

**ONE HUNDRED NINTH LEGISLATURE - SECOND SESSION - 2026**  
**COMMITTEE STATEMENT**  
**LB894**

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**Hearing Date:** Tuesday February 03, 2026  
**Committee On:** Agriculture  
**Introducer:** DeKay  
**One Liner:** Change provisions relating to the Grain Dealer Act and the Grain Warehouse Act

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

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**Vote Results:**

<b>Aye:</b>	7	Senators Raybould, Meyer, F., Kauth, Ibach, Holdcroft, Hansen, DeKay
<b>Nay:</b>	1	Senator Storm
<b>Absent:</b>		
<b>Present Not Voting:</b>		

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**Testimony:**

**Proponents:**

Senator Barry DeKay  
Dan Watermeier

**Representing:**

Opening Presenter  
Nebraska Public Service Commission

**Opponents:**

Rocky Weber

**Representing:**

Nebraska Cooperative Council

**Neutral:**

John K. Hansen

**Representing:**

Nebraska Farmers Union

\* ADA Accommodation Written Testimony

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**Summary of purpose and/or changes:**

LB 894 makes a series of revisions to the Grain Dealer Act (§75-901 - §75-910). The bill narrows an exemption of grain warehouses from the requirement to be licensed as a grain dealer. LB 894 also simplifies rules for grain sellers to make a claim against the dealer's security, establishes deadlines for dealers to pay for delivered grain if payment terms are not otherwise specified by contract, and imposes an obligation of dealers to pay interest from the date a payment obligation occurs. Finally, the bill replaces prescribed grain dealer license fees with a delegation of fee setting authority within a statutory cap.

Section-by-section summary:

Sec. 1: Amends §75-902 which defines terms for purposes of the Grain Dealer Act. LB 894 redefines "grain dealer" by removing an exclusion for warehouses that do not engage in grain transactions outside of grain received at its warehouse facilities.



Sec. 2: Amends §75-903 which prescribes requirements for obtaining a grain dealer license. LB 894 changes the application and annual license fee from a fee of \$100 prescribed by statute to a fee to be established by the Public Service Commission (PSC) not to exceed a statutory maximum of \$1,500. LB 894 also inserts a new requirement that dealers satisfy a demand for payment within 2 business days after final delivery, and tender payment within 30 days of the final delivery if no demand is made, unless other payment terms are specified by contract. Dealers would be liable for interest on any unpaid obligation after the date of the payment obligation established by this section. Finally, LB 894 provides that sellers indemnified under the Act would have recourse to the dealer's security if they have transferred grain and are unpaid at the time of the PSC's adjudication of claims against the dealer, although the revisions explicitly continue to exclude payment obligations that have not matured under deferred payment and similar contracts. This revision would replace current requirements for a producer to preserve and perfect a claim against the dealer's security contained in §75-905 which is repealed by section 5 of the bill.

Sec. 3: Amends §75-904 to delete a requirement that grain dealers include a "notice to seller" on contract documents or other transaction documentation for a seller to preserve the seller's right to claim against the dealer security. This is made obsolete by the outright repeal of §75-905 in section 5 of the bill.

Sec. 4: Repealer

Sec. 5: Outright repeals §75-905 which currently provides that to preserve and perfect the right to claim against a dealer bond in the event of the PSC's adjudication of claims, the unpaid seller must meet certain payment demand and notification deadlines.

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**Explanation of amendments:**

The committee amendment (AM2004) strikes the original sections and becomes the bill. AM 2004 includes LB 894 as amended and incorporates LB 895 as amended.

LB 894 - Sections 1 - 6 of AM2004

The revisions to LB 894 contained in AM2004 delay until July 1, 2027, the start of the delegation of fee authority and requires the PSC to report to the Legislature its plans for implementation of fee authority. AM2004 also narrows the provision from LB 894 as introduced pertaining to when a payment obligation occurs and clarifies when interest begins to accrue for late payment. The amendment also creates a new cash fund to receive grain dealer and grain warehouse license fees.

LB 895 - Sections 7 - 9 of AM2004

LB 895 introduced by Senator DeKay amends the Grain Warehouse Act to remove the exemption of federally-licensed warehouses from licensure and regulation under the Act and to replace statutorily prescribed grain dealer license fees with the delegation of fee setting authority within a statutory cap. As amended, warehouses that are licensed under the United States Warehouse Act would automatically qualify for state licensure to avoid duplication of any filing, bonding, and license fee requirements for licensure under state law, and the PSC's administrative oversight is limited to those interventions conducted in coordination with the United States Department of Agriculture (USDA). The revisions delay the beginning date of the new fee authority until July 1, 2027, and require the PSC to submit a report to the Legislature by Dec. 1, 2026, setting forth the beginning schedule of warehouse license fees starting July 1, 2027.

LB 895 was amended into LB 894 on an 8 - 0 vote

Aye: Senators DeKay, Ibach, Hansen, Holdcroft, Kauth, Meyer, Raybould, Storm; No - none



A public hearing for LB 895 was held on February 3 with the following testimony:

Proponent:

Senator Dekay - Introducer  
Dan Watermeier - Public Service Commission

Opponent:

Rocky Weber - Nebraska Cooperative Council

Neutral:

John Hansen - Nebraska Farmers Union.

Section-by-Section Summary of AM2004:

Sec. 1: Amends §75-901 to include new Section 5 of AM2004 in the Grain Dealer Act.

Sec. 2: Amends §75-902 which defines terms for purposes of the Grain Dealer Act. AM2004 redefines "grain dealer" by removing an exclusion for warehouses that do not engage in grain transactions outside of grain received at its warehouse facilities. (LB 894)

Sec. 3: Amends §75-903 which prescribes requirements for obtaining and annually renewing a grain dealer license. Currently, this section requires payment of an annual license fee of \$100 prescribed by statute. AM2004 delegates authority to the PSC to establish the fee within a statutory maximum of \$1,500 beginning July 1, 2027, and requires the PSC to submit a report to the Legislature by December 1, 2026, with a schedule of fees that will become effective after July 1, 2027. Under AM2004, grain dealer license fees would continue to be remitted to the General Fund until July 1, 2027, when the license fees would be remitted to the new Grain Dealer and Grain Warehouse Cash Fund created in Section 5 of AM2004. (LB 894 as amended)

As introduced, LB 894 also amends §75-903 to insert a new requirement that the security filed with the dealer license application obligate the dealer to satisfy a demand for payment within 2 business, or to tender payment no later than 30 days after the date final delivery if no demand is made, unless other payment terms are specified by contract. LB 894 as introduced also requires that the dealer would be liable for interest on any unpaid obligation beginning on the date of the payment obligation established by this section. AM2004 removes the 30-day requirement for payment after final delivery if no demand for payment is made and requires payment to be made within 10 business days if a written demand for payment, accompanied by proof of delivery, is made unless other payment terms are specified by contract. AM2004 also changes the interest provision contained in LB 894 as introduced to clarify that interest begins to accrue thirty days after a payment obligation matures under this section. (LB 894 as amended)

AM2004 would retain additional revisions to §75-903 made in LB 894 as introduced providing that sellers indemnified under the Act would have recourse to the dealer's security if they have transferred grain and are unpaid at the time of the PSC's adjudication of claims against the dealer, although the revisions explicitly continue to exclude payment obligations that have not matured under deferred payment and similar contracts. This revision would replace current requirements of sellers to preserve and perfect a claim against the dealer's security contained in §75-905 which is outright repealed by section 11 of AM2004. (LB 894)

Sec. 4: Amends §75-904 to delete a requirement that grain dealers include a "notice to seller" on contract documents or other transaction documentation for a seller to preserve the seller's right to make a claim against the dealer's security. This is made obsolete by revisions to §75-903 in section 3 of AM2004 and the outright repeal of



§75-905 in section 11 of AM2004. (LB 894)

Sec. 5: Inserts a new section in the Grain Dealer Act creating the Grain Dealer and Grain Warehouse Cash Fund consisting of grain dealer license fees remitted to the fund pursuant to §75-903 and warehouse license fees remitted pursuant to §88-529 of the Grain Warehouse Act.

Sec. 6: Amends §88-527 of the Grain Warehouse Act to remove an exemption of federally-licensed grain warehouses from the licensure and regulatory oversight provisions of the Act. As revised by AM2004, this section provides that federally-licensed warehouses shall be issued a state license, but excludes such warehouses from the bonding and license fees, and regulatory filings applicable to state-only licensees. A dually licensed warehouse is required to only submit copies of regulatory filings under the United States Warehouse Act, and administrative actions of the PSC are limited to only those performed with the written consent of the USDA. (LB 895 as amended)

Sec. 7: Amends §88-529 which currently prescribes annual grain warehouse license fees. AM2004 continues the current prescribed fee schedule through July 1, 2027, and delegates authority for the PSC to establish the license fee after that date so that any fees assessed do not exceed the fees charged federal warehouses as set by the USDA's Agricultural Marketing Service under a referenced federal publication. This section of AM2004 further requires that on or before December 1, 2026, the PSC shall submit a report to the Legislature of the schedule of warehouse license fees to become effective starting July 1, 2027. Grain warehouse license fees would continue to be remitted to the General Fund until July 1, 2027, when the license fees would be remitted to the new Grain Dealer and Grain Warehouse Cash Fund created in section 5 of AM2004. (LB 895 as amended)

Sec. 8: Amends §88-548 with a harmonizing revision to remove an exemption of federally-licensed warehouses from the Grain Warehouse Act except for certain reporting requirements. (LB 895)

Sec. 9: Amends §88-551 to harmonize that section with the placement of grain warehouse license fees in the Grain Dealer and Grain Warehouse Cash Fund.

Sec. 10: Repealer

Sec. 11: Outright repealer (§75-905 from LB 894)

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Barry DeKay, Chairperson

