

March 15, 1979

LB 190

PRESIDENT: Alright, we will proceed then with the next item on the Agenda, which is Agenda Item #5, Motions, and Mr. Clerk, you have a motion on the desk.

CLERK: Mr. President, Senator Burrows moves that LB 190 be placed on General File pursuant to Rule 3, Section 10.

PRESIDENT: The Chair recognizes Senator Burrows.

SENATOR BURROWS: Mr. Speaker, members of the Legislature, this motion LB 190 is the corporate farm bill, a near copy of the Minnesota Farm Act. We have not gotten the votes to either kill or send LB 190 to the floor in the Ag Committee. It's an old issue that we've worked on in Nebraska for at least nine years now, and the surrounding states have all passed some sort of corporate farm law, North Dakota, South Dakota, Minnesota, Wisconsin, Iowa, Missouri, Kansas, Oklahoma, all have substantial corporate farm bills restricting the ownership by corporations. In no case has one of these bills been struck down by the courts. They have been tested several times, and all of these states have either the same or very similar constitutional language from Nebraska. I think all of you know that agriculture is in a tremendous stress situation today. The national earnings for 1977 for agriculture were twenty billion dollars on a six hundred and thirty-five billion dollar investment. We do not have the earnings, at that same time we had a deficit of payments of approximately thirty billion dollars. We do have on our books an old law of 1889 that restricts alien ownership of farm land. It restricts it to persons, and to corporations, with personal ownership of more than half of the stock. This is ineffective today with a parent and subsidiary routes of corporate ownership, and I believe the Minnesota type law is the best to pick up on this score. I have offered to amend this law to what they call a qualified corporation that would allow ten stockholders or less, basically a Subchapter S Corporation, other than restricted to the family farm corporation, but a Subchapter S, that would allow ten stockholders, or less, all of them persons and none of them nonresident aliens. I will commit myself, although I do not like this amendment which broadens the bill, as far as who can in the future own farm land. I do not like it, but as a compromise measure I am committing to work for this amendment and offering this amendment if brought to the floor. There are also a couple of further amendments that don't substantially change the bill. We have broadened the grandfather clause where all present corporations engaging in agriculture are allowed to continue in agriculture. I would beg of this body that we look at this bill seriously today. The Small Business Association in the state polled its members. Seventy-seven percent of the small