



Ninety-Eighth Legislature - Second Session - 2004
Committee Statement
LB 1086

Hearing Date: February 17, 2004

Committee On: Agriculture

Introducer(s): (Kremer, Baker, Jones, Raikes, Schrock, Vrtiska)

Title: Create the Nebraska Agricultural Opportunities Task Force

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - X Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

5	Yes	Senators Kremer, Erdman, Burling, Mossey, Vrtiska
2	No	Senators Cunningham, Preister
0	Present, not voting	
1	Absent	Senator Chambers

Proponents:

Senator Bob Kremer
 Senator Jim Jones
 Merlyn Carlson
 Barry Hemmerling
 David Jarecke
 Dan Meiergerd
 Mark McHargue
 Scott Spilker
 John McFadden

Representing:

Introducer
 self
 NE Department of Agriculture
 self
 NE Cooperative Council
 NE Pork Producers Assn
 NE Farm Bureau Federation
 self
 self

Opponents:

John Bailey

 William Heffernan
 Danielle Nantkes
 Ken Mass
 Mike Korth
 Jim Cunningham
 Robert Jeary
 Chuck Hassebrook
 Cynthia Thomsen
 Rod Hassebrook

Representing:

Center for Rural Affairs
 Friends of the Constitution
 self
 NE Appleseed Center
 NE State AFL-CIO
 self
 NE Catholic Conference
 NE State Grange
 Center for Rural Affairs
 Women Involved in Farm Economics
 self

Conrad Grothen
Steve Cady
Brian Brandt
Milo Bartek
Todd Stewart
Robert Ravndal
Laura Krebsbach
Dan Tunink
John K. Hansen
Thomas W. Brown
George Bill Burrows

American Corn Growers Assn-NE Chapter
Organization for Competitive Markets
self
Saunders Co. Livestock Feeders Assn
self
self/Ravndal Livestock, LLC
Sierra Club
self
NE Farmers Union
self
self

Neutral:
none

Representing:

Summary of purpose and/or changes:

LB 1086 creates an Agricultural Opportunities Task Force to study trends in agriculture and to recommend changes to state law, including potential modifications of I-300, to provide agricultural producers and landowners with additional avenues to manage risk, access capital, and transfer assets.

Section-by-Section Summary:

Section 1 – States legislative intent and findings. The Legislature declares a public interest in basing agricultural policy on understandings of challenges facing producers to remain competitive and finds that dramatic changes have occurred since the state’s corporate farming restrictions were first placed into the constitution. The Legislature intends that a task force, broadly representative of diverse agricultural interests, be appointed to examine corporate farming policy in the state.

Section 2 – Creates the Agricultural Opportunities Task Force consisting of the following membership:

- 7 agricultural producers (at least 3 livestock producers)
- 3 members representing handlers, marketers and processors of agricultural commodities
- One agricultural economist
- One member to represent environmental interests
- One member to represent agricultural credit lenders
- One member to represent producer cooperatives
- One member who is an attorney experienced in corporate law and agricultural real estate planning
- Up to three additional members as deemed appropriate by the governor to provide balanced and adequate representation
- Members not appointed by the governor include the chair and vice-chair of the Agriculture Committee and ex-officio, non-voting membership of the Vice Chancellor of the Institute of Agriculture and Natural Resources, the Attorney General, the Directors of Agriculture, Environmental Quality, Economic Development, and Executive Director of the Rural Development Commission.

The Governor is instructed in making appointments to attempt to achieve geographic representation and membership representative of diverse viewpoints regarding agricultural and economic policy.

Certain operational parameters are prescribed:

- The task force shall select a chair and vice-chair from among its membership
- 12 members constitute a quorum
- majority vote is required for recommendations to be valid
- The task force is to meet at least 5 times prior to December 15, 2004

Members of the task force serve without compensation but are eligible for expense reimbursement. The task force is placed for administrative purposes in the Department of Agriculture.

Section 3 -- Authorizes the Department of Agriculture to contract for the services of a meeting facilitator and other assistance of legal and economic experts to assist the task force in its work, within funds available.

Section 4 – Assigns specific duties to the task force. The task force is to consider significant trends in agriculture, including those enumerated, and identify challenges and opportunities such trends present. The task force is to submit a report to the Legislature and the Governor on or before December 15, 2004, containing recommendations for modification of state law, including modification of I-300, to:

- Facilitate the intergenerational transfer of farming assets among unrelated individuals;
- Facilitate cooperative production and value-added ventures among groups of producers;
- Encourage investment in production and processing for specialized end-use industries, and;
- Afford additional opportunities to manage risk and access capital through additional types of business organizations.

The task force is further directed to examine the U.S. 8th Circuit Court ruling regarding South Dakota's Amendment E and recommend actions that may be prudent to preserve the ability of the Legislature and the public to impose restrictions on corporate and limited liability participation in agricultural production in light of that ruling.

Section 5 – Creates the Agricultural Opportunities Task Force Cash Fund to account for funds received and expended for purposes of the bill. The fund is to receive the transfer from the Agricultural Products Marketing Cash Fund made under section 6 and any other grants, gifts or appropriations for purposes of the bill.

Section 6 – Amends §2-3812 to provided for a transfer of \$10,000 from the Agricultural Products Marketing Cash Fund to the Agricultural Opportunities Task Force Cash Fund on or before July 1, 2004.

Section 7 – Repealer

Section 8 – Emergency Clause

Explanation of amendments, if any:

The committee amendments to LB 1086 make the following changes:

- Original section 4 of the introduced bill which defines the duties of the task force is stricken and replaced by a new section 4 making the following substantive modifications:
 - Clarify the responsibilities of the task force with respect to making recommendations to remove an interpretation that the task force is mandated to propose modifications of I-300. The revised section 4 provides that the task force is to submit a report containing any recommendations regarding changes in state policy, which may include modifications of I-300, that the task force deems desirable;
 - Strikes a duty for the task force to examine implications the 8th Circuit Court decision regarding South Dakota's corporate farming restrictions may have for I-300;
 - Adds a duty that if any modifications of I-300 are proposed, the task force is to include in its report discussion of extent to which modifications expose state corporate farming restrictions to new legal challenge;
 - Provides that the task force is to complete its work 18 months after the Governor completes appointments. A harmonizing deletion of conflicting text currently in section 2 of the bill directing that the committee submit its report by December 15, 2004 is stricken;
 - Provides that the task force is to first attempt to reach recommendations by consensus before reaching recommendations by majority vote. A harmonizing deletion of conflicting text currently in section 2 of the bill is made.
- Revises the statement of legislative intent in Section 1 by striking that the purpose of the task force is to examine impacts of I-300 and replacing with text that the purpose of the task force is to advise the Legislature and Governor as to appropriate policies regarding business, estate and risk management tools that may be utilized by producers.
- Reduces number of members representing handlers, marketers and processors of agricultural commodities from 3 to 2 and adds an additional attorney experienced in corporate law and agricultural real estate planning.

Senator Bob Kremer, Chairperson