) upon entry into the other jurisdiction, the security  
15 interest is perfected under the law of the other jurisdiction.

16 (d) Except as otherwise provided in subsection (e), a  
17 security interest in goods covered by a certificate of title which is  
18 perfected by any method under the law of another jurisdiction when  
19 the goods become covered by a certificate of title from this state  
20 remains perfected until the security interest would have become  
21 unperfected under the law of the other jurisdiction had the goods not  
22 become so covered.

23 (e) A security interest described in subsection (d)  
24 becomes unperfected as against a purchaser of the goods for value and  
25 is deemed never to have been perfected as against a purchaser of the

1 goods for value if the applicable requirements for perfection under  
2 section 9-311(b) or 9-313 are not satisfied before the earlier of:

3 (1) the time the security interest would have become  
4 unperfected under the law of the other jurisdiction had the goods not  
5 become covered by a certificate of title from this state; or

6 (2) the expiration of four months after the goods had  
7 become so covered.

8 (f) A security interest in deposit accounts, letter-of-  
9 credit rights, or investment property which is perfected under the  
10 law of the bank's jurisdiction, the issuer's jurisdiction, a  
11 nominated person's jurisdiction, the securities intermediary's  
12 jurisdiction, or the commodity intermediary's jurisdiction, as  
13 applicable, remains perfected until the earlier of:

14 (1) the time the security interest would have become  
15 unperfected under the law of that jurisdiction; or

16 (2) the expiration of four months after a change of the  
17 applicable jurisdiction to another jurisdiction.

18 (g) If a security interest described in subsection (f)  
19 becomes perfected under the law of the other jurisdiction before the  
20 earlier of the time or the end of the period described in that  
21 subsection, it remains perfected thereafter. If the security interest  
22 does not become perfected under the law of the other jurisdiction  
23 before the earlier of that time or the end of that period, it becomes  
24 unperfected and is deemed never to have been perfected as against a  
25 purchaser of the collateral for value.

1           (h) The following rules apply to collateral to which a  
2 security interest attaches within four months after the debtor  
3 changes its location to another jurisdiction:

4           (1) A financing statement filed before the change  
5 pursuant to the law of the jurisdiction designated in section  
6 9-301(1) or 9-305(c) is effective to perfect a security interest in  
7 the collateral if the financing statement would have been effective  
8 to perfect a security interest in the collateral had the debtor not  
9 changed its location.

10           (2) If a security interest perfected by a financing  
11 statement that is effective under paragraph (1) becomes perfected  
12 under the law of the other jurisdiction before the earlier of the  
13 time the financing statement would have become ineffective under the  
14 law of the jurisdiction designated in section 9-301(1) or 9-305(c) or  
15 the expiration of the four-month period, it remains perfected  
16 thereafter. If the security interest does not become perfected under  
17 the law of the other jurisdiction before the earlier time or event,  
18 it becomes unperfected and is deemed never to have been perfected as  
19 against a purchaser of the collateral for value.

20           (i) If a financing statement naming an original debtor is  
21 filed pursuant to the law of the jurisdiction designated in section  
22 9-301(1) or 9-305(c) and the new debtor is located in another  
23 jurisdiction, the following rules apply:

24           (1) The financing statement is effective to perfect a  
25 security interest in collateral acquired by the new debtor before,

1 and within four months after, the new debtor becomes bound under  
2 section 9-203(d), if the financing statement would have been  
3 effective to perfect a security interest in the collateral had the  
4 collateral been acquired by the original debtor.

5 (2) A security interest perfected by the financing  
6 statement and which becomes perfected under the law of the other  
7 jurisdiction before the earlier of the time the financing statement  
8 would have become ineffective under the law of the jurisdiction  
9 designated in section 9-301(1) or 9-305(c) or the expiration of the  
10 four-month period remains perfected thereafter. A security interest  
11 that is perfected by the financing statement but which does not  
12 become perfected under the law of the other jurisdiction before the  
13 earlier time or event becomes unperfected and is deemed never to have  
14 been perfected as against a purchaser of the collateral for value.

15 Sec. 9. Section 9-317, Uniform Commercial Code, Revised  
16 Statutes Cumulative Supplement, 2010, is amended to read:

17 9-317 Interests that take priority over or take free of  
18 security interest or agricultural lien.

19 (a) A security interest or agricultural lien is  
20 subordinate to the rights of:

21 (1) a person entitled to priority under section 9-322;  
22 and

23 (2) except as otherwise provided in subsection (e), a  
24 person that becomes a lien creditor before the earlier of the time:

25 (A) the security interest or agricultural lien is

1 perfected; or

2 (B) one of the conditions specified in section 9-203(b)  
3 (3) is met and a financing statement covering the collateral is  
4 filed.

5 (b) Except as otherwise provided in subsection (e), a  
6 buyer, other than a secured party, of tangible chattel paper,  
7 tangible documents, goods, instruments, or a ~~security certificate~~  
8 certificated security takes free of a security interest or  
9 agricultural lien if the buyer gives value and receives delivery of  
10 the collateral without knowledge of the security interest or  
11 agricultural lien and before it is perfected.

12 (c) Except as otherwise provided in subsection (e), a  
13 lessee of goods takes free of a security interest or agricultural  
14 lien if the lessee gives value and receives delivery of the  
15 collateral without knowledge of the security interest or agricultural  
16 lien and before it is perfected.

17 (d) A licensee of a general intangible or a buyer, other  
18 than a secured party, of ~~accounts, electronic chattel paper,~~  
19 ~~electronic documents, general intangibles, or investment property~~  
20 collateral other than tangible chattel paper, tangible documents,  
21 goods, instruments, or a certificated security takes free of a  
22 security interest if the licensee or buyer gives value without  
23 knowledge of the security interest and before it is perfected.

24 (e) Except as otherwise provided in sections 9-320 and  
25 9-321, if a person files a financing statement with respect to a

1 purchase-money security interest before or within thirty days after  
2 the debtor receives delivery of the collateral, the security interest  
3 takes priority over the rights of a buyer, lessee, or lien creditor  
4 which arise between the time the security interest attaches and the  
5 time of filing.

6 Sec. 10. Section 9-326, Uniform Commercial Code, Reissue  
7 Revised Statutes of Nebraska, is amended to read:

8 9-326 Priority of security interests created by new  
9 debtor.

10 (a) Subject to subsection (b), a security interest that  
11 is created by a new debtor which is in collateral in which the new  
12 debtor has or acquires rights and is perfected solely by a filed  
13 financing statement that is effective solely under section 9-508 in  
14 collateral in which a new debtor has or acquires rights would be  
15 ineffective to perfect the security interest but for the application  
16 of section 9-316(i)(1) or 9-508 is subordinate to a security interest  
17 in the same collateral which is perfected other than by such a filed  
18 financing statement. ~~that is effective solely under section 9-508.~~

19 (b) The other provisions of this part determine the  
20 priority among conflicting security interests in the same collateral  
21 perfected by filed financing statements ~~that are effective solely~~  
22 ~~under section 9-508.~~ described in subsection (a). However, if the  
23 security agreements to which a new debtor became bound as debtor were  
24 not entered into by the same original debtor, the conflicting  
25 security interests rank according to priority in time of the new

1 debtor's having become bound.

2           Sec. 11. Section 9-406, Uniform Commercial Code, Reissue  
3 Revised Statutes of Nebraska, is amended to read:

4           9-406 Discharge of account debtor; notification of  
5 assignment; identification and proof of assignment; restrictions on  
6 assignment of accounts, chattel paper, payment intangibles, and  
7 promissory notes ineffective.

8           (a) Subject to subsections (b) through (i), an account  
9 debtor on an account, chattel paper, or a payment intangible may  
10 discharge its obligation by paying the assignor until, but not after,  
11 the account debtor receives a notification, authenticated by the  
12 assignor or the assignee, that the amount due or to become due has  
13 been assigned and that payment is to be made to the assignee. After  
14 receipt of the notification, the account debtor may discharge its  
15 obligation by paying the assignee and may not discharge the  
16 obligation by paying the assignor.

17           (b) Subject to subsection (h), notification is  
18 ineffective under subsection (a):

19           (1) if it does not reasonably identify the rights  
20 assigned;

21           (2) to the extent that an agreement between an account  
22 debtor and a seller of a payment intangible limits the account  
23 debtor's duty to pay a person other than the seller and the  
24 limitation is effective under law other than this article; or

25           (3) at the option of an account debtor, if the

1 notification notifies the account debtor to make less than the full  
2 amount of any installment or other periodic payment to the assignee,  
3 even if:

4 (A) only a portion of the account, chattel paper, or  
5 payment intangible has been assigned to that assignee;

6 (B) a portion has been assigned to another assignee; or

7 (C) the account debtor knows that the assignment to that  
8 assignee is limited.

9 (c) Subject to subsection (h), if requested by the  
10 account debtor, an assignee shall seasonably furnish reasonable proof  
11 that the assignment has been made. Unless the assignee complies, the  
12 account debtor may discharge its obligation by paying the assignor,  
13 even if the account debtor has received a notification under  
14 subsection (a).

15 (d) Except as otherwise provided in subsection (e) and  
16 sections 2A-303 and 9-407, and subject to subsection (h), a term in  
17 an agreement between an account debtor and an assignor or in a  
18 promissory note is ineffective to the extent that it:

19 (1) prohibits, restricts, or requires the consent of the  
20 account debtor or person obligated on the promissory note to the  
21 assignment or transfer of, or the creation, attachment, perfection,  
22 or enforcement of a security interest in, the account, chattel paper,  
23 payment intangible, or promissory note; or

24 (2) provides that the assignment or transfer or the  
25 creation, attachment, perfection, or enforcement of the security



1 interest may give rise to a default, breach, right of recoupment,  
2 claim, defense, termination, right of termination, or remedy under  
3 the account, chattel paper, payment intangible, or promissory note.

4 (e) Subsection (d) does not apply to the sale of a  
5 payment intangible or promissory note, other than a sale pursuant to  
6 a disposition under section 9-610 or an acceptance of collateral  
7 under section 9-620.

8 (f) Except as otherwise provided in sections 2A-303 and  
9 9-407, and subject to subsections (h) and (i), a rule of law,  
10 statute, or regulation that prohibits, restricts, or requires the  
11 consent of a government, governmental body or official, or account  
12 debtor to the assignment or transfer of, or creation of a security  
13 interest in, an account or chattel paper is ineffective to the extent  
14 that the rule of law, statute, or regulation:

15 (1) prohibits, restricts, or requires the consent of the  
16 government, governmental body or official, or account debtor to the  
17 assignment or transfer of, or the creation, attachment, perfection,  
18 or enforcement of a security interest in, the account or chattel  
19 paper; or

20 (2) provides that the assignment or transfer or the  
21 creation, attachment, perfection, or enforcement of the security  
22 interest may give rise to a default, breach, right of recoupment,  
23 claim, defense, termination, right of termination, or remedy under  
24 the account or chattel paper.

25 (g) Subject to subsection (h), an account debtor may not

1 waive or vary its option under subdivision (b)(3).

2 (h) This section is subject to law other than this  
3 article which establishes a different rule for an account debtor who  
4 is an individual and who incurred the obligation primarily for  
5 personal, family, or household purposes.

6 (i) This section does not apply to an assignment of a  
7 health-care-insurance receivable.

8 (j) This section prevails over any inconsistent  
9 provisions of the law of this state.

10 Sec. 12. Section 9-408, Uniform Commercial Code, Reissue  
11 Revised Statutes of Nebraska, is amended to read:

12 9-408 Restrictions on assignment of promissory notes,  
13 health-care-insurance receivables, and certain general intangibles  
14 ineffective.

15 (a) Except as otherwise provided in subsection (b), a  
16 term in a promissory note or in an agreement between an account  
17 debtor and a debtor which relates to a health-care-insurance  
18 receivable or a general intangible, including a contract, permit,  
19 license, or franchise, and which term prohibits, restricts, or  
20 requires the consent of the person obligated on the promissory note  
21 or the account debtor to, the assignment or transfer of, or creation,  
22 attachment, or perfection of a security interest in, the promissory  
23 note, health-care-insurance receivable, or general intangible, is  
24 ineffective to the extent that the term:

25 (1) would impair the creation, attachment, or perfection

1 of a security interest; or

2 (2) provides that the assignment or transfer or the  
3 creation, attachment, or perfection of the security interest may give  
4 rise to a default, breach, right of recoupment, claim, defense,  
5 termination, right of termination, or remedy under the promissory  
6 note, health-care-insurance receivable, or general intangible.

7 (b) Subsection (a) applies to a security interest in a  
8 payment intangible or promissory note only if the security interest  
9 arises out of a sale of the payment intangible or promissory note,  
10 other than a sale pursuant to a disposition under section 9-610 or an  
11 acceptance of collateral under section 9-620.

12 (c) A rule of law, statute, or regulation that prohibits,  
13 restricts, or requires the consent of a government, governmental body  
14 or official, person obligated on a promissory note, or account debtor  
15 to the assignment or transfer of, or creation of a security interest  
16 in, a promissory note, health-care-insurance receivable, or general  
17 intangible, including a contract, permit, license, or franchise  
18 between an account debtor and a debtor, is ineffective to the extent  
19 that the rule of law, statute, or regulation:

20 (1) would impair the creation, attachment, or perfection  
21 of a security interest; or

22 (2) provides that the assignment or transfer or the  
23 creation, attachment, or perfection of the security interest may give  
24 rise to a default, breach, right of recoupment, claim, defense,  
25 termination, right of termination, or remedy under the promissory

1 note, health-care-insurance receivable, or general intangible.

2 (d) To the extent that a term in a promissory note or in  
3 an agreement between an account debtor and a debtor which relates to  
4 a health-care-insurance receivable or general intangible or a rule of  
5 law, statute, or regulation described in subsection (c) would be  
6 effective under law other than this article but is ineffective under  
7 subsection (a) or (c), the creation, attachment, or perfection of a  
8 security interest in the promissory note, health-care-insurance  
9 receivable, or general intangible:

10 (1) is not enforceable against the person obligated on  
11 the promissory note or the account debtor;

12 (2) does not impose a duty or obligation on the person  
13 obligated on the promissory note or the account debtor;

14 (3) does not require the person obligated on the  
15 promissory note or the account debtor to recognize the security  
16 interest, pay or render performance to the secured party, or accept  
17 payment or performance from the secured party;

18 (4) does not entitle the secured party to use or assign  
19 the debtor's rights under the promissory note, health-care-insurance  
20 receivable, or general intangible, including any related information  
21 or materials furnished to the debtor in the transaction giving rise  
22 to the promissory note, health-care-insurance receivable, or general  
23 intangible;

24 (5) does not entitle the secured party to use, assign,  
25 possess, or have access to any trade secrets or confidential

1 information of the person obligated on the promissory note or the  
2 account debtor; and

3 (6) does not entitle the secured party to enforce the  
4 security interest in the promissory note, health-care-insurance  
5 receivable, or general intangible.

6 (e) This section prevails over any inconsistent  
7 provisions of the law of this state.

8 Sec. 13. Section 9-502, Uniform Commercial Code, Reissue  
9 Revised Statutes of Nebraska, is amended to read:

10 9-502 Contents of financing statement; record of mortgage  
11 as financing statement; time of filing financing statement.

12 (a) Subject to subsection (b), a financing statement is  
13 sufficient only if it:

14 (1) provides the name of the debtor;

15 (2) provides the name of the secured party or a  
16 representative of the secured party; and

17 (3) indicates the collateral covered by the financing  
18 statement.

19 (b) Except as otherwise provided in section 9-501(b), to  
20 be sufficient, a financing statement that covers as-extracted  
21 collateral or timber to be cut, or which is filed as a fixture filing  
22 and covers goods that are or are to become fixtures, must satisfy  
23 subsection (a) and also:

24 (1) indicate that it covers this type of collateral;

25 (2) indicate that it is to be filed for record in the

1 real property records;

2 (3) provide a description of the real property to which  
3 the collateral is related sufficient to give constructive notice of  
4 the mortgage under the law of this state if the description were  
5 contained in a record of the mortgage of the real property; and

6 (4) if the debtor does not have an interest of record in  
7 the real property, provide the name of a record owner.

8 (c) A record of a mortgage is effective, from the date of  
9 recording, as a financing statement filed as a fixture filing or as a  
10 financing statement covering as-extracted collateral or timber to be  
11 cut only if:

12 (1) the record indicates the goods or accounts that it  
13 covers;

14 (2) the goods are or are to become fixtures related to  
15 the real property described in the record or the collateral is  
16 related to the real property described in the record and is as-  
17 extracted collateral or timber to be cut;

18 (3) the record satisfies the requirements for a financing  
19 statement in this section, but:

20 (A) the record need not indicate other than an indication  
21 that it is to be filed in the real property records; and

22 (B) the record sufficiently provides the name of a debtor  
23 who is an individual if it provides the individual name of the debtor  
24 or the surname and first personal name of the debtor, even if the  
25 debtor is an individual to whom section 9-503(a)(4) applies; and

1 (4) the record is duly recorded.

2 (d) A financing statement may be filed before a security  
3 agreement is made or a security interest otherwise attaches.

4 Sec. 14. Section 9-503, Uniform Commercial Code, Reissue  
5 Revised Statutes of Nebraska, is amended to read:

6 9-503 Name of debtor and secured party.

7 (a) A financing statement sufficiently provides the name  
8 of the debtor:

9 (1) except as otherwise provided in paragraph (3), if the  
10 debtor is a registered organization or the collateral is held in a  
11 trust that is a registered organization, only if the financing  
12 statement provides the name of the debtor indicated that is stated to  
13 be the registered organization's name on the public organic record of  
14 the debtor's most recently filed with or issued or enacted by the  
15 registered organization's jurisdiction of organization which shows  
16 the debtor to have been organized; purports to state, amend, or  
17 restate the registered organization's name;

18 (2) subject to subsection (f), if the debtor is a  
19 decendent's estate, collateral is being administered by the personal  
20 representative of a decedent, only if the financing statement  
21 provides, as the name of the debtor, the name of the decedent and, in  
22 a separate part of the financing statement, indicates that the debtor  
23 is an estate; collateral is being administered by a personal  
24 representative;

25 (3) if the debtor is a trust or a trustee acting with

1 ~~respect to property held in trust, only if the financing statement:~~  
2 collateral is held in a trust that is not a registered organization,  
3 only if the financing statement:

4 (A) provides, as the name of the debtor:

5 (i) if the organic record of the trust specifies a name  
6 for the trust, the name specified; or

7 (ii) if the organic record of the trust does not specify  
8 a name for the trust, the name of the settlor or testator; and

9 (B) in a separate part of the financing statement:

10 (i) if the name is provided in accordance with  
11 subparagraph (A)(i), indicates that the collateral is held in a  
12 trust; or

13 (ii) if the name is provided in accordance with  
14 subparagraph (A)(ii), provides additional information sufficient to  
15 distinguish the trust from other trusts having one or more of the  
16 same settlors or the same testator and indicates that the collateral  
17 is held in a trust, unless the additional information so indicates;

18 (4) subject to subsection (g), if the debtor is an  
19 individual to whom this state has issued a driver's license that has  
20 not expired, only if the financial statement provides the name of the  
21 individual which is indicated on the driver's license;

22 (5) if the debtor is an individual to whom paragraph (4)  
23 does not apply, only if the financial statement provides the  
24 individual name of the debtor or the surname and first personal name  
25 of the debtor; and



1           ~~(A) provides the name specified for the trust in its~~  
2 ~~organic documents or, if no name is specified, provides the name of~~  
3 ~~the settlor and additional information sufficient to distinguish the~~  
4 ~~debtor from other trusts having one or more of the same settlors; and~~

5           ~~(B) indicates, in the debtor's name or otherwise, that~~  
6 ~~the debtor is a trust or is a trustee acting with respect to property~~  
7 ~~held in trust; and~~

8           ~~(4)-(6)~~ in other cases:

9           (A) if the debtor has a name, only if ~~it~~ the financial  
10 statement provides the ~~individual or organizational~~ name of the  
11 debtor; and

12           (B) if the debtor does not have a name, only if it  
13 provides the names of the partners, members, associates, or other  
14 persons comprising the debtor, in a manner that each name provided  
15 would be sufficient if the person named were the debtor.

16           (b) A financing statement that provides the name of the  
17 debtor in accordance with subsection (a) is not rendered ineffective  
18 by the absence of:

19           (1) a trade name or other name of the debtor; or

20           (2) unless required under subdivision ~~(a)(4)(B),~~ ~~(a)(6)~~  
21 (B), names of partners, members, associates, or other persons  
22 comprising the debtor.

23           (c) A financing statement that provides only the debtor's  
24 trade name does not sufficiently provide the name of the debtor.

25           (d) Failure to indicate the representative capacity of a

1 secured party or representative of a secured party does not affect  
2 the sufficiency of a financing statement.

3 (e) A financing statement may provide the name of more  
4 than one debtor and the name of more than one secured party.

5 (f) The name of the decedent indicated on the order  
6 appointing the personal representative of the decedent issued by the  
7 court having jurisdiction over the collateral is sufficient as the  
8 "name of the decedent" under subsection (a)(2).

9 (g) If this state has issued to an individual more than  
10 one driver's license of a kind described in subsection (a)(4), the  
11 one that was issued most recently is the one to which subsection (a)  
12 (4) refers.

13 (h) The "name of the settlor or testator" means:

14 (1) if the settlor is a registered organization, the name  
15 that is stated to be the settlor's name on the public organic record  
16 most recently filed with or issued or enacted by the settlor's  
17 jurisdiction of organization which purports to state, amend, or  
18 restate the settlor's name; or

19 (2) in other cases, the name of the settlor or testator  
20 indicated in the trust's organic record.

21 Sec. 15. Section 9-506, Uniform Commercial Code, Revised  
22 Statutes Cumulative Supplement, 2010, is amended to read:

23 9-506 Effect of errors or omissions.

24 (a) A financing statement substantially satisfying the  
25 requirements of this part is effective, even if it has minor errors

1 or omissions, unless the errors or omissions make the financing  
2 statement seriously misleading.

3 (b) Except as otherwise provided in subsection (c), ~~of~~  
4 ~~this section,~~ a financing statement that fails sufficiently to  
5 provide the name of the debtor in accordance with section 9-503(a) is  
6 seriously misleading.

7 (c) If a search of the records of the filing office under  
8 the debtor's correct name, using the filing office's standard search  
9 logic, if any, would disclose a financing statement that fails  
10 sufficiently to provide the name of the debtor in accordance with  
11 section 9-503(a), the name provided does not make the financing  
12 statement seriously misleading.

13 (d) For purposes of section 9-508(b), the "debtor's  
14 correct name" in subsection (c) ~~of this section~~ means the correct  
15 name of the new debtor.

16 Sec. 16. Section 9-507, Uniform Commercial Code, Reissue  
17 Revised Statutes of Nebraska, is amended to read:

18 9-507 Effect of certain events on effectiveness of  
19 financing statement.

20 (a) A filed financing statement remains effective with  
21 respect to collateral that is sold, exchanged, leased, licensed, or  
22 otherwise disposed of and in which a security interest or  
23 agricultural lien continues, even if the secured party knows of or  
24 consents to the disposition.

25 (b) Except as otherwise provided in subsection (c) and

1 section 9-508, a financing statement is not rendered ineffective if,  
2 after the financing statement is filed, the information provided in  
3 the financing statement becomes seriously misleading under section  
4 9-506.

5 (c) If a ~~debtor so changes its~~ the name that a filed  
6 financing statement provides for a debtor becomes insufficient as the  
7 name of the debtor under section 9-503(a) so that the financing  
8 statement becomes seriously misleading under section 9-506:

9 (1) the financing statement is effective to perfect a  
10 security interest in collateral acquired by the debtor before, or  
11 within four months after, the ~~change;~~ filed financing statement  
12 becomes seriously misleading; and

13 (2) the financing statement is not effective to perfect a  
14 security interest in collateral acquired by the debtor more than four  
15 months after the ~~change;~~ filed financing statement becomes seriously  
16 misleading, unless an amendment to the financing statement which  
17 renders the financing statement not seriously misleading is filed  
18 within four months after ~~the change.~~ the financing statement became  
19 seriously misleading.

20 Sec. 17. Section 9-515, Uniform Commercial Code, Reissue  
21 Revised Statutes of Nebraska, is amended to read:

22 9-515 Duration and effectiveness of financing statement;  
23 effect of lapsed financing statement.

24 (a) Except as otherwise provided in subsections (b), (e),  
25 (f), and (g), a filed financing statement is effective for a period

1 of five years after the date of filing.

2 (b) Except as otherwise provided in subsections (e), (f)  
3 and (g), an initial financing statement filed in connection with a  
4 public-finance transaction or manufactured-home transaction is  
5 effective for a period of thirty years after the date of filing if it  
6 indicates that it is filed in connection with a public-finance  
7 transaction or manufactured-home transaction.

8 (c) The effectiveness of a filed financing statement  
9 lapses on the expiration of the period of its effectiveness unless  
10 before the lapse a continuation statement is filed pursuant to  
11 subsection (d). Upon lapse, a financing statement ceases to be  
12 effective and any security interest or agricultural lien that was  
13 perfected by the financing statement becomes unperfected, unless the  
14 security interest is perfected otherwise. If the security interest or  
15 agricultural lien becomes unperfected upon lapse, it is deemed never  
16 to have been perfected as against a purchaser of the collateral for  
17 value.

18 (d) A continuation statement may be filed only within six  
19 months before the expiration of the five-year period specified in  
20 subsection (a) or the thirty-year period specified in subsection (b),  
21 whichever is applicable.

22 (e) Except as otherwise provided in section 9-510, upon  
23 timely filing of a continuation statement, the effectiveness of the  
24 initial financing statement continues for a period of five years  
25 commencing on the day on which the financing statement would have

1 become ineffective in the absence of the filing. Upon the expiration  
2 of the five-year period, the financing statement lapses in the same  
3 manner as provided in subsection (c), unless, before the lapse,  
4 another continuation statement is filed pursuant to subsection (d).  
5 Succeeding continuation statements may be filed in the same manner to  
6 continue the effectiveness of the initial financing statement.

7 (f) If a debtor is a transmitting utility and a filed  
8 initial financing statement so indicates, the financing statement is  
9 effective until a termination statement is filed.

10 (g) A record of a mortgage that is effective as a  
11 financing statement filed as a fixture filing under section 9-502(c)  
12 remains effective as a financing statement filed as a fixture filing  
13 until the mortgage is released or satisfied of record or its  
14 effectiveness otherwise terminates as to the real property.

15 Sec. 18. Section 9-516, Uniform Commercial Code, Revised  
16 Statutes Cumulative Supplement, 2010, is amended to read:

17 9-516 What constitutes filing; effectiveness of filing.

18 (a) Except as otherwise provided in subsection (b),  
19 communication of a record to a filing office and tender of the filing  
20 fee or acceptance of the record by the filing office constitutes  
21 filing.

22 (b) Filing does not occur with respect to a record that a  
23 filing office refuses to accept because:

24 (1) the record is not communicated by a method or medium  
25 of communication authorized by the filing office;

1                   (2) an amount equal to or greater than the applicable  
2 filing fee is not tendered;

3                   (3) the filing office is unable to index the record  
4 because:

5                   (A) in the case of an initial financing statement, the  
6 record does not provide a name for the debtor;

7                   (B) in the case of an amendment or ~~correction~~information  
8 statement, the record:

9                   (i) does not identify the initial financing statement as  
10 required by section 9-512 or 9-518, as applicable; or

11                   (ii) identifies an initial financing statement whose  
12 effectiveness has lapsed under section 9-515;

13                   (C) in the case of an initial financing statement that  
14 provides the name of a debtor identified as an individual or an  
15 amendment that provides a name of a debtor identified as an  
16 individual which was not previously provided in the financing  
17 statement to which the record relates, the record does not identify  
18 the debtor's ~~last name;~~ surname; or

19                   (D) in the case of a record filed or recorded in the  
20 filing office described in section 9-501(a)(1), the record does not  
21 provide a sufficient description of the real property to which it  
22 relates;

23                   (4) in the case of an initial financing statement or an  
24 amendment that adds a secured party of record, the record does not  
25 provide a name and mailing address for the secured party of record;

1           (5) in the case of an initial financing statement or an  
2 amendment that provides a name of a debtor which was not previously  
3 provided in the financing statement to which the amendment relates,  
4 the record does not:

5           (A) provide a mailing address for the debtor; or

6           (B) indicate whether the name provided as the name of the  
7 debtor is the name of an individual or an organization; ~~or~~

8           ~~(C) if the financing statement indicates that the debtor~~  
9 ~~is an organization, provide:~~

10           ~~(i) a type of organization for the debtor;~~

11           ~~(ii) a jurisdiction of organization for the debtor; or~~

12           ~~(iii) an organizational identification number for the~~  
13 ~~debtor or indicate that the debtor has none;~~

14           (6) in the case of an assignment reflected in an initial  
15 financing statement under section 9-514(a) or an amendment filed  
16 under section 9-514(b), the record does not provide a name and  
17 mailing address for the assignee;

18           (7) in the case of a continuation statement, the record  
19 is not filed within the six-month period prescribed by section  
20 9-515(d); or

21           (8) in the case of a financing statement or an amendment  
22 to a financing statement, the same person or entity is listed as both  
23 debtor and secured party.

24           (c) For purposes of subsection (b):

25           (1) a record does not provide information if the filing



1 office is unable to read or decipher the information; and

2 (2) a record that does not indicate that it is an  
3 amendment or identify an initial financing statement to which it  
4 relates, as required by section 9-512, 9-514, or 9-518, is an initial  
5 financing statement.

6 (d) A record that is communicated to the filing office  
7 with tender of the filing fee, but which the filing office refuses to  
8 accept for a reason other than one set forth in subsection (b), is  
9 effective as a filed record except as against a purchaser of the  
10 collateral which gives value in reasonable reliance upon the absence  
11 of the record from the files.

12 Sec. 19. Section 9-518, Uniform Commercial Code, Reissue  
13 Revised Statutes of Nebraska, is amended to read:

14 9-518 Claim concerning inaccurate or wrongfully filed  
15 record.

16 (a) A person may file in the filing office a ~~correction~~  
17 an information statement with respect to a record indexed there under  
18 the person's name if the person believes that the record is  
19 inaccurate or was wrongfully filed.

20 (b) ~~A correction~~ An information statement under  
21 subsection (a) must:

22 (1) identify the record to which it relates by the file  
23 number assigned to the initial financing statement to which the  
24 record relates;

25 (2) indicate that it is a ~~correction~~ an information

1 statement; and

2 (3) provide the basis for the person's belief that the  
3 record is inaccurate and indicate the manner in which the person  
4 believes the record should be amended to cure any inaccuracy or  
5 provide the basis for the person's belief that the record was  
6 wrongfully filed.

7 (c) A person may file in the filing office an information  
8 statement with respect to a record filed there if the person is a  
9 secured party of record with respect to the financing statement to  
10 which the record relates and believes that the person that filed the  
11 record was not entitled to do so under section 9-509(d).

12 (d) An information statement under subsection (c) must:

13 (1) identify the record to which it relates by the file  
14 number assigned to the initial financing statement to which the  
15 record relates;

16 (2) indicate that it is an information statement; and

17 (3) provide the basis for the person's belief that the  
18 person that filed the record was not entitled to do so under section  
19 9-509(d).

20 ~~(e)~~ (e) The filing of a correction an information  
21 statement does not affect the effectiveness of an initial financing  
22 statement or other filed record.

23 Sec. 20. The Uniform Commercial Code is amended by adding  
24 new section:

25 9-521 Uniform form of written financing statement and

1 amendment.

2 (a) A filing office that accepts written records may not  
3 refuse to accept a written initial financing statement in the  
4 following form and format except for a reason set forth in section  
5 9-516(b):

6 UCC FINANCING STATEMENT

7 FOLLOW INSTRUCTIONS

8 A. NAME & PHONE OF CONTACT AT FILER (optional)

9 \_\_\_\_\_

10 B. E-MAIL CONTACT AT FILER (optional)

11 \_\_\_\_\_

12 C. SEND ACKNOWLEDGMENT TO: (Name and Address)

13 \_\_\_\_\_

14 THE ABOVE SPACE IS FOR

15 FILING OFFICE USE ONLY

16 1. DEBTOR'S NAME - provide only one Debtor name (1a or  
17 1b) (use exact, full name; do not omit, modify, or abbreviate any  
18 word in the Debtor's name)

19 1a. ORGANIZATION'S NAME

20 \_\_\_\_\_

21 OR

22 1b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

23 \_\_\_\_\_

\_\_\_\_\_

24 ADDITIONAL NAME(S)/INITIAL(S) THAT ARE

1 PART OF THE NAME OF THIS DEBTOR SUFFIX  
 2 \_\_\_\_\_

3 1c. MAILING ADDRESS  
 4 \_\_\_\_\_

5 CITY STATE POSTAL CODE COUNTRY  
 6 \_\_\_\_\_

7 2. DEBTOR'S NAME - provide only one Debtor name (2a or  
 8 2b) (use exact, full name; do not omit, modify, or abbreviate any  
 9 word in the Debtor's name)

10 2a. ORGANIZATION'S NAME  
 11 \_\_\_\_\_

12 OR

13 2b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME  
 14 \_\_\_\_\_

15 ADDITIONAL NAME(S)/INITIAL(S) THAT ARE

16 PART OF THE NAME OF THIS DEBTOR SUFFIX  
 17 \_\_\_\_\_

18 2c. MAILING ADDRESS  
 19 \_\_\_\_\_

20 CITY STATE POSTAL CODE COUNTRY  
 21 \_\_\_\_\_

22 3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR  
 23 SECURED PARTY) - provide only one Secured Party name (3a or 3b)

1 3a. ORGANIZATION'S NAME

2 \_\_\_\_\_

3 OR

4 3b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

5 \_\_\_\_\_

\_\_\_\_\_

6 ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

7 \_\_\_\_\_

\_\_\_\_\_

8 3c. MAILING ADDRESS

9 \_\_\_\_\_

10 CITY

STATE

POSTAL CODE

COUNTRY

11 \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

12 4. COLLATERAL: This financing statement covers the  
13 following collateral:

14 \_\_\_\_\_

15 5. Check only if applicable and check only one box:

16 Collateral is \_\_\_\_\_ held in a Trust (see Instructions)

17 \_\_\_\_\_ being administered by a Decedent's Personal  
Representative.

18 6a. Check only if applicable and check only one box:

19 \_\_\_\_\_ Public-Finance Transaction

20 \_\_\_\_\_ Manufactured-Home Transaction

21 \_\_\_\_\_ A Debtor is a Transmitting Utility

22 6b. Check only if applicable and check only one box:

23 \_\_\_\_\_ Agricultural Lien \_\_\_\_\_ Non-UCC Filing

1                    7. ALTERNATIVE DESIGNATION (if applicable):                    Lessee/  
 2 Lessor            Consignee/Consignor            Seller/Buyer            Bailee/Bailor  
 3 Licensee/Licensor

4                    8. OPTIONAL FILER REFERENCE DATA

5 \_\_\_\_\_

6                    [UCC FINANCING STATEMENT (Form UCC1)]

7                    UCC FINANCING STATEMENT ADDENDUM

8                    FOLLOW INSTRUCTIONS

9                    9. NAME OF FIRST DEBTOR (same as item 1a or 1b on  
 10 Financing Statement)

11 9a. ORGANIZATION'S NAME

12 \_\_\_\_\_

13 OR

14 9b. INDIVIDUAL'S SURNAME

15 \_\_\_\_\_

16 FIRST PERSONAL NAME

17 \_\_\_\_\_

18 ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

19 \_\_\_\_\_

\_\_\_\_\_

20                    THE ABOVE SPACE IS FOR

21                    FILING OFFICE USE ONLY

22                    10. ADDITIONAL DEBTOR'S NAME - provide only one Debtor  
 23 name (10a or 10b) (use exact, full name; do not omit, modify, or  
 24 abbreviate any word in the Debtor's name)

1 10a. ORGANIZATION'S NAME

2 \_\_\_\_\_

3 OR

4 10b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

5 \_\_\_\_\_

\_\_\_\_\_

6 ADDITIONAL NAME(S)/INITIAL(S) THAT ARE

7 PART OF THE NAME OF THIS DEBTOR

SUFFIX

8 \_\_\_\_\_

\_\_\_\_\_

9 10c. MAILING ADDRESS

10 \_\_\_\_\_

11 CITY

STATE

POSTAL CODE

COUNTRY

12 \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

13 11. \_\_\_\_\_ ADDITIONAL SECURED PARTY'S NAME or \_\_\_\_\_ ASSIGNOR

14 SECURED PARTY'S NAME - provide only one name (11a or 11b)

15 11a. ORGANIZATION'S NAME

16 \_\_\_\_\_

17 OR

18 11b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

19 \_\_\_\_\_

\_\_\_\_\_

20 ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

21 \_\_\_\_\_

\_\_\_\_\_

22 11c. MAILING ADDRESS

1 \_\_\_\_\_

2 CITY                      STATE                      POSTAL CODE                      COUNTRY

3 \_\_\_\_\_

4 12. ADDITIONAL SPACE FOR ITEM 4 (Collateral)

5 \_\_\_\_\_

6 13. \_\_\_\_\_ This FINANCING STATEMENT is to be filed [for  
7 record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

8 14. This FINANCING STATEMENT:

9 \_\_\_\_\_ covers timber to be cut

10 \_\_\_\_\_ covers as-extracted collateral

11 \_\_\_\_\_ is filed as a fixture filing

12 15. Name and address of a RECORD OWNER of real estate  
13 described in item 16 (if Debtor does not have a record interest):

14 \_\_\_\_\_

15 16. Description of real estate:

16 \_\_\_\_\_

17 17. MISCELLANEOUS:

18 \_\_\_\_\_

19 [UCC FINANCING STATEMENT ADDENDUM (Form UCC1Ad)]

20 (b) A filing office that accepts written records may not  
21 refuse to accept a written record in the following form and format  
22 except for a reason set forth in section 9-516(b):

23 UCC FINANCING STATEMENT AMENDMENT

24 FOLLOW INSTRUCTIONS

25 A. NAME & PHONE OF CONTACT AT FILER (optional)



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

\_\_\_\_\_  
B. E-MAIL CONTACT AT FILER (optional)  
\_\_\_\_\_

C. SEND ACKNOWLEDGMENT TO: (Name and Address)  
\_\_\_\_\_

THE ABOVE SPACE IS FOR  
FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER  
\_\_\_\_\_

1b. This FINANCING STATEMENT AMENDMENT is to be  
filed [for record] (or recorded) in the REAL ESTATE RECORDS.

Filer: attach Amendment Addendum (Form UCC3Ad) and  
provide Debtor's name in item 13.

2. TERMINATION: Effectiveness of the Financing  
Statement identified above is terminated with respect to the security  
interest(s) of Secured Party authorizing this Termination Statement

3. ASSIGNMENT (full or partial): Provide name of  
Assignee in item 7a or 7b, and address of Assignee in item 7c and  
name of Assignor in item 9. For partial assignment, complete items 7  
and 9 and also indicate affected collateral in item 8

4. CONTINUATION: Effectiveness of the Financing  
Statement identified above with respect to the security interest(s)  
of Secured Party authorizing this Continuation Statement is continued  
for the additional period provided by applicable law

5. PARTY INFORMATION CHANGE:

1                    Check one of these two boxes:

2                    This Change affects \_\_\_\_\_ Debtor or \_\_\_\_\_ Secured Party of  
3 record.

4                    AND

5                    Check one of these three boxes to:

6                    \_\_\_\_\_ CHANGE name and/or address: Complete item 6a or 6b,  
7 and item 7a or 7b and item 7c.

8                    \_\_\_\_\_ ADD name: Complete item 7a or 7b, and item 7c.

9                    \_\_\_\_\_ DELETE name: Give record name to be deleted in item  
10 6a or 6b.

11                    6. CURRENT RECORD INFORMATION: Complete for Party  
12 Information Change - provide only one name (6a or 6b) (use exact,  
13 full name; do not omit, modify, or abbreviate any word in the  
14 Debtor's name)

15                    6a. ORGANIZATION'S NAME

16                    \_\_\_\_\_

17                    OR

18                    6b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

19                    \_\_\_\_\_

\_\_\_\_\_

20                    ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

21                    \_\_\_\_\_

\_\_\_\_\_

22                    7. CHANGED OR ADDED INFORMATION: Complete for Assignment  
23 or Party Information Change - provide only one name (7a or 7b) (use  
24 exact full name; do not omit, modify, or abbreviate any word in the

1 Debtor's name)

2 7a. ORGANIZATION'S NAME

3 \_\_\_\_\_

4 OR

5 7b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

6 \_\_\_\_\_

\_\_\_\_\_

7 ADDITIONAL NAME(S)/INITIAL(S) THAT ARE PART OF

SUFFIX

8 THE NAME OF THIS DEBTOR

9 \_\_\_\_\_

\_\_\_\_\_

10 7c. MAILING ADDRESS

11 \_\_\_\_\_

12 CITY

STATE

POSTAL CODE

COUNTRY

13 \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

14 8. COLLATERAL CHANGE:

15 Also check one of these four boxes:

16 ADD collateral DELETE collateral RESTATE

17 covered collateral

18 ASSIGN collateral

19 Indicate collateral:

20 9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS

21 AMENDMENT - provide only one name (9a or 9b) (name of Assignor, if

22 this is an Assignment)

23 If this is an Amendment authorized by a DEBTOR, check

24 here and provide name of authorizing Debtor

1 9a. ORGANIZATION'S NAME

2 \_\_\_\_\_

3 OR

4 9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

5 \_\_\_\_\_

\_\_\_\_\_

6 ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

7 \_\_\_\_\_

\_\_\_\_\_

8 10. OPTIONAL FILER REFERENCE DATA

9 \_\_\_\_\_

10 [UCC FINANCING STATEMENT AMENDMENT (Form UCC3)]

11 UCC FINANCING STATEMENT AMENDMENT ADDENDUM

12 FOLLOW INSTRUCTIONS

13 11. INITIAL FINANCING STATEMENT FILE NUMBER (same as item

14 1a on Amendment form)

15 \_\_\_\_\_

16 12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as

17 item 9 on Amendment form)

18 12a. ORGANIZATION'S NAME

19 \_\_\_\_\_

20 OR

21 12b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

22 \_\_\_\_\_

\_\_\_\_\_

23 ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

1 \_\_\_\_\_

2 THE ABOVE SPACE IS FOR

3 FILING OFFICE USE ONLY

4 13. Name of DEBTOR on related financing statement (Name  
5 of a current Debtor of record required for indexing purposes only in  
6 some filing offices - see Instruction for item 13 - insert only one  
7 Debtor name (13a or 13b) (use, exact, full name; do not omit, modify,  
8 or abbreviate any word in the Debtor's name)

9 13a. ORGANIZATION'S NAME

10 \_\_\_\_\_

11 OR

12 13b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

13 \_\_\_\_\_

\_\_\_\_\_

14 ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

15 \_\_\_\_\_

\_\_\_\_\_

16 14. ADDITIONAL SPACE FOR ITEM 8 (Collateral)

17 \_\_\_\_\_

18 15. This FINANCING STATEMENT AMENDMENT: \_\_\_\_\_ covers  
19 timber to be cut

20 \_\_\_\_\_ covers as-extracted collateral \_\_\_\_\_ is filed as a  
21 fixture filing

22 16. Name and address of a RECORD OWNER of real estate  
23 described in item 17 (if Debtor does not have a record interest):

24 \_\_\_\_\_

1                   17. Description of real estate

2                   \_\_\_\_\_

3                   18. MISCELLANEOUS:

4                   \_\_\_\_\_

5                   [UCC FINANCING STATEMENT AMENDMENT ADDENDUM (Form  
6 UCC3Ad)]

7                   Sec. 21. Section 9-607, Uniform Commercial Code, Reissue  
8 Revised Statutes of Nebraska, is amended to read:

9                   9-607 Collection and enforcement by secured party.

10                  (a) If so agreed, and in any event after default, a  
11 secured party:

12                   (1) may notify an account debtor or other person  
13 obligated on collateral to make payment or otherwise render  
14 performance to or for the benefit of the secured party;

15                   (2) may take any proceeds to which the secured party is  
16 entitled under section 9-315;

17                   (3) may enforce the obligations of an account debtor or  
18 other person obligated on collateral and exercise the rights of the  
19 debtor with respect to the obligation of the account debtor or other  
20 person obligated on collateral to make payment or otherwise render  
21 performance to the debtor, and with respect to any property that  
22 secures the obligations of the account debtor or other person  
23 obligated on the collateral;

24                   (4) if it holds a security interest in a deposit account  
25 perfected by control under section 9-104(a)(1), may apply the balance

1 of the deposit account to the obligation secured by the deposit  
2 account; and

3 (5) if it holds a security interest in a deposit account  
4 perfected by control under section 9-104(a)(2) or (3), may instruct  
5 the bank to pay the balance of the deposit account to or for the  
6 benefit of the secured party.

7 (b) If necessary to enable a secured party to exercise  
8 under subdivision (a)(3) the right of a debtor to enforce a mortgage  
9 nonjudicially, the secured party may record in the office in which a  
10 record of the mortgage is recorded:

11 (1) a copy of the security agreement that creates or  
12 provides for a security interest in the obligation secured by the  
13 mortgage; and

14 (2) the secured party's sworn affidavit in recordable  
15 form stating that:

16 (A) a default has occurred with respect to the obligation  
17 secured by the mortgage; and

18 (B) the secured party is entitled to enforce the mortgage  
19 nonjudicially.

20 (c) A secured party shall proceed in a commercially  
21 reasonable manner if the secured party:

22 (1) undertakes to collect from or enforce an obligation  
23 of an account debtor or other person obligated on collateral; and

24 (2) is entitled to charge back uncollected collateral or  
25 otherwise to full or limited recourse against the debtor or a

1 secondary obligor.

2 (d) A secured party may deduct from the collections made  
3 pursuant to subsection (c) reasonable expenses of collection and  
4 enforcement, including reasonable attorney's fees and legal expenses  
5 incurred by the secured party.

6 (e) This section does not determine whether an account  
7 debtor, bank, or other person obligated on collateral owes a duty to  
8 a secured party.

9 Sec. 22. The Uniform Commercial Code is amended by adding  
10 new section:

11 9-801 Operative date.

12 This article as amended by this legislative bill becomes  
13 operative on July 1, 2013.

14 Sec. 23. The Uniform Commercial Code is amended by adding  
15 new section:

16 9-802 Savings clause.

17 (a) Except as otherwise provided in this part, this  
18 article applies to a transaction or lien within its scope, even if  
19 the transaction or lien was entered into or created before July 1,  
20 2013.

21 (b) This article as amended by this legislative bill does  
22 not affect an action, case, or proceeding commenced before July 1,  
23 2013.

24 Sec. 24. The Uniform Commercial Code is amended by adding  
25 new section:



1           9-803 Security interest perfected before July 1, 2013.

2           (a) A security interest that is a perfected security  
3 interest immediately before July 1, 2013, is a perfected security  
4 interest under this article as it existed on July 1, 2013, if, on  
5 July 1, 2013, the applicable requirements for attachment and  
6 perfection under this article as it existed on July 1, 2013, are  
7 satisfied without further action.

8           (b) Except as otherwise provided in section 9-805, if,  
9 immediately before July 1, 2013, a security interest is a perfected  
10 security interest, but the applicable requirements for perfection  
11 under this article as it existed on July 1, 2013, are not satisfied  
12 on July 1, 2013, the security interest remains perfected thereafter  
13 only if the applicable requirements for perfection under this article  
14 as it existed on July 1, 2013, are satisfied within one year after  
15 July 1, 2013.

16           Sec. 25. The Uniform Commercial Code is amended by adding  
17 new section:

18           9-804 Security interest unperfected before July 1, 2013.

19           A security interest that is an unperfected security  
20 interest immediately before July 1, 2013, becomes a perfected  
21 security interest:

22           (1) without further action, on July 1, 2013, if the  
23 applicable requirements for perfection under this article as it  
24 existed on July 1, 2013, are satisfied before or at that time; or

25           (2) when the applicable requirements for perfection are

1 satisfied if the requirements are satisfied after that time.

2           Sec. 26. The Uniform Commercial Code is amended by adding  
3 new section:

4           9-805 Effectiveness of action taken before July 1, 2013.

5           (a) The filing of a financing statement before July 1,  
6 2013, is effective to perfect a security interest to the extent the  
7 filing would satisfy the applicable requirements for perfection under  
8 this article as it existed on July 1, 2013.

9           (b) This article does not render ineffective an effective  
10 financing statement that, before July 1, 2013, is filed and satisfies  
11 the applicable requirements for perfection under the law of the  
12 jurisdiction governing perfection as provided in this article as it  
13 existed before July 1, 2013. However, except as otherwise provided in  
14 subsections (c) and (d) and section 9-806, the financing statement  
15 ceases to be effective:

16           (1) if the financing statement is filed in this state, at  
17 the time the financing statement would have ceased to be effective  
18 had this legislative bill not become law; or

19           (2) if the financing statement is filed in another  
20 jurisdiction, at the earlier of:

21           (A) the time the financing statement would have ceased to  
22 be effective under the law of that jurisdiction; or

23           (B) June 30, 2018.

24           (c) The filing of a continuation statement on or after  
25 July 1, 2013, does not continue the effectiveness of the financing

1 statement filed before July 1, 2013. However, upon the timely filing  
2 of a continuation statement on or after July 1, 2013, and in  
3 accordance with the law of the jurisdiction governing perfection as  
4 provided in this article as it existed on July 1, 2013, the  
5 effectiveness of a financing statement filed in the same office in  
6 that jurisdiction before July 1, 2013, continues for the period  
7 provided by the law of that jurisdiction.

8 (d) Subsection (b)(2)(B) applies to a financing statement  
9 that, before July 1, 2013, is filed against a transmitting utility  
10 and satisfies the applicable requirements for perfection under the  
11 law of the jurisdiction governing perfection as provided in this  
12 article as it existed before July 1, 2013, only to the extent that  
13 this article as it existed on July 1, 2013, provides that the law of  
14 a jurisdiction other than the jurisdiction in which the financing  
15 statement is filed governs perfection of a security interest in  
16 collateral covered by the financing statement.

17 (e) A financing statement that includes a financing  
18 statement filed before July 1, 2013, and a continuation statement  
19 filed on or after July 1, 2013, is effective only to the extent that  
20 it satisfies the requirements of part 5 as it existed on July 1,  
21 2013, for an initial financing statement. A financing statement that  
22 indicates that the debtor is a decedent's estate indicates that the  
23 collateral is being administered by a personal representative within  
24 the meaning of section 9-503(a)(2) as it existed on July 1, 2013. A  
25 financing statement that indicates that the debtor is a trust or is a

1 trustee acting with respect to property held in trust indicates that  
2 the collateral is held in a trust within the meaning of section  
3 9-503(a)(3) as it existed on July 1, 2013.

4           Sec. 27. The Uniform Commercial Code is amended by adding  
5 new section:

6           9-806 When initial financing statement suffices to  
7 continue effectiveness of financing statement.

8           (a) The filing of an initial financing statement in the  
9 office specified in section 9-501 continues the effectiveness of a  
10 financing statement filed before July 1, 2013, if:

11           (1) the filing of an initial financing statement in that  
12 office would be effective to perfect a security interest under this  
13 article as it existed on July 1, 2013;

14           (2) the pre-operative-date financing statement was filed  
15 in an office in another state; and

16           (3) the initial financing statement satisfies subsection  
17 (c).

18           (b) The filing of an initial financing statement under  
19 subsection (a) continues the effectiveness of the pre-operative-date  
20 financing statement:

21           (1) if the initial financing statement is filed before  
22 July 1, 2013, for the period provided in section 9-515 as it existed  
23 before July 1, 2013, with respect to an initial financing statement;  
24 and

25           (2) if the initial financing statement is filed on or

1 after July 1, 2013, for the period provided in section 9-515 as it  
2 existed on July 1, 2013, with respect to an initial financing  
3 statement.

4 (c) To be effective for purposes of subsection (a), an  
5 initial financing statement must:

6 (1) satisfy the requirements of part 5 as it existed on  
7 July 1, 2013, for an initial financing statement;

8 (2) identify the pre-operative-date financing statement  
9 by indicating the office in which the financing statement was filed  
10 and providing the dates of filing and file numbers, if any, of the  
11 financing statement and of the most recent continuation statement  
12 filed with respect to the financing statement; and

13 (3) indicate that the pre-operative-date financing  
14 statement remains effective.

15 Sec. 28. The Uniform Commercial Code is amended by adding  
16 new section:

17 9-807 Amendment of pre-operative-date financing  
18 statement.

19 (a) In this section, "pre-operative-date financing  
20 statement" means a financing statement filed before July 1, 2013.

21 (b) On or after July 1, 2013, a person may add or delete  
22 collateral covered by, continue or terminate the effectiveness of, or  
23 otherwise amend the information provided in, a pre-operative-date  
24 financing statement only in accordance with the law of the  
25 jurisdiction governing perfection as provided in this article as it

1 existed on July 1, 2013. However, the effectiveness of a pre-  
2 operative-date financing statement also may be terminated in  
3 accordance with the law of the jurisdiction in which the financing  
4 statement is filed.

5 (c) Except as otherwise provided in subsection (d), if  
6 the law of this state governs perfection of a security interest, the  
7 information in a pre-operative-date financing statement may be  
8 amended on or after July 1, 2013, only if:

9 (1) the pre-operative-date financing statement and an  
10 amendment are filed in the office specified in section 9-501;

11 (2) an amendment is filed in the office specified in  
12 section 9-501 concurrently with, or after the filing in that office  
13 of, an initial financing statement that satisfies section 9-806(c);  
14 or

15 (3) an initial financing statement that provides the  
16 information as amended and satisfies section 9-806(c) is filed in the  
17 office specified in section 9-501.

18 (d) If the law of this state governs perfection of a  
19 security interest, the effectiveness of a pre-operative-date  
20 financing statement may be continued only under section 9-805(c) and  
21 (e) or 9-806.

22 (e) Whether or not the law of this state governs  
23 perfection of a security interest, the effectiveness of a pre-  
24 operative-date financing statement filed in this state may be  
25 terminated on or after July 1, 2013, by filing a termination

1 statement in the office in which the pre-operative-date financing  
2 statement is filed, unless an initial financing statement that  
3 satisfies section 9-806(c) has been filed in the office specified by  
4 the law of the jurisdiction governing perfection as provided in this  
5 article as it existed on July 1, 2013, as the office in which to file  
6 a financing statement.

7           Sec. 29. The Uniform Commercial Code is amended by adding  
8 new section:

9           9-808 Person entitled to file initial financing statement  
10 or continuation statement.

11           A person may file an initial financing statement or a  
12 continuation statement under this part if:

13           (1) the secured party of record authorizes the filing;

14 and

15           (2) the filing is necessary under this part:

16           (A) to continue the effectiveness of a financing  
17 statement filed before July 1, 2013; or

18           (B) to perfect or continue the perfection of a security  
19 interest.

20           Sec. 30. The Uniform Commercial Code is amended by adding  
21 new section:

22           9-809 Priority.

23           This article determines the priority of conflicting  
24 claims to collateral. However, if the relative priorities of the  
25 claims were established before July 1, 2013, this article as it

1 existed before July 1, 2013, determines priority.

2           Sec. 31. This act becomes operative on July 1, 2013.

3           Sec. 32. Original sections 9-105, 9-304, 9-307, 9-309,  
4 9-316, 9-326, 9-406, 9-408, 9-502, 9-503, 9-507, 9-515, 9-518, and  
5 9-607, Uniform Commercial Code, Reissue Revised Statutes of Nebraska,  
6 and sections 2A-103, 9-102, 9-311, 9-317, 9-506, and 9-516, Uniform  
7 Commercial Code, Revised Statutes Cumulative Supplement, 2010, are  
8 repealed.

9           Sec. 33. The following section is outright repealed:  
10 Section 9-521, Uniform Commercial Code, Reissue Revised Statutes of  
11 Nebraska.