

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office  
FLOOR DEBATE

March 11, 2005      LB 71

agricultural loan program definitions by removing net worth tests for borrowers, and increases the maximum loan amount provided by NIFA from \$250,000 to \$500,000. And, by the way, that's in conformance with the new market tax credit program. Nebraska's net worth limitation or provision attempts to provide an additional test over and above federal law of smaller farmer eligibility. The mechanism is seen to discriminate against conservative ag producers who encumber their property or operations with long-term debt, in effect penalizing those ranchers and farmers and ag producers that pay down their debt, and this would allow them, from a net worth perspective, to participate in the program. The loan limit of \$250,000 has not been reviewed or adjusted since 1991, and it was modified to conform then to federal tax-exempt bond loan program. Because of the outdated loan and net worth limits in the NIFA Act, Nebraska risks being unable or allowed to be conservative and productive small farmers and ranchers and stands in the way of NIFA accessing these funds. With that, I will entertain any questions, Mr. President. Thank you.

SENATOR CUDABACK: Thank you, Senator Mines. You've heard the opening on AM0627. (Visitors introduced.) On with discussion of the Mines amendment, Senator Stuhr, followed by Senator Beutler.

SENATOR STUHR: Thank you, Mr. President and members of the body. When another senator comes to you and asks you to put on an amendment when your bill is on Select File, you always become a little hesitant. But after learning about this proposal, I am supportive of the amendment because I feel that it is a very good fit for this bill. It does give another tool that could assist in improving the economic conditions for our rural areas, and I do want to emphasize that there is no cost to the state. As Senator Mines pointed out, it is merely changing the statute in several areas, and the first one, there were two provisions, and he did go over those but, again, it changes the loan limit from \$250,000 to \$500,000. I think any of you that are involved in small businesses would appreciate, with increasing values, that it is necessary to raise that amount. So that is the first provision that we're asking for a change, and the second was to change the provision relating to the net worth. It is our