

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.