

COOPERATION IN NEBRASKA

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Special Recap of 2006 Legislative Session

The second session of the 99th Legislature came to a close with sine die on April 13, 2006. While each and every session provides some action that proves to be historic, this session may well become noted as the last session before term limits took effect.



Council President Bob Andersen discussing legislative issues with Governor Dave Heineman.

When the 100th Legislature convenes in January of 2007, there will be at least 20 new members so it will be interesting to view how the legislative body changes with that much turnover.

While much of the media attention in the waning days of the session focused on the Omaha Public Schools debate, it is important to remember that a number of other issues were resolved during the session, and a number of these can have a major impact on Nebraska cooperatives. Listed to the right are a number of bills that the Council has monitored during the session. Each of these has the potential to impact rural Nebraska and the cooperative system in the state.

BILLS PASSED BY THE LEGISLATURE

LB 1003 - Section 521 (Exempt) Co-op Legislation (Support)

LB 1003 was an effort that your Council has devoted considerable time and energy to over the past few years. Our goal has been to ensure inclusion of cooperatives within all Nebraska tax incentive programs that provide incentives for business expansion and new employment opportunities. The resolution of this was our foremost legislative priority this session.

LB 1003 was passed by the Legislature with the emergency clause and signed by the Governor. Provisions became effective March 7, 2006. The Council has worked for several years to include Section 521 (exempt) cooperatives within the definition of taxpayer so they are eligible for various tax incentive programs. During the 2005 session, we were successful in our efforts to include exempt co-ops within the Nebraska Advantage Act, the successor to LB 775.

LB 1003 includes several tax incentive bills which were introduced this year. As passed, the bill incorporates our requested language which affects both exempt and non-exempt cooperatives as follows:

(1) Allows both exempt and non-exempt cooperatives to be able to "pass through" tax credits to your membership. This is significant and beneficial to your patrons.

(2) Includes exempt cooperatives within the definition of taxpayer in the Nebraska Advantage Act, the Nebraska Advantage Rural Development Act, and the Nebraska Microenterprise Act.

Prior to passage of LB 1003, exempt cooperatives were not eligible to receive tax credits for business expansion and investment under Nebraska tax incentive laws.

LB 79 - Railroad Crossings (Oppose)

LB 79 would close any public railroad crossing without gates, signals, alarm bells, or warning personnel located within
(cont. on page 4)

New Generation Cooperatives Task Force (NGCTF)

In November of 2005, the Council's Board of Directors adopted a resolution calling for the creation of a special task force to study the need for the establishment of "New Generation Cooperatives" within the Nebraska statutes.

Recently four (4) states (Iowa, Wyoming, Minnesota, and Tennessee) have adopted new state laws concerning new generation cooperatives. At the national level, the National Conference of Commissioners on Uniform State Laws (NCCUSL) is studying this very issue. Additionally, several agricultural stakeholders in Nebraska have expressed interest in addressing this issue.

With all this in mind, the Council's Board felt it was imperative that the Council should provide proactive leadership to conduct a thorough study



A portion of the newly appointed task force to study state statutes regarding cooperative law.

of the issue. However, we need to recognize that just because legislation is appropriate in Tennessee, for example, it does not mean that the same legislation would be appropriate for Nebraska. One of the key items that the Task Force will determine is what impact new legislation may have on existing cooperatives and if additional legislation may help producers.

FIRST MEETING

The task force, made up of cooperative leaders and other stakeholders (see box at left), met for the first time on March 8, 2006. Reviewing the laws that have been adopted in other states and the NCCUSL report are key items of discussion for the Task Force.

As the original plan called for, this first meeting centered on providing a wide range of information and views on potential impacts of changing cooperative law in the state. Attorney Rocky Weber began the session by providing an overview of the emerging New Generation Cooperative model as reflected in the Uniform Cooperative Association Act.

The group then heard presentations from both sides of this issue. Bill Oemichen (Wisconsin Federation of Cooperatives) and Drue Sander (Iowa Institute for Cooperatives) spoke as

proponents of legislative action encouraging "New Generation Cooperatives." Both shared experiences of their efforts to win legislative approval for new state laws to encourage formation of New Generation Cooperatives.

Following this presentation, Randy Torgerson (retired-USDA) spoke as an opponent to any changes to existing cooperative law. He questioned how much we would "give up" in order to allow "New Generation Cooperative" laws to be instituted.

Following these three very informative presentations, the group then spent considerable time discussing what they heard and then generating issues/questions that needed to be more fully addressed.

FUTURE MEETINGS

The second meeting of the NGCTF will be on May 24. The agenda will include addressing those questions which were raised in the initial meeting and a section-by-section review of the envisioned NCCUSL draft.

Future meetings of the group will then focus on pros and cons of the NCCUSL draft; would the draft benefit producers and make good policy; and, ultimately, would pursuing new legislation benefit Nebraska's cooperatives and their members.

NGCTF Members

Voting Members:

Managers:

David Briggs, Alliance
George Hohwieler, Aurora
Dale Piper, Elmwood
Randy Robeson, Brainard

Producers:

Steve Erdman, Scottsbluff
Bruce Favinger, Hastings
Max Kaiser, Imperial
Gerald Schmidt, Dorchester
Steve Wright, Shelby

Regionals:

Shane Frahm, FCS
Mike Hechtner, CoBank
Brandon Stevenson, Stevenson & Associates

Non-Voting Members:

Rocky Weber, Crosby Guenzel LLP
Bob Andersen, NCC
Rob Robertson, NE Farm Bureau
Scott Merritt, NE Corn Growers Assn
Dr. Alan Baquet, UNL Dept of Ag Economics
Senator Bob Kremer (Alternate: Rick Leonard, Ag Committee Research Analyst)

Co-operatives...Not Just a Sweet Treat

By Laura Witte, Logan View FFA Chapter

What little girl doesn't love following her dad around? I know I loved to be Dad's little helper. I always enjoyed riding in the truck with him to our local co-op in town to pick up feed for our livestock. Although I liked spending time with my dad, I had another reason for wanting to go. In the office of the co-op there was a giant jar of lollipops. I was always given one of these sweet treats whenever I came to the co-op. However, co-operatives are more than just a lollipop; they are an invaluable asset to farmers.

Just as a lollipop has three parts—a wrapper, the candy, and a stick—there are three key parts to our understanding of a co-operative. First we will unwrap by defining and discovering its history. Next we will sweeten our insight by exploring the essence of a co-op and how it's run. Finally, we will examine what co-operatives are like in the United States today.

Before we can enjoy our treat, we must remove the wrapper and define a co-op. According to the Webster Dictionary, the definition of a co-operative is: a form of business owned and controlled by the people who use it. Benefits and losses are shared, and its members democratically control it. To put it simply, the sole reason for any co-operative is to serve the need of its users.

The co-operative way of doing business is not a new idea. In fact, there is evidence that the first co-operative tenant farming started in Babylon as early as 3,000 B.C. Co-operatives first started in the United States when the Pilgrims arrived at Plymouth Rock. It didn't take long for them to find out that they had to cooperate or starve to death. Together they cleared the land, planted the fields, and cared for the corn. The Pilgrims then celebrated their first Thanksgiving with the Indians in 1621. After the feast, they equally shared the corn among themselves enabling them to survive the harsh winter. Over the years more and more co-operatives evolved. By 1867 there were 400 co-op cheese factories in the United States. In 1929, the Agriculture Marketing Act provided funds to help co-operatives grow. One of the most successful co-operatives, the Grange, was formed that same year. Co-operatives have seen many changes over the year. They have had to adapt to changing times. Co-operatives have embraced the selling of organic fruits and vegetables. Although they have continued to change over the years, it has been not without the help of many dedicated individuals.

Now that our co-operative lollipop has been opened, let's start enjoying the candy by finding out how a co-op is run. The people involved in a co-op can be divided into three different categories—members, directors, and employees.

The primary group of people that help the co-operative stay in business is its members. Members include anyone that uses a

co-op for both buying and selling. These members provide the finances. This gives them an active interest in the future of their co-op by promoting the business, giving them a market for their products, and a source for purchasing needed products.

The second group is that of the directors. The patrons of the co-op

(cont. on page 4)



2006 State FFA Speaking Contest Results

This year marks the 55th straight year that the Nebraska Cooperative Council has provided support for the educational mission of the Nebraska FFA Association. The Council is very proud of the fact that we are the longest continuous sponsor of FFA in the history of the State Association.

The majority of our support this year went to the State FFA Cooperative Speaking Event. This event is designed to encourage students to research and prepare a speech addressing a cooperative issue. The intent being to encourage FFA students statewide to learn more about the cooperative system.

This year 57 schools statewide had participants in the contest. From these 57 that participated in the district contests, 15 students moved on to the state competition that was held in conjunction with the State FFA Convention on April 6-7 in Lincoln.

Laura Witte, a member of the Logan View FFA Chapter, was chosen as the winner of the 2006 State FFA Cooperative Speaking Event. Second place went to **Taylor Yaw** from the Chase County Chapter. Placing third was **Blake Becker** from the Alliance Chapter, and fourth place went to **Kelsey Ankersen** of the Norris Chapter.

Others receiving medals in the competition and the FFA chapters they represent were (in alphabetical order):

Gold - Rebecca Friesen, Heartland

Silver - Cody Dvorak, Stuart; Riley Ohde, West Holt; Amanda Peterson, Waverly; Becky Rahtz, Leigh-Clarkson; and Nora Spath, North Bend

Bronze - Kara Dallegge, Hampton; Marc Hanson, Fairbury; Danielle Jedlicka, Verdigre; Sara Rogers, Superior; and Abby Schipporeit, Sumner-Eddyville-Miller

Co-operatives...Not Just a Sweet Treat (cont. from page 3)

appoint these directors. Their purpose is to make long-term decisions, develop new ideas, and have primary control of the employees. These directors are members of the co-op as well, so they have a strong interest in the well-being of the co-operative.

The co-op could not run without the employees they hire. They are truly the backbone that forms a successful business. Employees are out there helping the patrons on a daily basis, whether it is spreading fertilizer or delivering feed. Without their hard work, nothing would get accomplished and the co-operative would crumble.

We have seen that co-ops are operated through members, directors, and employees. Just as there are several types of lollipops—Blow Pops, Dum Dums, and Tootsie Pops—there are several types of co-operatives. In the United States today, farmer co-operatives fall into three distinct categories: marketing, service, and supply. When taking a closer look at marketing co-operatives, we see that the main purpose is to help sell their members farm products and maximize the return that they receive for these goods. Their operations can be quite diversified and complex. Some marketing co-operatives perform a limited number of functions, while others vertically integrate their operations so that they perform more functions that add value to their members' products as they move from the farm to the consumer. In the grocery store, you have probably seen Land O' Lakes butter and Ocean Spray cranberry juice. These are two examples of products distributed by marketing co-operatives. In the United States, agriculture co-operatives handle about 30 percent of the farmers' total farm marketing.

The second type of co-operative is that of service co-operatives. This co-operative provides members with various services. For instance, co-operatives

may offer special services such as pesticide applications, seed cleaning, and artificial insemination. Service co-operatives also include organizations such as the Farm Credit System and the rural electric co-operatives. If you live on a farm or acreage, you are probably grateful for electricity. However, without the rural electric co-operative, many homes in the country would still be in the dark today.

The third example of a co-operative is one which deals with purchasing powers, like your local farmer's co-op. In a 1997 survey, the USDA reported that there were 3,791 farmer co-operatives generating a net business volume of \$106 million. The number of farmer co-operatives has decreased through various activities including dissolution, mergers or consolidations, and acquisitions as co-operatives have to adjust to a changing economic environment.

To give an example, my family has been doing business with the Scribner Farmers Co-op for three generations. The Scribner Farmers Co-op was founded on June 10, 1913. The co-op has continued to grow over the years. However, the co-op in town is now known as Central Valley Ag (CVA). In 2004 Central Valley Ag reported sales of \$258.3 million. CVA has 46 locations across the state of Nebraska.

Today we have seen that a co-operative is a form of business that is owned and controlled by the people using it. Co-operatives are run by its members, board of directors, and employees. Finally, we have seen that there are marketing, service, and supply co-operatives and how they affect our daily lives. Now as a young adult, it is easy to see that a co-operative is not just a place to get a free lollipop, but truly the reason for the success of many farmers.

2006 Legislature Recap (cont. from page 1)

¼ mile of a public railroad crossing with gates, signals, alarm bells, or warning personnel unless it is the only railroad crossing which provides access to property. The bill, as passed, includes a process for an interested party to challenge a railroad crossing closing if it's deemed to have an adverse impact. A written request would need to be submitted to the Department of Roads by a professional engineer licensed to practice in Nebraska. Unfortunately, under this plan, property owners wanting to retain a crossing will have to undertake the cost of submitting a request to keep the crossing open, rather than others having to justify closing a crossing.

LB 79 was passed by the Legislature and approved by the Governor. Provisions become effective July 14, 2006.

LB 489 - Conveyance Safety Act (Support as passed)

LB 489, the Conveyance Safety Act, deals with safety and inspection of conveyance devices. It updates procedures and regulations for installation and inspections of these devices. LB 489 incorporates portions of LB 99, which specifically exempts manlifts, hoists, or conveyances used in grain elevators or feed mills from this act. It further states that conveyances used exclusively for agricultural purposes are exempt from the Act. The Council worked closely with this bill to assure that the grain elevator, feed mills, and agricultural purposes exemptions were maintained.

LB 489 was passed by the Legislature with the emergency clause and signed by the Governor. Provisions became effective April 14, 2006.

LB 856 - Poultry Disease Control Act (Support as amended)

Numerous bills were amended into LB 856 during legislative debate. One of these was LB 873 which the Council

supported. It expanded the authorities of the Department of Agriculture under the Poultry Disease Control Act to reflect current avian influenza disease concerns. It extends the Department of Agriculture's poultry disease surveillance authorities to carry out monitoring of non-commercial poultry flocks for the presence of avian influenza and specifies that any activity carried out by the State Veterinarian shall be conducted by the voluntary cooperation of the non-commercial poultry flock owner or property owners where the poultry is located. The bill also establishes regulations and fees for exotic animal auctions and swap meets.



LB 856 was passed by the Legislature and signed by the Governor. Provisions become effective July 14, 2006.

LB 874 - Pesticide Act (Support)

LB 874 was introduced at the request of the Department of Agriculture and would maintain the Department's authorities under the Pesticide Act to remain current with the federal program and to clarify some enforcement requirements. Key provisions of the bill call for a management plan for a specific, identified pesticide to implement a strategy to prevent, monitor, evaluate, and mitigate (a) any occurrence of the pesticide or pesticide breakdown products in ground water and surface water in the state or (b) any other unreasonable adverse effect of the pesticide on humans or the environment. In addition, a pesticide management plan may impose progressively more rigorous pesticide management practices to address any unreasonable adverse effect of pesticides on humans or the environment. When appropriate, a pesticide management plan may establish action levels for imposition of such progressively more rigorous management practices based upon measurable

A special thanks...
to the following senators who will not be eligible for re-election due to term limits. With a combined 246 years of service, their time and commitment to the Nebraska Legislature is truly appreciated.

Tom Baker, Trenton
Chris Beutler, Lincoln
Pat Bourne, Omaha
Kermit Brashear, Omaha
Pam Brown, Omaha
Dennis Byars, Beatrice
Matt Connealy, Decatur
Jim Cudaback, Riverdale
Doug Cunningham, Wausa
Jim Jensen, Omaha

Bob Kremer, Aurora
David Landis, Lincoln
Don Pederson, North Platte
Marian Price, Lincoln
Pam Redfield, Omaha
Ed Schrock, Elm Creek
Adrian Smith, Gering
Elaine Stuhr, Bradshaw
Nancy Thompson, LaVista
Roger Wehrbein, Plattsmouth

indicators of the adverse effect on humans or the environment.

LB 874 was passed by the Legislature and signed by the Governor. Provisions become effective July 14, 2006.

LB 904 - Motor Fuel Taxes

A portion of the legislative intent of LB 814 was amended into LB 904. As introduced, LB 814 provided for a 3¢ increase in the motor fuels tax and will return to the Highway Trust Fund the sales tax on motor vehicles, trailers, and semitrailers. It did not affect the formula for distributing funds. The Council opposed LB 814 which was killed by the Revenue Committee. However, the distribution of funds from LB 814 was folded into LB 904 which was passed by the Legislature and signed by the Governor. It will require sales tax proceeds over 5% to be credited to the Highway Allocation Fund rather than the General Fund beginning October 1, 2006.

LB 924 - Eminent Domain (Support concept)

Several bills were introduced concerning eminent domain. LB 924 became the primary legislation to restrict the use of eminent domain.

A condemner may not take property

through the use of eminent domain if the taking is primarily for an economic development purpose. Economic development purpose is defined related to this section as taking property for subsequent use by a commercial for-profit enterprise or to increase tax revenue, tax base, employment, or general economic conditions. Exempted purposes include: (1) public projects or private projects that make all or a major portion of the property available for use by the general public or for use as a right-of-way, aqueduct, pipeline, or similar use; (2) removing harmful uses of property if such uses constitute an immediate threat to public health and safety; (3) leasing property to a private person who occupies an incidental part of public property or a public facility such as a retail establishment on the ground floor of a public building; (4) acquiring abandoned property; (5) clearing defective property title; (6) taking private property for use by a utility or railroad; and (7) taking private property based upon a finding of blighted or substandard conditions under the Community Development Law if the private property is not agricultural land or horticultural land. LB 924 was passed by the Legislature and signed by

(cont. on page 6)

the Governor. Provisions become effective July 14, 2006.

LB 975 - Livestock Waste Management Act (Monitor)

LB 975 amends the LWMA in response to a 2nd Circuit Court of Appeals decision which impacted the federal CAFO rule. LB 975 eliminates the requirement that all large animal feeding operations need an NPDES permit and institutes a state construction and operation permit program. LB 975 was passed by the Legislature with the emergency clause and signed by the Governor. Provisions became effective March 23, 2006.

LB 990 - Nebraska Advantage Rural Development Act (Support)

LB 990 amends the Nebraska Advantage Rural Development Act to provide tax credits for livestock facility modernization or expansion. Under the bill, producers who are engaged in livestock production and have submitted an approved application would receive tax credits for investments and modernization of livestock facilities. A producer would receive a 10% credit for each \$50,000 investment for livestock expansion or modernization. It was advanced to General File by the Revenue Committee with an amendment to put a cap of \$300,000 on the investment, in essence, limiting the credit to \$30,000.

LB 990 was passed by the Legislature and signed by the Governor. Provisions become effective July 14, 2006.

LB 1007 - Motor Carrier Transportation Contracts (Oppose)

The final version of LB 1007 contained the original intent of LB 905 which would prohibit certain exculpatory clauses in motor carrier transportation contracts. A contract provision that would require a



motor carrier transporter to indemnify a promisee for negligence or intentional acts or omissions by the promisee is against the public policy of the state and is unenforceable under provisions of LB 1007. Cooperatives are included under the definition of "motor carrier."

LB 1007 was passed by the Legislature with the emergency clause and signed by the Governor. Provisions became effective March 7, 2006.

LB 1226 - Water Management Changes

LB 1226 makes the following water management changes: (1) Allows a natural resources district (NRD) that has imposed a limit or prohibition on the expansion of irrigated acres to request that the Department of Natural Resources (DNR) place a stay on the issuance of new surface water appropriations in the area. (2) Adds the requirement that the DNR must use the best methodologies as well as scientific data and information to ensure that the conclusions and results contained in the report as to whether th basin is fully appropriated are reliable. (3) Requires the DNR to send notice of its preliminary determination of fully appropriated by certified mail to the manager of the NRD located in the designated area. (4) Allows districts to establish different provisions in its management area for different hydrologic relationships between ground water and surface water. (5) Clarifies that increases in ground water irrigated acres that result from the use of water wells that were permitted prior to the effective day of the preliminary determination of fully appropriated but were not used for irrigation prior to the effective date could be subject to any conditions imposed by the applicable NRD. (6) Requires an integrated management plan to include a plan to gather and evaluate data, information, and methodologies that could be used to implement the

development of the plan, increasing understanding of the surface water and hydrologically connected ground water system, and test the validity of the conclusions and information. (7) Allows the applicable NRD to include all water users within the district boundary in an integrated management plan. (8) Clarifies that any permits for construction of new wells not completed by the date of determination of fully appropriated is made are going to be subject to any conditions imposed by the district. (9) Strikes language which would require districts to act jointly and uniformly by agreement of the respective boards of all districts that are included in the designated management plan. LB 1226 was approved by the Legislature with the emergency clause and signed by the Governor. Provisions became effective April 14, 2006.

LR 441 - "25 by '25"

Legislative Resolution 441 makes a series of observations regarding the potential benefits for economic development, environmental stewardship, and agricultural profitability of development of renewable energy as a component of an energy security strategy and declares the Legislature's endorsement of meeting 25% of our nation's energy needs from agricultural resources by the year 2025. The resolution was adopted by the Legislature on a 38-0 vote on April 13.

KILLED BY COMMITTEE OR BY LACK OF LEGISLATIVE ACTION

LB 834 - Nebraska Seed Law (Support)

LB 834 would amend the Nebraska Seed Law to prohibit political subdivisions from regulating any matter relating to the registration, labeling, sale, storage, transportation, distribution, notification of use, use, planting, or cultivation of seeds. The Council

testified in support of the bill during its hearing. With lack of legislative action, LB 834 was killed at the end of the session.

LB 848 - Renewable Fuel (Neutral)

LB 848 would require that beginning January 1, 2007, a renewable fuel content equal to or greater than 3.5% by weight must be contained in all non-premium gasoline sold as motor fuel in Nebraska. Fuel sold for aircraft, historical vehicles, off-road vehicles, motorcycles, boats, snowmobiles or small engines would be exempt. With lack of legislative action, LB 848 was killed at the end of the session.

LB 958 - Vehicle Weight (Support)

LB 958 would change Nebraska Rules of the Road relating to vehicle weight by permitting a "single tandem axle" to have a 15% overweight exemption during harvest season. This exemption during the harvest season would be consistent with multiple axle trucks. LB 958 was advanced to General File with a committee amendment that allows seasonally harvested products to be hauled up to 70 miles with the 15% overweight exemption. With lack of legislative action, LB 958 was killed at the end of the session.

LB 1014 - Small Claims Court (Support)

LB 1014 would increase the jurisdictional limits for small claims court actions which are currently limited to disputes less than \$2,400. Under LB 1014, the amount would increase to \$4,000 on July 1, 2006. After June 30, 2020, the limit would be adjusted every five years in accordance with changes in the Consumer Price Index at the direction of the Nebraska Supreme Court. With lack of legislative action, LB 1014 was killed at the end of the session.



LB 1098 - Chemigation (Monitor)

LB 1098 would have changed the requirements for irrigators to get chemigation permits, install chemigation safety equipment and have that equipment regularly inspected by NRD personnel to insure that it is fully functional whenever any substance other than water is intentionally injected into irrigation distribution systems that are directly connected to waters of the state. With lack of legislative action, LB 1098 was killed at the end of the session.

LB 1112 - Community Development Law - Ag Processing Facilities (Support)

LB 1112 would have amended the Community Development Law to provide that if a redevelopment project includes an agricultural processing facility the project may be undertaken without a designation that the community development area is blighted and substandard. It would also have eased the regulatory burden for new ag processing facilities and would make public funding available in any community in the state. This would greatly
(cont. on page 8)

2006 Interim Studies

Prior to legislative adjournment, interim studies are introduced and assigned to the various committees. During the summer and fall when the Legislature is not in session, the committees conduct hearings on the various studies to obtain opinions statewide. The results of these studies can become the basis for the introduction of bills in later legislative sessions.

Following are the legislative resolution interim studies (called "LRs") that we'll be monitoring:

Ag Committee:

LR 319 - Examine the requirements necessary to implement state mandatory livestock price reporting in the event Congress fails to reauthorize federal mandatory price reporting

LR 320 - Review the benefits and criticisms of the livestock friendly county program

LR 350 - Examine a requirement for significant purchasers of grain who are not required by law to be licensed or bonded to disclose that fact to grain sellers on scale tickets or contracts

LR 351 - Examine transferring the operations of the Grain Warehouse Division of the Public Service Commission to the Department of Agriculture

LR 415 - Examine issues associated with implementation of an animal identification program

Executive Board:

LR 370 - Continue the examination of rural economic development issues in Nebraska

Natural Resources Committee:

LR 361 - Examine programs administered by the DEQ which use agricultural inspectors

LR 392 - Examine permit application rejection, disciplinary actions, and frivolous complaints under the Livestock Waste Management Act

LR 430 - Examine potential conflicts between and among the regulations governing livestock waste control and groundwater quality standards and use classifications

2006 Legislature Recap (cont. from page 7)

enhance the ability of cooperatives or other investors in creating value added and other projects. LB 1112 was killed by the Urban Affairs Committee.

LB 1187 - Alternative Fuels (Neutral)

LB 1187 provided for the sale and use of alternative fuels to make them more accessible to the customer (i.e., by placing E85 under the canopy). The bill seems to be aimed at clauses in branding and franchise agreements used by oil companies that retailers selling their brand are restricted from making sales of alternative fuels. LB 1187 was killed by the Natural Resources Committee.

LB 1197 - Feed Bank Licensure Act (Support with amendment)

LB 1197 was introduced at the request of the Nebraska Grain & Feed Association and would adopt the Feed Bank Licensure Act. This Act would apply to livestock feeding operations that accept grain for the account of the depositor to be fed as ground or whole grain to livestock owned by the depositor and not intended for storage or for sale to the livestock feeding operation. In addition, the Act also includes specific disclaimer language. Unless licensed as a grain dealer under the Grain Dealer Act or as a warehouse licensee under the Grain Warehouse Act, any person who purchases grain during any calendar year in excess of 10,000 bushels or valued at \$25,000 or more would be required to include specific disclaimer language on all copies of scale tickets used when the grain is received or upon any contract for the purchase of grain.

The Council offered an amendment to LB 1197 that, if accepted, would require all state licensed grain warehousemen to file an audited fiscal year-end financial statement prepared in accordance with generally accepted accounting principles by an independent

person or firm which holds a permit granted by the Nebraska State Board of Public Accountancy. In essence, financial reviews would no longer be allowed. The Council's support of LB 1197 is premised on the inclusion of our offered amendment. With lack of legislative action, LB 1197 was killed at the end of the session.

LB 1228 - University of Nebraska (Support)

LB 1228 would have allocated \$500,000 from the General Fund in fiscal years 2006/07 through 2008/09 to the UNL Institute of Agriculture & Natural Resources (IANR) to be used as "matching funds" for monies raised by private funding sources to help fill staff positions for teaching and research positions within the animal science, ag economics, and agronomy departments within the IANR. LB 1228 was killed by the Appropriations Committee.

LB 1237 and LB 1238 - Workers Compensation (Support)

Two bills relating to workers compensation (WC) were introduced this session. LB 1237 would have established a WC Advisory Council to make recommendations for reform of the WC system; established a medical fee schedule; directed the WC Court and Appellate Courts to "strictly construe" the WC statutes in rendering decisions; altered "physician choice" provisions outside of a certified managed care plan; and reinstated a modified version of the "Workplace Safety Program." LB 1238 would have based the WC medical fee schedule on an amount equal to a percentage of Medicare and provided a fee for medical hardware that is equal to the provider's invoice wholesale cost plus 20%. With lack of legislative action, both bills were killed at the end of the session.

CALENDAR OF UPCOMING EVENTS...

May 2006

- 24 NGCTF Meeting - Lexington
- 25 Board of Directors Conference Call

July 2006

- 12 Board of Directors Meeting - N Platte

August 2006

- 14 Subdistrict I(A) Meeting - Bridgeport
- 15 Subdistrict I(B) Meeting - Lexington
- 17 Subdistrict II(A&B) Meeting - York

November 2006

- 16 Board of Directors Meeting - Kearney
- 17 Annual Meeting - Kearney

December 2006

- 12 Director/Manager Workshop - Sidney
- 13 Director/Manager Workshop - Kearney
- 14 Director/Manager Workshop - York

January 2007

- 3 Director Certification Program (Ph 1&3) - Kearney
- 4 Director Certification Program (Ph 2&4) - Kearney
- 5 Graduate Director Seminar 3 - Kearney



Visit our website at www.nebr.coop

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 Vice Chairperson Jim Chism, Imperial - District I
 Secretary Bruce Favinger, Hastings - District I

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