

Grape and Winery Board

Annual Report 2005

For information contact:

**Nebraska Department of Agriculture
301 Centennial Mall South
P.O. Box 94947
Lincoln, NE 68509
(402) 471-2341**

Table of Contents

	<u>Page</u>
Board of Directors	
Nebraska Grape and Winery Board of Directors	1
Overview of Activities	
Board Participation	2
Minutes, September 16, 2004	3
Minutes, November 6, 2004.....	7
Minutes, March 4, 2005	9
Attachment 1 (Financial Report)	12
Attachment 2 (UNL Contract)	13
Attachment 3 (NWGGA Contract)	17
Attachment 4 (Bylaws)	21
Statutes	
Nebraska Grape and Winery Act	26
Related Statutes	
Farm Wineries Act.....	29

**BOARD
of
DIRECTORS**

Nebraska Grape and Winery Board of Directors

Bob Curttright.....Winery/Vineyard Owner
P.O. Box 102
Nemaha, NE 68414-0102
(402) 883-2168

Jim Jeffers.....Winery/Vineyard Owner
1505 West Raymond Road
Raymond, NE 68428
(402) 783-5253

Justin Moody.....Winery/Vineyard Owner
126 Moody Drive
P.O. Box 435
Crawford, NE 69339
(308) 665-1692

Eric Nelson.....Vineyard Owner
P.O. Box 312
Raymond, NE 68428
(402) 580-7320

Terry Ryan.....Vineyard Owner
321 West 5th Street
Minden, NE 68959
(308) 832-2055

Ex-Officio Members

Casey Foster, Nebraska Department of Agriculture
P.O. Box 94947, Lincoln, NE 68509-4947
(402) 471-4876

Dr. Darrell Nelson
207 Ag Hall, University of Nebraska-Lincoln, Lincoln, NE 68583-0704
(402) 472-2045

OVERVIEW
of
ACTIVITIES

BOARD PARTICIPATION

The Board of Directors met three times this year. Emphasis was placed on establishing marketing and promotional activities and to conduct research to assist in the betterment and development of Nebraska's grape and wine industry. The Nebraska Grape and Winery Board approved \$3,900.50 from the winery and grape producers' promotional fund to pay for the Nebraska Winery and Grape Growers' Association's (NWGGA) marketing and promotional activities conducted this fiscal year. This money was used to pay for the creation of a Nebraska Wine Trail Map brochure. The brochure is a marketing piece to promote Nebraska's vineyards and guide visitors to our state's wineries.

The Board also approved the allocation of \$3,000 to the University of Nebraska – Lincoln Viticulture Program to pay for two projects. The first was to begin an interdisciplinary project to monitor vineyards in several parts of the state for environmental and pest parameters, with a goal of garnering information that will enable the Viticulture Program to provide assistance to Nebraska's grape growers and ultimately help the wineries as they pursue identification of terrioris and possible establishment of American Viticulture Areas in Nebraska. The second was to begin conducting an experiment to compare the performance of important Nebraska-grown grape cultivars on different trellis systems.

Promotion of Nebraska's grape and winery industry is a primary goal of the Board. The Board helps the grape and wine industry become a strong and important part of Nebraska's thriving economy. They support NWGGA activities, pay close attention to recent legislation, which effects Nebraska's grape and wine industry, and work closely with the University of Nebraska to receive guidance and education regarding research in this industry.

The Board approved a budget. The Treasurer's report indicated an ending cash balance of \$261.11 as of June 30, 2005. It should also be noted that expenses from the previous year were not turned in before the end of the 2003-2004 fiscal year. As a result, these expenses, in the amount of \$3,954.50, were submitted and paid this fiscal year (July 1, 2004, to June 30, 2005).

The minutes from the meetings, this year's contracts, the budget, by-laws, and statutes can be found on the following pages.

**Grape and Winery Board Meeting
September 16, 2004
Room 375, Plant Sciences Building, UNL
Lincoln, Nebraska**

MINUTES

Board Members present: Bob Curtright via teleconference
 Jim Jeffers
 Eric Nelson
 Justin Moody via teleconference
 Terry Ryan via teleconference

Board members absent: none

Ex-officio members present: Casey Foster, Nebraska Department of Agriculture
 Darrel Nelson, UNL

Guests present:

Paul Read, UNL
Hobert B. Rupe, Nebraska Liquor Control Commission
Mona Wanser, Nebraska Liquor Control Commission
Jim Shaw, Soaring Wings Vineyard & Winery
Sharen Shaw, Soaring Wings Vineyard & Winery
John Fischbach

President Eric Nelson opened the meeting at 7:16 p.m. Minutes of the March 5, 2004, meeting were approved after amending them to read “all votes taken met unanimous approval.” Motion to approve made by Jeffers, seconded by Curtright. The agenda was modified to delete the University of Nebraska Report.

Under Old Business, Foster reported that total allocation for the fiscal year is \$5,395, including \$29.94 revenue for the month of August. Contractual expenses carried over from last fiscal year are approximately \$4,000. Our goal is to keep the ending cash balance around \$500. Additional funds were allocated to a Wine Quality Assurance Program. A copy of the report is attached.

Under New Business, the Board discussed a request from the Nebraska Liquor Control Commission to provide a recommendation and advice in deciding (1) if a “natural disaster” did occur that may allow a waiver of the 75% requirement, and if so, (2) what should that requirement be reduced to? A request has been received from Jim and Sharon Shaw from Soaring Wings Vineyard & Winery. The decision to waive or not, would be made by the Liquor Control Commission.

President Eric Nelson suggested we need to, first, define a natural disaster as it relates to our industry and, second, determine if it did happen to Soaring Wings Winery.

The Board discussed several events that may or may not qualify as a disaster such as adverse weather conditions, tornados, hail, floods, site selection, attempting to grow varieties that are not appropriate for this area, and some techniques that could prevent the potential damage. A concern was voiced by several Board members that it was important to create a level playing field for all wineries, both new and existing, to not create a situation where poor viticulture practices or bad business decisions would necessitate asking for a waiver on a regular basis. Since statutes/regulations only allow a one-year waiver, repeated requests may indicate a situation (such as site selection, variety choice, etc.) that may not qualify as a natural disaster. Some discussion centered on what could be done to prevent damage from birds, such as netting noisemakers, etc., and to prevent frost damage. Techniques such as irrigation, smudge pots, length of time, etc., can help when temperatures decline to approximately 25°F, but can be expensive and their effectiveness is affected by the factors such as air movement, humidity, timing of bud break, (early this year in some areas). In a “freeze” situation (below 25°F) nothing seems to very effective, but secondary or tertiary buds may still produce. It was suggested that detailed weather records by the applicant could help verify these situations. It was also suggested that maybe an independent team of growers could go to some of these locations at that time to help determine if a disaster had occurred. The timing and size a hailstorm and its effect were also discussed. Shaw presented data showing the losses of not only his vines but of his contracted growers to help.

Moody moved and Jeffers seconded, that “It is the Grape and Winery Board’s position that for wavier requests of the 75%/25% rule, the definition of a natural disaster should be limited to weather-related losses that take into consideration, commonly held good viticulture practices.” The motion carried unanimously.

Discussion was then held on the question of in, “what amount should the 75% requirement be reduced to?” Soaring Wings provided documentation of actual loses incurred in its vineyard and its growers, and would like approval to have the ratio changed to approximately 67.7%/32.3%. This would effectively exclude losses from bird damage, and still allow them to use the 1,570 gallons of non-Nebraska juice (at a higher price than they would have paid for Nebraska juice) they have available. Concern was expressed that there should be no financial advantage if a waiver is approved, and any price differential should be paid to the Grape & Winery Board or the NWGGA.

Moody moved and Ryan seconded, that “The Grape and Winery Board recommend the Liquor Control Commission grant the waiver request from Soaring Wings to change the gallonage ratio to 68%/32%.” The motion carried unanimously.

Discussion then centered around recommending the Liquor Control Commission modify its regulation to require future applicants pay to the Grape and Winery Board any price advantage when non-Nebraska grapes are purchased.

Curtright moved and Ryan seconded that “In order to protect the integrity of the Nebraska wine grape industry, any waiver granted that results in an economic advantage because of the purchase of out of state agricultural products as opposed to Nebraska grapes, should be paid to the Nebraska Grape and Winery Board.” Motion carried, four ayes and one (Moody) absent.

The next meeting is scheduled for November 6, 2004, at 7:30 to 8:30 a.m. at UNL East Campus, room to be arranged.

Draft minutes of this meeting will be made available to the Liquor Control Commission for their September 30 meeting.

Meeting was adjourned at 9:12 p.m.

Terry Ryan
Secretary

WINE & GRAPE PRODUCTION PROMOTION BOARD
JULY 1, 2004 - JUNE 30, 2005

DESCRIPTION	FY2004-05 BUDGET	AUGUST, 2004	FY2004-05 YR-TO-DATE	YTD AS % OF BUDGET
BEGINNING CASH BALANCE	\$ 5,960	\$ 2,020.68	5,959.78	
REVENUE:				
Crushed Grape Fees	5,300		0.00	
Investment Interest	95	14.54	29.94	
Total Revenue	\$ 5,395	\$ 14.54	29.94	0.55%
TOTAL AVAILABLE CASH	\$ 11,355	\$ 2,035.22	5,989.72	
EXPENDITURES:				
Printing	\$	\$	0.00	
Room Rental			0.00	
Miscellaneous Operating			0.00	
Promotion			0.00	
Contractual				
NWGGA	7,855	**	3,954.50	
Quality Wine Assurance Prog	0		0.00	
UNL - Viticulture Dept	3,000		0.00	
Board Expense			0.00	
Total Expenditures	\$ 10,855	\$ 0.00	3,954.50	36.43%
Adjustment to Fund Balance	0			
ENDING CASH BALANCE	\$ 500	\$ 2,035.22	2,035.22	

*The ending cash balance is 100% invested in the short-term investment pool.

Percent of Fiscal Year Elapsed: 100%

FY03-04 Revenue to Date: \$5,424.82 FY03-04 Expenditures to Date: \$0

**Includes FY04 Carryover obligation of \$3,954.50.

Grape and Winery Board Meeting
November 6, 2004
UNL East Campus Union
3rd Floor-Meeting Room A

MINUTES

Board Members present: Jim Jeffers
 Eric Nelson
 Terry Ryan

Board Members absent: Bob Curtright
 Justin Moody

Ex-officio members present: Darrel Nelson, UNL

Ex-officio members absent: Casey Foster, Nebraska Department of Agriculture

Guests present: Carola Strauss
 John Fischbach
 Paul Read

President Eric Nelson opened the meeting at 7:35 a.m. Oaths of office were taken and notarized by Carola Strauss for the members present, and will be mailed to those absent. Jeffers moved and Ryan seconded that the agenda be approved as presented, with a few additions under new business. The motion carried unanimously. Ryan then moved and Jeffers seconded that the minutes of the September 16, 2004, meeting be approved after correcting a few grammatical errors. The motion carried unanimously.

Under Old Business: Eric Nelson explained the budget report, and the need to allocate an additional \$1,500 was discussed. Dr. Read indicated that these funds could help “buy in” additional funds from other sources for the University’s viticulture research program. Jeffers thought we should try to allocate 30% of our available funds in the future to the University. Ryan moved, and Jeffers seconded that we allocated \$1,000 to the University’s Viticulture Program, and \$500 to the NWGGA for additional promotional activities. The motion carried unanimously. Jeffers moved and Ryan seconded that it be our policy to support the University’s Viticulture Program with 30% of the income from crush fees, check-off dollars, and other sources to be reviewed by the Board as necessary. The motion carried unanimously. Jeffers also suggested that we get together with the wineries and develop an informational letter to be sent to the State Senators informing them of the impact this industry has on the state and of all the exciting things happening in our industry.

Under New Business: Eric Nelson presented a couple of drafts of a survey that would be sent by the Department of Agriculture to all *Nebraska Vine Lines* recipients to try and get a handle on the acreage and varieties currently growing in the state. Previous attempts by the University and

the NWGGA have been inconclusive. The survey should include a return envelope to the Department of Agriculture. Darrel Nelson suggested a letter be included to explain the purposes and possible use of the data. Jeffers and John Fischbach volunteered to help stuff envelopes, etc.

Eric Nelson reported that the wineries should be the driving force behind the Quality Assurance Program that is in development and the NWGGA's newly created Winery Council may be the group to handle it. We previously allocated \$1,000 for this project. Jeffers indicated that the system that Pennsylvania uses might be the best approach to start with.

It was decided to also send our public notices to Dave Hanna, NWGGA's new web site coordinator, to be included on their web site.

Ryan briefly mentioned that the U.S. Supreme Court would be hearing a case regarding interstate wine shipments in December, and felt we should be ready to provide any applicable information to assist the Governor and Legislature if changes are necessary in state law to comply with the ruling.

The next meeting was tentatively set for 7:00 a.m., Friday March 4, 2005, at the Kearney Holiday Inn, in conjunction with UNL's Spring Forum.

The meeting was adjourned at 8:30 a.m.

Terry Ryan, Board Secretary

**Grape & Winery Board Meeting
March 4, 2005
Holiday Inn, Kearney, Nebraska**

MINUTES

Board Members present: Jim Jeffers
 Bob Curtright
 Terry Ryan
 Justin Moody (via telephone)

Board Members absent: Eric Nelson

Ex-officio Members present: Casey Foster, Ag Promotion Coordinator

Ex-officio Members absent: Darrel Nelson, UNL

Guests present: Paul Read, UNL
 DeeAnn Hrdlicka, President, NWGGA
 Sharon Schilling,
 Carol Ringenberg, Kimmel Education Center
 John Fischbach

In the absence of President Eric Nelson, Jim Jeffers opened the meeting at 7:34 a.m. Curtright moved and Ryan seconded that the agenda be approved as presented. The motion carried unanimously. Curtright moved and Ryan seconded that the minutes of the November 2004 meeting be approved with the addition of adding Paul Read's presence. The motion carried unanimously.

Under Old Business: Curtright moved and Ryan seconded that the current officers be re-elected. The motion carried unanimously. Foster reviewed the budget with the Board. Curtright moved and Moody seconded that we approve it. The motion carried unanimously. DeeAnn Hrdlicka reviewed the current activities of the NWGGA and their use of allocated funds. A copy of the report is attached. Discussion then followed on the need for more promotional funds and other grant funds that may be available. Jeffers felt the biggest problem is recognition that Nebraska wines are an alternative for established wine tastes. We need to match those tastes to our wines. James Arthur Winery has developed some cards to hand out that make those comparisons. Carol Ringenberg and Sharon Schilling showed some examples of promotional brochures used in other states, and asked that the Board help fund the development of 25,000 "Wine Trail Maps." These maps would replace the current, outdated NWGGA brochure and would be used throughout the state, at rest stops etc, and would be easily update-able. Preliminary work has begun with the help of a UNK intern. Nebraska Department of Tourism funding had been applied for, but was not approved. The NWGGA plans on reapplying next year to continue the project. Examples of similar brochures from Missouri and Pennsylvania were viewed. Jeffers indicated he was concerned with the use of USDA grant funds by some wineries that created a competitive advantage over other wineries. DeeAnn and

Sharon indicated that the NWGGA is considering applying for funding through USDA's Value Added Program, but it is a lot of work, requiring an approved business plan first, which VAP funds may help with, before operating funds can be applied for. Once the grant is announced, there are approximately 45 days to write and submit an application. This USDA program also appears to be one that may not be funded at all next year.

Moody moved and Curtright seconded that we allocate an additional \$2,000 to the UNL Viticulture Program this fiscal year (in addition to the \$1,000 that was allocated at the November meeting), retain about \$500 for administration, and the balance to the NWGGA to use funds for the Wine Trail Maps. The motion carried unanimously.

Under New Business: The July 1, 2005-June 30, 2006, budget was discussed and adopted. Curtright moved and Ryan seconded that we continue to retain only \$500 for administration. Of the balance, 30% was allocated to the UNL Viticulture Program and 70% to the NWGGA. This would include the funds for NWGGA's Quality Assurance Program. The motion carried unanimously. Paul Read indicated that Steve Menke from Pennsylvania was part of tomorrow's program to discuss their quality assurance efforts.

Ryan, Paul Read, and John Fischbach discussed the status of LB 323 that would allocate \$50,000 of state general funds to the Board. They felt testimony at the Appropriations Committee hearing left a very positive impression. The Bill is still in Committee at this point. The NWGGA legislative dinner held February 24, in Lincoln, was well attended and was also very informative for the Senators that were there.

Paul Read gave an update on the University's activities and on the Conference. The research vineyards are now six to eight years old and are providing much more useful data. This year's multi-state field day will be held in Iowa, and two field days are scheduled near Springfield and Ogallala this month. Today's conference will include information on the health benefits of wine and a discussion of the National Grape and Wine Initiative, which may make some federal funds available for smaller state programs. Funding for the UNL Viticulture Program is short, but they are scrapping by.

The next meeting of the Board is scheduled in conjunction with UNL's fall forum, probably in November.

The meeting was adjourned at 8:55 a.m.

Submitted by Terry Ryan, Secretary.

NWGGA Budget Information

Prepared for the Grape and Winery Board meeting March 4, 2005

Prepared by DeeAnn Hrdlicka, NWGGA President

Proposal for Grape and Winery Board FY 2005 potential allocation

*based on possible approval of LB 323

Winery Brochures	\$15,000
Executive Director Search and Development	\$ 5,000
Executive Director Salary – year 1	\$20,000
Public education/promotion	\$ 5,000
Trade Show Display Updates	\$ 5,000
TOTAL	\$50,000

Winery Promotion Brochures – The current winery promotion brochure has been widely distributed throughout the state and surrounding states. The purpose of the brochure is to promote the Nebraska wineries and encourage travel and tourism in the state of Nebraska. Many new wineries have been established and need to be added to the brochure. The current marketing committee has designed a new fold-out style brochure including all NWGGA member wineries and tasting rooms selling only Nebraska wines. Competitive bids are being gathered, and brochures need to be printed soon.

Research and development of NWGGA Executive Director position – The NWGGA is considering hiring an Executive Director as many agriculture associations have. As the NWGGA has grown, the demands on the organization have grown. We have more and more opportunities for promotion, events, and media exposure. We need someone to manage those areas as well as develop a statewide marketing initiative. It is critical that, before moving in this direction, the NWGGA research and carefully develop the position description as well as any legalities that may result.

Public Education/Promotion – Educate the public on Nebraska grape wine varieties, through the use of presentations and product tasting in several cities across the state. The public will learn and appreciate the varieties grown in Nebraska (Edelweiss, LaCrosse, deChaunac, etc.) as they compare to the more commonly known varieties grown elsewhere (Merlot, Chardonnay, etc.).

Trade Show Display Updates – The current trade show displays were developed with grant monies in 2000. With the number of new wineries and the growth of the industry, in general, these displays need to be updated. In addition, with the number of requests the NWGGA is receiving to present, the organization needs a larger number of displays that can be distributed in regional areas throughout the state. Part of the monies would also be used to update the speakers bureau presentation. The current presentation is still on slide projector format. The plan is to update to a Microsoft PowerPoint presentation that could be easily distributed electronically to anyone in the organization who has been called upon to speak locally.

NEBRASKA GRAPE AND WINERY BOARD

July 1, 2004 - June 30, 2005

DESCRIPTION	FY 2004-05 BUDGET	FY 2004-05 YEAR TO DATE	YTD AS % OF BUDGET
BEGINNING CASH BALANCE	\$5,960.00	\$5,959.78	
REVENUE:			
Crushed Grape Fees	\$ 5,300.00	\$ 4,995.02	
<u>Investment Interest</u>	<u>95.00</u>	<u>161.31</u>	
Total Revenue	\$ 5,395.00	\$ 5,156.33	95.58%
TOTAL AVAILABLE CASH	\$11,355.00	\$11,116.11	
EXPENDITURES			
Printing	\$ 0.00	\$ 0.00	
Room Rental	0.00	0.00	
Miscellaneous Operating	0.00	0.00	
Promotion	0.00	0.00	
Contractual			
NWGGA	7,855.00**	7,855.00	
Quality Wine Assurance Prog	0.00	0.00	
UNL – Viticulture Dept	3,000.00	3,000.00	
<u>Board Expense</u>	<u>0.00</u>	<u>0.00</u>	
Total Expenditures	\$10,855.00	\$10,855.00	100%
<u>Adjustment to Fund Balance</u>	<u>0.00</u>	<u>0.00</u>	
<u>ENDING CASH BALANCE</u>	<u>\$ 500.00</u>	<u>\$ 261.11</u>	

*The ending cash balance is 100% invested in the short-term investment pool.

Percent of Fiscal Year elapsed: 100%

FY 03-04 Revenue to Date: \$5,424.82 FY03-04 Expenditures to Date: \$0

**Includes FY04 Carryover obligation of \$3,954.50

AGREEMENT #18-13-047

between

UNIVERSITY OF NEBRASKA – LINCOLN VITICULTURE PROGRAM

and

NEBRASKA DEPARTMENT OF AGRICULTURE

This Agreement entered into by and between the University of Nebraska – Lincoln Viticulture Program hereinafter called the “Viticulture Program,” and the Nebraska Department of Agriculture, hereinafter called the “Department,” provides for the funding from the Nebraska Grape and Winery Board funds toward Viticulture Program research activities to assist in the betterment of Nebraska’s grape industry.

WHEREAS, it has been proven that high-quality wine grapes and wines can be produced in Nebraska;

WHEREAS, numerous awards have been won by Nebraska wineries at many of the most prestigious wine competitions proving the fact that the Nebraska wineries can produce wines meeting local favor and receiving national acclaim;

WHEREAS, the Nebraska Grape and Winery Board, under Neb. Rev. Stat. §§53-301 to 53-305, has conducted a public board meeting and directed the Department to provide funds to the Viticulture Program;

WHEREAS, the research activities conducted by the Viticulture Program will greatly assist the Nebraska grape and winery industry;

WHEREAS, both parties hereto desire to enter into this Agreement in order to further promote Nebraska’s grape and wine industry.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties hereto that:

1. The Nebraska Grape and Winery Board approved three thousand dollars (\$3,000) from the Winery and Grape Producers Promotional Fund to pay for the Viticulture Program activities, which are to be used for two projects.
 - a. The first is an interdisciplinary project to monitor vineyards in several parts of the state for environmental and pest parameters, with a goal of garnering information that will enable the Viticulture Program to provide assistance to Nebraska’s grape growers and ultimately help the wineries as they pursue identification of terroirs and possible establishment of American Viticultural Areas in Nebraska.
 - b. The second is to conduct an experiment to compare the performance of important Nebraska-grown grape cultivars on different trellis systems.

The amount of three thousand dollars (\$3,000) will partially pay for Viticulture Technologist salary, travel costs to visit sites, installation of monitoring devices, evaluation of trellis systems, material costs for installation of monitoring devices and trellis systems, and data acquisition and communication costs.

2. Duration of Agreement: This Agreement shall be in force and effective from April 1, 2005, to June 30, 2005.
3. The Department agrees to provide the funds as set out in paragraph 1, from the Winery and Grape Producers Promotional Fund.
4. Payment in the amount of three thousand dollars (\$3,000) from the Winery and Grape Producers Promotional Fund to the Viticulture Program will be payable in full upon both parties signature to this Agreement, and Viticulture Program incurring an obligation. The Viticulture Program shall present an Interagency Billing Transaction (IBT) invoice to the Department to make payment from.
5. Funding for this project is subject to legislative appropriations and funding being available.
6. It is understood that, after the Agreement begins, if additional costs would be incurred, with the mutual written consent of all parties and, provided resources are available, this Agreement may be amended.
7. Viticulture Program shall utilize funds provided by the Department only for facilities, materials, and personnel to conduct the duties called for in this Agreement. Department funds provided for this project are not to be used to pay administrative or indirect costs.
8. The parties mutually agree as follows:
 - a. The Viticulture Program shall:
 - (1) Not discriminate against recipients of services on the basis of race, color, religion, national origin, sex, disability or age; and
 - (2) Not discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, sex, or qualified disability.

It is further understood and agreed that, if the Viticulture Program is in violation of this clause, it shall be barred forthwith from receiving further funds unless a satisfactory showing is made indicating discriminatory practices have terminated and a recurrence of such act or action is unlikely.
 - b. This Agreement incorporates the complete understanding of the parties. Any modification of the Agreement shall be in writing and executed by each party to be valid.

- c. The Viticulture Program agrees to have in force, during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain:
 - (1) A statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in the Viticulture Program workplace;
 - (2) The specific actions that will be taken against employees for violating the policy; andA requirement that each employee receives a copy of the policy.
- d. The Viticulture Program shall indemnify and hold harmless the Department from any and all claims and liabilities, including costs and legal fees, that may arise out of or on account of any failure on the part of the Viticulture Program to perform such duties for the Department as herein specified. This obligation shall survive the expiration or termination of this Agreement.
- e. The books of account, files, and other records of the Viticulture Program which are applicable to this Agreement shall be available for inspection, review, and audit by the Department and its representatives to determine the proper application and use of all funds paid to and for the account or benefit of the Viticulture Program.
- f. The Viticulture Program agrees to maintain all books, documents, papers, or other records involving transactions related to this Agreement for a period of five (5) years. If any litigation or audit is begun or a claim is instituted involving the Agreement, the Viticulture Program shall retain the records beyond the five (5) year period until litigation, audit findings, or any claims have been fully resolved and the Department has agreed that such records no longer needs to be retained.
- g. The Viticulture Program specifically agrees that funds given to the Viticulture Program shall be used only for the projects and purposes enumerated herein and further acknowledges that expenditures shall not be used for political activity.
- h. Any funds paid to the Viticulture Program under this Agreement, and not fully utilized and earned pursuant to this Agreement during the Agreement period, shall be returned to the Department and credited to the winery and grape producers promotional fund unless otherwise agreed. Furthermore, if the Viticulture Program fails to perform as outlined herein, the Viticulture Program shall be required to repay any unearned funds received under this Agreement.
- i. This Agreement is not assignable without the express written approval of the Department.
- j. This Agreement may be terminated by either of the parties hereto at any time by giving thirty (30) days advance written notice to the other party.

- k. The relationship of the Department and the Viticulture Program under this Agreement shall be that of principal and independent contractor. It is understood by both the Department and the Viticulture Program that the Viticulture Program is not an employee of the Department. It is understood that the Department assumes no responsibility beyond those specifically stated in this Agreement.
- l. All provisions of this Agreement are subject to the Americans with Disabilities Act.
- m. The Viticulture Program guarantee payment of compensation to injured workers according to the Nebraska Workers Compensation Act.
- n. This contract becomes valid upon the date of the final signature.

Approved:

NEBRASKA DEPARTMENT OF
AGRICULTURE

Date

Merlyn Carlson, Director

UNL VITICULTURE PROGRAM

Date

Dr. Paul Read, Professor of Viticulture

Date

Norman O. Braaten, Board of Regents

unlviticulturecontract040105.doc

AGREEMENT #18-13-048

between

NEBRASKA WINERY AND GRAPE GROWERS' ASSOCIATION

and

NEBRASKA DEPARTMENT OF AGRICULTURE

This Agreement entered into by and between the Nebraska Winery and Grape Growers' Association, hereinafter called the "NWGGA," and the Nebraska Department of Agriculture, hereinafter called the "Department," provides for the funding from the Nebraska Grape and Winery Board funds to NWGGA to support the production cost of a state-wide Nebraska Wine Trail map brochure.

WHEREAS, it has been proven that high-quality wine grapes and wines can be produced in Nebraska;

WHEREAS, numerous awards have been won by Nebraska wineries at many of the most prestigious wine competitions proving the fact that the Nebraska wineries can produce wines meeting local favor and receiving national acclaim;

WHEREAS, the Nebraska Grape and Winery Board, under Neb. Rev. Stat. §§53-301 to 53-305, has conducted a public board meeting and directed the Department to provide funds to NWGGA;

WHEREAS, the research activities conducted by NWGGA will greatly assist the Nebraska grape and winery industry;

WHEREAS, both parties hereto desire to enter into this Agreement in order to further promote Nebraska's grape and wine industry.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties hereto that:

1. The Nebraska Grape and Winery Board approved three thousand nine hundred dollars and fifty cents (\$3,900.50) from the Winery and Grape Producers Promotional Fund to pay for the creation of a Nebraska Wine Trail map.

This map will include Nebraska Wineries, vineyards, tasting room locations, educational information about growing conditions, wine knowledge, and information about the wine and grape industry within Nebraska. It will be used as a marketing piece to guide visitors to our states wineries.

The amount of three thousand nine hundred dollars and fifty cents (\$3,900.50) will be used to partially pay for the production cost of creating this map. This is a cooperative effort between NWGGA, the University of Nebraska at Kearney (UNK), and the University of Nebraska Kimmel Education and Research Center.

2. Duration of Agreement: This Agreement shall be in force and effective from April 1, 2005, to June 30, 2005.
3. The Department agrees to provide the funds as set out in paragraph 1, from the Winery and Grape Producers Promotional Fund.
4. NWGGA agrees to provide a copy of the final map to the Department after the brochures have been printed and a report of the final cost of printing.
5. Payment in the amount of three thousand nine hundred dollars and fifty cents (\$3,900.50) from the Winery and Grape Producers Promotional Fund to NWGGA will be payable in full upon both parties signature to this Agreement, and NWGGA incurring an obligation. NWGGA shall present an invoice to the Department to make payment from.
6. Funding for this project is subject to legislative appropriations and funding being available.
7. It is understood that, after the Agreement begins, if additional costs would be incurred, with the mutual written consent of all parties and, provided resources are available, this Agreement may be amended.
8. The parties mutually agree as follows:
 - a. NWGGA shall:
 - (1) Not discriminate against recipients of services on the basis of race, color, religion, national origin, sex, disability or age; and
 - (2) Not discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, sex, or qualified disability.

It is further understood and agreed that, if NWGGA is in violation of this clause, it shall be barred forthwith from receiving further funds unless a satisfactory showing is made indicating discriminatory practices have terminated and a recurrence of such act or action is unlikely.

- b. This Agreement incorporates the complete understanding of the parties. Any modification of the Agreement shall be in writing and executed by each party to be valid.
- c. NWGGA agrees to have in force, during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain:
 - (1) A statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in the NWGGA workplace;
 - (3) The specific actions that will be taken against employees for violating the policy; and

A requirement that each employee receives a copy of the policy.

- d. NWGGA shall indemnify and hold harmless the Department from any and all claims and liabilities, including costs and legal fees, that may arise out of or on account of any failure on the part of NWGGA to perform such duties for the Department as herein specified. This obligation shall survive the expiration or termination of this Agreement.
- e. The books of account, files, and other records of NWGGA which are applicable to this Agreement shall be available for inspection, review, and audit by the Department and its representatives to determine the proper application and use of all funds paid to and for the account or benefit of NWGGA.
- f. NWGGA agrees to maintain all books, documents, papers, or other records involving transactions related to this Agreement for a period of five (5) years. If any litigation or audit is begun or a claim is instituted involving the Agreement, NWGGA shall retain the records beyond the five (5) year period until litigation, audit findings, or any claims have been fully resolved and the Department has agreed that such records no longer needs to be retained.
- g. NWGGA specifically agrees that funds given to NWGGA shall be used only for the projects and purposes enumerated herein and further acknowledges that expenditures shall not be used for political activity.
- h. Any funds paid to NWGGA under this Agreement, and not fully utilized and earned pursuant to this Agreement during the Agreement period, shall be returned to the Department and credited to the winery and grape producers' promotional fund unless otherwise agreed. Furthermore, if

NWGGA fails to perform as outlined herein, NWGGA shall be required to repay any unearned funds received under this Agreement.

- i. This Agreement is not assignable without the express written approval of the Department.
- j. This Agreement may be terminated by either of the parties hereto at any time by giving thirty (30) days advance written notice to the other party.
- k. The relationship of the Department and NWGGA under this Agreement shall be that of principal and independent contractor. It is understood by both the Department and NWGGA that NWGGA is not an employee of the Department. It is understood that the Department assumes no responsibility beyond those specifically stated in this Agreement.
- l. All provisions of this Agreement are subject to the Americans with Disabilities Act.
- m. NWGGA guarantees payment of compensation to injured workers according to the Nebraska Workers Compensation Act.
- n. This contract becomes valid upon the date of the final signature.

Approved:

NEBRASKA DEPARTMENT OF
AGRICULTURE

Date

Merlyn Carlson, Director

NEBRASKA WINERY AND GRAPE
GROWERS' ASSOCIATION

Date

Max McFarland, President

nwgacontract040605.doc

BYLAWS

ARTICLE I. AUTHORITY

This organization, its purpose, procedures, and regulations are established pursuant to Neb. Rev. Stat. §§53-301 through 53-305.

ARTICLE II. NAME and LOCATION

The name of this organization shall be the Nebraska Grape and Wine Board, hereinafter referred to as the "Board." The principal business office of the Board shall be located at the Nebraska Department of Agriculture office, P.O. Box 94947, 501 Centennial Mall South, Lincoln, Nebraska 68509.

ARTICLE III. PURPOSE

The purpose of the Board shall be to further the growth and economic development of the grape-growing and wine-making industry in the state of Nebraska to a maximum level as supported by the favorable soil and climatic conditions existing in Nebraska; and to satisfy the market demand for grapes and wine inside and outside of Nebraska. The end objective being to create an economically viable alternative farm crop and wine industry in Nebraska that will enhance the economic condition of the farm industry, in specific, and the state of Nebraska in general.

ARTICLE IV. MEMBERSHIP

Section 1. The Board shall consist of:

- A. Five (5) members to be appointed by the Governor on a nonpartisan basis;
- B. Nebraska Department of Agriculture Director, or designee, who shall have rights of membership except the right to vote; and
- C. Vice Chancellor, University of Nebraska Institute of Agriculture and Natural Resources, or designee, who shall have rights of membership except the right to vote.

Section 2. Board members shall be:

- A. Citizens of Nebraska;
- B. Twenty-one (21) years of age or older; and
- C. Engaged in, or previously engaged in, wine or grape production or research in this field in Nebraska.

- Section 3. At least two (2) Board members shall be members of the Nebraska Winery and Grape Growers Association.
- Section 4. Board members shall serve a term of three (3) years or until their successor is appointed.
- Section 5. Vacancies in the Board resulting from resignation, nonperformance of duties, death, or other cause, shall be filled by appointment of the Governor

ARTICLE V. OFFICERS

- Section 1. The elected officers of the Board shall be:
- A. Chairman;
 - B. Vice-Chairman;
 - C. Secretary/Treasurer;
 - D. Other officers as the Board deems necessary to carry out the duties and responsibilities of the Board.
- Section 2. Officers shall be elected from the members of the Board annually, following the appointment of members to fill expired terms, at the first meeting of the calendar year.
- Section 3. The election of officers requires a majority vote of the Board.
- Section 4. The term of office shall be for one (1) year or until the election of their successor.
- Section 5. Any officer may be removed from office for due cause by a two-thirds (b) vote of the voting members of the Board.
- Section 6. Officer duties shall include:
- A. The Chairman shall:
 - 1. Preside at all meetings of the Board; and
 - 2. Perform all duties normally expected of this office and as may be assigned by the Board.
 - B. The Vice-Chairman shall:
 - 1. Assume full powers and authority as accorded the chairman in the absence of that officer; and
 - 2. Perform all duties normally expected of this office and as may be assigned by the Board or the Chairman.
 - C. The Secretary/Treasurer shall:
 - 1. Record the official minutes of all regular and special Board meetings;

2. Give public notice of all regular and special Board meetings in accordance with applicable state laws; and
3. Prepare and circulate the Board meeting agendas as established by the Chairman.
4. Serve as the primary liaison between the Board and the Department of Agriculture in all financial matters; and
5. Be responsible for preparing the Annual Financial Report for the approval of the Board.

ARTICLE VI. MEETINGS

- Section 1. Meetings of the Board shall be held at its principal office in Lincoln, Nebraska, but may be held elsewhere if the notice of the meeting, or the waiver of such notice, so provides.
- Section 2. Regular meetings of the Board shall be held on a biannual basis at such time and place as may be determined by the Board at its previous meeting.
- Section 3. Special meetings of the Board may be called at the request of the Chairman or by any three (3) Board members.
- A. Notice of special meetings shall state the purpose of the meeting.
 - B. Notice of special meetings shall be publicly advertised as required by state law.
- Section 4. A majority of the voting members of the Board shall constitute a quorum. In the absence of a quorum, those present may recess or adjourn to a later date, but may not transact any business for the Board.

ARTICLE VII. POWERS AND RESPONSIBILITIES OF THE BOARD

- Section 1. The Board shall:
- A. Function in an advisory capacity to the Nebraska Department of Agriculture and the Nebraska Liquor Control Commission.
 - B. Elect officers and keep minutes of meetings and other books and records which will clearly reflect all of the acts and transactions of the board, and to make these records available for examination upon request to members of the public.
 - C. Authorize and approve the Department of Agriculture's expenditure of funds collected pursuant to Neb. Rev. Stat. §53-304 (LB 477).
 - D. Promulgate and adopt rules and regulations to carry out Neb. Rev. Stat. §§53-301 to 53-305, LB 477.

- E. Make and publish an annual report on, or before, January 1 of each year. The annual report shall set forth, in detail, those requisites required in LB 477, Neb. Rev. Stat. §53-305.
- F. Establish a public forum whereby any producer of wine, grapes, or other wine-producing agricultural products has the opportunity, at least once annually, to discuss the Board's policies and procedures at a Board meeting.
- G. Participate in regional, state, national, and international activities with organizations which have, as their objective, developing new and better grape varieties suitable for growing in Nebraska.
- H. Provide current research data conducted by, or for, the Board to grape growers and vintners in Nebraska and to persons considering entering into grape-growing within the state.
- I. Participate in the development of research projects to improve wine making methods utilizing new and old grape varieties grown in Nebraska.
- J. Develop and participate in studies, programs, research, and the dissemination of information and data pertaining to sales, promotion, and the effective distribution of Nebraska wines.
- K. Serve as an advisory panel to the Nebraska Liquor Control Commission in all matters pertaining to the wine industry.

Section 7. Members of the Board shall serve without compensation except that voting Board members shall be reimbursed for their actual and necessary expenses as provided for in Neb. Rev. Stat. §§81-1174 to 81-1177.

- A. Reimbursement, as allowed, shall include attendance at meetings of the Board;
- B. Reimbursement, as allowed, shall include the expense of engaging in the performance of official responsibilities as determined by the Board; and
- C. All expenses shall be approved by a majority of the members of the Board.

Section 8. The Board shall not be responsible, collectively or individually, in any manner whatsoever, to any person or persons for errors in judgment, mistake, or other acts of commission or omission except for their own individual and personal acts of dishonesty or other acts of a criminal nature.

- No member shall be held responsible, individually or collectively, for the criminal act or default of any other Board member.
- Any liability of an individual Board member shall be separate and not joint.

ARTICLE VIII: COMMITTEES

The Chairman of the Board shall establish committees and designate committee members contingent upon approval by the Board.

ARTICLE IX: PARLIAMENTARY AUTHORITY

All meetings shall be conducted within the general rules set forth in the current edition of *Roberts Rules of Order, Newly Revised*.

ARTICLE X: AMENDMENT

The Board may repeal or amend these Bylaws, or any part thereof, by a two-thirds (b) vote of the Board in presence of a quorum, after ten (10) days written notice of the proposed changes in the Bylaws. In the alternative, such amendments may be requested by mail ballot and will become effective if two-thirds (b) return an affirmative vote on the proposed bylaws changes.

ADOPTED November 2, 2001

Grapebylaws062001

STATUTES

NEBRASKA GRAPE AND WINERY BOARD

- Administration:** These statutes create the Nebraska Grape and Winery Board. That Board is given certain duties under these statutes. For administrative purposes, a fund is located in the Nebraska Department of Agriculture. The revenue from Nebraska wineries is to be used by the Nebraska Department of Agriculture to develop programs that promote the wine industry in Nebraska.
- Adoption:** The provisions of these statutes were last revised during the 2003 session of the Nebraska Legislature. This reproduction was prepared following that session.
- Rules:** The Board is given authority to adopt and promulgate regulations; however, none have yet been developed.

INDEX

<u>Section</u>	<u>Subject</u>
53-301	Nebraska Grape and Winery Board; created.
53-302	Board; officers; terms; expenses.
53-303	Board; powers and duties.
53-304	Winery; payments required; Winery and Grape Producers Promotional Fund; created; use; investment.
53-305	Board; annual report.

53-301. Nebraska Grape and Winery Board; created. (1) The Nebraska Grape and Winery Board is created. The board shall consist of five members to be appointed by the Governor on a nonpartisan basis. All board members shall be (a) citizens of Nebraska, (b) at least twenty-one years of age, and (c) either engaged in or previously engaged in wine or grape production or research in this state. At least two board members shall be members of the Nebraska Winery and Grape Growers Association. In addition, the Director of Agriculture and the vice chancellor of the University of Nebraska Institute of Agriculture and Natural Resources or their designees shall be ex officio members of the board but shall have no vote in board matters.

(2) Whenever a vacancy occurs on the board for any reason, the Governor shall appoint an individual to fill such vacancy pursuant to the qualifications set forth in subsection (1) of this section.

53-302. Board; officers; terms; expenses. (1) Within thirty days after the appointment of the initial members of the Nebraska Grape and Winery Board, such board shall conduct its first regular meeting. During that meeting, the board members shall elect from among themselves, by majority vote, a chairperson, vice-chairperson, secretary, and treasurer, all to serve for terms of one year from the date of election. Subsequent board meetings shall take place at least once every six months and at such times as called by the chairperson or by any three board members.

(2) Each board member shall serve for a term of three years, upon completion of which he or she may, at the Governor's discretion, be reappointed.

(3) All voting board members shall be reimbursed for their actual and necessary expenses, as provided for in sections 81-1174 to 81-1177, while attending meetings of the board or while engaged in the performance of official responsibilities as determined by the board.

(4) A board member shall be removable by the Governor for cause. The board member shall first be given a written copy of the charges against him or her and also an opportunity to be heard publicly. In addition to all other causes, the failure of a board member to continue to meet any of the requirements for eligibility set out in section 53-301 shall be deemed sufficient cause for removal from office.

53-303. Board; powers and duties. The duties and responsibilities of the Nebraska Grape and Winery Board include, but are not limited to, the following:

(1) To establish a public forum whereby any producer of wine, grapes, or other wine-producing agricultural products has the opportunity, at least once annually, to discuss with the board its policy and procedures;

(2) To keep minutes of its meetings and other books and records which will clearly reflect all of the acts and transactions of the board and to make these records available for examination upon request by members of the public;

(3) To authorize and approve the Department of Agriculture's expenditure of funds collected pursuant to section 53-304;

(4) To serve as an advisory panel to the Nebraska Liquor Control Commission in all matters pertaining to the wine industry; and

(5) To adopt and promulgate rules and regulations to carry out sections 53-301 to 53-305.

53-304. Winery; payments required; Winery and Grape Producers Promotional Fund; created; use; investment. Each Nebraska winery shall pay to the Nebraska Liquor Control Commission twenty dollars for every one hundred sixty gallons of juice produced or received by its facility.

Gifts, grants, or bequests may be received for the support of the Nebraska Grape and Winery Board. Funds paid pursuant to the charge imposed by this section and funds received from gifts, grants, or bequests shall be remitted to the State Treasurer for credit to the Winery and Grape Producers Promotional Fund which is hereby created. For administrative purposes, the fund shall be located in the Department of Agriculture. All revenue credited to the fund shall be used by the department, at the direction of and in cooperation with the board, to develop and maintain programs for the research and advancement of the growing, selling, marketing, and promotion of grapes, fruits, berries, honey, and other agricultural products and their byproducts grown and produced in Nebraska for use in the wine industry. Such expenditures may include, but are not limited to, all necessary funding for the employment of experts in the fields of viticulture and enology, as deemed necessary by the board, and programs aimed at improving the promotion of all varieties of wines, grapes, fruits, berries, honey, and other agricultural products and their byproducts grown and produced in Nebraska for use in the wine industry.

Funds credited to the fund shall be used for no other purposes than those stated in this section. Any funds not expended during a fiscal year may be maintained in the fund for distribution or expenditure during subsequent fiscal years. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

53-305. Board; annual report. The Nebraska Grape and Winery Board shall make and publish an annual report on or before January 1 of each year, which report shall set forth in detail the following:

(1) The name and address of each board member and a copy of all rules and regulations adopted and promulgated by the board; and

(2) A detailed explanation of all programs for which the board approved funding that fiscal year, pursuant to section 53-304, for the research, discovery, promotion, and development of programs for the growing, production, and marketing of Nebraska wines, grapes, fruits, berries, honey, and other agricultural products and their byproducts grown and produced in Nebraska for use in the wine industry.

Each annual report shall be presented to the Nebraska Liquor Control Commission within thirty days after its publication and made available also to any person who requests a copy. Except for the annual copy required by this section to be provided to the commission, the board may charge a nominal fee to cover the costs of printing and postage for making available copies of its annual reports.

RELATED STATUTES

Related Statutes: Farm Wineries Act

INDEX

<u>Section</u>	<u>Subject</u>
53-123.10	Farm winery license; when issued.
53-123.11	Farm winery license; rights of licensee.
53-123.12	Farm winery license; application requirements; fees.
53-123.13	Farm winery; waiver of requirement; when.

53-123.10 Farm winery license; when issued.

A license to operate a farm winery may be issued by the commission upon an applicant's compliance with section 53-123.12 and such other requirements as the commission adopts and promulgates by rule and regulation to administer sections 53-101.02 and 53-123.10 to 53-123.13.

Source: Laws 1985, LB 279, §4.

53-123.11 Farm winery license; rights of licensee.

Farm winery license; rights of licensee.

- (1) A farm winery license shall entitle the holder to:
 - (a) Sell wines produced at the farm winery onsite at wholesale and retail and to sell wines produced at the farm winery at off-premises sites holding the appropriate retail license;
 - (b) Sell wines produced at the farm winery at retail for consumption on the premises;
 - (c) Ship wines produced at the farm winery by common carrier and sold at retail to recipients in and outside the State of Nebraska, if the output of such farm winery for each calendar year as reported to the commission by December 31 of each year does not exceed thirty thousand gallons. In the event such amount exceeds thirty thousand gallons, the farm winery shall be required to use a licensed wholesaler to distribute its wines for the following calendar year, except that this requirement shall not apply to wines produced and sold onsite at the farm winery pursuant to subdivision (1)(a) of this section; and
 - (d) Allow sampling of the wine at the farm winery and at one branch outlet in the state in reasonable amounts.

- (2) No farm winery shall manufacture wine in excess of fifty thousand gallons per year.

Source: Laws 1985, LB 279, §5; Laws 1991, LB 344, §23; Laws 1997, LB 479, §1.
53-123.12 Farm winery license; application requirements; fees. Any person desiring to obtain a new license to operate a farm winery shall:

- (1) File an application with the commission in triplicate original upon such forms as the commission from time to time prescribes;
- (2) Pay the license fee to the commission under subdivision (2) of section 53-124, which fee shall be returned to the applicant if the application is denied; and
- (3) Pay the state registration fee to the commission in the sum of forty-five dollars.

License fees and registration fees may be paid to the commission by certified or cashier's check of a bank within this state, personal or business check, United States post office money order, or cash in the full amount of such fees. The commission shall then notify, by registered or certified mail marked return receipt requested with postage prepaid, the municipal clerk of the city or incorporated village where such license is sought or, if the license is not sought within a city or incorporated village, the county clerk of the county where such license is sought of the receipt of the application and shall enclose with such notice one copy of the application. No such license shall then be issued by the commission until the expiration of at least forty-five days from the date of mailing of such application by the commission. Within thirty-five days from the date of receipt of such application from the commission, the local governing bodies of nearby cities or villages or the county may make and submit to the commission recommendations relative to the granting or refusal to grant such license to the applicant.

Source: Laws 1985, LB 279 §7; Laws 1988, LB 1089, §10; Laws 1991, LB 202, §2; Laws 2000, LB 973, §3. Operative date August 1, 2000.

53-123.13 Farm winery; waiver of requirement; when.

- (1) In the event the operator of a farm winery is unable to produce or purchase seventy-five percent of the grapes, fruit, or other suitable agricultural products used in the farm winery from within the state due to natural disaster which causes substantial loss to the Nebraska-grown crop, such operator may petition the commission to waive the seventy-five-percent requirement prescribed in subdivision (32) of section 53-103 for one year.
- (2) It shall be within the discretion of the commission to waive the seventy-five percent requirement taking into consideration the availability of products used in farm wineries in this area and the ability of such operator to produce wine from products that are abundant within the state.

Source: Laws 1985, LB 279, §6; Laws 1986, LB 871, §2; Laws 1989, LB 441, §5; Laws 1991, LB 344, §24; Laws 1994, LB 859, §5.