

ONE HUNDRED SECOND LEGISLATURE - SECOND SESSION - 2012
COMMITTEE STATEMENT
LB905

Hearing Date: Tuesday February 07, 2012
Committee On: Agriculture
Introducer: Carlson
One Liner: Change the Nebraska Wheat Resources Act

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

Vote Results:
Aye: 6 Senators Bloomfield, Brasch, Carlson, Harr, Karpisek, Wallman
Nay:
Absent:
Present Not Voting: 2 Senators Larson, Lathrop

Proponents:	Representing:
Senator Tom Carlson	Introducer
Dayton Christensen	Nebraska Wheat Growers Association
Dan Hughes	Self
Steve Nelson	Nebraska Farm Bureau
Carl Sousek	Nebraska Corn Growers Association
Scott Richert	Nebraska Soybean Association
Loren Schmit	Self
Michael Kelsey	Nebraska Cattlemen

Opponents:	Representing:
John Hansen	Nebraska Farmers Union

Neutral:	Representing:
Larry Flohr	Nebraska Wheat Board

Summary of purpose and/or changes:

LB 905 would amend the Nebraska Wheat Resources Act (sections 2-2301 to 2-2321) to make a series of changes, as follows:

Revises the wheat promotional checkoff assessment imposed under section 2-2311 to apply to a percentage of value rather than a fixed assessment per bushel. New defined terms for "net market price" and "net market value" are inserted in to Section 2-2303 by section 3 of the bill to support the new assessment methodology. The revisions to 2-2311 in section 6 of the bill would impose a statutory assessment rate of 1/2 of 1% of net market value commencing on the operative date of the act with authority for the Wheat Board to adjust the rate within a statutory maximum of 3/4 of 1% of net market value. An operative date of July 1, 2012 is established by section 11 of the bill and the emergency clause is attached as section 13 to accommodate the July 1 start date.

Amendments to Section 2-2317 in section 8 of the bill would restate the creation of the Nebraska Wheat Development, Utilization and Marketing Fund. The revisions continue the fund as the repository of checkoff assessments collected but expand revenues that are remitted to the fund to include gifts, grants and other non-checkoff revenues, and repayments to the fund including royalties and license fees.

Section 9 of the bill amends section 2-2318 to removes a limitation that research contracts entered into under the

authority of the Act are limited to one-year duration. Finally, the bill inserts a number of non substantive Revisor's Office revisions throughout the Wheat Resources Act that correct internal references, delete obsolete text, and rewrite provisions for style and clarity.

Explanation of amendments:

The committee amendments revise the assessment rate in section 2-2311 to 4/10th of 1% of net market value with authority for the Board to make future adjustments in the rate within a statutory maximum of 5/10th of 1%. The committee amendment strikes a procedural specification contained in the bill as introduced regarding future adjustments in the assessment rate and further codifies existing understanding that any adjustment be by rule promulgated in accordance with the Administrative Procedures Act.

The committee amendment strikes the July 1, 2012 operative date of the bill as introduced and establishes October 1, 2012 as the operative date for the commencement of the revised assessment. The remaining revisions would become operative on the effective date of the bill. This revision negates the need for the emergency clause which is omitted by the committee amendment.

The committee amendment also strikes gifts and grants as revenues that may be placed in the cash fund, but retains that the fund may receive repayments to the fund including royalties and license fees that may derive from Wheat Board sponsored research projects.

Tom Carlson, Chairperson