

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

FIRST SESSION

## LEGISLATIVE BILL 516

Introduced by Agriculture Committee: Erdman, 47, Chairperson;  
Dierks, 40; Dubas, 34; Karpisek, 32; McDonald, 41;  
Preister, 5; Wallman, 30;

Read first time January 17, 2007

Committee: Agriculture

A BILL

1 FOR AN ACT relating to agriculture; to adopt the Corporate Farming  
2 Policy Advisory Act; and to declare an emergency.  
3 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 7 of this act shall be known  
2       and may be cited as the Corporate Farming Policy Advisory Act. The  
3       Corporate Farming Policy Advisory Act shall terminate on January 1,  
4       2009.

5           Sec. 2. (1) (a) The Corporate Farming Policy Advisory  
6       Council is established. The council shall consist of up to eighteen  
7       persons appointed as provided in this section. The Governor shall  
8       appoint seven persons and the Chairperson of the Agriculture  
9       Committee of the Legislature, in consultation with the members of  
10      the committee, shall appoint seven persons. The appointments made  
11      by the Governor and the Chairperson of the Agriculture Committee  
12      to the Corporate Farming Policy Advisory Council shall be made to  
13      achieve a membership representative of the following classes of  
14      persons:

15        (i) Agricultural crop and livestock producers;  
16        (ii) Handlers, marketers, and processors of agricultural  
17       commodities;  
18       (iii) Agricultural economists;  
19       (iv) Environmental policy advocates;  
20       (v) Agricultural credit lenders;  
21       (vi) Agricultural producers' cooperative directors or  
22       managers; and  
23       (vii) Attorneys practicing in the field of corporations  
24       or other types of limited liability business entities, agricultural  
25       real estate planning, and intergenerational transfer of

1   agricultural assets.

2                 (b) When making appointments, the Governor and the  
3   Chairperson of the Agriculture Committee of the Legislature shall  
4   seek to achieve a general geographic representation of the state  
5   and a membership that is representative of diverse viewpoints  
6   regarding agricultural production and agricultural policy. Upon  
7   completion of the appointment of the initial fourteen members of  
8   the council, the Governor and the Chairperson of the Agriculture  
9   Committee each may appoint up to two additional members to achieve  
10   the representation on the council contemplated by this section.  
11   Appointments to the council shall be completed within thirty days  
12   after the effective date of this act and reported to the Executive  
13   Board of the Legislative Council.

14                 (2) The vice chancellor of the University of Nebraska  
15   Institute of Agriculture and Natural Resources, the Attorney  
16   General, the Director of Agriculture, the Director of Environmental  
17   Quality, the Director of the Department of Economic Development,  
18   and the executive director of the Rural Development Commission,  
19   or their designees, shall be nonvoting, ex officio members of the  
20   council.

21                 (3) The members of the council shall select a chairperson  
22   and a vice-chairperson. Eleven members constitute a quorum and a  
23   three-fifths majority vote of its voting membership is required for  
24   the recommendations of the council to be valid and official. The  
25   council shall meet at least six times prior to December 1, 2008.

1                   (4) Members of the council shall serve without  
2 compensation but shall be reimbursed for their actual and necessary  
3 expenses as provided in sections 81-1174 to 81-1177.

4                   (5) For administrative and budgetary purposes only, the  
5 council shall be housed within the Department of Agriculture  
6 which shall assist the council with administrative and operational  
7 support.

8                   (6) Within the limits of funds available, the Department  
9 of Agriculture, on behalf of the council, may contract for the  
10 services of a meeting facilitator and such other assistance as the  
11 council deems necessary, including the appearance and advice of  
12 experts in the field of agricultural economics, agricultural law,  
13 or other areas of study and practice relevant to the work of the  
14 council assigned under the Corporate Farming Policy Advisory Act.

15                 Sec. 3. (1) The Corporate Farm Policy Advisory Council  
16 shall identify, evaluate, and recommend policy instruments  
17 available to assert public policy with regard to the extent to  
18 which corporations and syndicates may own productive agricultural  
19 assets and engage in farming and ranching in this state. Such  
20 recommendations may include if necessary or appropriate, but shall  
21 not necessarily require or be limited to, modifications of Article  
22 XII, section 8, of the Constitution of Nebraska in consideration of  
23 the ruling of the United States District Court for the District of  
24 Nebraska in Jones v. Gale, 405 F.Supp.2d 1066, D.Neb., 2005, and  
25 any subsequent rulings on appeal affirming such ruling or otherwise

1       holding Article XII, section 8, of the Constitution of Nebraska to  
2       be invalid, enjoined, or restricted in application. The council  
3       shall submit a report of its findings and recommendations to the  
4       Legislature and the Governor on or before December 1, 2007.

5               Sec. 4. The Agriculture Committee of the Legislature  
6       shall conduct a public hearing on or before December 15, 2007,  
7       to receive public input regarding the report of the Corporate  
8       Farm Policy Advisory Council to the Legislature under section 3  
9       of this act. The Chairperson of the Agriculture Committee of the  
10      Legislature, in consultation with the committee, may prepare and  
11      introduce legislation for introduction during the One Hundredth  
12      First Legislature, First Session, to implement the report.

13               Sec. 5. (1) The Corporate Farm Policy Advisory Council  
14      shall develop a Corporate Farming Policy Plan to be presented  
15      to the Legislature and where appropriate, the electorate, for  
16      utilizing policy instruments available to the Legislature and the  
17      people of Nebraska in order to foster and enhance legal, social,  
18      and economic conditions in Nebraska consistent with and which  
19      advance the following policy objectives:

20                (a) To preserve ownership of agricultural land and other  
21      productive agricultural assets by family farmers;  
22                (b) To maintain farming and ranching in dispersed  
23      patterns of ownership and production; and  
24                (c) To carry out agricultural production in a manner  
25      consistent with responsible stewardship of natural resources and

1       preservation of environmental quality.

2               (2) In meeting the primary policy objectives identified  
3       in subsection (1) of this section, the formulation of such plan the  
4       following shall be considered and addressed:

5               (a) The mechanisms available to Nebraska agricultural  
6       producers to respond to the challenges to, and capitalize  
7       on opportunities for, agricultural production from evolving  
8       systems for the production and sale of agricultural commodities,  
9       industrial, pharmaceutical, energy, and other nonfood or feed  
10      uses of agricultural products, advances in agricultural production  
11      technologies and management systems, and the regulatory environment  
12      within which agricultural production occurs;

13               (b) The mechanisms available to agricultural asset owners  
14      to facilitate the intergenerational transfers of assets, including  
15      transfers between unrelated individuals;

16               (c) The mechanisms available to producers and groups of  
17      producers to share the risks and costs of investment in, and  
18      to attract capital for, production agriculture and value-added  
19      enterprises;

20               (d) The mechanisms available to agricultural producers to  
21      capitalize and finance agricultural operations, and to manage risk;  
22      and

23               (e) The mechanisms available to disabled persons to own  
24      and manage farming and ranching operations in relation to the  
25      Americans with Disabilities Act.

1                 (3) The council shall meet at least four times subsequent  
2                 to the submission of the report to the Legislature under section  
3                 3 of this act, and prior to August 1, 2008. At such meetings,  
4                 the council shall review and discuss reports, analysis, data,  
5                 and other forms of information solicited and received by the  
6                 council, including oral presentations by and consultations with  
7                 experts in the field of agricultural economics, agricultural law,  
8                 or other areas of study and practice relevant to the work of  
9                 the council assigned under this act. Minutes of such meetings  
10                 shall be available to the public and provided to the Governor and  
11                 members of the Agriculture Committee of the Legislature. Copies of  
12                 materials received and discussed by the council at these meetings  
13                 shall be made available for public inspection at the offices of  
14                 the Department of Agriculture and the department shall, to the  
15                 extent practicable, accommodate requests for photocopies of written  
16                 materials or reproductions of information presented in other media  
17                 forms. On or before August 1, 2008, the council shall prepare a  
18                 draft plan which shall be presented and public comment received at  
19                 least one public meeting conducted in each congressional district.  
20                 The council shall meet at least one additional time subsequent to  
21                 the conclusion of the public comment period and prior to submission  
22                 of the plan to discuss public input received and to finalize the  
23                 plan. Such plan shall be submitted to the Governor no later than  
24                 December 1, 2008.

25                 Sec. 6. The Agriculture Committee of the Legislature

1   shall conduct a public hearing on or before December 15, 2008, to  
2   receive public input regarding the Corporate Farming Policy Plan.  
3   The Chairperson of the Agriculture Committee of the Legislature,  
4   in consultation with the committee, may prepare legislation for  
5   introduction during the One Hundredth First Legislature, First  
6   Session, to implement the plan developed under section 4 of this  
7   act.

8                 Sec. 7. The Nebraska Corporate Farm Policy Cash Fund is  
9   created. The fund may be used to carry out the purposes of the  
10   Corporate Farming Policy Advisory Act. The fund shall consist of  
11   any funds appropriated by the Legislature and money received as  
12   gifts, grants, and donations from any public or private source. Any  
13   money in the fund available for investment shall be invested by the  
14   state investment officer pursuant to the Nebraska Capital Expansion  
15   Act and the Nebraska State Funds Investment Act.

16                 Sec. 8. Since an emergency exists, this act takes effect  
17   when passed and approved according to law.