

AMENDMENTS TO LB1187

(Amendments to Standing Committee amendments, AM2886)

Introduced by Jacobson, 42.

1 1. Strike the original sections and all amendments thereto and
2 insert the following new sections:

3 **Section 1.** Section 54-170, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 54-170 Sections 54-170 to 54-1,131 and sections 3 to 7, 9, and 18 to
6 24 of this act shall be known and may be cited as the Livestock Brand
7 Act.

8 **Sec. 2.** Section 54-171, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 54-171 For purposes of the Livestock Brand Act, the definitions
11 found in sections 54-171.01 to 54-190 and sections 3 to 7 of this act
12 shall be used.

13 **Sec. 3.** Backgrounding lot means a grow yard that is located within
14 or outside of the brand inspection area and that prepares cattle for
15 entry into a registered feedlot.

16 **Sec. 4.** Brand committee means the Nebraska Brand Committee.

17 **Sec. 5.** (1) Brand committee district one means the following
18 counties: Banner, Box Butte, Cherry, Dawes, Kimball, Morrill, Scotts
19 Bluff, Sheridan, Sioux, and Cheyenne.

20 (2) Brand committee district two means the following counties:
21 Arthur, Chase, Deuel, Dundy, Garden, Grant, Hooker, Keith, Lincoln,
22 Logan, McPherson, Perkins, Thomas, Hayes, Hitchcock, and Frontier.

23 (3) Brand committee district three means the following counties:
24 Boyd, Brown, Custer, Garfield, Holt, Keya Paha, Knox, Rock, Wheeler,
25 Blaine, and Loup.

26 (4) Brand committee district four means the following counties:

1 Buffalo, Dawson, Franklin, Furnas, Gosper, Harlan, Howard, Kearney,
2 Phelps, Red Willow, Sherman, Howard, Valley, and Greeley.

3 (5) Brand committee district five means the following counties:
4 Adams, Antelope, Boone, Burt, Butler, Cass, Cedar, Clay, Colfax, Cuming,
5 Dakota, Dixon, Dodge, Douglas, Fillmore, Gage, Hall, Hamilton, Jefferson,
6 Johnson, Lancaster, Madison, Merrick, Nance, Nemaha, Nuckolls, Otoe,
7 Pawnee, Pierce, Platte, Polk, Richardson, Saline, Sarpy, Saunders,
8 Seward, Stanton, Thayer, Thurston, Washington, Wayne, Webster, and York.

9 **Sec. 6.** Dairy heifer development facility means a facility that
10 specializes in raising and managing dairy heifers until such dairy
11 heifers are ready for breeding or calving.

12 **Sec. 7.** Registered dairy heifer development facility means a dairy
13 heifer development facility that is registered under section 18 of this
14 act.

15 **Sec. 8.** Section 54-189, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 54-189 Satisfactory evidence of ownership means any of the
18 following: ~~consists of~~

- 19 (1) The ~~the~~ brands, tattoos, or marks on the livestock;
20 (2) Any approved nonvisual identifiers;
21 (3) The point of origin of livestock;
22 (4) The ~~the~~ physical description of the livestock;
23 (5) Any ~~the~~ documentary evidence, including such as bills of sale,
24 brand clearance, certificates of inspection, breed registration
25 certificates, animal health or testing certificates, genomic testing
26 certificates, recorded brand certificates, purchase sheets, scale
27 tickets, disclaimers of interest, affidavits, court orders, security
28 agreements, powers of attorney, canceled checks, bills of lading, or
29 tags; and

30 (6) Any ~~such~~ other facts, statements, or circumstances that taken in
31 whole or in part cause an inspector to believe that proof of ownership is

1 established.

2 **Sec. 9.** (1) For purposes of interpretation by the Nebraska Brand
3 Committee, by any employee of the Nebraska Brand Committee, or by any
4 agent of the Nebraska Brand Committee, each occurrence of the term
5 satisfactory evidence of ownership that is in the Livestock Brand Act
6 means satisfactory evidence of ownership as defined in section 54-189.

7 (2) The Nebraska Brand Committee, any employee of the Nebraska Brand
8 Committee, and any agent of the Nebraska Brand Committee shall interpret
9 each occurrence in the Livestock Brand Act of the term satisfactory
10 evidence of ownership as provided in this section.

11 **Sec. 10.** Section 54-191, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 54-191 (1) The Nebraska Brand Committee is hereby created.

14 (2) This subsection applies until subsection (3) of this section
15 applies. The Beginning August 28, 2007, the brand committee shall consist
16 of five members appointed by the Governor, subject to confirmation by the
17 Legislature. At least three appointed members shall be active
18 cattlepersons and at least one appointed member shall be an active cattle
19 feeder. The Secretary of State and the Director of Agriculture, or their
20 designees, shall be nonvoting, ex officio members of the brand committee.
21 The appointed members shall be owners of cattle within the brand
22 inspection area, shall reside within the brand inspection area, shall be
23 owners of Nebraska-recorded brands, and shall be persons whose principal
24 business and occupation is the raising or feeding of cattle within the
25 brand inspection area.

26 (3) This subsection applies beginning on August 28, 2026. The brand
27 committee shall consist of:

28 (a) The following seven voting members who are appointed by the
29 Governor and subject to confirmation by the Legislature:

30 (i) One person who resides in brand committee district one and whose
31 principal business or occupation is the raising of cattle;

1 (ii) One person who resides in brand committee district two and
2 whose principal business or occupation is the raising of cattle;

3 (iii) One person who resides in brand committee district three and
4 whose principal business or occupation is the raising of cattle;

5 (iv) One person who resides in brand committee district four and
6 whose principal business or occupation is the raising of cattle;

7 (v) One person who resides in brand committee district five and
8 whose principal business or occupation is the raising of cattle;

9 (vi) One person who owns or operates a cattle feeding operation
10 within the brand inspection area; and

11 (vii) One person who owns or operates a livestock auction market
12 that primarily sells cattle and that is located within the brand
13 inspection area; and

14 (b) The following two nonvoting, ex officio members or their
15 designees:

16 (i) The Secretary of State; and

17 (ii) The Director of Agriculture.

18 (4) ~~(2)~~ The appointed members of the brand committee shall elect a
19 chairperson and vice-chairperson from among its appointed members during
20 the first meeting held after September 1 of each calendar year. A member
21 may be reelected to serve as chairperson or vice-chairperson.

22 (5)(a) The Governor shall appoint the initial appointed members of
23 the brand committee under subsection (3) of this section to staggered
24 terms, with two members appointed to terms of two years, two members
25 appointed to terms of three years, and three members appointed to terms
26 of four years.

27 (b) ~~(3)~~ The terms of the members appointed after such initial
28 appointments shall be four-year, staggered terms, beginning on August 28
29 of the year of initial appointment or reappointment and concluding on
30 August 27 of the year of expiration.

31 (c) At the expiration of the term of an appointed member, the

1 Governor shall appoint a successor, subject to confirmation by the
2 Legislature. If there is a vacancy on the brand committee, the Governor
3 shall fill such vacancy by appointing a member to serve during the
4 unexpired term of the member whose office has become vacant. Any
5 appointment to fill a vacancy shall be subject to confirmation by the
6 Legislature.

7 (6) ~~(4)~~ The action of a majority of the members shall be deemed the
8 action of the brand committee. No appointed member shall hold any
9 elective or appointive state or federal office while serving as a member
10 of the brand committee. Each member and each brand committee employee who
11 collects or who is the custodian of any funds shall be bonded or insured
12 as required under section 11-201. The appointed members of the brand
13 committee shall be reimbursed for expenses in attending meetings of the
14 brand committee or in performing any other duties that are prescribed in
15 the Livestock Brand Act or section 54-415, as provided for in sections
16 81-1174 to 81-1177.

17 (7) The purpose of the Nebraska Brand Committee is to protect
18 Nebraska brand and livestock owners from the theft of livestock through
19 established brand recording, brand inspection, and livestock theft
20 investigation.

21 **Sec. 11.** Section 54-192, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 54-192 (1) The Nebraska Brand Committee shall employ such employees
24 as may be necessary to properly carry out the Livestock Brand Act and
25 section 54-415, fix the salaries of such employees, and make such
26 expenditures as are necessary to properly carry out such act and section.
27 Employees of the brand committee shall receive mileage computed at the
28 rate provided in section 81-1176. The brand committee shall select and
29 designate a location or locations where the brand committee shall keep
30 and maintain an office and where records of the brand inspection and
31 investigation proceedings, transactions, communications, brand

1 registrations, and official acts shall be kept.

2 (2) The brand committee shall appoint ~~employ~~ an executive director
3 who shall be the brand committee head for administrative purposes. The
4 appointment shall be subject to the approval of the Governor. The
5 executive director shall keep a record of all proceedings, transactions,
6 communications, and official acts of the brand committee, shall be
7 custodian of all records of the brand committee, and shall perform such
8 other duties as may be required by the brand committee. The executive
9 director shall call a meeting at the direction of the chairperson of the
10 brand committee, or in his or her absence the vice-chairperson, or upon
11 the written request of two or more members of the brand committee. The
12 executive director shall have supervisory authority to direct and control
13 all full-time and part-time employees of the brand committee. This
14 authority allows the executive director to hire employees as are needed
15 on an interim basis subject to approval or confirmation by the brand
16 committee for regular employment. The executive director may place
17 employees on probation and may discharge an employee.

18 (3) The brand committee shall employ a chief investigator who shall
19 report to the executive director. The chief investigator shall meet the
20 qualifications of an investigator as defined in section 54-182. Under the
21 direction of the executive director, the chief investigator shall be
22 chief of field operations and supervise brand committee investigators and
23 inspectors.

24 (4) The brand committee shall employ a brand recorder who shall be
25 responsible for the processing of all applications for new livestock
26 brands, the transfer of ownership of existing livestock brands, the
27 maintenance of accurate and permanent records relating to livestock
28 brands, and such other duties as may be required by the brand committee.

29 (5) If any employee of the brand committee after having been
30 disciplined, placed on probation, or having had his or her services
31 terminated desires to have a hearing before the entire brand committee,

1 such a hearing shall be granted as soon as is practicable and convenient
2 for all persons concerned. The request for such a hearing shall be made
3 in writing by the employee alleging the grievance and shall be directed
4 to the executive director. After hearing all testimony surrounding the
5 grievance of such employee, the brand committee, at its discretion, may
6 approve, rescind, nullify, or amend all actions as previously taken by
7 the executive director.

8 **Sec. 12.** Section 54-1,102, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 54-1,102 (1) A recorded brand may be applied by its owner until its
11 expiration date.

12 (2) On and after January 1, 1994, the expiration date of a recorded
13 brand is the last day of the calendar quarter of the renewal year as
14 designated by the Nebraska Brand Committee in the records of the brand
15 committee.

16 (3) The brand committee shall notify every owner of a recorded brand
17 of its expiration date at least sixty days prior to the expiration date,
18 and the owner of the recorded brand shall pay a renewal fee established
19 by the brand committee which shall not be more than four ~~two~~ hundred
20 dollars and furnish such other information as may be required by the
21 brand committee. The renewal fee is due and payable on or before the
22 expiration date and renews a recorded brand for a period of four years
23 regardless of the number of locations on one side of an animal on which
24 the brand is recorded. If any owner fails, refuses, or neglects to pay
25 the renewal fee by the expiration date, the brand shall expire and be
26 forfeited.

27 (4) The brand committee has the authority to hold an expired brand
28 for one year following the date of expiration. An expired brand may be
29 reinstated by the same owner during such one-year period upon return of a
30 brand application form and payment of the renewal fee ~~recording fee~~ and
31 ~~research fee~~ for such brand established by the brand committee under this

1 section ~~54-199~~ plus a penalty of five dollars for each month or part of a
2 month which has passed since the date of expiration. A properly
3 reinstated brand may be transferred to another person during such one-
4 year period upon completion of a transfer form, with a notarized bill of
5 sale signed by the prior owner attached to such transfer form.

6 **Sec. 13.** Section 54-1,108, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 54-1,108 (1)(a) All physical inspections for brands provided for in
9 the Livestock Brand Act or section 54-415 shall be from sunrise to
10 sundown or during such other hours and under such conditions as the
11 Nebraska Brand Committee determines. The brand committee shall assess a
12 fifty-dollar late notice surcharge if a request for a physical inspection
13 is made less than forty-eight hours prior to the date of inspection.

14 (b) A physical inspection shall be required when brands applied by
15 hot iron or freeze branding methods are the exclusive means of ownership
16 identification and in all other cases that do not qualify for electronic
17 inspection as provided in subsection (2) of this section.

18 (c)(i) ~~A (c) Beginning October 1, 2021, a physical inspection fee of~~
19 ~~eighty-five cents per head until June 30, 2023, and beginning July 1,~~
20 ~~2023, a fee established by the Nebraska Brand Committee, of not more than~~
21 one dollar and fifty cents ~~one dollar and ten cents~~ per head shall be
22 charged for all cattle inspected in accordance with the Livestock Brand
23 Act or section 54-415, inspected within the brand inspection area or
24 brand inspection service area by court order, inspected at the request of
25 any bank, credit agency, or lending institution with a legal or financial
26 interest in such cattle, or inspected at the request of a neighboring
27 livestock owner with missing cattle.

28 (ii) The inspection fee for court-ordered inspections shall be paid
29 from the proceeds of the sale of such cattle if ordered by the court or
30 by either party as the court directs.

31 (iii) ~~For other inspections not described in subdivision (1)(c)(ii)~~

1 of this section, the person requesting the inspection of such cattle is
2 responsible for the inspection fee.

3 (iv) Brand inspections requested by either a purchaser or seller of
4 cattle located within the brand inspection service area shall be provided
5 upon the same terms and charges as brand inspections performed within the
6 brand inspection area.

7 (v) If stray cattle are identified as a result of the inspection,
8 such cattle shall be processed in the manner provided by section 54-415.

9 (d) A surcharge, as established by the brand committee of not more
10 than thirty dollars, may be charged to cover travel expenses incurred by
11 the brand inspector per inspection location when performing a brand
12 inspection. The surcharge shall be collected by the brand inspector and
13 paid by the person requesting the inspection or the person required by
14 law to have the inspection. The actual mileage incurred by the inspector
15 to perform a physical inspection shall be paid by the party requesting
16 inspection and paid at the rate established by the Department of
17 Administrative Services pursuant to section 81-1176.

18 (e) For physical inspections performed outside of the brand
19 inspection area that are not provided for in subdivision (c) of this
20 subsection, the fee shall be the inspection fee established in such
21 subdivision plus a fee to cover the actual expense of performing the
22 inspection, including mileage at the rate established by the Department
23 of Administrative Services and an hourly rate, not to exceed thirty
24 dollars per hour, for the travel and inspection time incurred by the
25 brand committee to perform such inspection. The brand committee shall
26 charge and collect the actual expense fee. Such fee shall apply to
27 inspections performed outside the brand inspection area as part of an
28 investigation into known or alleged violations of the Livestock Brand Act
29 and shall be charged against the person committing the violation.

30 (2)(a) The brand committee may provide for electronic inspection of
31 enrolled cattle identified by approved nonvisual identifiers pursuant to

1 subsection (5) of section 54-199. The brand committee shall establish
2 procedures for enrollment of such cattle with the brand committee which
3 shall include providing acceptable certification or evidence of
4 ownership. Electronic inspection shall not require agency employees to be
5 present, except that random audits shall occur.

6 (b) ~~An Beginning October 1, 2021, an electronic inspection fee not~~
7 ~~to exceed eighty-five cents per head until June 30, 2023, and beginning~~
8 ~~July 1, 2023, a fee established by the brand committee of not more than~~
9 ~~one dollar and fifty cents one dollar and ten cents per head shall be~~
10 charged for all cattle subjected to electronic inspection in accordance
11 with the Livestock Brand Act or section 54-415.

12 (c) A certified bill of sale for sale of calves shall be provided to
13 qualified dairies once the required information is electronically
14 transferred to the brand committee on calves under thirty days of age.
15 The fee shall be the same as for an electronic inspection under
16 subdivision (2)(b) of this section.

17 (d) A certified transportation permit shall be provided to qualified
18 dairies after the required information is electronically transferred to
19 the brand committee on calves under thirty days of age which are moved
20 out of the inspection area. The fee shall be the same as for an
21 electronic inspection under subdivision (2)(b) of this section.

22 (e) ~~On or before December 1, 2021, the brand committee shall report~~
23 ~~to the Legislature any actions taken or necessary for implementing~~
24 ~~electronic inspection authorized by this subsection, including personnel~~
25 ~~and other resources utilized to support electronic inspection, how the~~
26 ~~brand committee's information technology capabilities are utilized to~~
27 ~~support electronic inspection, a listing of approved nonvisual~~
28 ~~identifiers, the requirements for enrolling cattle identified by approved~~
29 ~~nonvisual identifiers, current and anticipated utilization of electronic~~
30 ~~inspection by the livestock industry, and the fees required to recover~~
31 ~~costs of performing electronic inspection.~~

1 (3) Any person who has reason to believe that cattle were shipped
2 erroneously due to an inspection error during a brand inspection may
3 request a reinspection. The person making such request shall be
4 responsible for the expenses incurred as a result of the reinspection
5 unless the results of the reinspection substantiate the claim of
6 inspection error, in which case the brand committee shall be responsible
7 for the reinspection expenses.

8 **Sec. 14.** Section 54-1,111, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 54-1,111 (1) Except as provided in subsection (2) of this section,
11 no person shall sell or trade any cattle located within the brand
12 inspection area, nor shall any person buy or purchase any such cattle
13 unless the cattle have been inspected for evidence of ownership and a
14 certificate of inspection or brand clearance has been issued by the
15 Nebraska Brand Committee. Any person selling such cattle shall present to
16 the brand inspector a properly executed bill of sale, brand clearance, or
17 other satisfactory evidence of ownership which shall be filed with the
18 original certificate of inspection in the records of the brand committee.
19 Any time a brand inspection is required by law, a brand investigator or
20 brand inspector may transfer evidence of ownership of such cattle from a
21 seller to a purchaser by issuing a certificate of inspection.

22 (2) A brand inspection is not required:

23 (a) For cattle of a registered feedlot that are registered under
24 sections 54-1,120 to 54-1,122 shipped for direct slaughter or sale on any
25 terminal market;

26 (b) For cattle that are:

27 (i) Transferred to a family corporation when all the shares of
28 capital stock of the corporation are owned by the husband, wife,
29 children, or grandchildren of the transferor and there is no
30 consideration for the transfer other than the issuance of stock of the
31 corporation to such family members; or

1 (ii) Transferred to a limited liability company in which membership
2 is limited to the husband, wife, children, or grandchildren of the
3 transferor and there is no consideration paid for the transfer other than
4 a membership interest in the limited liability company;

5 (c) When the change of ownership of cattle is a change in form only
6 and the surviving interests are in the exact proportion as the original
7 interests of ownership. When there is a change of ownership described in
8 subdivision (2)(b) or (c) of this section, an affidavit, on a form
9 prescribed by the Nebraska Brand Committee, signed by the transferor and
10 stating the nature of the transfer and the number of cattle involved and
11 the brands presently on the cattle, shall be filed with the brand
12 committee;

13 (d) For cattle sold or purchased for educational or exhibition
14 purposes or other recognized youth activities if a properly executed bill
15 of sale is exchanged and presented upon demand. Educational or exhibition
16 purpose means cattle sold or purchased for the purpose of being fed,
17 bred, managed, or tended in a program designed to demonstrate or instruct
18 in the use of various feed rations, the selection of individuals of
19 certain physical conformation or breeds, the measurement and recording of
20 rate of gain in weight or fat content of meat or milk produced, or the
21 preparation of cattle for the purpose of exhibition or for judging as to
22 quality and conformation;

23 (e) For calves under the age of thirty days sold or purchased at
24 private treaty if a bill of sale is exchanged and presented upon demand;
25 ~~and~~

26 (f) For seedstock cattle raised by the seller and individually
27 registered with an organized breed association if a properly executed
28 bill of sale is exchanged and presented upon demand; ~~and -~~

29 (g) For cattle that are purchased or sold by a qualified dairy.

30 (3) A violation of this section is an infraction. A peace officer
31 shall have the authority to write a citation, which shall be waivable, to

1 offenders in violation of this section. A fine under this section shall
2 not exceed two hundred dollars per head for each offense. Violations
3 shall be charged in the county in which the offense occurred.

4 **Sec. 15.** Section 54-1,116, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 54-1,116 (1) All livestock sold or otherwise disposed of shall be
7 accompanied by a properly executed bill of sale in writing or, for
8 cattle, satisfactory evidence of ownership or a certificate of
9 inspection. All owners of or persons possessing livestock have a duty to
10 exhibit, upon the request of the brand committee or its employees, either
11 request of any person, the bill of sale or other satisfactory evidence of
12 ownership of the livestock.

13 (2) A violation of this section is an infraction. A peace officer
14 shall have the authority to write a citation, which shall be waivable, to
15 offenders in violation of this section. A fine under this section shall
16 not exceed two hundred dollars per head for each offense. Violations
17 shall be charged in the county in which the offense occurred.

18 **Sec. 16.** Section 54-1,120, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 54-1,120 (1)(a) ~~(1)~~ Any person who operates a cattle feeding
21 operation located within the brand inspection area may apply ~~make~~
22 ~~application~~ to the brand committee ~~Nebraska Brand Committee~~ for
23 registration as a registered feedlot. The application form shall be
24 prescribed by the brand committee and shall be made available by the
25 executive director of the brand committee for this purpose upon written
26 request. If the applicant is an individual, the application shall include
27 the applicant's social security number. After the brand committee has
28 received a properly completed application, an agent of the brand
29 committee shall within thirty days make an investigation to determine if
30 the following requirements are satisfied:

31 (i) ~~(a)~~ The operator's feedlot shall ~~must~~ be permanently fenced; and

1 (ii) ~~(b)~~ The operator shall ~~must~~ commonly practice feeding cattle to
2 finish for slaughter.

3 (b) If the application is satisfactory, and upon payment of an
4 initial registration fee by the applicant, the brand committee shall
5 issue a registration number and registration certificate valid for one
6 year unless rescinded for cause. If the registration is rescinded for
7 cause, any registration fee shall be forfeited by the applicant.

8 (c)(i) The initial fee for a registered feedlot shall be an amount
9 for a registered feedlot having one thousand head or less capacity and an
10 equal amount for each additional one thousand head capacity, or part
11 thereof, of such registered feedlot. For each subsequent year, the
12 renewal fee for a registered feedlot shall be an amount for the first one
13 thousand head or portion thereof of average annual inventory of cattle on
14 feed of the registered feedlot and an equal amount for each additional
15 one thousand head or portion thereof of average annual inventory of
16 cattle on feed of the registered feedlot. The brand committee shall
17 calculate and charge ~~set~~ the fee per one thousand head capacity or
18 average annual inventory. Such fee shall be equal to twenty-five percent
19 of so as to correspond with the inspection fee provided under section
20 54-1,108.

21 (ii) The annual renewal registration fee shall be paid on an annual
22 basis.

23 (2) The brand committee may adopt and promulgate rules and
24 regulations for the operation of registered feedlots to assure that brand
25 laws are complied with, that registered feedlot shipping certificates are
26 available, and that proper records are maintained. Violation of sections
27 54-1,120 to 54-1,122 subjects the operator to revocation or suspension of
28 the feedlot registration issued. Sections 54-1,120 to 54-1,122 shall not
29 be construed as prohibiting the operation of nonregistered feedlots.

30 (3) The operator of a registered feedlot shall:

31 (a) Keep the following for all cattle in such registered feedlot:

1 Cattle inventory records, purchase records, certificates of inspection,
2 and any other satisfactory evidence of ownership; and

3 (b) Make such records and satisfactory evidence of ownership
4 available to the brand committee or its employees for purposes of:
5 Performing audits under this section, investigating lost or stolen
6 livestock, or investigating violations of the Livestock Brand Act.

7 (4)(a) This subdivision (a) applies unless otherwise provided in
8 subdivision (b) of this subsection. The brand committee or its employees
9 may audit each registered feedlot twice during a calendar year. When
10 performing an audit under this subsection, the brand committee or its
11 employees shall audit a selection of up to ten percent of the lot files
12 for the cattle on feed in the registered feedlot as of the commencement
13 date of the audit.

14 (b) The brand committee or its employees may audit a registered
15 feedlot under subdivision (a) of this subsection more than twice during a
16 calendar year if:

17 (i) The audit is approved by a majority vote of all of the members
18 of the brand committee;

19 (ii) The brand committee finds the existence of reasonable cause of
20 a violation by the registered feedlot of the Livestock Brand Act or any
21 rules and regulations that are adopted and promulgated under the act; and

22 (iii) The reasonable cause for the audit is specifically stated by
23 the brand committee in a resolution authorizing the audit. The brand
24 committee may adopt a resolution for purposes of this subdivision (iii).

25 (c) During an audit that is conducted under this subsection, the
26 operator of the registered feedlot shall show:

27 (i) The lot files selected for the audit; and

28 (ii) Cattle purchase records and other satisfactory evidence of
29 ownership for cattle included in the lot files selected for the audit.

30 ~~(3) Registered feedlots are subject to inspection at any reasonable~~
31 ~~time at the discretion of the brand committee and its authorized agents,~~

~~1 and the operator shall show cattle purchase records or certificates of
2 inspection to cover all cattle in his or her feedlot. Cattle having
3 originated from such registered feedlots may from time to time, at the
4 discretion of the committee, be subject to a spot-check inspection and
5 audit at destination to enable the brand committee to assure satisfactory
6 compliance with the brand laws by the registered feedlot operator.~~

~~7 (4) The operator of a registered feedlot shall keep cattle inventory
8 records. A form for such purpose shall be prescribed by the brand
9 committee. The brand committee and its employees may from time to time
10 make spot checks and audits of the registered feedlots and the records of
11 cattle on feed in such feedlots.~~

~~12 (5) The brand committee may rescind the registration of any
13 registered feedlot operator who fails to cooperate or violates the laws
14 or rules and regulations of the brand committee relating to covering
15 registered feedlots.~~

16 **Sec. 17.** Section 54-1,122, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 54-1,122 (1) Cattle may be moved into a registered feedlot or a
19 backgrounding lot without being subject to brand inspection if such
20 cattle:

21 (a) Originate in a state, or a portion of a state, that has a brand
22 inspection agency and are accompanied by satisfactory evidence of
23 ownership;

24 (b) Originate in a state, or a portion of a state, that does not
25 have brand inspection and are accompanied by satisfactory evidence of
26 ownership;

27 (c) Originate from a backgrounding lot and are accompanied by
28 satisfactory evidence of ownership; or

29 (d) Originate from a backgrounding lot and such cattle were
30 subjected to brand inspection upon entering the originating backgrounding
31 lot.

1 (2) Cattle that are moved into a registered feedlot or a
2 backgrounding lot and that are not described in subsection (1) of this
3 section shall be subject to physical inspection or electronic inspection
4 within a reasonable time after arrival at the registered feedlot or
5 backgrounding lot. The inspection fee and surcharge that is provided
6 under section 54-1,108 shall be collected by the brand inspector at the
7 time that the inspection is performed.

8 (3) The brand committee may issue guidelines for processes of and
9 recordkeeping by backgrounding lots that may be used by backgrounding
10 lots to prevent the commingling of cattle during transport to such
11 backgrounding lots and to identify cattle that have become commingled
12 during transport to such backgrounding lots.

13 ~~Any cattle originating in a state that has a brand inspection agency~~
14 ~~and which are accompanied by a certificate of inspection or brand~~
15 ~~clearance issued by such agency may be moved directly from the point of~~
16 ~~origin into a registered feedlot. Any cattle not accompanied by such a~~
17 ~~certificate of inspection or brand clearance or by satisfactory evidence~~
18 ~~of ownership from states or portions of states not having brand~~
19 ~~inspection shall be subjected to physical inspection for brands by the~~
20 ~~Nebraska Brand Committee or, if applicable, subjected to electronic~~
21 ~~inspection, within a reasonable time after arrival at a registered~~
22 ~~feedlot, and the inspection fee and mileage charge, if applicable,~~
23 ~~provided under section 54-1,108 shall be collected by the brand inspector~~
24 ~~at the time the inspection is performed.~~

25 **Sec. 18.** (1) Any person, who operates a dairy heifer development
26 facility that specializes in the raising and managing of dairy heifers
27 from one day of age until such heifers are ready for entry into a
28 qualified dairy, may apply to the brand committee for registration as a
29 registered dairy heifer development facility. The application form shall
30 be prescribed by the brand committee and shall be made available by the
31 executive director of the brand committee for this purpose upon written

1 request.

2 (2) After the brand committee has received a properly completed
3 application, an agent of the brand committee shall within thirty days
4 make an investigation to determine if the facility is suitable for
5 licensing as a registered dairy heifer development facility and the
6 operator specializes in the raising and managing of dairy heifers from
7 one day of age until such heifers are ready for entry into a qualified
8 dairy.

9 (3) If the application is satisfactory, and upon payment of the
10 registration fee by the applicant, the brand committee shall issue a
11 registration number and registration certificate that are valid for one
12 year unless rescinded for cause by the brand committee. If the
13 registration is rescinded for cause, any registration fee shall be
14 forfeited by the applicant.

15 (4) The registration fee for a registered dairy heifer development
16 facility shall be an amount equal to fifty cents multiplied by the
17 maximum capacity of the facility, as such capacity is authorized by the
18 Department of Water, Energy, and Environment under the Livestock Waste
19 Management Act. The registration fee shall be paid on an annual basis.

20 **Sec. 19.** (1)(a) The brand committee shall audit each registered
21 dairy heifer development facility on at least three occasions during each
22 calendar year.

23 (b) Registered dairy heifer development facilities are subject to
24 audit at any reasonable time at the discretion of the brand committee and
25 its authorized agents, and the operator shall show cattle purchase
26 records or certificates of inspection to cover all cattle in his or her
27 facility. Cattle having originated from such registered dairy heifer
28 development facilities may from time to time, at the discretion of the
29 committee, be subject to a spot-check inspection and audit at destination
30 to enable the brand committee to assure satisfactory compliance with the
31 brand laws by the registered dairy heifer development facility operator.

1 (c) An audit shall not be performed under this subsection without
2 the prior approval of the brand committee.

3 (2) The operator of a registered dairy heifer development facility
4 shall keep cattle inventory records. The brand committee and its
5 employees may from time to time make spot checks and audits of the
6 registered dairy heifer development facilities and the records of cattle
7 on feed in such facilities.

8 **Sec. 20.** (1) Cattle that are sold or shipped from a registered
9 dairy heifer development facility, for purposes other than entry into a
10 qualified dairy, are subject to the brand inspection under sections
11 54-1,110 to 54-1,119, and the seller or shipper shall bear the cost of
12 such inspection at the regular fee.

13 (2) Any cattle that are not described in subsection (1) of this
14 section and that shipped from a registered dairy heifer development
15 facility or qualified dairy are not subject to brand inspection at origin
16 or destination, but the shipper shall have a shipping certificate from
17 the registered dairy heifer development facility or qualified dairy. The
18 shipping certificate form shall be prescribed by the brand committee and
19 shall show the registered dairy heifer development facility or qualified
20 dairy operator's name and registration number, date shipped, destination,
21 agency receiving the cattle, number of head in the shipment, and sex of
22 the cattle. The shipping certificate shall be completed in triplicate by
23 the registered dairy heifer development facility or qualified dairy
24 operator at the time of shipment. One copy thereof shall be delivered to
25 the brand inspector at the market along with shipment, if applicable, one
26 copy shall be sent to the brand committee by the tenth day of the
27 following month, and one copy shall be retained by the registered dairy
28 heifer development facility or qualified dairy operator. If a shipping
29 certificate does not accompany a shipment of cattle from a registered
30 dairy heifer development facility or qualified dairy to any destination
31 where brand inspection is maintained by the brand committee, all such

1 cattle shall be subject to a brand inspection and the inspection fees and
2 surcharge provided under section 54-1,108 shall be charged for the
3 service.

4 **Sec. 21.** Any cattle that originate in a state with a brand
5 inspection agency and that are accompanied by a certificate of inspection
6 or brand clearance issued by such agency may be moved directly from the
7 point of origin into a registered dairy heifer development facility or
8 qualified dairy. Any cattle not accompanied by such a certificate of
9 inspection or brand clearance or by satisfactory evidence of ownership
10 from states or portions of states that do not have brand inspection shall
11 be subjected to physical inspection for brands by the brand committee or,
12 if applicable, subjected to electronic inspection, within a reasonable
13 time after arrival at a registered dairy heifer development facility or
14 qualified dairy, and the inspection fee and mileage charge, if
15 applicable, provided under section 54-1,108 shall be collected by the
16 brand inspector at the time the inspection is performed.

17 **Sec. 22.** The brand committee may rescind the registration of any
18 registered dairy heifer development facility operator who (1) violates
19 sections 18 to 23 of this act, (2) fails to cooperate with the brand
20 committee or any employee of the brand committee who is acting in the
21 capacity of the brand committee, or (3) violates the rules and
22 regulations of the brand committee covering registered dairy heifer
23 development facilities.

24 **Sec. 23.** The brand committee may adopt and promulgate rules and
25 regulations to ensure compliance with the Livestock Brand Act by
26 registered dairy heifer development facilities, to provide for the
27 availability of shipping certificates to registered dairy heifer
28 development facilities, and to ensure that proper records are maintained
29 by registered dairy heifer development facilities.

30 **Sec. 24.** Sections 18 to 23 of this act shall not be construed to
31 prohibit the operation of nonqualified dairies.

1 **Sec. 25.** Sections 11 and 26 of this act become operative on January
2 1, 2027. The other sections of this act become operative on their
3 effective date.

4 **Sec. 26.** Original section 54-192, Reissue Revised Statutes of
5 Nebraska, is repealed.

6 **Sec. 27.** Original sections 54-170, 54-171, 54-189, 54-191,
7 54-1,102, 54-1,108, 54-1,111, 54-1,116, 54-1,120, and 54-1,122, Reissue
8 Revised Statutes of Nebraska, are repealed.