

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT (CORRECTED)
LB572

Hearing Date: Tuesday February 09, 2021
Committee On: Agriculture
Introducer: Halloran
One Liner: Change provisions of the Livestock Brand Act

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

Vote Results:

Aye:	7	Senators Brandt, Brewer, Cavanaugh, J., Gragert, Groene, Halloran, Hansen, B.
Nay:		
Absent:	1	Senator Lathrop
Present Not Voting:		

Oral Testimony:

Proponents:

Senator Steve Halloran
Melody Benjamin
Brenda Masek
Steve Wolfe
John J. Schroeder
Kris Bousquet

Representing:

Introducer
Nebraska Cattlemen
Self
Nebraska Dairy Association
Self
Nebraska State Dairy Association

Opponents:

Pete Lapaseotes
Lee Borck
David Wright
John K. Hansen
Trey Wasserburger
John Sennett
Don Cain Jr.

Representing:

Lapaseotes Feed Yard
Innovative Livestock Services
Independent Cattlemen of Nebraska
Nebraska Farmers Union
TD Angus at Rishel Ranch
Nebraska Beef Producers
Independent Cattlemen of Nebraska

Neutral:

Adam Sawyer
John Widdowson

Representing:

Nebraska Brand Committee
Nebraska Brand Committee

Submitted Written Testimony:

Proponents:

Representing:

Opponents:

Representing:

Neutral:
Bryce Dibbern

Representing:
Nebraska Livestock Marketing Association

Summary of purpose and/or changes:

LB 572 would expressly authorize and make necessary statutory revisions to support the Brand Committee making electronic inspections available as a means of brand inspection compliance. In addition, the bill would decouple registered feedlot fees from the per-head fee, temporarily lower the per-head inspection fee, change brand recording and other administrative fees, allow a limited exemption for inspection of feedlot owned cattle received from a backgrounding lot, and reclassify various violations of the brand law as infractions enforceable by citation.

This summary organizes LB 572 by distinct substantive elements identifying sections where primary substantive changes occurs.

Definitions (Sections 3 -12): Insert new defined terms and these sections are incorporated into the Livestock Brand Act by sections 1 & 2. Sections 13-18 make revisions to existing defined terms to conform with changes elsewhere in the bill that provide for electronic inspection as an option for brand inspection compliance.

E-inspection (Sections 19, 20 & 23): LB 572 contemplates and makes necessary changes to authorize the Brand Committee to offer electronic inspection utilizing non-visual identifiers as an alternative to physical inspection to satisfy brand inspection requirements. E-inspection is not mandated but offered as an option for brand inspection compliance.

Revisions to Section 54-198 & Section 54-199 remove an inference that non-visual identifiers (e.g. EID tags, nose prints, eye scans, etc.) can be authorized as a "brand" as that term is used elsewhere in the Act. LB 572 would reserve the term "brand" to refer to visual markings applied to the hide of an animal by hot or freeze brand. A provision of Section 54-199 (which pertains primarily to requirements for recording visual brands) that currently authorizes the Brand Committee to record non-visual animal identifiers as "brands" is relocated for better context within the section and revised to clarify that approved non-visual identifiers do not function as a brand, but may be used for enrolling cattle for eligibility for electronic inspection.

Revisions to Section 54-1,108 distinguish physical inspection from electronic inspection. Current provisions that provide for a brand inspection by physical observation of animals are set out as subsection 1 with clarifications added regarding when physical inspection is required. New subsection 2 provides for electronic inspection. Note that electronic inspection expressly does not require inspectors to be present on site, but is limited to cattle that have been previously enrolled. The bill is written to provide for a separate inspection fee for electronic inspection that, although written with the same statutory maximum inspection fee, contemplates that electronic inspection fees, may vary from physical inspection. The section also requires the Brand Committee to provide a report to the Legislature regarding implementation of electronic inspection

Additional revisions to Section 54-1,108 provide for alternative means of compliance for dairies moving calves out of the brand inspection area. In lieu of physical inspection, LB 572 would authorize dairies to provide information electronically to the Brand Committee and for the Brand Committee to issue a certified bill of sale and transportation permit.

Brand inspection and recording fees (Sections 22, 23): The existing brand inspection fee is redesignated a physical inspection fee. A separate fee schedule is set out for electronic inspection (e-inspection) as indicated below:

- Current -- Set by Brand Committee not to exceed \$1.10 per-head statutory max
- LB 572 -- Physical inspection: \$0.95 per-head through June 30, 2023. Beginning July 1, 2023, set by Brand Committee not to exceed \$1.50 per-head. A travel surcharge not to exceed \$20 is replaced by authority to charge for actual mileage.
- E-inspection: \$0.95 per-head through June 30, 2023. Beginning July 1, 2023, set by Brand Committee not to exceed \$1.50 per-head

Brand Recording fees are revised as follows:

Current -- New brand application: Statutory maximum \$100; Brand renewal: Statutory maximum \$50 late renewal fee of \$5 / month. Duplicate brand and other documents: \$1 per page plus research fee not to exceed \$20

LB 572 -- New brand application: Statutory maximum \$150 research fee not to exceed \$50. Brand renewal: Statutory maximum \$200 late renewal fee of \$5 / month. Duplicate brand and other documents: \$1 per page research fee not to exceed \$40.

Registered feedlot fees (Section 31): LB 572 amends Section 54-1,120 to distinguish registered feedlot fees from inspection fees, and designates the primary assessment as an audit fee. Currently, registered feedlots pay a fee that is equivalent to the per-head inspection fee imposed under Section 54-1,108 (statutory maximum \$1.10 / hd, currently \$1.00 / hd) applied initially to the feedlot capacity and each subsequent year to the annual average daily inventory of the feedlot. While the current annual registration fee is not truly charged per-head, the fee is required by law to correspond to the per-head inspection fee.

LB 572 revises the fee to be two components, a flat annual registration fee of \$250 and an audit fee that is 50% of the amount calculated by applying the per-head inspection fee to the feedlot capacity.

Inspection exemption for backgrounded cattle (Section 32): LB 572 provides an exception to inspection of ownership if the animals are not shipped directly to the feedlot, but are placed within a background lot prior for a period prior to entering a feedlot. The exception applies if 100% of the backgrounder cattle are owned by the feedlot that affiliates the backgrounder, the backgrounder is permanently fenced, and documentation of ownership from the point of origin accompanies the cattle.

Enforcement revisions (Sections 24-30 and 33): Designates violations described in various sections as an infraction punishable by a fine of \$200 / animal for which a peace officer may write a citation. These violations include: Section 54-1,110 -- Moving cattle out of the brand area without brand inspection; Section 54-1,111 -- selling cattle within the brand area without inspection; Section 54-1,112 -- Failure of slaughterers or purchaser of hides to keep records; Section 54-1,113 -- Requirements of persons butchering animals to exhibit brand inspection records and hides; Section 54-1,114 -- Slaughtering cattle within the brand area without inspection; Section 54-1,115 -- Person other than owner transporting cattle within brand area without authorizing documentation; Section 54-1,116 -- Failure to provide bill or sale or certificate of inspection when selling livestock; and Section 54-1,128 -- Use of brand recorded in another state without permit.

Explanation of amendments:

The committee amendment (AM410):

-- Lowers the per-head brand inspection fee for physical inspection to \$0.85 per-head through June 30, 2023 and retains the current statutory maximum fee of \$1.10. Harmonizing revisions are made to the e-inspection fee.

-- Strikes proposed revisions to the registered feedlot program fees (retains current law)

-- Strikes provisions providing for a limited exemption to inspection of cattle received from a backgrounder lot (retains current law)

-- Strikes section 4, 5, & 10 removing new defined terms "backgrounder lot", & "permanently fenced" and corrects internal references accordingly. These terms become obsolete due to revisions elsewhere by the amendment.

-- Replaces remaining residual text within the provisions regarding enrollment of livestock for e-inspection to be consistent with the intent that the use of non-visual ID is for purpose of supporting enrollment of animals to qualify for electronic inspection.

-- Rewords the provision requiring the Brand Committee to provide a report regarding implementation of E-inspection to clarify that the intent is for the Brand Committee to inform the legislature regarding progress in implementing E-inspection to avoid interpretation that the provision required preparation of a prepared report prepared through third party contracted services.

-- Replaces an instance of the term "licensed dairy" with the defined term "qualified dairy"

Steve Halloran, Chairperson