

## LEGISLATIVE BILL 856

Approved by the Governor April 12, 2006

Introduced by Kremer, 34; Combs, 32; Fischer, 43; Mines, 18

AN ACT relating to animals; to amend sections 2-3006, 2-3007, 54-625, 54-627, 54-633, 54-701.03, 54-703, 54-704, 54-705, 54-750, 54-751, 54-752, 54-753, 54-2601, and 54-2603, Reissue Revised Statutes of Nebraska, and sections 2-3002, 2-3003, 2-3005, 28-1008, and 28-1018, Revised Statutes Cumulative Supplement, 2004; to change provisions relating to the Nebraska Poultry Disease Control Act; to regulate exotic animal auctions and swap meets as prescribed; to change prohibited acts relating to animals; to change provisions relating to diseased animals; to define and redefine terms; to change provisions of the Commercial Dog and Cat Operator Inspection Act; to provide powers for the Department of Agriculture; to change provisions relating to the Competitive Livestock Markets Act; to change and provide penalties; to authorize a livestock premises and animal identification system as prescribed; to harmonize provisions; to provide a duty for the Revisor of Statutes; and to repeal the original sections.

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

Section 1. Section 2-3002, Revised Statutes Cumulative Supplement, 2004, is amended to read:

2-3002 As used in the Nebraska Poultry Disease Control Act, unless the context otherwise requires:

~~(1) Poultry means domesticated fowl, including chickens, turkeys, ostriches, emus, rheas, cassowaries, waterfowl, and game birds, except doves and pigeons, which are bred for the primary purpose of producing eggs or meat;~~

~~(2) Hatching eggs means eggs of poultry for hatching purposes including embryonated eggs;~~

~~(3) (1) Breeding poultry flock means two or more individuals of the same species and different sexes maintained together for the purpose of producing fertile eggs for the hatching of offspring;~~

~~(2) Commercial poultry flock means meat-type chickens, meat-type turkeys, or table-egg layers;~~

~~(3) Hatchery means hatchery equipment on one premises operated or controlled by any person;~~

~~(4) Breeding flock means two or more individuals of the same species and different sexes maintained together to produce fertile eggs for the hatching of offspring;~~

~~(5) (4) Hatching eggs means eggs of poultry for hatching purposes including embryonated eggs;~~

~~(5) Noncommercial poultry means backyard flocks and hobby and pet birds;~~

~~(6) Person means an individual, corporation, firm, partnership, or limited liability company or any member or officer thereof; and~~

~~(6) (7) Poultry means domesticated fowl which are bred for the primary purpose of producing eggs or meat, including chickens, turkeys, ostriches, emus, rheas, cassowaries, waterfowl, and game birds, except doves and pigeons; and~~

~~(8) Pullorum and typhoid clean means poultry in which no pullorum-typhoid reactors were found on the first official blood test or which have been retested with two consecutive official negative tests subjected to official retesting which produced two consecutive negative results.~~

Sec. 2. Section 2-3003, Revised Statutes Cumulative Supplement, 2004, is amended to read:

2-3003 The intent of the Nebraska Poultry Disease Control Act shall be to control and eradicate poultry diseases of poultry, to provide for cooperation with the United States Department of Agriculture and other states to that end, and to provide authority to test breeding poultry flocks and commercial poultry flocks and quarantine infected flocks.

Sec. 3. Section 2-3005, Revised Statutes Cumulative Supplement, 2004, is amended to read:

2-3005 (1) The State Veterinarian, subject to the approval of the Director of Agriculture, shall adopt and promulgate such rules and regulations to carry out the purposes and intent of the Nebraska Poultry Disease Control Act. As far as practical, the disease provisions of the rules and regulations officially promulgated by the United States Department of Agriculture, commonly known and cited as the National Poultry Improvement

Plan and Auxiliary Provisions, shall be adopted (a) to establish and maintain breeding poultry flocks and hatcheries as pullorum and typhoid clean, (b) to establish requirements for poultry being exhibited, (c) to assure that only breeding poultry flocks and hatching eggs which are pullorum and typhoid clean are moved into and within Nebraska, and (d) to establish testing requirements to monitor the presence of pullorum and typhoid in Nebraska, and (e) to establish testing requirements to monitor the presence of H5/H7 subtypes of low pathogenic avian influenza Type A in breeding poultry flocks and commercial poultry flocks.

(2) The State Veterinarian shall have authority to monitor for the presence of various subtypes of avian influenza in noncommercial poultry and any other dangerous, infectious, contagious, or otherwise transmissible disease of poultry. For fiscal year 2006-07, the State Veterinarian shall carry out a program of surveillance of noncommercial poultry flocks for the presence of various subtypes of avian influenza and may cooperate with the University of Nebraska to develop and carry out such program of surveillance. The State Veterinarian may continue such program of surveillance beyond fiscal year 2006-07 as deemed necessary subject to the availability of funds for such purpose. Any activities carried out by or on behalf of the State Veterinarian pursuant to this section shall be conducted with the voluntary cooperation of noncommercial poultry flock owners or the property owner where such poultry are located to the extent that this section does not conflict with the State Veterinarian's disease surveillance authorities pursuant to section 54-701.02.

~~(2)~~ (3) The State Veterinarian shall have quarantine power and may require reports and records from persons subject to the act as established in the rules and regulations.

Sec. 4. Section 2-3006, Reissue Revised Statutes of Nebraska, is amended to read:

2-3006 Field sampling and testing required by the provisions of the Nebraska Poultry Disease Control Act and the rules and regulations duly promulgated under the provisions of the act, and the costs of maintaining quarantined poultry shall be at the expense of the owner. No state-funded indemnity shall be paid to owners of pullorum- or typhoid-infected flocks slaughtered or disposed of in any manner. No state-funded indemnity shall be paid to owners of poultry flocks infected with avian influenza that are slaughtered or disposed of in any manner.

Sec. 5. Section 2-3007, Reissue Revised Statutes of Nebraska, is amended to read:

2-3007 The State Veterinarian or anyone authorized thereby, upon contacting the person in charge, may enter upon all land or enter any building maintained for the production of poultry or hatching eggs to examine the poultry or hatching eggs to ascertain the existence of pullorum, ~~or~~ typhoid, avian influenza, or any other dangerous, infectious, contagious, or otherwise transmissible disease in poultry. It shall be unlawful to hinder, impede, or prevent any authorized agent of the Department of Agriculture from entering any building maintained for the production of poultry or hatching eggs in the performance of his or her duty or from making any examination duly ordered by the State Veterinarian.

Sec. 6. The purpose of sections 6 to 9 of this act is to authorize the Bureau of Animal Industry to require exotic animal auction or swap meet organizers to notify the bureau of any scheduled exotic animal auction or swap meet and to maintain records for animal disease tracking purposes. Exotic animals sold at exotic animal auctions or swap meets are often foreign to the United States or to the State of Nebraska. These exotic animals may carry dangerous, infectious, contagious, or otherwise transmissible diseases, including foreign animal diseases, which could pose a threat to Nebraska's livestock health and the livestock industry.

Sec. 7. An exotic animal auction or swap meet organizer shall notify the Bureau of Animal Industry at least thirty days prior to the date on which the exotic animal auction or swap meet is to be held. Notification shall include the location, time, and dates of the exotic animal auction or swap meet and the name and address of the exotic animal auction or swap meet organizer. Notification shall be made in writing or by facsimile transmission.

Sec. 8. (1) An exotic animal auction or swap meet organizer shall maintain records for each exotic animal auction or swap meet such organizer arranges, organizes, leases areas for, or otherwise coordinates at least five years after the date of the exotic animal auction or swap meet. The records shall include:

(a) The name, address, and telephone number of the exotic animal auction or swap meet organizer;

(b) The name and address of all persons who purchased, sold, traded, bartered, gave away, or otherwise transferred an exotic animal at the exotic

animal auction or swap meet;

(c) The number of and species or type of each exotic animal purchased, sold, traded, bartered, given away, or otherwise transferred at the exotic animal auction or swap meet;

(d) The date of purchase, sale, trade, barter, or other transfer of an exotic animal at the exotic animal auction or swap meet; and

(e) A copy of the completed certificate of veterinary inspection, if required under the Animal Importation Act or any rules or regulations adopted and promulgated under the act or if the exotic animal is to be exported to another state, for each exotic animal purchased, sold, traded, bartered, given away, or otherwise transferred at the exotic animal auction or swap meet.

(2) An exotic animal auction or swap meet organizer shall, during all reasonable times, permit authorized employees and agents of the department to have access to and to copy any or all records relating to his or her exotic animal auction or swap meet business.

(3) When necessary for the enforcement of sections 6 to 9 of this act or any rules and regulations adopted and promulgated pursuant to such sections, the authorized employees and agents of the department may access the records required by this section.

Sec. 9. No beef or dairy cattle, calves, swine, bison, or sheep sold for wool or food, goats sold for dairy, food, or fiber, or domesticated cervine animals shall be purchased, sold, bartered, traded, given away, or otherwise transferred at an exotic animal auction or swap meet. An exotic animal auction or swap meet organizer shall contact the Bureau of Animal Industry if a particular animal cannot be readily identified as an animal that is prohibited from being purchased, sold, bartered, traded, given away, or otherwise transferred at an exotic animal auction or swap meet under this section.

Sec. 10. Compliance with sections 6 to 9 of this act does not relieve a person of the requirement to comply with the provisions of sections 37-477 to 37-479.

Sec. 11. Section 28-1008, Revised Statutes Cumulative Supplement, 2004, is amended to read:

28-1008 For purposes of sections 28-1008 to 28-1017:

(1) Abandon means to leave any animal for any length of time without making effective provision for its food, water, or other care as is reasonably necessary for the animal's health;

(2) Animal means any vertebrate member of the animal kingdom. The term does not include an uncaptured wild creature;

(3) Cruelly mistreat means to knowingly and intentionally kill, maim, disfigure, torture, beat, mutilate, burn, scald, or otherwise inflict harm upon any animal;

(4) Cruelly neglect means to fail to provide any animal in one's care, whether as owner or custodian, with food, water, or other care as is reasonably necessary for the animal's health;

(5) Humane killing means the destruction of an animal by a method which causes the animal a minimum of pain and suffering;

(6) Law enforcement officer means any member of the Nebraska State Patrol, any county or deputy sheriff, any member of the police force of any city or village, or any other public official authorized by a city or village to enforce state or local animal control laws, rules, regulations, or ordinances. Law enforcement officer also includes any inspector under the Commercial Dog and Cat Operator Inspection Act to the extent that such inspector may exercise the authority of a law enforcement officer under section 28-1012 while in the course of performing inspection activities under the Commercial Dog and Cat Operator Inspection Act; and

(7) Police animal means a horse or dog owned or controlled by the State of Nebraska for the purpose of assisting a Nebraska state trooper in the performance of his or her official enforcement duties.

Sec. 12. Section 28-1018, Revised Statutes Cumulative Supplement, 2004, is amended to read:

28-1018 (1) A person, other than an animal control facility or animal shelter, who sells a puppy or kitten under ~~six~~ eight weeks of age without its mother is guilty of a Class V misdemeanor.

(2) For purposes of this section:

(a) Animal control facility means a facility operated by the state or any political subdivision of the state for the purpose of impounding or harboring seized, stray, homeless, abandoned, or unwanted animals; and

(b) Animal shelter means a facility used to house or contain dogs or cats and owned, operated, or maintained by an incorporated humane society, animal welfare society, society for the prevention of cruelty to animals, or other nonprofit organization devoted to the welfare, protection, and humane

treatment of such animals.

Sec. 13. Section 54-625, Reissue Revised Statutes of Nebraska, is amended to read:

54-625 Sections 54-625 to 54-641 and section 16 of this act shall be known and may be cited as the Commercial Dog and Cat Operator Inspection Act.

Sec. 14. Section 54-627, Reissue Revised Statutes of Nebraska, is amended to read:

54-627 (1) Beginning April 1, 2001, a person shall not operate as a commercial breeder, a dealer, or a boarding kennel and beginning October 1, 2003, a person shall not operate as an animal control facility or an animal shelter unless the person obtains the appropriate license as a commercial breeder, dealer, boarding kennel, animal control facility, or animal shelter. Beginning January 1, 2004, a person shall not operate as a pet shop unless the person obtains a license as a pet shop. A pet shop shall only be subject to the Commercial Dog and Cat Operator Inspection Act and the rules and regulations adopted and promulgated pursuant thereto in any area or areas of the establishment used for the keeping and selling of pet animals.

(2) An applicant for a license shall submit an application for the appropriate license to the department, on a form prescribed by the department, together with a nonreturnable the annual license fee. Such fee shall be one hundred fifty dollars. The license fee shall be paid annually. Such fee is nonreturnable. Additionally, the department may conduct an inspection of the facilities and sanitation and confinement practices of the applicant or any other practices that may affect the humane treatment of dogs and cats pet animals. Upon receipt of the application and initial annual license fee, the appropriate license may be issued by the department. Such license shall not be transferable to another person or location.

~~(2) The fee charged under this section may be raised or lowered by the director after a public hearing is held outlining the reason for any proposed change in the rate. The maximum rate fixed by the director shall not exceed two hundred dollars.~~

(3) The annual license fee shall be according to a fee schedule prepared by the director. The fees shall be based upon the number of animals served by the licensee, and there shall be startup discounts for new licensees. The maximum annual license fee shall not exceed two hundred fifty dollars.

~~(3) (4) A license to operate as a commercial breeder, a license to operate as a dealer, a license to operate as a boarding kennel, or a license to operate as a pet shop shall be renewed by filing with the department at least thirty days prior to April 1 of each year a renewal application and the annual license fee. A license to operate as an animal control facility or animal shelter shall be renewed by filing with the department at least thirty days prior to October 1 of each year a renewal application and the annual license fee. Failure to renew a license prior to the expiration of the license shall result in an additional fee of twenty dollars required upon application to renew such license.~~

Sec. 15. Section 54-633, Reissue Revised Statutes of Nebraska, is amended to read:

54-633 (1) In order to ensure compliance with the Commercial Dog and Cat Operator Inspection Act, the department may apply for a restraining order, temporary or permanent injunction, or mandatory injunction against any person violating or threatening to violate the act, the rules and regulations, or any order of the director issued pursuant thereto. The district court of the county where the violation is occurring or is about to occur shall have jurisdiction to grant relief upon good cause shown. Relief may be granted notwithstanding the existence of any other remedy at law and shall be granted without bond.

The county attorney of the county in which such violations are occurring or about to occur shall, when notified of such violation or threatened violation, cause appropriate proceedings under this section to be instituted and pursued without delay.

(2) If alleged violations of the Commercial Dog and Cat Operator Inspection Act, the rules and regulations, or an order of the director or an offense against animals observed by an inspector in the course of performing an inspection under the act poses a significant threat to the health or safety of the dogs or cats harbored or owned by an applicant or licensee, the department may direct an inspector to impound the dogs or cats pursuant to sections 28-1011 and 28-1012 or may request a any other law enforcement officer as defined in section 28-1008 to impound the dogs or cats pursuant to sections 28-1011 and 28-1012. The department shall cooperate and coordinate with law enforcement agencies, political subdivisions, animal shelters, humane societies, and other appropriate entities, public or private, to provide for

the care, shelter, and disposition of animals impounded by the department pursuant to this section.

Sec. 16. On or before November 1 of each year, the department shall submit a report to the Legislature in sufficient detail to document all costs incurred in the previous fiscal year in carrying out the Commercial Dog and Cat Operator Inspection Act. The report shall identify costs incurred by the department to administer the act and shall detail costs incurred by primary activity. The department shall also provide a breakdown by category of all revenue credited to the Commercial Dog and Cat Operator Inspection Program Cash Fund in the previous fiscal year. The Agriculture Committee and Appropriations Committee of the Legislature shall review the report to ascertain program activity levels and to determine funding requirements of the program.

Sec. 17. Section 54-701.03, Reissue Revised Statutes of Nebraska, is amended to read:

54-701.03 For purposes of sections 54-701 to 54-753.05 and 54-797 to 54-7,103 and sections 6 to 9 of this act:

(1) Accredited veterinarian means a veterinarian approved by the deputy administrator of the United States Department of Agriculture in accordance with 9 C.F.R. part 161, as such regulation existed on ~~September 1, 2001~~ January 1, 2006;

(2) Animal means all vertebrate members of the animal kingdom except humans or ~~uncaptured~~ wild animals at large;

(3) Bureau of Animal Industry means the Bureau of Animal Industry of the Department of Agriculture of the State of Nebraska and includes the State Veterinarian, deputy state veterinarian, veterinary field officers, livestock inspectors, investigators, and other employees of the bureau;

(4) Dangerous disease means a disease transmissible to and among livestock which has the potential for rapid spread, serious economic impact or serious threat to livestock health, and is of major importance in the trade of livestock and livestock products;

(5) Department means the Department of Agriculture of the State of Nebraska;

(6) Director means the Director of Agriculture of the State of Nebraska or his or her designee;

(7) Domesticated cervine animal means any elk, deer, or other member of the family cervidae legally obtained from a facility which has a license, permit, or registration authorizing domesticated cervine animals which has been issued by the state where the facility is located and such animal is raised in a confined area;

(8) Exotic animal means any animal which is not commonly sold through licensed livestock auction markets pursuant to the Livestock Auction Market Act. Such animals shall include, but not be limited to, miniature cattle, miniature horses, miniature donkeys, Barbary sheep, Dall's sheep, alpacas, llamas, pot-bellied pigs, and small mammals, with the exception of cats of the Felis domesticus species and dogs of the Canis familiaris species. The term also includes birds and poultry. The term does not include beef and dairy cattle, calves, swine, bison, sheep sold for wool or food, goats sold for dairy, food, or fiber, and domesticated cervine animals;

(9) Exotic animal auction or swap meet means any event or location as defined in rules and regulations of the department, other than a livestock auction market as defined in section 54-1158, where (a) an exotic animal is purchased, sold, traded, bartered, given away, or otherwise transferred, (b) an offer to purchase an exotic animal is made, or (c) an exotic animal is offered to be sold, traded, bartered, given away, or otherwise transferred;

(10) Exotic animal auction or swap meet organizer means a person in charge, as identified by rule and regulation of the department, of organizing an exotic animal auction or swap meet event, and may include any person who: (a) Arranges events for third parties to have private sales or trades of exotic animals; (b) organizes or coordinates exotic animal auctions or swap meets; (c) leases out areas for exotic animal auctions or swap meets; or (d) provides or coordinates other similar arrangements involving exotic animals;

(11) Exposed means being part of a herd which contains or has contained an animal infected with a disease agent which affects livestock or having had a reasonable opportunity to come in contact with an infective disease agent which affects livestock;

~~(9)~~ (12) Herd means any group of livestock maintained on common ground for any purpose or two or more groups of livestock under common ownership or supervision geographically separated but which have an interchange of livestock without regard to health status;

~~(10)~~ (13) Livestock means cattle, swine, sheep, horses, mules, goats, domesticated cervine animals, ratite birds, and poultry;

~~(11)~~ (14) Poultry means domesticated birds that serve as a source of eggs or meat and includes, but is not limited to, chickens, turkeys, ducks, and geese;

~~(12)~~ (15) Program disease means a livestock disease for which specific legislation exists for disease control or eradication;

~~(13)~~ (16) Quarantine means restriction of (a) movement imposed by the department on an animal, group of animals, or herd of animals because of infection with, or exposure to, a disease agent which affects livestock and (b) use of equipment, facilities, land, buildings, and enclosures which are used or have been used by animals infected with, or suspected of being infected with, a disease agent which affects livestock;

~~(14)~~ (17) Ratite bird means any ostrich, emu, rhea, kiwi, or cassowary;

~~(15)~~ (18) Sale means a sale, lease, loan, trade, barter, or gift;

~~(16)~~ (19) Surveillance means the collection and testing of livestock blood, tissue, hair, body fluids, discharges, excrements, or other samples done in a herd or randomly selected livestock to determine the presence or incidence of disease in the state or area of the state; and

~~(17)~~ (20) Veterinarian means an individual who is a graduate of an accredited college of veterinary medicine.

Sec. 18. Section 54-703, Reissue Revised Statutes of Nebraska, is amended to read:

54-703 (1) The Department of Agriculture and all inspectors and persons appointed and authorized to assist in the work of the department shall enforce sections 54-701 to 54-753.05 and 54-797 to 54-7,103 and sections 6 to 9 of this act as designated.

(2) The department and any officer, agent, employee, or appointee of the department shall have the right to enter upon the premises of any person who has, or is suspected of having, any animal thereon, including any premises where the carcass or carcasses of dead livestock may be found or where a facility for the disposal or storage of dead livestock is located, for the purpose of making any and all inspections, examinations, tests, and treatments of such animal, to inspect livestock carcass disposal practices, and to declare, carry out, and enforce any and all quarantines.

(3) The department, in consultation with the Department of Environmental Quality and the Department of Health and Human Services Regulation and Licensure, may adopt and promulgate rules and regulations reflecting best management practices for the burial of carcasses of dead livestock.

(4) The Department of Agriculture shall further adopt and promulgate such rules and regulations as are necessary to promptly and efficiently enforce and effectuate the general purpose and provisions of such sections.

Sec. 19. Section 54-704, Reissue Revised Statutes of Nebraska, is amended to read:

54-704 Any veterinary inspector or agent of the United States Department of Agriculture, Animal and Plant Health Inspection Service, Veterinary Services, who has been officially assigned by the United States Department of Agriculture for service in Nebraska may be officially authorized by the Department of Agriculture to perform and exercise such powers and duties as may be prescribed by the department and when so authorized shall have and exercise all rights and powers vested by sections 54-701 to 54-753.05 and 54-797 to 54-7,103 and sections 6 to 9 of this act in agents and representatives in the regular employ of the department.

Sec. 20. Section 54-705, Reissue Revised Statutes of Nebraska, is amended to read:

54-705 The Department of Agriculture or any officer, agent, employee, or appointee thereof may call upon any sheriff, deputy sheriff, or other police officer to execute the orders of the department, and the officer shall obey the orders of the department. The officers performing such duties shall receive compensation therefor as is prescribed by law for like services and shall be paid therefor by the county. Any officer may arrest and take before the county judge of the county any person found violating any of the provisions of sections 54-701 to 54-753.05 and sections 6 to 9 of this act, and such officer shall immediately notify the county attorney of such arrest. The county attorney shall prosecute the person so offending according to law.

Sec. 21. Section 54-750, Reissue Revised Statutes of Nebraska, is amended to read:

54-750 It shall be unlawful for any person to knowingly harbor, sell, or otherwise dispose of any animal or any part thereof affected with an infectious, contagious, or otherwise transmissible disease except as provided by sections 54-701 to 54-753 and sections 6 to 9 of this act, and the rules and regulations prescribed by the Department of Agriculture thereunder. Any

person so offending shall be deemed guilty of a Class II misdemeanor for the first violation and a Class I misdemeanor for any subsequent violation.

Sec. 22. Section 54-751, Reissue Revised Statutes of Nebraska, is amended to read:

54-751 It shall be unlawful for any person to violate any rule or regulation prescribed and promulgated by the Department of Agriculture pursuant to authority granted by sections 54-701 to 54-753 and sections 6 to 9 of this act, and any person so offending shall be guilty of a Class II misdemeanor for the first violation and a Class I misdemeanor for any subsequent violation.

Sec. 23. Section 54-752, Reissue Revised Statutes of Nebraska, is amended to read:

54-752 Any person violating any of the provisions of sections 54-701 to 54-753 and sections 6 to 9 of this act shall be guilty of a Class II misdemeanor for the first violation and a Class I misdemeanor for any subsequent violation.

Sec. 24. Section 54-753, Reissue Revised Statutes of Nebraska, is amended to read:

54-753 The penal provisions of section 54-752 shall not be exclusive, but the district courts of this state, in the exercise of their equity jurisdiction, may, by injunction, compel the observance of, and by that remedy enforce, the provisions of sections 54-701 to 54-753 and sections 6 to 9 of this act and the rules and regulations established and promulgated by the Department of Agriculture.

Sec. 25. Section 54-2601, Reissue Revised Statutes of Nebraska, is amended to read:

54-2601 Sections 54-2601 to 54-2631 and section 27 of this act shall be known and may be cited as the Competitive Livestock Markets Act.

Sec. 26. Section 54-2603, Reissue Revised Statutes of Nebraska, is amended to read:

54-2603 (1) The Legislature finds that family farmers and ranchers have been experiencing, with greater frequency, severely depressed livestock market prices. These market conditions are disproportionately affecting independent producers, which make up the majority of farms and ranches, and are threatening the economic stability of Nebraska's rural communities. The Legislature further finds that packer concentration, vertical integration, and contractual arrangements are undermining the system of price discovery. In the absence of any meaningful federal response to the conditions described, the purpose of the Competitive Livestock Markets Act is to increase livestock market price transparency, ensuring that producers can compete in a free and open market. This is accomplished by establishing minimum price and contract reporting requirements, eliminating volume premiums and volume-based incentives, scrutinizing livestock production contracts and marketing agreements, and statutorily reinforcing the constitutional prohibition against the ownership, keeping, or feeding of livestock by packers for the production of livestock or livestock products.

(2) The Legislature further finds that the mandatory reporting of price and other terms in negotiated or contract procurement of livestock that has been in place under the federal Livestock Mandatory Reporting Act of 1999 is an important reform of livestock markets that contributes to greater market transparency, enhances the ability of livestock sellers to more competently and confidently market livestock, and lessens the existence of conditions under which market price manipulation and unfair preference or advantage in packer procurement practices can occur. It is a purpose of the Competitive Livestock Markets Act to provide for the continuation of mandatory price reporting for the benefit of Nebraska producers and protection of the integrity of livestock markets in Nebraska in the event of termination of the federal Livestock Mandatory Reporting Act of 1999 and its preemption of similar state price reporting laws as well as to provide for an orderly implementation of the state price reporting system authorized by the Competitive Livestock Markets Act, should Congress fail to reauthorize the federal Livestock Mandatory Reporting Act of 1999.

Sec. 27. (1) Sections 54-2607 to 54-2627 are preempted by the federal Livestock Mandatory Reporting Act of 1999, 7 U.S.C. 1635 to 1636h, when such federal act is in effect.

(2)(a) If Congress does not reauthorize the federal Livestock Mandatory Reporting Act of 1999 before December 1, 2006, the director shall, on December 1, 2006, or as soon before or after as practicable, prepare a budget and an appropriation request from the General Fund, from the Competitive Livestock Markets Cash Fund, or from other cash funds under the control of the director, for submission to the Legislature in an amount sufficient to enable the department to carry out its duties under sections

54-2607 to 54-2627, and such sections shall become applicable on October 1, 2007.

(b) If, on or after December 1, 2006, Congress does not reauthorize the federal Livestock Mandatory Reporting Act of 1999, the director shall prepare such budget and appropriation request on or before a date that is twelve calendar months after the date such federal act expires or is terminated, and sections 54-2607 to 54-2627 shall become applicable on the first day of the calendar quarter that is eighteen months after the date such sections are not preempted by the federal act. No General Funds shall be appropriated for implementation of sections 54-2607 to 54-2627 after the date of commencement provided for in this section of reporting of price and other data regarding livestock transactions pursuant to sections 54-2613 and 54-2623. It is the intent of the Legislature that any General Funds appropriated for purposes of this section shall be reimbursed to the General Fund.

Sec. 28. The Department of Agriculture may, within the framework and consistent with standards of the National Animal Identification System, cooperate and coordinate with the Animal and Plant Health Inspection Service of the United States Department of Agriculture and other local, state, and national agencies and organizations, public or private, to define premises where livestock are located, to develop a premises registration system for Nebraska, and to implement other state components of a national uniform system of animal identification.

Sec. 29. (1) Any information that a person provides to the Department of Agriculture for purposes of premises registration or otherwise for voluntary participation in or compliance with a uniform system of animal identification shall not be subject to public inspection pursuant to sections 84-712 to 84-712.09. The department and its employees or agents shall not disclose such information to any other person or agency except when such disclosure:

(a) Is authorized by the person who provides the information; or

(b) Is necessary for purposes of disease surveillance or to carry out epidemiological investigations related to incidences of animal disease.

(2) The department may disclose information as authorized by this section subject to any confidentiality requirements that the department determines are appropriate under the circumstances.

(3) Any person who violates this section shall be subject to prosecution and penalty for official misconduct pursuant to section 28-924.

(4) Nothing in this section shall be construed to prohibit the department from discussing, reporting, or otherwise disclosing the progress or results of disease surveillance activities or epidemiological investigations related to incidences of animal disease.

Sec. 30. The Revisor of Statutes shall assign sections 28 and 29 of this act within sections 54-701 to 54-705.

Sec. 31. Original sections 2-3006, 2-3007, 54-625, 54-627, 54-633, 54-701.03, 54-703, 54-704, 54-705, 54-750, 54-751, 54-752, 54-753, 54-2601, and 54-2603, Reissue Revised Statutes of Nebraska, and sections 2-3002, 2-3003, 2-3005, 28-1008, and 28-1018, Revised Statutes Cumulative Supplement, 2004, are repealed.