

March 9, 1979

LB 36

January 4. It was referred to the Banking, Commerce and Insurance Committee. The bill was advanced to General File. There are no amendments pending, Mr. President.

SENATOR STONEY: Thank you, Mr. Clerk. Mr. Speaker, members of the Legislature, I would move that LB 36 be advanced to E & R Initial. The thrust of this proposal is to extend the present scope in the Uniform Commercial Code, section 6-102 to cover bulk transfers by restaurants and food dispersing establishments. This then would provide protection under the code to purveyors of meat and meat products which is presently not afforded. Now the impetus for this proposal came from a constituent, Mr. Arthur Kulakofsky, who is associated with the Ak-Sar-Ben Beef Company in Omaha. Presently there is no provision in the code to provide individuals of this type any protection if a business that they supply to is going to discontinue its business and sell that particular business. With the adjustment that is being made, the amendment to the Commercial Code, they, too, would be included on a list of individuals that are considered creditors and would be notified at the time of the sale of the establishment. I have circulated two items, one is a letter that is signed by Mr. Larry Ruth, legislative representative of the Nebraska Bar Association. Mr. Ruth provided me with this letter after we had discussed this proposal on its introduction at which time he informed me that the Bar Association might have to oppose this particular measure. Now subsequent to our conversation and at the time the hearing was held, Mr. Ruth, if you will refer to the committee statement, attended the hearing, did not take a position on this particular measure. His letter would indicate in the second paragraph that the Nebraska State Bar Association is taking a neutral position on LB 36. Additionally I circulated a four page summary which indicates the states in the United States that have made a provision for the change which is being requested in LB 36. You will find, if you will refer to those individual states, that the language that is covered in LB 36 is identical to that in the State of New York and also Oregon. Additionally I would say if you look at the various changes that have been made in the other states, you will find that some are more inclusive than the language that we have included in LB 36. At the time this proposal was brought to me, I asked Mr. Kulakofsky why the National Association of Meat Purveyors were interested in changing the Uniform Commercial Code. He informed me that at the time the code was implemented that there was no necessity for including