

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1368

Introduced by Ibach, 44; Bostar, 29; Conrad, 46; Dorn, 30; Halloran, 33;
Jacobson, 42; Kauth, 31; Meyer, 41; Murman, 38; Sanders,
45.

Read first time January 17, 2024

Committee: Agriculture

- 1 A BILL FOR AN ACT relating to fertilizer; to adopt the Nitrogen Reduction
- 2 Incentive Act.
- 3 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 6 of this act shall be known and may be
2 cited as the Nitrogen Reduction Incentive Act.

3 Sec. 2. The Legislature finds and declares that:

4 (1) Agriculture is the state's number one industry;

5 (2) Water is Nebraska's most precious resource;

6 (3) Nebraska farmers are leading the charge on sustainable
7 agriculture initiatives that will make Nebraska a world-renowned leader
8 and ensure we protect our land and water for generations to come; and

9 (4) The Nitrogen Reduction Incentive Act encourages farmers to adopt
10 efficient and sustainable practices to help Nebraska protect these
11 natural resources and positions our farmers to compete.

12 Sec. 3. For purposes of the Nitrogen Reduction Incentive Act,
13 commercial fertilizer has the same meaning as in section 81-2,162.02.

14 Sec. 4. (1) The nitrogen reduction incentive program is created and
15 shall be administered by the Department of Natural Resources. The
16 department may collaborate with natural resources districts to administer
17 the program.

18 (2) The purposes of the program are to:

19 (a) Provide incentive payments to farmers; and

20 (b) Encourage farmers to (i) reduce the use of commercial fertilizer
21 and (ii) incorporate innovative technology into farming practices,
22 including the proper use of biological nitrogen products.

23 (3) The program shall provide an annual per-acre incentive for any
24 farmer who verifies through documentation that commercial fertilizer
25 rates were reduced by the lesser of twenty-five pounds per acre for
26 nitrogen or fifteen percent by incorporating a qualifying product in the
27 farmer's nutrient plans.

28 (4) A commercial fertilizer rate reduction from historic baseline
29 use shall be completed to qualify for the program.

30 (5) The department shall review the required commercial fertilizer
31 rate of reduction for the program on a biennial basis to determine if

1 higher reduction targets are necessary.

2 (6) The department shall:

3 (a) Collaborate with natural resources districts to add any new
4 technology to the program as it becomes available. Such technology shall
5 replace nitrogen fertilizer use and maintain farm productivity;

6 (b) Identify geographically beneficial target areas while keeping
7 the program open to all farmers in the state;

8 (c) Consult with farmers and commercial entities in the agriculture
9 industry to determine a per-acre payment rate tied to the commercial rate
10 reduction but not less than ten dollars per acre; and

11 (d) Review the per-acre payment rate based on inflation or emerging
12 technology in renewing years.

13 (7) The department shall not award more than five million dollars in
14 incentive payments in total per year under the nitrogen reduction
15 incentive program.

16 (8) The nitrogen reduction incentive program terminates on December
17 31, 2029.

18 Sec. 5. The department shall adopt and promulgate rules and
19 regulations that adopt a standard for labeled products to qualify for the
20 nitrogen reduction incentive program and may adopt and promulgate rules
21 and regulations to carry out the Nitrogen Reduction Incentive Act.

22 Sec. 6. It is the intent of the Legislature to appropriate five
23 million dollars from the General Fund for fiscal year 2024-25 to the
24 Department of Natural Resources to carry out the Nitrogen Reduction
25 Incentive Act.