

ONE HUNDRED SECOND LEGISLATURE - SECOND SESSION - 2012
COMMITTEE STATEMENT
LB1057

Hearing Date: Tuesday February 07, 2012
Committee On: Agriculture
Introducer: Carlson
One Liner: Change the Nebraska Corn Resources Act

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

Vote Results:

Aye:	6	Senators Wallman, Karpisek, Harr, Carlson, Brasch, Bloomfield
Nay:		
Absent:		
Present Not Voting:	2	Senators Larson, Lathrop

Proponents:	Representing:
Senator Tom Carlson	Introducer
Alan Tiemann	Self
Carl Sousek	Nebraska Corn Growers Association
Steve Nelson	Nebraska Farm Bureau
Scott Richert	Nebraska Soybean Association
Michael Kelsey	Nebraska Cattlemen
Pat Ptacek	Nebraska Association of Ethanol Producers
Ryan Bonham	Self
F. Jon Holzfaster	Self
Loren Schmit	Self
Dayton Christensen	Nebraska Wheat Growers Association

Opponents:	Representing:
John Hansen	Nebraska Farmers Union

Neutral:	Representing:
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Summary of purpose and/or changes:

LB 1057 would amend the Nebraska Corn Resources Act (sections 2-3601 to 2-3635) to make a series of changes, as follows:

Section 1 of the bill amends section 2-3602 to expand the existing statement of legislative findings and declaration of policy to declare a public policy and welfare interest in the corn industry development and to designate the Nebraska Corn Board as the agent of the state of Nebraska to carry out this policy. Efforts by corn producers to finance and carry out market development programs are identified as consistent with and in furtherance of this policy.

Section 2-3623 which currently levies a fee assessed upon marketing of corn not to exceed 4/10th cent per bushel. The revision made by section 2 of the bill would prescribe the fee at 5/10th of a cent. Additionally, new subsection (2) inserted into this section would authorize the Corn Board to make future adjustments of the fee in 1/10th cent increments within a statutory maximum of 1 cent per bushel. Any adjustment would require approval of a super-majority of the Board (minimum 7 of 9 voting members). New subsection (3) would prescribe procedure in the event of increases

in the fee by requiring a public meeting in each of the eight Board Districts subject to notice and informational requirements, before the Board could vote upon a motion to increase. As introduced, LB 1057 outright repeals section 2-3527 which prescribes procedure for temporary reductions in the assessment rate which is may obsolete by revisions to section 2-3623 in section 2 of the bill.

Section 3 of the bill amends section 2-3632 to restate that it is a duty of the Board to prepare and make available an annual report rather than to "make and publish" such report. Revisions to this section would not require the report to contain a full text copy of each contract expending checkoff funds but only a description of the contracts. Full text copies of contract would be available upon request.

Section 2-3633, which creates the Nebraska Corn Development, Utilization and Marketing Fund, is revised by section 4 to expand revenues that are remitted to the fund to include gifts, grants and other non-checkoff revenues, and repayments to the fund including royalties and license fees.

As introduced, LB 1057 establishes an operative date for changes made by the bill of January 1, 2013.

Explanation of amendments:

The committee amendment would retain the assessment rate of ½ cent per bushel but omit any provisions for future revisions to the promotional assessment. The January 1, 2013 operative date of the bill as introduced is stricken by the amendment but the amendment establishes October 1, 2012 as the operative date for the commencement of the revised assessment to coincide with the sunset of the ethanol promotional assessment. The remaining revisions would become operative on the effective date of the bill.

The committee amendment also strikes gifts and grants as revenues that may be placed in the cash fund, but retains that the fund may receive repayments to the fund including royalties and license fees that may derive from Wheat Board sponsored research projects.

Tom Carlson, Chairperson