



From the Office of Secretary of State John A. Gale

www.sos.ne.gov

For Release
May 28, 2014

Contact: Laura Strimple
402-471-8408
laura.strimple@nebraska.gov

Lienholders notified to take action on statutory liens

LINCOLN – Notices are being mailed this week to nearly 2,000 lenders from the Secretary of State's office indicating they must take action to ensure that liens filed before November 1, 2003 remain active. Failure to do so will cause the lien to become inactive.

The new law applies to statutory liens. "Other types of liens are allowed to lapse after five years unless a continuation statement is filed. However, statutory liens have historically been treated differently," explained Gale. "This allows our office to clean up the old liens, those filed prior to 2003."

They consist of energy, petroleum, agriculture, fertilizer, feed, veterinary and other liens. Many are related to farming production.

Gale said many of these statutory liens are no longer active because they were paid, but not released or because the lienholders have gone out of business or can't be located. "In these situations, a termination statement has not been filed to indicate that the lien has been satisfied."

As a result those liens continue to appear on what is known as the master lien list which is distributed to buyers of agricultural products.

In order to ensure clear title to a product, the buyer needs to list all lienholders on the issued check. "However, it can be problematic for the producer if there are a number of lienholders listed. It could ultimately prevent getting that check cashed."

Gale said LB 750, which was signed by Governor Dave Heineman this year, addresses the old, defunct liens. "It essentially gives us an administrative method for getting those liens off the record, and hopefully, makes it easier for those who might be impacted, to do business."

The notice sent from the Secretary of State's office includes a form that lienholders must complete in order to continue any lien that remains active. Those forms need to be returned in person to the Secretary of State's office, Room 1301 in the State Capitol, or they can be mailed to: UCC, P.O. Box 95104, Lincoln, NE 68509.

Forms may be filed beginning July 1, 2014 and by 5 p.m. CST on December 31, 2014, along with the required \$10 filing fee. Continued liens will be effective for an additional five years from the date they are continued with the Secretary of State's office.

###