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2005 Legislative Wrap-Up

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Institute of Agriculture & Natural Resources
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2005 Legislative Wrap-Up

Market Report	Yr Ago	4 Wks Ago	6/24/05
<u>Livestock and Products,</u>			
<u>Weekly Average</u>			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight	\$88.90	\$86.85	\$81.40
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb	141.89	151.98	*
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb	119.61	116.43	117.06
Choice Boxed Beef, 600-750 lb. Carcass	144.86	153.39	134.61
Western Corn Belt Base Hog Price Carcass, Negotiated	80.02	66.82	64.45
Feeder Pigs, National Direct 45 lbs, FOB	43.01	51.42	45.02
Pork Carcass Cutout, 185 lb. Carcass, 51-52% Lean	80.77	71.57	64.81
Slaughter Lambs, Ch. & Pr., 90-160 lbs., Shorn, Midwest	97.50	111.00	113.25
National Carcass Lamb Cutout, FOB	235.30	249.73	254.58
<u>Crops,</u>			
<u>Daily Spot Prices</u>			
Wheat, No. 1, H.W. Omaha, bu	3.66	3.08	3.00
Corn, No. 2, Yellow Omaha, bu	2.65	1.92	1.86
Soybeans, No. 1, Yellow Omaha, bu	9.41	6.54	6.54
Grain Sorghum, No. 2, Yellow Columbus, cwt	4.13	2.96	2.93
Oats, No. 2, Heavy Minneapolis, MN , bu	1.65	1.59	1.75
<u>Hay</u>			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton	115.00	115.00	115.00
Alfalfa, Large Rounds, Good Platte Valley, ton	62.50	67.50	62.50
Grass Hay, Large Rounds, Good Northeast Nebraska, ton	57.50	57.50	57.50
* No market.			

The 2005 legislative session saw little agricultural legislation adopted, although several rural development measures were adopted. The most contentious issue was mandatory school consolidation.

School Consolidation. LB126 (Raikes) requires that Class I (elementary only) school districts be merged with K-12 districts beginning with the 2006-07 school year. LB126 was adopted over Gov. Heineman's veto. Class VI (high school only) districts would also become K-12 districts. Current elementary attendance centers could be protected only if they met specified criteria. Non-qualifying attendance centers could be closed by the K-12 school board. Residents within Class I districts will be eligible to vote for and run for their K-12 school district board. LB126 opponents are circulating petitions to place the repeal of LB126 on the ballot.

State Economic Development Incentives. LB312 (Landis) revises Nebraska's LB775 state economic development incentive programs. While LB312 deals primarily with large companies making large investments, there are provisions dealing with smaller businesses and rural businesses. Ag processors (as well as others) with a minimum investment of \$10 million and creating at least 100 new jobs will be entitled to sales tax refunds, jobs tax credits and an investment tax credit. Tax credits will also be available to companies creating at least two new jobs and investing at least \$125,000 in counties with populations less than 15,000.

Nebraska Micro-Enterprise Act. LB309 (Connealy), the Nebraska Micro-enterprise Act, was added by amendment to LB312. A 20 percent investment tax credit is allowed for micro-enterprises employing up to five employees in economically distressed areas. Up to \$2 million tax credits can be allowed in a year. The micro-enterprise must have its tax credit application approved by the Nebraska Department of Revenue.



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Ethanol Program. LB90 (Wehrbein) raises the ethanol checkoff on corn from 3/4 to 7/8 cent per bushel. The state will contribute \$2.5 million annually from the General Fund to the ethanol program.

Value-Added Incentives. LB71 (Stuhr) was amended into LB90. The bill appropriates \$1 million to the state Value-Added Partnership program. Value-added enterprises can apply for grants of up to \$75,000. The program is administered by the Departments of Agriculture and Economic Development.

Beginning Farmer Loans. LB688 (Mines) was also amended into LB90. The bill raises the amount beginning farmers can borrow from the Nebraska Investment Finance Authority (NIFA) from \$250,000 to \$500,000. The maximum net worth of eligible borrowers is increased from \$300,000 to \$500,000.

Building Entrepreneurial Communities. LB273 (Cunningham) was also amended into LB90. The bill appropriates \$250,000 annually for grants of up to \$75,000 where two or more communities or counties collaborate on a rural economic development project. The program is administered by the Department of Economic Development in cooperation with the Rural Development Commission, and sunsets October 1, 2010.

Grain Elevators. LB439 (Kremer) makes it easier for farmers to deliver grain to a local elevator for resale to a third party, such as a feedlot or ethanol plant.

Legislator Salaries. LR12CA (Schimek) would, if approved by voters, raise legislators salaries from \$12,000 to \$21,000. The proposal will appear on the 2006 primary election ballot. If approved, the increases would go into effect in 2007, and would increase every year thereafter by the annual rise in the Consumer Price Index, up to 4 percent per year.

Prairie Dog Control. LB673 (Louden) would have allowed counties to require landowners to control prairie dog colonies found on their property. LB673 is on Select File (the second stage of legislative debate), and may be considered in 2006.

State Beef Checkoff. LB150 (Kremer) would have established a voluntary \$1/head state beef checkoff. LB150 is also on select file. The checkoff proposal was in essence dropped when the U.S. Supreme Court ruled May 23, 2005 that the national beef checkoff is constitutional. However, the beef checkoff challenge will go back to trial. After the case was sent back to the U.S. Court of Appeals by the Supreme Court, the Court of Appeals ruled that the checkoff challengers could change their lawsuit to challenge the checkoff program on the basis that it forced them involuntary to be associated with speech (i.e. beef promotion and advertising) that they disagreed with (e.g. the im-

plication that natural beef is no different than conventionally produced beef). So the checkoff court battles are about to resume. This means that LB150 or a similar proposal may be discussed in the future if and when the free-speech "association" checkoff challenge makes its way to the U.S. Supreme Court.

Administrative Procedure Act. LB373 (Bourne) modifies the procedure for adopting state agency regulations. Under existing law, proposed state regulations must be approved by the Governor and Attorney General. Copies of proposed regulations must be submitted to the Unicameral's Executive Board, which provides a copy to the relevant committee chairperson. Now, LB373 further provides that the Executive Board must also provide a copy of the proposed regulations to the sponsor of the legislative bill under which the regulation is being adopted, if the sponsor is still a state senator. LB373 also provides that any senator that objects to a proposed regulation may file an objection with the Executive Board, which refers the complaint to the appropriate legislative committee, and if practicable, to the legislator sponsoring the legislation that is the basis for the regulation. If either the committee or the legislative sponsor concludes that the complaint has merit, the committee or sponsor may request a written response from the agency justifying the regulation.

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