

AMENDMENTS TO LB176

(Amendments to E and R amendments, ER143)

Introduced by Schilz, 47.

1 1. Insert the following new sections:

2 Section 1. Section 54-2601, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4 54-2601 Sections 54-2601 to 54-2631 and section 4 of this act shall  
5 be known and may be cited as the Competitive Livestock Markets Act.

6 Sec. 4. (1) For purposes of this section:

7 (a) Swine production contract means the agreement between a packer  
8 and a swine production contract grower which establishes a contract swine  
9 operation; and

10 (b) Swine production contract grower means the person who enters  
11 into a swine production contract with a packer to establish a contract  
12 swine operation.

13 (2) A swine production contract grower may cancel a swine production  
14 contract by mailing a cancellation notice to the packer not later than  
15 the later of:

16 (a) Three business days after the date on which the swine production  
17 contract is executed; or

18 (b) Any cancellation date specified in the swine production  
19 contract.

20 (3) A swine production contract shall clearly disclose:

21 (a) The right of the swine production contract grower to cancel the  
22 swine production contract;

23 (b) The method by which the swine production contract grower may  
24 cancel the swine production contract; and

25 (c) The deadline for canceling the swine production contract.

26 (4) A swine production contract shall contain on the first page a

1 statement identified as the Additional Capital Investments Disclosure  
2 Statement, which shall conspicuously state that additional large capital  
3 investments may be required of the swine production contract grower  
4 during the term of the swine production contract. This subsection shall  
5 apply to any swine production contract entered into, amended, altered,  
6 modified, renewed, or extended after the effective date of this act.

7 (5) The forum for resolving any dispute among the parties to a swine  
8 production contract shall be a court of competent jurisdiction within the  
9 state in which the principal part of the performance takes place under  
10 the swine production contract.

11 (6) Any swine production contract that contains a provision  
12 requiring the use of arbitration to resolve any controversy that may  
13 arise under the contract shall contain a provision that allows a swine  
14 production contract grower, prior to entering the contract, to decline to  
15 be bound by the arbitration provision.

16 (7) Any swine production contract grower that declines a requirement  
17 of arbitration pursuant to subsection (6) of this section has the right  
18 to seek to resolve any controversy that may arise under the swine  
19 production contract using arbitration if, after the controversy arises,  
20 both parties consent in writing to use arbitration to settle the  
21 controversy.

22 (8) Subsections (6) and (7) of this section shall apply to any swine  
23 production contract entered into, amended, altered, modified, renewed, or  
24 extended after the effective date of this act.

25 (9) Whenever the Attorney General has reason to believe that a  
26 packer is violating this section, he or she shall commence an action in  
27 district court to enjoin the violation. The court, upon determination  
28 that such packer is in violation of this section, shall assess the packer  
29 a fine of not less than one thousand dollars for each day of violation.

30 (10) The Department of Agriculture may adopt and promulgate such  
31 rules and regulations regarding swine production contracts as are needed

1 to further protect swine production contract growers from unfair business  
2 practices and coercion.

3       2. On page 2, line 16, after the period insert "Any agreement that  
4 establishes such a contract swine operation shall be subject to section 4  
5 of this act.".

6       3. Renumber the remaining sections and correct the repealer  
7 accordingly.