

ONE HUNDRED SECOND LEGISLATURE - SECOND SESSION - 2012
COMMITTEE STATEMENT
LB907

Hearing Date: Tuesday February 14, 2012
Committee On: Agriculture
Introducer: Carlson
One Liner: Change provisions relating to agricultural tractor permitting and a sales tax exemption

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye:	7	Senators Bloomfield, Brasch, Carlson, Harr, Karpisek, Lathrop, Wallman
Nay:		
Absent:	1	Senator Larson
Present Not Voting:		

Proponents:

Senator Tom Carlson
Pamela Hoge
Dave Hardies
Mark Othmer
Craig Head
John Hansen

Representing:

Introducer
Wells Implement Inc.
Iowa Nebraska Equipment Dealers
Iowa Nebraska Equipment Dealers
Nebraska Farm Bureau
Nebraska Farmers Union

Opponents:

Ned Meier

Representing:

Supporters of Nebraska Test Law

Neutral:

Roger Hoy

Representing:

University of Nebraska Tractor Test Lab

Summary of purpose and/or changes:

LB 907 would change the horsepower threshold of agricultural tractors subject to a mandatory permit requirement to be sold in Nebraska. The bill also confines a sales tax exemption for purchasers of agricultural machinery and equipment by limiting the exemption for non-permitted current tractor models.

Currently, the permit requirement applies to current tractor models defined by section 2-2701.01 as agricultural tractors of 40 horsepower or greater. LB 907 amends section 2-2701.01 revising the defined term "tractor" by striking a horsepower threshold to which the term applies to conform to changes elsewhere in the bill. Revisions to the definition also incorporate an updated definition of agricultural tractors contained in the American Society of Agricultural and Biological Engineers (ASABE) standard S390.5s.

LB 907 removes the horsepower threshold in the definition but amends section 2-2701 to apply the mandatory permit requirement to current tractor models of 100 horsepower or greater but allow voluntary permitting of tractors below the 100 horsepower mandatory threshold. Section 2-2701 is further amended to clarify that purchase of an unpermitted tractor model would be ineligible to claim the sales tax exemption for agricultural machinery found at 77-2704.36. Revisions to 77-2704.36 in section 6 of the bill exclude current tractor models not permitted for sale in Nebraska.

Amends section 2-2710 to limit a repurchase liability for the sale of unpermitted tractors to conform with revisions to section 2-2701 that impose mandatory permitting only on tractors of 100 HP or greater. The section is further amended to require that claims for repurchase of tractors sold without a permit be brought within 2 years of the purchase. A similar 2-year limitation of claims for a repurchase liability for tractor models sold under temporary permit if the permit holder fails to meet the terms of the temporary permit by failing to provide a model for testing is inserted into section 2-2701.

The bill makes a series of non-substantive revisions throughout the tractor permitting statutes to eliminate obsolete text in section 2-2701, to correct an internal reference in 2-2706, and to 2-2707 to update a reference to the the UNL Department through which tractor test reports are available.

Tom Carlson, Chairperson