

ONE HUNDRED NINTH LEGISLATURE - FIRST SESSION - 2025
COMMITTEE STATEMENT
LB646

Hearing Date: Tuesday February 11, 2025
Committee On: Agriculture
Introducer: Ibach
One Liner: Provide for exempt feedlots under the Livestock Brand Act

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

Vote Results:

Aye:	6	Senators Hansen, Holdcroft, Ibach, Kauth, Raybould, Storm
Nay:		
Absent:		
Present Not Voting:	2	Senators DeKay, McKeon

Testimony:

Proponents:

Senator Teresa Ibach
Brad Foote
Kirk Olson
Cassie Lapaseotes
Matt Niewohner
Steve Wolfe
John O. Sennett

Representing:

Opening Presenter
Imperial Beef, Gottsch Livestock Feeders
Olson Farms, Inc., Nebraska Beef Producers
Lapaseotes LTD, Maverick
JSMM Farms Partnership
Nebraska State Dairy Association
Nebraska Beef Producers Committee

Opponents:

Spike Jordan
Al Davis
Mike Kelly
Chris Gentry
Craig Uden
Roland Paddock
Bruce Rieker
Brenda Masek
David Wright
John K. Hansen

Representing:

Self
Independent Cattlemen of Nebraska
Self
Nebraska Brand Committee
Nebraska Cattlemen
Independent Cattlemen of Nebraska
Nebraska Farm Bureau
Self
Self
Nebraska Farmers Union

Neutral:

Ryan McIntosh

Representing:

Nebraska Bankers Association

* ADA Accommodation Written Testimony



Summary of purpose and/or changes:

LB 646 amends the Livestock Brand Act to provide an option for feedlots within the mandatory brand inspection area to obtain exempt certification which would exempt cattle entering or exiting such feedlots from brand inspection, or audits in lieu of inspection, in most circumstances.

Sec. 1: Amends section 54-170 to incorporate sections 3 – 5 of the bill into the Livestock Brand Act.

Sec. 2: Amends section 54-171 to include section 3 as a defined term for purposes of the Act.

Sec. 3: Inserts a new section defining the term “exempt feedlot” to mean a feedlot exempt from brand inspection and audits .

Sec. 4: Inserts a new section. Subsection (1) of this section declares that registered feedlots are exempt unless the feedlot requests to remain a registered feedlot. Registered feedlots shall have 120 days from the bill’s passage to submit an exemption form notifying the brand committee of the feedlot’s election to be exempt and the brand committee would have a duty to provide an exemption certificate within 15 days after receiving an exemption form.

Subsection (2) prescribes procedures for feedlots that are not exempt under subsection (1) to apply for exemption. Such application is to be on a form provided by the brand committee upon request. Information to be entered by the applicant is prescribed and shall include an application fee of \$500. This subsection provides for a 30-day review period during which the brand committee would determine if the applicant meets requirements for exemption prescribed in this subsection. Qualified applications for exemption would be issued an exemption certificate which remains valid unless rescinded for cause.

Sec. 5: Inserts a new section providing that cattle entering an exempt feedlot are not subject to brand inspection, audit or related fees and cattle leaving an exempt feedlot are not subject to brand inspection, audit or related fees if sent directly to slaughter.

Sec. 6: Amends section 54-1,119 which provides for the designation of open markets (auction markets or packing plants where brand inspection is maintained) and provides for exemption from inspection at the point of origin of cattle that are transported to an open market destination. LB 646 inserts an additional exemption from point-of-origin brand inspection and any associated audit or inspection fee if transported from an exempt feedlot direct to slaughter.

Sec. 7: Repealer

Explanation of amendments:

The committee amendment (AM638) is a white copy amendment that strikes the original sections and becomes the bill. The committee amendment adds additional requirements to acquire and maintain exempt certification, adds additional circumstances that are exempt from brand inspection, changes certain fees charged under the Livestock Brand Act, and makes additional harmonizations and clarifications throughout the Act as detailed in the section-by-section summary of AM638 which follows:

Section-by-section summary:

Sec. 1: Amends sec. 54-170 to incorporate new sections 3 – 11 of AM638 into the Livestock Brand Act.

Sec 2: Amends sec. 54-171 to incorporate sections 3 – 8 of AM638 as new defined terms for purposes of the Livestock Brand Act.



Secs. 3 – 8: Insert new defined terms for “affiliated grow yard”, “affiliated transfer”, “audit”, “brand committee”, “documentation”, and “exempt feedlot”. The definition of “exempt feedlot” is revised from LB 646 to mean a feedlot holding a valid exemption certificate issued pursuant to section 9 of AM638.

Sec. 9: Original section 4 of the bill is rewritten under new section 9 of AM638. The amendment omits a provision under subsection (1) of original section 4 of the bill that declared existing registered feedlots as exempt. In effect, all feedlots within the brand area would be subject to the same process for applying for exemption certification that was contained in subsection (2) of original section 4 of the bill. The application, application fee, and authority to rescind an exemption certification that originally applied only to feedlots that were not previously registered feedlots would apply to all feedlots.

Sec 10: Original section 5 of the bill is rewritten under new section 10 of AM638. The amendment inserts a requirement that exempt feedlots continue to maintain cattle inventory records as prescribed by the brand committee. AM638 further qualifies the broad exemption from inspection of cattle entering and exiting an exempt feedlot to provide that such cattle are exempt from inspection except as otherwise provided in this section and section 54-2,121. These qualifications include:

- Feedlots may be audited or cattle inspected upon probable cause that a violation of the brand law has occurred or is about to occur;
- The amendment implements the intent of the bill as introduced that cattle are exempt from inspection when exiting an exempt feedlot only if the cattle go direct to slaughter by referencing the procedures for cattle transported from registered feedlots in section 54-1,121. (Section 18 of AM638 amends section 54-121 to provide that its provisions for exemption of cattle moving directly to slaughter apply to cattle moved from an exempt feedlot.); and
- Prior to January 1, 2029, exempt feedlots may be subject to audits up to four times per year at no cost to the exempt feedlot.

Sec. 11: Inserts a new section that provides that cattle transferred from an affiliated grow yard affiliated with an exempt or registered feedlot are not subject to inspection if:

- All of the transferred cattle are under the management of the feedlot;
- Cattle are accompanied by satisfactory proof of ownership; and
- The affiliated grow yard is permanently fenced.

Sec. 12: Amends section 54-1,102 to increase the brand renewal fee cap from \$200 to \$400.

Sec. 13: Amends section 54-1,108 to eliminate obsolete provisions and to increase the per-head inspection fee cap from \$1.10 to \$1.50 beginning January 1, 2026.

Sec. 14: Amends section 54-1,110 which generally requires inspection at the point of origin for cattle originating within the brand area and moved to a point outside the brand area unless otherwise exempted. AM638 adds an additional exemption for cattle transferred without a transfer of ownership to a location where the animals will be under the care of another person if the entity having custody for care of the animals can show documentation or other proof verifying the temporary possession arrangement.

Sec. 15: Amends section 54-1,111 which generally requires inspection of cattle originating in the brand area upon transfer of ownership unless otherwise exempted. AM638 inserts an additional exemption for cattle shipped from a qualified dairy or qualified dairy development facility.

Sec. 16. Amends section 54-1,119 which provides that cattle transported to a point such as an auction market which maintains brand inspection may be shipped without inspection at the point of origin. AM638 contains non-substantive revisions for style and clarity.



Sec. 17: Amends section 54-1,120 which provides procedures for application to be a registered feedlot. AM638 adds a provision similar to the application for an exempt feedlot certificate under section 9 of AM638 that the applicant provide a tax identification number if the applicant is not an individual.

Sec. 18: Amends section 54-1,121 which provides that cattle shipped from a registered feedlot are exempt from inspection if the cattle are shipped direct-to-slaughter and accompanied by a shipping certificate. This section also provides cattle sold or shipped to destinations other than slaughter are subject to inspection at the expense of the seller or shipper. AM638 extends the provisions of this section to cattle shipped from an exempt feedlot.

Sec. 19: Repealer

Barry DeKay, Chairperson

