

## ENGROSSED LEGISLATIVE BILL 1187

Introduced by DeKay, 40; Holdcroft, 36; Ibach, 44; Kauth, 31; Meyer, F., 41;  
Storm, 23.

A BILL FOR AN ACT relating to the Livestock Brand Act; to amend sections 54-170, 54-171, 54-189, 54-191, 54-192, 54-1,102, 54-1,108, 54-1,111, 54-1,116, 54-1,120, and 54-1,122, Reissue Revised Statutes of Nebraska; to define and redefine terms; to mandate the interpretation of the term satisfactory evidence of ownership by the Nebraska Brand Committee; to change provisions relating to the membership of the Nebraska Brand Committee; to change provisions relating to the executive director of the Nebraska Brand Committee; to change fees and charges for brand renewals, physical inspections, electronic inspections, mileage, and registered feedlots; to exempt certain cattle from brand inspection requirements; to change requirements for proof of ownership when cattle are sold or otherwise disposed of; to change and provide provisions relating to registered feedlots and backgrounding lots; to change audit and brand inspection requirements for registered feedlots; to provide for registered dairy heifer development facilities; to eliminate obsolete provisions; to harmonize provisions; to provide operative dates; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

**Section 1.** Section 54-170, Reissue Revised Statutes of Nebraska, is amended to read:

54-170 Sections 54-170 to 54-1,131 and sections 3 to 7, 9, and 18 to 24 of this act shall be known and may be cited as the Livestock Brand Act.

**Sec. 2.** Section 54-171, Reissue Revised Statutes of Nebraska, is amended to read:

54-171 For purposes of the Livestock Brand Act, the definitions found in sections 54-171.01 to 54-190 and sections 3 to 7 of this act shall be used.

**Sec. 3.** Backgrounding lot means a grow yard that is located within or

outside of the brand inspection area and that prepares cattle for entry into a registered feedlot.

**Sec. 4.** Brand committee means the Nebraska Brand Committee.

**Sec. 5.** (1) Brand committee district one means the following counties: Banner, Box Butte, Cherry, Cheyenne, Dawes, Kimball, Morrill, Scotts Bluff, Sheridan, and Sioux.

(2) Brand committee district two means the following counties: Arthur, Chase, Deuel, Dundy, Frontier, Garden, Grant, Hayes, Hitchcock, Hooker, Keith, Lincoln, Logan, McPherson, Perkins, and Thomas.

(3) Brand committee district three means the following counties: Blaine, Boyd, Brown, Custer, Garfield, Holt, Keya Paha, Knox, Loup, Rock, and Wheeler.

(4) Brand committee district four means the following counties: Buffalo, Dawson, Franklin, Furnas, Gosper, Greeley, Harlan, Howard, Kearney, Phelps, Red Willow, Sherman, and Valley.

(5) Brand committee district five means the following counties: Adams, Antelope, Boone, Burt, Butler, Cass, Cedar, Clay, Colfax, Cuming, Dakota, Dixon, Dodge, Douglas, Fillmore, Gage, Hall, Hamilton, Jefferson, Johnson, Lancaster, Madison, Merrick, Nance, Nemaha, Nuckolls, Otoe, Pawnee, Pierce, Platte, Polk, Richardson, Saline, Sarpy, Saunders, Seward, Stanton, Thayer, Thurston, Washington, Wayne, Webster, and York.

**Sec. 6.** Dairy heifer development facility means a facility that specializes in raising and managing dairy heifers until such dairy heifers are ready for breeding or calving.

**Sec. 7.** Registered dairy heifer development facility means a dairy heifer development facility that is registered under section 18 of this act.

**Sec. 8.** Section 54-189, Reissue Revised Statutes of Nebraska, is amended to read:

54-189 Satisfactory evidence of ownership means any of the following:

- (1) The brands, tattoos, or marks on the livestock;
- (2) Any approved nonvisual identifiers;
- (3) The point of origin of livestock;

(4) The physical description of the livestock;

(5) Any documentary evidence, including bills of sale, brand clearance, certificates of inspection, breed registration certificates, animal health or testing certificates, genomic testing certificates, recorded brand certificates, purchase sheets, scale tickets, disclaimers of interest, affidavits, court orders, security agreements, powers of attorney, canceled checks, bills of lading, or tags; and

(6) Any other facts, statements, or circumstances that taken in whole or in part cause an inspector to believe that proof of ownership is established.

**Sec. 9.** (1) For purposes of interpretation by the Nebraska Brand Committee, by any employee of the Nebraska Brand Committee, or by any agent of the Nebraska Brand Committee, each occurrence of the term satisfactory evidence of ownership that is in the Livestock Brand Act means satisfactory evidence of ownership as defined in section 54-189.

(2) The Nebraska Brand Committee, any employee of the Nebraska Brand Committee, and any agent of the Nebraska Brand Committee shall interpret each occurrence in the Livestock Brand Act of the term satisfactory evidence of ownership as provided in this section.

**Sec. 10.** Section 54-191, Reissue Revised Statutes of Nebraska, is amended to read:

54-191 (1) The Nebraska Brand Committee is hereby created.

(2) This subsection applies until subsection (3) of this section applies. The brand committee shall consist of five members appointed by the Governor, subject to confirmation by the Legislature. At least three appointed members shall be active cattlemen and at least one appointed member shall be an active cattle feeder. The Secretary of State and the Director of Agriculture, or their designees, shall be nonvoting, ex officio members of the brand committee. The appointed members shall be owners of cattle within the brand inspection area, shall reside within the brand inspection area, shall be owners of Nebraska-recorded brands, and shall be persons whose principal business and occupation is the raising or feeding of cattle within the brand inspection

area.

(3) This subsection applies beginning on August 28, 2026. The brand committee shall consist of:

(a) The following seven voting members who are appointed by the Governor and subject to confirmation by the Legislature:

(i) One person who resides in brand committee district one and whose principal business or occupation is the raising of cattle;

(ii) One person who resides in brand committee district two and whose principal business or occupation is the raising of cattle;

(iii) One person who resides in brand committee district three and whose principal business or occupation is the raising of cattle;

(iv) One person who resides in brand committee district four and whose principal business or occupation is the raising of cattle;

(v) One person who resides in brand committee district five and whose principal business or occupation is the raising of cattle;

(vi) One person who owns or operates a cattle feeding operation within the brand inspection area; and

(vii) One person who owns or operates a livestock auction market that primarily sells cattle and that is located within the brand inspection area; and

(b) The following two nonvoting, ex officio members or their designees:

(i) The Secretary of State; and

(ii) The Director of Agriculture.

(4) The appointed members of the brand committee shall elect a chairperson and vice-chairperson from among its appointed members during the first meeting held after September 1 of each calendar year. A member may be reelected to serve as chairperson or vice-chairperson.

(5)(a) The Governor shall appoint the initial appointed members of the brand committee under subsection (3) of this section to staggered terms, with two members appointed to terms of two years, two members appointed to terms of three years, and three members appointed to terms of four years.

(b) The terms of the members appointed after such initial appointments shall be four-year, staggered terms, beginning on August 28 of the year of initial appointment or reappointment and concluding on August 27 of the year of expiration.

(c) At the expiration of the term of an appointed member, the Governor shall appoint a successor, subject to confirmation by the Legislature. If there is a vacancy on the brand committee, the Governor shall fill such vacancy by appointing a member to serve during the unexpired term of the member whose office has become vacant. Any appointment to fill a vacancy shall be subject to confirmation by the Legislature.

(6) The action of a majority of the members shall be deemed the action of the brand committee. No appointed member shall hold any elective or appointive state or federal office while serving as a member of the brand committee. Each member and each brand committee employee who collects or who is the custodian of any funds shall be bonded or insured as required under section 11-201. The appointed members of the brand committee shall be reimbursed for expenses in attending meetings of the brand committee or in performing any other duties that are prescribed in the Livestock Brand Act or section 54-415, as provided for in sections 81-1174 to 81-1177.

(7) The purpose of the Nebraska Brand Committee is to protect Nebraska brand and livestock owners from the theft of livestock through established brand recording, brand inspection, and livestock theft investigation.

**Sec. 11.** Section 54-192, Reissue Revised Statutes of Nebraska, is amended to read:

54-192 (1) The Nebraska Brand Committee shall employ such employees as may be necessary to properly carry out the Livestock Brand Act and section 54-415, fix the salaries of such employees, and make such expenditures as are necessary to properly carry out such act and section. Employees of the brand committee shall receive mileage computed at the rate provided in section 81-1176. The brand committee shall select and designate a location or locations where the brand committee shall keep and maintain an office and where records of the

brand inspection and investigation proceedings, transactions, communications, brand registrations, and official acts shall be kept.

(2) The brand committee shall appoint an executive director who shall be the brand committee head for administrative purposes. The appointment shall be subject to the approval of the Governor. The executive director shall keep a record of all proceedings, transactions, communications, and official acts of the brand committee, shall be custodian of all records of the brand committee, and shall perform such other duties as may be required by the brand committee. The executive director shall call a meeting at the direction of the chairperson of the brand committee, or in his or her absence the vice-chairperson, or upon the written request of two or more members of the brand committee. The executive director shall have supervisory authority to direct and control all full-time and part-time employees of the brand committee. This authority allows the executive director to hire employees as are needed on an interim basis subject to approval or confirmation by the brand committee for regular employment. The executive director may place employees on probation and may discharge an employee.

(3) The brand committee shall employ a chief investigator who shall report to the executive director. The chief investigator shall meet the qualifications of an investigator as defined in section 54-182. Under the direction of the executive director, the chief investigator shall be chief of field operations and supervise brand committee investigators and inspectors.

(4) The brand committee shall employ a brand recorder who shall be responsible for the processing of all applications for new livestock brands, the transfer of ownership of existing livestock brands, the maintenance of accurate and permanent records relating to livestock brands, and such other duties as may be required by the brand committee.

(5) If any employee of the brand committee after having been disciplined, placed on probation, or having had his or her services terminated desires to have a hearing before the entire brand committee, such a hearing shall be granted as soon as is practicable and convenient for all persons concerned. The

request for such a hearing shall be made in writing by the employee alleging the grievance and shall be directed to the executive director. After hearing all testimony surrounding the grievance of such employee, the brand committee, at its discretion, may approve, rescind, nullify, or amend all actions as previously taken by the executive director.

**Sec. 12.** Section 54-1,102, Reissue Revised Statutes of Nebraska, is amended to read:

54-1,102 (1) A recorded brand may be applied by its owner until its expiration date.

(2) On and after January 1, 1994, the expiration date of a recorded brand is the last day of the calendar quarter of the renewal year as designated by the Nebraska Brand Committee in the records of the brand committee.

(3) The brand committee shall notify every owner of a recorded brand of its expiration date at least sixty days prior to the expiration date, and the owner of the recorded brand shall pay a renewal fee established by the brand committee which shall not be more than four hundred dollars and furnish such other information as may be required by the brand committee. The renewal fee is due and payable on or before the expiration date and renews a recorded brand for a period of four years regardless of the number of locations on one side of an animal on which the brand is recorded. If any owner fails, refuses, or neglects to pay the renewal fee by the expiration date, the brand shall expire and be forfeited.

(4) The brand committee has the authority to hold an expired brand for one year following the date of expiration. An expired brand may be reinstated by the same owner during such one-year period upon return of a brand application form and payment of the renewal fee for such brand established by the brand committee under this section plus a penalty of five dollars for each month or part of a month which has passed since the date of expiration. A properly reinstated brand may be transferred to another person during such one-year period upon completion of a transfer form, with a notarized bill of sale signed by the prior owner attached to such transfer form.

**Sec. 13.** Section 54-1,108, Reissue Revised Statutes of Nebraska, is amended to read:

54-1,108 (1)(a) All physical inspections for brands provided for in the Livestock Brand Act or section 54-415 shall be from sunrise to sundown or during such other hours and under such conditions as the Nebraska Brand Committee determines. The brand committee shall assess a fifty-dollar late notice surcharge if a request for a physical inspection is made less than forty-eight hours prior to the date of inspection.

(b) A physical inspection shall be required when brands applied by hot iron or freeze branding methods are the exclusive means of ownership identification and in all other cases that do not qualify for electronic inspection as provided in subsection (2) of this section.

(c)(i) A physical inspection fee established by the Nebraska Brand Committee of not more than one dollar and fifty cents per head shall be charged for all cattle inspected in accordance with the Livestock Brand Act or section 54-415, inspected within the brand inspection area or brand inspection service area by court order, inspected at the request of any bank, credit agency, or lending institution with a legal or financial interest in such cattle, or inspected at the request of a neighboring livestock owner with missing cattle.

(ii) The inspection fee for court-ordered inspections shall be paid from the proceeds of the sale of such cattle if ordered by the court or by either party as the court directs.

(iii) For inspections not described in subdivision (1)(c)(ii) of this section, the person requesting the inspection of such cattle is responsible for the inspection fee.

(iv) Brand inspections requested by either a purchaser or seller of cattle located within the brand inspection service area shall be provided upon the same terms and charges as brand inspections performed within the brand inspection area.

(v) If stray cattle are identified as a result of the inspection, such cattle shall be processed in the manner provided by section 54-415.

(d) A surcharge, as established by the brand committee of not more than thirty dollars, may be charged to cover travel expenses incurred by the brand inspector per inspection location when performing a brand inspection. The surcharge shall be collected by the brand inspector and paid by the person requesting the inspection or the person required by law to have the inspection.

(e) For physical inspections performed outside of the brand inspection area that are not provided for in subdivision (c) of this subsection, the fee shall be the inspection fee established in such subdivision plus a fee to cover the actual expense of performing the inspection, including mileage at the rate established by the Department of Administrative Services and an hourly rate, not to exceed thirty dollars per hour, for the travel and inspection time incurred by the brand committee to perform such inspection. The brand committee shall charge and collect the actual expense fee. Such fee shall apply to inspections performed outside the brand inspection area as part of an investigation into known or alleged violations of the Livestock Brand Act and shall be charged against the person committing the violation.

(2)(a) The brand committee may provide for electronic inspection of enrolled cattle identified by approved nonvisual identifiers pursuant to subsection (5) of section 54-199. The brand committee shall establish procedures for enrollment of such cattle with the brand committee which shall include providing acceptable certification or evidence of ownership. Electronic inspection shall not require agency employees to be present, except that random audits shall occur.

(b) An electronic inspection fee established by the brand committee of not more than one dollar and fifty cents per head shall be charged for all cattle subjected to electronic inspection in accordance with the Livestock Brand Act or section 54-415.

(c) A certified bill of sale for sale of calves shall be provided to qualified dairies once the required information is electronically transferred to the brand committee on calves under thirty days of age. The fee shall be the same as for an electronic inspection under subdivision (2)(b) of this section.

(d) A certified transportation permit shall be provided to qualified dairies after the required information is electronically transferred to the brand committee on calves under thirty days of age which are moved out of the inspection area. The fee shall be the same as for an electronic inspection under subdivision (2)(b) of this section.

(3) Any person who has reason to believe that cattle were shipped erroneously due to an inspection error during a brand inspection may request a reinspection. The person making such request shall be responsible for the expenses incurred as a result of the reinspection unless the results of the reinspection substantiate the claim of inspection error, in which case the brand committee shall be responsible for the reinspection expenses.

**Sec. 14.** Section 54-1,111, Reissue Revised Statutes of Nebraska, is amended to read:

54-1,111 (1) Except as provided in subsection (2) of this section, no person shall sell or trade any cattle located within the brand inspection area, nor shall any person buy or purchase any such cattle unless the cattle have been inspected for evidence of ownership and a certificate of inspection or brand clearance has been issued by the Nebraska Brand Committee. Any person selling such cattle shall present to the brand inspector a properly executed bill of sale, brand clearance, or other satisfactory evidence of ownership which shall be filed with the original certificate of inspection in the records of the brand committee. Any time a brand inspection is required by law, a brand investigator or brand inspector may transfer evidence of ownership of such cattle from a seller to a purchaser by issuing a certificate of inspection.

(2) A brand inspection is not required:

(a) For cattle of a registered feedlot that is registered under sections 54-1,120 to 54-1,122 shipped for direct slaughter or sale on any terminal market;

(b) For cattle that are:

(i) Transferred to a family corporation when all the shares of capital stock of the corporation are owned by the husband, wife, children, or

grandchildren of the transferor and there is no consideration for the transfer other than the issuance of stock of the corporation to such family members; or

(ii) Transferred to a limited liability company in which membership is limited to the husband, wife, children, or grandchildren of the transferor and there is no consideration paid for the transfer other than a membership interest in the limited liability company;

(c) When the change of ownership of cattle is a change in form only and the surviving interests are in the exact proportion as the original interests of ownership. When there is a change of ownership described in subdivision (2) (b) or (c) of this section, an affidavit, on a form prescribed by the Nebraska Brand Committee, signed by the transferor and stating the nature of the transfer and the number of cattle involved and the brands presently on the cattle, shall be filed with the brand committee;

(d) For cattle sold or purchased for educational or exhibition purposes or other recognized youth activities if a properly executed bill of sale is exchanged and presented upon demand. Educational or exhibition purpose means cattle sold or purchased for the purpose of being fed, bred, managed, or tended in a program designed to demonstrate or instruct in the use of various feed rations, the selection of individuals of certain physical conformation or breeds, the measurement and recording of rate of gain in weight or fat content of meat or milk produced, or the preparation of cattle for the purpose of exhibition or for judging as to quality and conformation;

(e) For calves under the age of thirty days sold or purchased at private treaty if a bill of sale is exchanged and presented upon demand;

(f) For seedstock cattle raised by the seller and individually registered with an organized breed association if a properly executed bill of sale is exchanged and presented upon demand; and

(g) For cattle that are purchased or sold by a qualified dairy.

(3) A violation of this section is an infraction. A peace officer shall have the authority to write a citation, which shall be waivable, to offenders in violation of this section. A fine under this section shall not exceed two

hundred dollars per head for each offense. Violations shall be charged in the county in which the offense occurred.

**Sec. 15.** Section 54-1,116, Reissue Revised Statutes of Nebraska, is amended to read:

54-1,116 (1) All livestock sold or otherwise disposed of shall be accompanied by a properly executed bill of sale in writing or, for cattle, satisfactory evidence of ownership or a certificate of inspection. All owners of or persons possessing livestock have a duty to exhibit, upon the request of the brand committee or its employees, either the bill of sale or other satisfactory evidence of ownership of the livestock.

(2) A violation of this section is an infraction. A peace officer shall have the authority to write a citation, which shall be waivable, to offenders in violation of this section. A fine under this section shall not exceed two hundred dollars per head for each offense. Violations shall be charged in the county in which the offense occurred.

**Sec. 16.** Section 54-1,120, Reissue Revised Statutes of Nebraska, is amended to read:

54-1,120 (1)(a) Any person who operates a cattle feeding operation located within the brand inspection area may apply to the brand committee for registration as a registered feedlot. The application form shall be prescribed by the brand committee and shall be made available by the executive director of the brand committee for this purpose upon written request. If the applicant is an individual, the application shall include the applicant's social security number. After the brand committee has received a properly completed application, an agent of the brand committee shall within thirty days make an investigation to determine if the following requirements are satisfied:

(i) The operator's feedlot shall be permanently fenced; and

(ii) The operator shall commonly practice feeding cattle to finish for slaughter.

(b) If the application is satisfactory, and upon payment of an initial registration fee by the applicant, the brand committee shall issue a

registration number and registration certificate valid for one year unless rescinded for cause. If the registration is rescinded for cause, any registration fee shall be forfeited by the applicant.

(c)(i) The initial fee for a registered feedlot shall be an amount for a registered feedlot having one thousand head or less capacity and an equal amount for each additional one thousand head capacity, or part thereof, of such registered feedlot. For each subsequent year, the renewal fee for a registered feedlot shall be an amount for the first one thousand head or portion thereof of average annual inventory of cattle on feed of the registered feedlot and an equal amount for each additional one thousand head or portion thereof of average annual inventory of cattle on feed of the registered feedlot. The brand committee shall calculate and charge the fee per one thousand head capacity or average annual inventory. Such fee shall be equal to twenty-five percent of the inspection fee provided under section 54-1,108.

(ii) The annual renewal registration fee shall be paid on an annual basis.

(2) The brand committee may adopt and promulgate rules and regulations for the operation of registered feedlots to assure that brand laws are complied with, that registered feedlot shipping certificates are available, and that proper records are maintained. Violation of sections 54-1,120 to 54-1,122 subjects the operator to revocation or suspension of the feedlot registration issued. Sections 54-1,120 to 54-1,122 shall not be construed as prohibiting the operation of nonregistered feedlots.

(3) The operator of a registered feedlot shall:

(a) Keep the following for all cattle in such registered feedlot: Cattle inventory records, purchase records, certificates of inspection, and any other satisfactory evidence of ownership; and

(b) Make such records and satisfactory evidence of ownership available to the brand committee or its employees for purposes of: Performing audits under this section, investigating lost or stolen livestock, or investigating violations of the Livestock Brand Act.

(4)(a) This subdivision (a) applies unless otherwise provided in

subdivision (b) of this subsection. The brand committee or its employees may audit each registered feedlot twice during a calendar year. When performing an audit under this subsection, the brand committee or its employees shall audit a selection of up to ten percent of the lot files for the cattle on feed in the registered feedlot as of the commencement date of the audit.

(b) The brand committee or its employees may audit a registered feedlot under subdivision (a) of this subsection more than twice during a calendar year if:

(i) The audit is approved by a majority vote of all of the members of the brand committee;

(ii) The brand committee finds the existence of reasonable cause of a violation by the registered feedlot of the Livestock Brand Act or any rules and regulations that are adopted and promulgated under the act; and

(iii) The reasonable cause for the audit is specifically stated by the brand committee in a resolution authorizing the audit. The brand committee may adopt a resolution for purposes of this subdivision (iii).

(c) During an audit that is conducted under this subsection, the operator of the registered feedlot shall show:

(i) The lot files selected for the audit; and

(ii) Cattle purchase records and other satisfactory evidence of ownership for cattle included in the lot files selected for the audit.

(5) The brand committee may rescind the registration of any registered feedlot operator who fails to cooperate or violates the laws or rules and regulations of the brand committee relating to registered feedlots.

**Sec. 17.** Section 54-1,122, Reissue Revised Statutes of Nebraska, is amended to read:

54-1,122 (1) Cattle may be moved into a registered feedlot or a backgrounding lot without being subject to brand inspection if such cattle:

(a) Originate in a state, or a portion of a state, that has a brand inspection agency and are accompanied by satisfactory evidence of ownership;

(b) Originate in a state, or a portion of a state, that does not have

brand inspection and are accompanied by satisfactory evidence of ownership;

(c) Originate from a backgrounding lot and are accompanied by satisfactory evidence of ownership; or

(d) Originate from a backgrounding lot and such cattle were subjected to brand inspection upon entering the originating backgrounding lot.

(2) Cattle that are moved into a registered feedlot or a backgrounding lot and that are not described in subsection (1) of this section shall be subject to physical inspection or electronic inspection within a reasonable time after arrival at the registered feedlot or backgrounding lot. The inspection fee and surcharge that is provided under section 54-1,108 shall be collected by the brand inspector at the time that the inspection is performed.

(3) The brand committee may issue guidelines for processes of and recordkeeping by backgrounding lots that may be used by backgrounding lots to prevent the commingling of cattle during transport to such backgrounding lots and to identify cattle that have become commingled during transport to such backgrounding lots.

**Sec. 18.** (1) Any person, who operates a dairy heifer development facility that specializes in the raising and managing of dairy heifers from one day of age until such heifers are ready for entry into a qualified dairy, may apply to the brand committee for registration as a registered dairy heifer development facility. The application form shall be prescribed by the brand committee and shall be made available by the executive director of the brand committee for this purpose upon written request.

(2) After the brand committee has received a properly completed application, an agent of the brand committee shall within thirty days make an investigation to determine if the facility is suitable for registration as a registered dairy heifer development facility and the operator specializes in the raising and managing of dairy heifers from one day of age until such heifers are ready for entry into a qualified dairy.

(3) If the application is satisfactory, and upon payment of the registration fee by the applicant, the brand committee shall issue a

registration number and registration certificate that are valid for one year unless rescinded for cause by the brand committee. If the registration is rescinded for cause, any registration fee shall be forfeited by the applicant.

(4) The registration fee for a registered dairy heifer development facility shall be an amount equal to twenty-five percent multiplied by the maximum capacity of the facility, as such capacity is authorized by the Department of Water, Energy, and Environment under the Livestock Waste Management Act. The registration fee shall be paid on an annual basis.

**Sec. 19.** (1) The operator of a registered dairy heifer development facility shall:

(a) Keep the following for all cattle in such registered dairy heifer development facility: Cattle inventory records, purchase records, certificates of inspection, and any other satisfactory evidence of ownership; and

(b) Make such records and satisfactory evidence of ownership available to the brand committee or its employees for purposes of: Performing audits under this section, investigating lost or stolen livestock, or investigating violations of the Livestock Brand Act.

(2)(a) This subdivision (a) applies unless otherwise provided in subdivision (b) of this subsection. The brand committee or its employees may audit each registered dairy heifer development facility twice during a calendar year. When performing an audit under this subsection, the brand committee or its employees shall audit a selection of up to ten percent of the lot files for the cattle in the registered dairy heifer development facility as of the commencement date of the audit.

(b) The brand committee or its employees may audit a registered dairy heifer development facility under subdivision (a) of this subsection more than twice during a calendar year if:

(i) The audit is approved by a majority vote of all of the members of the brand committee;

(ii) The brand committee finds the existence of reasonable cause of a violation by the registered dairy heifer development facility of the Livestock

Brand Act or any rules and regulations that are adopted and promulgated under the act; and

(iii) The reasonable cause for the audit is specifically stated by the brand committee in a resolution authorizing the audit. The brand committee may adopt a resolution for purposes of this subdivision (iii).

(c) During an audit that is conducted under this subsection, the operator of the registered dairy heifer development facility shall show:

(i) The lot files selected for the audit; and

(ii) Cattle purchase records and other satisfactory evidence of ownership for cattle included in the lot files selected for the audit.

**Sec. 20.** (1) Cattle that are sold or shipped from a registered dairy heifer development facility, for purposes other than entry into a qualified dairy, are subject to the brand inspection under sections 54-1,110 to 54-1,119, and the seller or shipper shall bear the cost of such inspection at the regular fee.

(2) Any cattle that are not described in subsection (1) of this section and that shipped from a registered dairy heifer development facility or qualified dairy are not subject to brand inspection at origin or destination, but the shipper shall have a shipping certificate from the registered dairy heifer development facility or qualified dairy. The shipping certificate form shall be prescribed by the brand committee and shall show the registered dairy heifer development facility or qualified dairy operator's name and registration number, date shipped, destination, agency receiving the cattle, number of head in the shipment, and sex of the cattle. The shipping certificate shall be completed in triplicate by the registered dairy heifer development facility or qualified dairy operator at the time of shipment. One copy thereof shall be delivered to the brand inspector at the market along with shipment, if applicable, one copy shall be sent to the brand committee by the tenth day of the following month, and one copy shall be retained by the registered dairy heifer development facility or qualified dairy operator. If a shipping certificate does not accompany a shipment of cattle from a registered dairy

heifer development facility or qualified dairy to any destination where brand inspection is maintained by the brand committee, all such cattle shall be subject to a brand inspection and the inspection fees and surcharge provided under section 54-1,108 shall be charged for the service.

**Sec. 21.** Any cattle that originate in a state with a brand inspection agency and that are accompanied by a certificate of inspection or brand clearance issued by such agency may be moved directly from the point of origin into a registered dairy heifer development facility or qualified dairy. Any cattle not accompanied by such a certificate of inspection or brand clearance or by satisfactory evidence of ownership from states or portions of states that do not have brand inspection shall be subjected to physical inspection for brands by the brand committee or, if applicable, subjected to electronic inspection, within a reasonable time after arrival at a registered dairy heifer development facility or qualified dairy, and the inspection fee and surcharge, if applicable, provided under section 54-1,108 shall be collected by the brand inspector at the time the inspection is performed.

**Sec. 22.** The brand committee may rescind the registration of any registered dairy heifer development facility operator who (1) violates sections 18 to 23 of this act, (2) fails to cooperate with the brand committee or any employee of the brand committee who is acting in the capacity of the brand committee, or (3) violates the rules and regulations of the brand committee covering registered dairy heifer development facilities.

**Sec. 23.** The brand committee may adopt and promulgate rules and regulations to ensure compliance with the Livestock Brand Act by registered dairy heifer development facilities, to provide for the availability of shipping certificates to registered dairy heifer development facilities, and to ensure that proper records are maintained by registered dairy heifer development facilities.

**Sec. 24.** Sections 18 to 23 of this act shall not be construed to prohibit the operation of nonqualified dairies.

**Sec. 25.** Sections 11 and 26 of this act become operative on January 1,

2027. The other sections of this act become operative on their effective date.

**Sec. 26.** Original section 54-192, Reissue Revised Statutes of Nebraska, is repealed.

**Sec. 27.** Original sections 54-170, 54-171, 54-189, 54-191, 54-1,102, 54-1,108, 54-1,111, 54-1,116, 54-1,120, and 54-1,122, Reissue Revised Statutes of Nebraska, are repealed.

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**PRESIDENT OF THE LEGISLATURE**

*THIS IS TO CERTIFY that the within LB 1187 was passed by the One Hundred Ninth Legislature of Nebraska at its Second Session on the ..... day of ..... 20.....*

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**CLERK OF THE LEGISLATURE**

**Approved:**

..... 20....., ..... o'clock .....M.

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**GOVERNOR**