

AMENDMENTS TO LB116

Introduced by Agriculture.

1           1. Strike the original sections and insert the following new  
2 sections:

3           Section 1. Section 2-958.02, Reissue Revised Statutes of Nebraska,  
4 is amended to read:

5           2-958.02 (1) From funds available in the Noxious Weed and Invasive  
6 Plant Species Assistance Fund, the director may administer a grant  
7 program to assist local control authorities and other weed management  
8 entities in the cost of implementing and maintaining noxious weed control  
9 programs and in addressing special weed control problems as provided in  
10 this section.

11           (2) The director shall receive applications by local control  
12 authorities and weed management entities for assistance under this  
13 subsection and, in consultation with the advisory committee created under  
14 section 2-965.01, award grants for any of the following eligible  
15 purposes:

16           (a) To conduct applied research to solve locally significant weed  
17 management problems;

18           (b) To demonstrate innovative control methods or land management  
19 practices which have the potential to reduce landowner costs to control  
20 noxious weeds or improve the effectiveness of noxious weed control;

21           (c) To encourage the formation of weed management entities;

22           (d) To respond to introductions or infestations of invasive plants  
23 that threaten or potentially threaten the productivity of cropland and  
24 rangeland over a wide area;

25           (e) To respond to introductions and infestations of invasive plant  
26 species that threaten or potentially threaten the productivity and  
27 biodiversity of wildlife and fishery habitats on public and private

1 lands;

2 (f) To respond to special weed control problems involving weeds not  
3 included in the list of noxious weeds promulgated by rule and regulation  
4 of the director if the director has approved a petition to bring such  
5 weeds under the county control program;

6 (g) To conduct monitoring or surveillance activities to detect, map,  
7 or determine the distribution of invasive plant species and to determine  
8 susceptible locations for the introduction or spread of invasive plant  
9 species; and

10 (h) To conduct educational activities.

11 (3) The director shall select and prioritize applications for  
12 assistance under subsection (2) of this section based on the following  
13 considerations:

14 (a) The seriousness of the noxious weed or invasive plant problem or  
15 potential problem addressed by the project;

16 (b) The ability of the project to provide timely intervention to  
17 save current and future costs of control and eradication;

18 (c) The likelihood that the project will prevent or resolve the  
19 problem or increase knowledge about resolving similar problems in the  
20 future;

21 (d) The extent to which the project will leverage federal funds and  
22 other nonstate funds;

23 (e) The extent to which the applicant has made progress in  
24 addressing noxious weed or invasive plant problems;

25 (f) The extent to which the project will provide a comprehensive  
26 approach to the control or eradication of noxious weeds or invasive plant  
27 species as identified and listed by the Nebraska Invasive Species  
28 Council;

29 (g) The extent to which the project will reduce or prevent the total  
30 population or area of infestation of a noxious weed or invasive plant  
31 species as identified and listed by the Nebraska Invasive Species

1 Council;

2 (h) The extent to which the project uses the principles of  
3 integrated vegetation management and sound science; and

4 (i) Such other factors that the director determines to be relevant.

5 (4) The director shall receive applications for grants under this  
6 subsection and shall award grants to recipients and programs eligible  
7 under this subsection. Priority shall be given to grant applicants whose  
8 proposed programs are consistent with vegetation management goals and  
9 priorities and plans and policies of the Riparian Vegetation Management  
10 Task Force established under section 2-970. Beginning in fiscal year  
11 2023-24 ~~2022-23~~, it is the intent of the Legislature to appropriate six  
12 ~~three~~ million dollars annually for the management of vegetation within  
13 the banks or flood plain of a natural stream. Such funds shall only be  
14 used to pay for activities and equipment as part of vegetation management  
15 programs that have as their primary objective improving conveyance of  
16 streamflow in natural streams. Grants from funds appropriated as provided  
17 in this subsection shall be disbursed only to weed management entities,  
18 local weed control authorities, and natural resources districts whose  
19 territory includes river basins, with priority given to river basins that  
20 are the subject of an interstate compact or decree. The Game and Parks  
21 Commission shall assist grant recipients in implementing grant projects  
22 under this subsection, and interlocal agreements under the Interlocal  
23 Cooperation Act or the Joint Public Agency Act shall be utilized whenever  
24 possible in carrying out the grant projects.

25 (5) Nothing in this section shall be construed to relieve control  
26 authorities of their duties and responsibilities under the Noxious Weed  
27 Control Act or the duty of a person to control the spread of noxious  
28 weeds on lands owned and controlled by him or her.

29 (6) The Department of Agriculture may adopt and promulgate necessary  
30 rules and regulations to carry out this section.

31 (7) The director may annually apply for conservation funding from

1 the Natural Resources Conservation Service of the United States  
2 Department of Agriculture.

3 Sec. 2. Section 54-2804, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 54-2804 The Livestock Growth Act Cash Fund is created. The fund may  
6 be used to carry out the Livestock Growth Act. The State Treasurer shall  
7 credit to the fund any funds transferred or appropriated to the fund by  
8 the Legislature and funds received as gifts or grants or other private or  
9 public funds obtained for the purposes of the act. The State Treasurer  
10 shall transfer two million dollars from the General Fund to the Livestock  
11 Growth Act Cash Fund on September 30, 2023, or as soon thereafter as  
12 administratively possible. Any money in the fund available for investment  
13 shall be invested by the state investment officer pursuant to the  
14 Nebraska Capital Expansion Act and the Nebraska State Funds Investment  
15 Act.

16 Sec. 3. Section 58-242, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 58-242 Prior to exercising any of the powers authorized by the  
19 Nebraska Investment Finance Authority Act regarding agricultural projects  
20 as defined in subdivision (2) of section 58-219, the authority shall  
21 require:

22 (1) That no loan will be made to any person with a net worth of more  
23 than one million ~~five hundred thousand~~ dollars;

24 (2) That the lender certify and agree that it will use the proceeds  
25 of such loan, investment, sale, or assignment within a reasonable period  
26 of time to make loans or purchase loans to provide agricultural  
27 enterprises or, if such lender has made a commitment to make loans to  
28 provide agricultural enterprises on the basis of a commitment from the  
29 authority to purchase such loans, such lender will make such loans and  
30 sell the same to the authority within a reasonable period of time;

31 (3) That the lender certify that the borrower is an individual who

1 is actively engaged in or who will become actively engaged in an  
2 agricultural enterprise after he or she receives the loan or that the  
3 borrower is a firm, partnership, limited liability company, corporation,  
4 or other entity with all owners, partners, members, or stockholders  
5 thereof being natural persons who are actively engaged in or who will be  
6 actively engaged in an agricultural enterprise after the loan is  
7 received;

8 (4) That the aggregate amount of the loan received by a borrower  
9 shall not exceed five hundred seventeen thousand seven hundred dollars,  
10 as such amount shall be adjusted for inflation in accordance with section  
11 147(c) of the Internal Revenue Code of 1986, as amended. In computing  
12 such amount a loan received by an individual shall be aggregated with  
13 those loans received by his or her spouse and minor children and a loan  
14 received by a firm, partnership, limited liability company, or  
15 corporation shall be aggregated with those loans received by each owner,  
16 partner, member, or stockholder thereof; and

17 (5) That the recipient of the loan be identified in the minutes of  
18 the authority prior to or at the time of adoption by the authority of the  
19 resolution authorizing the issuance of the bonds which will provide for  
20 financing of the loan.

21 Sec. 4. Section 77-5203, Revised Statutes Cumulative Supplement,  
22 2022, is amended to read:

23 77-5203 For purposes of the Beginning Farmer Tax Credit Act:

24 (1) Agricultural assets means agricultural land, livestock, farming,  
25 or livestock production facilities or buildings and machinery used for  
26 farming or livestock production located in Nebraska;

27 (2) Board means the Beginning Farmer Board created by section  
28 77-5204;

29 (3) Cash rent agreement means a rental agreement in which the  
30 principal consideration given to the owner of agricultural assets is a  
31 predetermined amount of money. A flex or variable rent agreement is an

1 alternative form of a cash rent agreement in which a predetermined base  
2 rent is adjusted for actual crop yield, crop price, or both according to  
3 a predetermined formula;

4 (4) Farm means any improved or unimproved tract of land ~~over ten~~  
5 ~~acres in area~~ used for or devoted to the commercial production of farm  
6 products;

7 (5) Farm product means those plants and animals useful to man and  
8 includes, but is not limited to, forages and sod crops, grains and feed  
9 crops, dairy and dairy products, poultry and poultry products, livestock,  
10 including breeding and grazing livestock, fruits, and vegetables;

11 (6) Farming or livestock production means the active use,  
12 management, and operation of real and personal property for the  
13 production of a farm product;

14 (7) Financial management program means a program for beginning  
15 farmers or livestock producers which includes, but is not limited to,  
16 assistance in the creation and proper use of record-keeping systems,  
17 periodic private consultations with licensed financial management  
18 personnel, year-end monthly cash flow analysis, and detailed enterprise  
19 analysis;

20 (8) Owner of agricultural assets means:

21 (a) An individual or a trustee having an ownership interest in an  
22 agricultural asset located within the State of Nebraska who meets any  
23 qualifications determined by the board;

24 (b) A spouse, child, or sibling who acquires an ownership interest  
25 in agricultural assets as a joint tenant, heir, or devisee of an  
26 individual or trustee who would qualify as an owner of agricultural  
27 assets under subdivision (8)(a) of this section; or

28 (c) A partnership, corporation, limited liability company, or other  
29 business entity having an ownership interest in an agricultural asset  
30 located within the State of Nebraska which meets any additional  
31 qualifications determined by the board;

1 (9) Qualified beginning farmer or livestock producer means an  
2 individual who is a resident individual as defined in section 77-2714.01,  
3 who has entered farming or livestock production or is seeking entry into  
4 farming or livestock production, who intends to farm or raise crops or  
5 livestock on land located within the state borders of Nebraska, and who  
6 meets the eligibility guidelines established in section 77-5209 and such  
7 other qualifications as determined by the board; and

8 (10) Share-rent agreement means a rental agreement in which the  
9 principal consideration given to the owner of agricultural assets is a  
10 predetermined portion of the production of farm products from the rented  
11 agricultural assets.

12 Sec. 5. Section 77-5205, Reissue Revised Statutes of Nebraska, is  
13 amended to read:

14 77-5205 The board shall consist of the following members:

- 15 (1) The Director of Agriculture or his or her designee;  
16 (2) The Tax Commissioner or his or her designee;  
17 (3) One individual representing lenders of agricultural credit;  
18 (4) One individual of the academic community with extensive  
19 knowledge and insight in the analysis of agricultural economic issues;  
20 and

21 (5) Three individuals, ~~one from each congressional district,~~ who are  
22 currently engaged in farming or livestock production and are  
23 representative of a variety of farming or livestock production interests  
24 based on size of farm, type of farm operation, net worth of farm  
25 operation, and geographic location.

26 All members of the board shall be resident individuals as defined in  
27 section 77-2714.01. Members of the board listed in subdivisions (3)  
28 through (5) of this section shall be appointed by the Governor with the  
29 approval of a majority of the Legislature. All appointments shall be for  
30 terms of four years.

31 Vacancies in the appointed membership of the board shall be filled

1 for the unexpired term by appointment by the Governor. Members of the  
2 board shall serve the full term and until a successor has been appointed  
3 by the Governor and approved by the Legislature. Any member is eligible  
4 for reappointment. Any member may be removed from the board by the  
5 Governor or by an affirmative vote by any four members of the board for  
6 incompetence, neglect of duty, or malfeasance.

7 Sec. 6. Section 77-5208, Revised Statutes Cumulative Supplement,  
8 2022, is amended to read:

9 77-5208 The board shall meet at least twice during the year. The  
10 board shall review pending applications in order to approve and certify  
11 beginning farmers and livestock producers as eligible for the programs  
12 provided by the board, to approve and certify owners of agricultural  
13 assets as eligible for the tax credits authorized by sections 77-5211 to  
14 77-5213, and to approve and certify qualified beginning farmers and  
15 livestock producers as eligible for the tax credit authorized by section  
16 77-5209.01 and for qualification to claim an exemption of taxable  
17 tangible personal property as provided by section 77-5209.02. No new  
18 applications for any such programs, tax credits, or exemptions shall be  
19 approved or certified by the board after December 31, 2027 ~~2025~~. Any  
20 action taken by the board regarding approval and certification of program  
21 eligibility, granting of tax credits, or termination of rental agreements  
22 shall require the affirmative vote of at least four members of the board.

23 Sec. 7. Section 77-5209, Revised Statutes Cumulative Supplement,  
24 2022, is amended to read:

25 77-5209 (1) The board shall determine who is qualified as a  
26 beginning farmer or livestock producer based on the qualifications found  
27 in this section. A qualified beginning farmer or livestock producer shall  
28 be an individual who: (a) Has a net worth of not more than seven hundred  
29 fifty thousand ~~two hundred thousand~~ dollars, including any holdings by a  
30 spouse or dependent, based on fair market value; (b) provides the  
31 majority of the day-to-day physical labor and management of his or her



1 farming or livestock production operations; (c) has, by the judgment of  
2 the board, adequate farming or livestock production experience or  
3 demonstrates knowledge in the type of farming or livestock production for  
4 which he or she seeks assistance from the board; (d) demonstrates to the  
5 board a profit potential by submitting board-approved projected earnings  
6 statements and agrees that farming or livestock production is intended to  
7 become his or her principal source of income; (e) demonstrates to the  
8 board a need for assistance; (f) participates in a financial management  
9 program approved by the board; (g) submits a nutrient management plan and  
10 a soil conservation plan to the board on any applicable agricultural  
11 assets purchased or rented from an owner of agricultural assets; ~~and~~ (h)  
12 is of legal age to enter into and be legally responsible for a binding  
13 contract or lease as provided under section 43-2101; and (i) has such  
14 other qualifications as specified by the board. The qualified beginning  
15 farmer or livestock producer net worth thresholds in subdivision (a) of  
16 this subsection shall be adjusted annually beginning October 1, 2023  
17 ~~2009~~, and each October 1 thereafter, by taking the average Producer Price  
18 Index for all commodities, published by the United States Department of  
19 Labor, Bureau of Labor Statistics, for the most recent twelve available  
20 periods divided by the Producer Price Index for 2022 ~~2008~~ and multiplying  
21 the result by the qualified beginning farmer's or livestock producer's  
22 net worth threshold. If the resulting amount is not a multiple of twenty-  
23 five thousand dollars, the amount shall be rounded to the next lowest  
24 twenty-five thousand dollars.

25 (2) When determining a qualified beginning farmer's or livestock  
26 producer's net worth, the board shall exclude from such determination any  
27 pension, retirement, or other types of deferred benefit accounts owned by  
28 the beginning farmer or livestock producer, including such accounts owned  
29 by a spouse or dependent.

30 (3) (2) A qualified beginning farmer or livestock producer who has  
31 participated in a board approved and certified three-year rental

1 agreement with an owner of agricultural assets shall be eligible to file  
2 subsequent applications for different assets.

3 Sec. 8. Section 77-5209.01, Revised Statutes Cumulative Supplement,  
4 2022, is amended to read:

5 77-5209.01 A qualified beginning farmer or livestock producer ~~in the~~  
6 ~~first, second, or third year of a qualifying three-year rental agreement~~  
7 shall be allowed a one-time refundable credit against the income tax  
8 imposed by the Nebraska Revenue Act of 1967 for the cost of participation  
9 in the financial management program required for eligibility under  
10 section 77-5209. The amount of the credit shall be the actual cost of  
11 participation in an approved program incurred during the tax year for  
12 which the credit is claimed, up to a maximum of five hundred dollars.

13 Sec. 9. Section 77-5211, Revised Statutes Cumulative Supplement,  
14 2022, is amended to read:

15 77-5211 (1) Except as otherwise disallowed under subsection (7) of  
16 this section, an owner of agricultural assets shall be allowed a  
17 refundable credit against the income tax imposed by the Nebraska Revenue  
18 Act of 1967 for agricultural assets rented on a rental agreement basis,  
19 including cash rent of agricultural assets or cash equivalent of a share-  
20 rent rental, to qualified beginning farmers or livestock producers. Such  
21 asset shall be rented at prevailing community rates as determined by the  
22 board.

23 (2) An owner of agricultural assets who has participated in a board  
24 approved and certified three-year rental agreement with a beginning  
25 farmer or livestock producer shall be eligible to file subsequent  
26 applications for different assets.

27 (3) Except as allowed pursuant to subsection (5) of this section,  
28 tax credits for an agricultural asset may be issued for a maximum of  
29 three years.

30 (4) The credit allowed shall be for renting agricultural assets used  
31 for farming or livestock production. Such credit shall be granted by the

1 Department of Revenue only after approval and certification by the board  
2 and a written three-year rental agreement for such assets is entered into  
3 between an owner of agricultural assets and a qualified beginning farmer  
4 or livestock producer. An owner of agricultural assets or qualified  
5 beginning farmer or livestock producer may terminate such agreement for  
6 reasonable cause upon approval by the board. If an agreement is  
7 terminated without fault on the part of the owner of agricultural assets  
8 as determined by the board, the tax credit shall not be retroactively  
9 disallowed. If an agreement is terminated with fault on the part of the  
10 owner of agricultural assets as determined by the board, any prior tax  
11 credits claimed by such owner shall be disallowed and recaptured and  
12 shall be immediately due and payable to the State of Nebraska.

13 (5) A credit may be granted to an owner of agricultural assets for  
14 renting agricultural assets, including cash rent of agricultural assets  
15 or cash equivalent of a share-rent agreement, to any qualified beginning  
16 farmer or livestock producer for a period of three years. An owner of  
17 agricultural assets shall be eligible for further credits for such assets  
18 under the Beginning Farmer Tax Credit Act when the rental agreement is  
19 terminated prior to the end of the three-year period through no fault of  
20 the owner of agricultural assets. If the board finds that such a  
21 termination was not the fault of the owner of the agricultural assets, it  
22 may approve the owner for credits arising from a subsequent qualifying  
23 rental agreement on the same asset with a different qualified beginning  
24 farmer or livestock producer.

25 (6) Any credit allowable to a partnership, a corporation, a limited  
26 liability company, or an estate or trust may be distributed to the  
27 partners, members, shareholders, or beneficiaries. Any credit distributed  
28 shall be distributed in the same manner as income is distributed.

29 (7) The credit allowed under this section shall not be allowed to an  
30 owner of agricultural assets for a rental agreement with a beginning  
31 farmer or livestock producer who is a relative, as defined in section

1 36-802, of the owner of agricultural assets or of a partner, member,  
2 shareholder, or trustee of the owner of agricultural assets unless the  
3 rental agreement is included in a written succession plan. Such  
4 succession plan shall be in the form of a written contract or other  
5 instrument legally binding the parties to a process and timetable for the  
6 transfer of agricultural assets from the owner of agricultural assets to  
7 the beginning farmer or livestock producer. The succession plan shall  
8 provide for the transfer of assets to be completed within a period of no  
9 longer than thirty years, except that when the asset to be transferred is  
10 land owned by an individual, the period of transfer may be for a period  
11 up to the date of death of the owner. The owner of agricultural assets  
12 shall be allowed the credit provided for qualified rental agreements  
13 under this section if the board certifies the plan as providing a  
14 reasonable manner and probability of successful transfer.

15 (8) The total amount of credits granted under this section shall not  
16 exceed five million dollars per year. In calculating such limit, the  
17 board shall consider the cumulative amount of credits requested in the  
18 application submitted by the owner of agricultural assets rather than the  
19 amount of credits actually claimed by such owner.

20 Sec. 10. Section 77-5213, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 77-5213 (1) The tax credit approved and certified by the board under  
23 section 77-5211 for an owner of agricultural assets in the first, second,  
24 or third year of a qualifying rental agreement shall be equal to (a) ten  
25 percent of the gross rental income stated in a rental agreement that is a  
26 cash rent agreement or (b) fifteen percent of the cash equivalent of the  
27 gross rental income in a rental agreement that is a share-rent agreement.  
28 Tax credits shall only be approved and certified for rental agreements  
29 that are approved and certified by the board under the Beginning Farmer  
30 Tax Credit Act.

31 (2) To qualify for the greater rate of credit allowed under

1 subdivision (1)(b) of this section, a share-rent agreement shall provide  
2 for sharing of production expenses or risk of loss, or both, between the  
3 agricultural asset owner and the qualified beginning farmer or livestock  
4 producer. The board may adopt and promulgate rules and regulations,  
5 consistent with the policy objectives of the act, to further define the  
6 standards that share-rent agreements shall meet for approval and  
7 certification of the tax credit under the act.

8 (3) The board shall review each existing three-year rental agreement  
9 between a beginning farmer or livestock producer and an owner of  
10 agricultural assets on an annual ~~a semiannual~~ basis and shall either  
11 certify or terminate program eligibility for beginning farmers or  
12 livestock producers or tax credits granted to owners of agricultural  
13 assets on an annual basis.

14 Sec. 11. Original sections 2-958.02, 54-2804, 58-242, 77-5205, and  
15 77-5213, Reissue Revised Statutes of Nebraska, and sections 77-5203,  
16 77-5208, 77-5209, 77-5209.01, and 77-5211, Revised Statutes Cumulative  
17 Supplement, 2022, are repealed.