



March 8, 2007

**TO: NARD Board, NRD Managers and Conservation Partners**  
**FROM: Dean E. Edson, NARD Executive Director**  
**RE: March 8 NARD UPDATE**

**Committee Action this Week**

**LB594 – Temporary Suspension of new well permits and surface water rights for irrigation.** The Natural Resources Committee accepted testimony on LB 594 this week, which restricts new issuance of surface water appropriations and water well permits for irrigation purposes. Two individuals spoke in favor of the bill, while dozens of individuals and groups lined up in opposition of the bill. Several NRDs used the opportunity to update the committee and other of their district's management activities. The NRDs in the Niobrara and Elkhorn river basins presented evidence of increased stream flows over the past several decades and increased an/or stable ground water tables. Several other NRDs summarized their current water management plans and the success's of taking pro-active management. Senator Gail Kopplin of Gretna mentioned that he wanted to debate the issue and find out more about water management activities in areas of the state where there are no moratoriums. This bill was indefinitely postponed on March 9<sup>th</sup>.

**LB477 – Change insurance requirements.** Senator John Wightman presented a bill to the Government Committee last week which would move current state employee health insurance from its current 79% employer, 21% employee contribution breakdown to 75% employer, 25% employee in one-year increments through July 1, 2011. The bill also expresses legislative intent that political subdivisions receiving state aid should contribute in a comparable amount; if not, the subdivision could face a reduction in state aid. This bill was indefinitely postponed on March 5<sup>th</sup>.

**Senator's and Committee's Select Priority Bills** - Senators and committees selected priority bills for the year this week. Some of the bills of interest to NRDs include:

**LB 458 -- Integrated Management Plans and removing vegetation, Carlson, *et al.*** An amendment to the bill is being offered that would create a task force to assist the NRDs and other agencies in implementing vegetation management activities in full and over-appropriated areas. The amendment also provides 2 million/year in general fund appropriations. Senator Carlson declared this his personal priority bill for the session.

**LB 295 – Irrigation and Water Wells, Natural Resources Committee.** This bill makes a number of changes at the request of the Nebraska Department of Natural Resources. The bill is a Natural Resources Committee Priority Bill.

**LB 564 – Recreational Liability Act, Friend, *et al.*** The bill is in response to a Nebraska Supreme Court decision that struck recreational liability protection for political subdivision and state-owned property and re-instates some liability protection for public recreation facilities owned and/or managed by political subdivisions. Senator Augular declared LB 564 his personal priority bill.

**LB 701** - Senator Carlson withdrew as a co-sponsor to LB 701 last week. The bill proposes a major over-haul of water management laws in Nebraska. Senator Christensen declared this his priority bill for this session.

**Nebraska Unicameral Committee Hearings Next Week – All Hearings begin at 1:30 pm.**

**LB321 – Mainline Appropriations Bill.** The Department of Natural Resources agency hearing is set for Monday, 3/12, in front of the Appropriations Committee, 1:30, Room 1524. Jasper Fanning, Upper Republican NRD Manager will be testifying on behalf of NARD in support of the agency budget.

**LB420 – Change cigarette tax distribution and create funds.** This bill creates the Agricultural Research Fund and the Water Resources Cash Fund. Both funds would be supported by cigarette taxes, and beginning July 1, 2008, \$1.5 million

and \$1 million annually would be placed in the Agricultural Research Fund and the Water Resources Cash Fund, respectively. **Hearing 3/12, 1:30, Room 1524**

**Republican River -- The following are some answers to frequently asked questions about the Republican River Basin.**

- ***As a person who doesn't live in the Republican Basin, why should I care about this issue?*** Delaying implementing the NRD's long-term plans in 2007 could increase potential taxpayer financial obligations to Kansas. Maintaining water supplies for residential, manufacturing and agricultural uses is critical to our quality of life.
- ***Why can't the State just demand that irrigators stop pumping?*** Shutting down every irrigation well in the Republican Basin will not keep Nebraska in compliance with the settlement agreement with Kansas. Other steps must be taken to maintain compliance.
- ***Isn't this whole problem the irrigators or NRDs fault?*** The state of Nebraska encouraged rural economic development through irrigation for decades and did not give NRDs all of the authority necessary to restrict irrigation in a responsible and timely manner.
- ***Why should my tax dollars (general fund tax dollars) be used to pay farmers not to grow corn?*** The state funds requested are not necessarily to "pay farmers not to grow corn." The funds may be used to put water into the Republican River for immediate compliance with Kansas for 2007. Funds may also be used to clear the river of overgrown vegetation which is using water that would stay in the river, or for other uses.
- ***Why aren't the local people paying for any of this?*** They are! They are currently decreasing water use and increasing property taxes to deal with the problem. Additionally, Republican River Basin NRDs have requested the authority from the State to raise their property tax levies even more, or charge a per-acre fee to farmers to help pay for the costs of maintaining Nebraska's compliance. Investing in Nebraska now will be cheaper than paying damages to Kansas in the long-run. These funds, however, cannot be collected until a system for collecting them is put in place, which would be in 2008. That is why the State has been asked to contribute money up front.
- ***What happens if the State doesn't provide any financial assistance?*** A couple of things: 1) Nebraska could end up out of compliance with the Kansas agreement which means the state will have to pay Kansas a large fine; 2) Other means to achieve compliance may have to be implemented which would be drastic reductions in irrigated production acres. This would drastically reduce property valuations in the area cutting off local funds to schools, communities, community colleges, and counties in the region. Under the state aid formula, the state would have to pay more to those local governments. 3) Fewer acres farmed means less seed, fertilizer, fuel and other goods and services associated with production agriculture would be purchased, which would severely cripple the local economy of the region.
- ***What are the good things that would happen if the State provides the necessary funding?*** There are several: 1) Nebraska could achieve compliance with Kansas in 2007; 2) Delaying implementing the NRD's long-term plans in 2007 could increase potential taxpayer financial obligations to Kansas; 3) With corn reaching \$4/bu, taking advantage of this opportunity means the potential state revenue from income taxes is significant; 3) State funds would maintain the rural economy at several levels and reduce the need for larger amounts of state aid; 4) State funds would allow property valuations to remain at current levels and would reduce the need for state aid; 5) Help protect the State's investment in the growing ethanol industry, as well as the livestock industry; 6) The State will be setting a precedent for fair and reasonable water policy throughout for all Nebraskans.