

**FISCAL NOTE**

**LEGISLATIVE FISCAL ANALYST ESTIMATE**

Revised per AM3037

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	SEE BELOW	0	0	SEE BELOW
FY2027-2028	0	SEE BELOW	0	0	SEE BELOW
FY2028-2029	0	SEE BELOW	0	0	SEE BELOW
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	SEE BELOW	0	0	SEE BELOW
FY2027-2028	0	SEE BELOW	0	0	SEE BELOW
FY2028-2029	0	SEE BELOW	0	0	SEE BELOW

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB1187 as amended by AM3037 does the following:

- Adds a definition for backgrounding lot to the Livestock Brand Act;
- Adds a definition for Brand committee;
- Adds a definition for Brand Committee district one, two, three, four, and five;
- Adds a definition for dairy heifer development facility;
- Amends the definition for satisfactory evidence of ownership;
  - Conforms the definition for satisfactory evidence of ownership to the definition established in 54-189.
- Beginning August 28, 2026, establishes the membership of the Brand Committee as such:
  - One person from each of the five Brand Committee Districts who resides in the Brand Committee District and whose principal business or occupation is the raising or feeding of cattle;
  - One person who owns or operates a cattle feeding operation within the brand inspection area;
  - One person who owns or operates a livestock operation market that primarily sells cattle and that is located within the brand inspection area; and
  - Two non-voting ex officio members or their designees being the Secretary of State and the Director of Agriculture.
- All voting members are to be appointed by the Governor and confirmed by the Legislature;
- Allows for appointment of an executive director by the Brand Committee, subject to approval of the Governor;
- Makes the following changes to the Brand fee schedule:
  - Amend the brand renewal fee cap from \$200 to \$400;
  - Amend the physical inspection fee cap from \$1.10 to \$1.50 per head;
  - Creates a surcharge of not more than \$30 to cover travel costs for inspection;
  - Amend the electronic inspection fee from \$1.10 to \$1.50 per head;
- Strikes an obsolete reporting requirement;
- Allows for cattle to be moved into a registered feedlot or backgrounding lot without being subject to brand inspection if such cattle meet certain requirements;
- Allows for the Brand Committee to 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;
- Creates a process for registering a dairy with the Brand Committee and establishes a fee equal to amount of 50 cents times the maximum capacity of the facility and requires the fee to be paid on an annual basis;
- Requires the Brand Committee to audit each registered dairy heifer facility at least three times per year, describes the audit process;
- Allows for cattle that originate in a state with a brand inspection agency and that are accompanied by a certificate of inspection or brand clearance to be moved directly from the point of origin into a registered dairy heifer development facility or qualified dairy. Any cattle without such certificate or brand clearance shall be subjected to a brand or electronic inspection upon arrival at the registered dairy heifer development facility;
- Allows for the Brand Committee to rescind the registration of a registered dairy heifer development facility and states conditions for rescission;
- Allows for the Brand Committee to adopt and promulgate rules related to registered dairy heifer development facilities and Brand Law;
- Requires that cattle that are sold or shipped from a registered dairy heifer development facility, for purposes other than entry into a qualified dairy, undergo brand inspection;
- Sets the fee for cattle in a registered feedlot to be 25% of the physical inspection fee;
- Creates requirements for registered feedlot operators; and
- Allows for the Brand Committee to audit registered feedlots twice per year, creates a process by which the Committee can conduct additional audits.

Assuming no adjustment in fees utilizing the authority granted by this legislation, our office estimates the following legislative impact:

- A reduction of revenues from registered feedlots of \$981,000 in FY2026-27;
- An increase in expense related to reimbursement of expenses for two new Committee Members, estimated \$10,000 per year;

- An indeterminate cost related to dairy heifer development facilities; and
- An indeterminate cost savings related to a reduction in audits.

It is assumed that the Brand Committee will adjust its fee schedule to accommodate the changes in revenue. However, the timing and amount of any fee schedule changes are unknown. The Brand Committee has sufficient appropriation to accommodate the expense reimbursement related to new Committee members.