

ONE HUNDRED FOURTH LEGISLATURE - FIRST SESSION - 2015
COMMITTEE STATEMENT (CORRECTED)
LB175

Hearing Date: Tuesday February 10, 2015
Committee On: Agriculture
Introducer: Schilz
One Liner: Adopt the Livestock Growth Act and change provisions of the Nebraska Advantage Rural Development Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 6 Senators Bloomfield, Harr, Johnson, Kolterman, Larson, Schilz
Nay:
Absent:
Present Not Voting: 2 Senators Chambers, Riepe

Verbal Testimony:

Proponents:

Senator Ken Schilz
Elaine Menzel
Jay Rempe

Representing:

Introducer
Nebraska Association of County Officials
Nebraska Farm Bureau and Nebraska Cattlemen

Opponents:

Ben Gotschall
Rick Hammond
Vern Jantzen
Jim Knopik
Robert Bernt
Ron Meyer
Kenneth Winston
Richard Sanne
John Hansen

Representing:

Self
Self
Self
Self
Self
Self
Nebraska Chapter of the Sierra Club
Nebraska Grain and Feed Association
Nebraska Farmers Union

Neutral:

Ed Woepfel
Greg Ibach

Representing:

Nebraska Cooperative Council
Nebraska Department of Agriculture

Summary of purpose and/or changes:

LB175 would establish the Livestock Growth Act as a named act. Section 1 of the bill would incorporate into the Act existing sections 54-2801 & 54-2802, which provide for the Livestock Friendly County designation and new sections inserted by sections 3 through 5 of the bill.

Section 4 creates a new cash fund designated as the Livestock Growth Act Cash Fund consisting of appropriations and funds transferred to the fund, including transfers from the Commercial Feed Act Cash Fund. Section 3 of the bill authorizes the Director of Agriculture to administer a grant program utilizing funds available in the Livestock Growth Cash Fund. Application for grant assistance would be available to counties that have qualified for designation as

Livestock Friendly. Grants could be made for planning activities enumerated in subsection (1)(a) associated with county livestock recruitment and development efforts, and as described in subsection (1)(b) for public infrastructure improvements directly related to a livestock development project. Grant amounts qualifying under subsection (1)(a) are limited to \$15,000 and grants awarded under subdivision (1)(b) are limited to the lesser of one-half of the unobligated balance in the fund or \$250,000.

LB175 further amends Sections 77-27,187.02 and 77-27,188 of the Nebraska Advantage Rural Development Act by extending tax credits offered under the act for livestock modernization projects designated in Sec. 77-27,188(2). Subsection (2) of Sec. 77-27,188 sets out distinct qualifying criteria and tax credit benefits for livestock development. Currently, for calendar years 2012 and thereafter, the Tax Commissioner is directed to no longer approve applications when expected credits from approved projects under subsection (1) and (2) of Sec. 77-27,188 total \$1 million in a given year. LB175 would effect the following revisions:

Approval of additional applications is discontinued once approved credits for eligible projects described in Sec. 77-27,188 reaches \$1 million each of calendar year 2015;

For calendar years 2016 and each year thereafter, a threshold of cumulative credits allowed after which disapproval of additional applications is established separately for projects described in subsection (1) and subsection (2) of Sec. 77-27-188: a) for projects described in subsection (1)- \$1 million, b) for projects described in subsection (2)- \$1.5 million;

LB175 also amends Sec. 77-27,188 to revise the tax credit amount and qualifying thresholds for livestock projects applying for credits under subsection (2). Current law provides that such credit shall be calculated at 10% of the qualifying investment and capped at \$30,000 total credit. LB175 would apply this limitation for applications filed prior to January 1, 2016. Thereafter the amount of credit would be calculated at 10% of the qualifying investment and capped at \$150,000 total credit.

Explanation of amendments:

The committee amendments (AM492) strikes a reference to transfers from the Commercial Feed Act Cash Fund to the Livestock Development Cash Fund. The amendment also inserts a new section 6 making revisions to Sec. 77-27,187.01. This section sets forth definitions utilized in the Rural Development Act, including the livestock modernization provisions amended by LB175. The amendments inserts clarification in the definition of livestock and livestock production to allow qualification of investments for egg and dairy production.

Jerry Johnson, Chairperson