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TO: NARD Board, NRD Managers and Conservation Partners
FROM: Dean E. Edson, NARD Executive Director
RE: April 12 NARD Update

FFA Convention Results – The 96th annual Nebraska FFA Convention was hosted in Lincoln April 3-5, with approximately 7,775 FFA members, guests and sponsors in attendance. Two NRD assistant managers (Marie Krausnick-UBBNRD and Tyler Goeschel-LBNRD) judge Natural Resources Speaking. Megan Grimes, NARD Public Relations Director, presented the NARD Foundation sponsored awards. These included the following:

- **Outdoor Recreation Proficiency:** First Place to Trey Appelt of Ainsworth.
- **Natural Resources Speaking Leadership Development Event (LDE):** First Place to Carson Reiman of Gothenburg.
- **Environmental & Natural Resources Career Development Event (CDE) INDIVIDUAL:** First Place to Cale Buss of Burwell; special recognition to Jack O'Brien, Chadron Freshman, for placing 6th out of 304 participants. Jack is the son of Pat O'Brien, Upper Niobrara White NRD General Manager.
- **Environmental & Natural Resources Career Development Event (CDE) TEAM:** First Place to St. Paul FFA.
- **Building Communities Chapter Award:** First Place to Waverly FFA, Second place to West Holt FFA and Third place to Lakeview FFA.

Nebraska Unicameral

Remaining days of the Session - The Nebraska Legislature completed the 59th day of the 60-day session on April 11, 2024. Senators will reconvene April 18, 2024, for the last working day of the session.

Select File Debate

LB 388 - Adopt the Property Tax Growth Limitation Act, the Advertising Services Tax Act, and the Property Tax Relief Act and change provisions relating to revenue and taxation. Linehan. Speaker Priority Bill.

Senators reached a scaled back compromise on Governor Pillen's property tax relief proposal this week and advanced LB 388 to Final Reading on a 28-14-7 vote after adopting AM 3468 on a 28-13-8 vote.

The Final Reading version will bring down property tax bills by an estimated 22%, rather than the 40% reduction that Governor Pillen was seeking. The adopted version does not include increasing the sales tax rate, which brought a few more to support the bill.

It also directs property tax credits to property owners rather than increasing per student foundation aid. A previous version was tied to another bill, LB 1331, to increase per student foundation aid from \$1,500 to \$3,000. That bill will no longer be considered this session.

Another part of the compromise included making a change to increase the state's earned income tax credit from the current 10% to 15%, aimed at helping lower-income Nebraskans.

On General File, senators adopted a "shell version" to allow time to seek a compromise. The "shell version" does not make any substantive changes to sales taxes. Before advancement, senators voted 33-6-10 to invoke cloture. Senator Erdman provided the required 33rd vote despite being an opponent of the package. After cloture, senators advanced the "shell version" to Select File on a 28-12-9 vote.

There was a lot of opposition to the increase in sales tax and/or the expansion of the sales tax base to services and other goods.

The Revenue Committee released their initial property tax reform package on March 26, 2024, with AM 3203 to LB 388. That version was not adopted.

Several senators spoke against the sales tax changes and have filed motions to delay action on the bill.

The Final Reading copy contains amended provisions of LB 1414 and proposes new property tax limits on counties, cities, and villages. It also proposes increasing sales tax and expanding the sales tax base to provide additional property tax relief. A summary of the changes follows.

Property Tax Credits

The aid would be provided through up-front property tax credits to the School Property Tax Credit Fund which shall total \$750 million for FY 2024 and shall be increased by \$30 million each fiscal year thereafter.

The credits would first be distributed to each county by the ratio of school property taxes paid in such county to the total property taxes paid for schools in the state. After retaining one percent of the receipts for costs, the county treasurer shall allocate the remaining receipts to the school districts in the county proportionally based on the amount of school district taxes levied on real property in the county by such school districts.

The income tax credit for property taxes paid to school districts is re-directed to an up-front property tax credit. Those who use the current program would see no net savings from redirecting this credit. This would be added to the other up-front property tax credit.

If the bill passes in its current form, the combined total of about \$750 million would be distributed to property owners as credits on their property tax statements, thus reducing the amount of their property tax bills.

There is a provision included in the bill to automatically redirect General Funds to the School Property Tax Credit Fund. This is dependent on actual General Fund receipts compared to the most recent estimate. If the actual comes in above estimate, the first 3.5% over would go to the Cash Reserve Fund. Anything beyond that first 3.5% would automatically be added to the new School Property Tax Credit Fund.

Property Tax Limits

The committee amendment creates the Property Tax Growth Limitation Act which sets property tax limits on any county, city, or village. These entities are defined as political subdivisions for the purposes of the new limits put in place. Other political subdivisions, including NRDs, are not included in the new limitations.

The counties, cities and villages will not receive offset state aid for the new caps. However, cities with optional sales taxes would receive new funds from the expanded sales tax base.

For fiscal years beginning on or after July 1, 2024, a political subdivision's (as defined in the Property Tax Growth Limitation Act) preliminary property tax request for any year shall not exceed its property tax request authority for such political subdivision in the prior fiscal year.

Growth percentage is defined in the bill as the percentage obtained by dividing (a) the political subdivision's growth value by (b) the political subdivision's total property valuation from the prior year.

Growth value is defined in the bill as the increase in a political subdivision's total property valuation, including any increase to the valuation of any tax increment financing project located in the political subdivision, from the prior year to the current year due to (a) improvements to real property as a result of new construction and additions to existing buildings, (b) any other improvements to real property which increase the value of such property, (c) annexation of real property by the political subdivision, (d) a change in the use of real property and (e) any increase in personal property valuation over the prior year.

In addition to the preliminary property tax request authority, the political subdivision's property tax request authority may be increased by:

- 1) The greater of three percent or the percentage change in the consumer price index over the most recently completed calendar year.
- 2) The amount of property taxes budgeted for approved bonds.
- 3) The amount of property taxes needed to respond to an emergency declared in the preceding year, as certified to the auditor.
- 4) The amount of unused property tax request authority, subject to the limitation provided in this act.
- 5) The amount of property taxes budgeted in support of a service relating to an imminent and significant threat to public safety or public health that (a) was not previously provided by the political subdivision and (b) is the subject of an agreement or a modification of an existing agreement executed after the operative date of this act.
- 6) An amount equal to a six percent increase in compensation for law enforcement officers, firefighters, or corrections officers, except that this subdivision shall not apply unless the political subdivision determines that it is understaffed with respect to law enforcement officers, firefighters, or corrections officers.
- 7) A political subdivision may increase its property tax request authority over the amount determined if such increase is approved by a majority of legal voters voting on the issue at an election.

Unused Budget Authority

A political subdivision (county, city, or village) may choose not to increase its total property taxes levied by the full amount of the property tax request authority allowed in a particular year. In such cases, the political subdivision may carry forward to future budget years the amount of unused property tax request authority, but accumulation of unused property tax request authority shall not exceed an aggregate of five percent of the total property tax request authority from the prior year. Other political subdivisions, including NRDs, follow existing statutes for unused budget authority.

Sales Tax Changes

The amendment adopted on Select File and advanced to Final Reading, does not increase the sales tax, as previous versions had. It does broaden the base, which is estimated to bring in \$200 million annually.

Broadening the Sales Tax Base

The amendment proposes to remove sales tax exemptions for soda, candy, consumable hemp products, lottery tickets, pet services, storage and moving services, and dry cleaning.

The amendment also increases taxes on:

1. Cigarettes to \$1 dollar per pack total, a \$0.36 increase from the current \$0.64. The increased amount is directed to the School Property Tax Credit Fund.
2. A 20% tax on electronic nicotine (vaping) devices.
3. Establishes a tax on companies doing business in Nebraska and whose gross advertising revenue exceeds one billion dollars (\$1,000,000,000.00); sets such tax at seven and one-half percent of the assessable base for that period. Additionally, it exempts television and radio broadcasters from the tax.

LB 937 - Adopt the Caregiver Tax Credit Act. Bostar. Bostar Priority Bill.

A bill to provide tax credits for caregivers has become a bill for other tax credit bills and was advanced to Final Reading on April 10, 2024, by a voice vote.

The bill was advanced from General File by 40-0-9 vote on March 28th after adopting the committee amendment and a couple of other amendments.

The committee amendment incorporates the provisions of 10 other tax related bills into LB 937. Also adopted was an amendment offered by Senator John Cavanaugh to exempt diapers from sales tax and an amendment from Senator Tom Brandt to allow for new technologies to be used by ethanol producers to denature ethanol.

Of interest to NRDs is LB 1184, which proposes to adopt the Reverse Osmosis System Tax Credit Act to provide a tax credit for installation of reverse osmosis systems for one or more of the listed chemicals. The original bill also required a real-time nitrogen management plan to be implemented by January 1, 2025, but that is not included in the committee amendment.

The credit would be for individuals that install systems at a primary residence for chemical that are above:

- 1) Ten parts per million for nitrate nitrogen;
- 2) Four parts per trillion for perfluorooctanoic acid or perfluorooctanesulfonic acid;
- 3) One on the Hazard Index for perfluorononanoic acid, perfluorohexanesulfonic acid, hexafluoropropylene oxide dimer acid and its ammonium salt, or perfluorobutanesulfonic acid

The refundable tax credit would be equal to fifty percent of the cost incurred by the taxpayer during the taxable year for installation of the reverse osmosis system, up to a maximum of one thousand dollars.

The department shall consider applications in the order in which they are received and may approve tax credits under this section each year until the total amount of credits approved for the year equals one million dollars

The Department of Revenue may adopt and promulgate rules and regulations to carry out the Reverse Osmosis System Tax Credit Act.

Again, the amendment does not include a real-time nitrogen management plan to be in place as was originally proposed in LB 1184.

Below are the hearing notes on LB 1184.

- **LB 1184 - Adopt the Reverse Osmosis System Tax Credit Act. Bostar.**

The Revenue Committee held the hearing on LB 1184 on February 15th.

Sen. Bostar opened on the bill discussing NDEE's water quality report. He discussed the risks associated with ingesting nitrate from drinking water. He also mentioned uranium and its risks noting that it has been found in high concentrations in certain areas of the state. He answered questions related to the fiscal note.

Proponents

Dean Edson presented testimony in support of LB 1184 on behalf of NARD. We would like to thank Senator Bostar for introducing this bill. We need to do more to improve and protect water quality in Nebraska.

The NRDs have been working with producers to properly apply fertilizer to reduce nitrate contamination. This problem did not occur overnight and will not get resolved quickly. However, there are more things we can do to get to that goal.

The testimony included an attached copy of all 23 NRDs annual water quality sampling. In general, here is a summary:

- NRDs collect on average 12,051 nitrate samples annually.
- NRDs monitor on average 10,666 wells annually.
- All NRDs use this data to make management decisions, update groundwater rules and regulations, and submit to the Clearinghouse.
- All NRDs share data collected with NRD board members, Nebraska Department of Environment and Energy (NDEE)/Clearinghouse, and landowners/public.
- Percentages of nitrate samples collected from different wells (total wells sampled in parenthesis):
 - 63% Irrigation Wells (6,744)
 - 18% Domestic Wells (1,922)
 - 17% Dedicated Monitoring Well (1,788)
- 1% Livestock wells (118)
- 1% other wells (94)

One thing to note is the average number of nitrate samples collected is more than the average number of wells a district sample on an annual basis because wells may get sampled more than once per year.

The districts have established groundwater monitoring networks to ensure wells are sampled on a reoccurring basis.

The requirement for a real-time nitrogen management plan to be in place by August 31, 2024, with full implementation by January 1, 2025, might be unrealistic. It will take some time to develop a well-thought-out comprehensive plan as these products are expensive and rely on the ability to send data.

The technology is just coming into play on real-time sensing. The Twin Platte NRD has invested significant financial resources into cost-sharing with producers on these products. They are currently going through a process for calibration to assure the sensing is accurate. Several other districts have also implemented these sensors for groundwater quantity use.

We are also working with interested parties to get broadband and internet access to all areas of the state. That is a key component to make the remote real-time sensing work.

The NRDs are willing to work with the Legislature and other interested parties to move forward on this but consider allowing more time to get a plan put together that is accurate and dependable.

Julie Bushell, CEO of Ethos Connected, testified in support. She noted that the NRDs have a progressive mindset with water management and this bill will help with water quality. She discussed their software and how it can play a role in nitrate reduction in groundwater.

Jackson Stansell, Sentinel Fertigation, testified in support. He noted Nebraska has an extensive groundwater nitrate issue and the bill addresses the challenges that we currently face, but also takes a step forward in addressing the problem. Stansell discussed Sentinel Fertigation's software and how it can provide a win-win solution for farmers, the environment and society.

Al Davis testified in support on behalf of the Nebraska Sierra Club and Nebraska Independent Cattlemen. He discussed research articles pointing toward high pediatric cancer rates and other health impacts to Nebraskans who have impacted drinking water. He noted this is a great first step but also a very large Band-Aid and that eventually the State will be forced to address the real problem citing CAFOs that are causing environmental harm.

Kenneth Winston, Nebraska Power and Light, testified in support. He noted their organization supports those that are most vulnerable and outlined some of the health impacts from contaminated drinking water. He acknowledged that the NRDs and Legislature have been working on this issue for quite some time. He also noted their support for Sen. Ibach's nitrogen management bill.

John Hansen, Nebraska Farmers Union, testified in support. He noted the NFU 2022 conference focused on water quality, and it was very sobering to see some of the negative impacts of nitrate in water. He noted that monitoring and additional technology is needed.

Rebecca Wells testified on her own behalf. She noted that maps for nitrates and pediatric cancer in Nebraska overlay. She noted that birth defects are the biggest cause of infant mortality in Nebraska and that nitrate causes birth defects. She highlighted that CAFOs, and row crops are both contributors to increased nitrates in our water.

Opponents – There was no opposition and no neutral testimony provided.

Position comments submitted for the record included nine proponents and two neutral.

LB 1317 - State findings relating to property taxes. Linehan. Revenue Committee Priority Bill.

On April 10, 2024, and after adopting some clarifying amendments, senators advanced LB 1317 to Final Reading by a voice vote.

Senators advanced LB 1317 to Select File on April 4, 2024, by a 37-0-12 vote after adopting several amendments.

The Revenue Committee advanced LB 1317 to General File on April 3, 2024, with committee amendment AM 3246. The committee amendment contains portions and provisions of 10 other tax related bills. The amendment was adopted by a 34-0-15 vote.

Of interest to NRDs, it incorporates a modified version of LB 1184 provide the intent of the Legislature to appropriate \$1 million for fiscal year 2024-2025 from the General Fund to the Department of Environment

and Energy to fund the installation of real-time nitrate sensors in monitoring wells statewide to prioritize nitrate management and reduction.

The other bills included are:

- LB 863 to remove Federal Employment Retirement System retirement benefits from deductions allowed from Nebraska state income tax.
- LB 1043 creates requirements for nonprofit economic development corporations regarding developing properties in high-poverty areas. A modified version of AM 3026 modifies LB 1043 to reduce penalties for violations and includes a provision to allow the greater of the penalty or property taxes on the property.
- LB 1093 amends the definition of law enforcement officer within the Nebraska Revised Statutes, and amends the First Responder and Recruitment Retention Act to redefine and expand the definition of law enforcement officer under the Act, and to further define individuals in the firefighting field of employment who are eligible for tuition reimbursement under the Act, as well as further define requirements for those applying for tuition assistance. A modified version removes the federal provisions within the bill, and removes limited certified officers from those qualified.
- LB 1134 changes the period that interest starts on both refunds and additional taxes due as a result of a Tax Equalization and Review Commission decision on valuation on a property to start such interest thirty (30) days after the decision is issued. A modified version allows two commissioners from the Tax Equalization and Review Commission to constitute a quorum for purposes of hearing and determining appeals and hearings.
- LB 1217 adds property tax exemptions for nursing and assisted living facilities, as well student housing owned by a charitable organization, and require an annual renewal of such.
- LB 1218 adds definitions connected to electric and hybrid vehicles. The bill would also establish an excise tax that would begin on January 1, 2028, of three cents per kilowatt hour on the electric energy used to charge the battery of a motor vehicle at a commercial electric vehicle charging station. The bill would add to provisions and definitions connected to the Nebraska Power Review Board regarding electric vehicles and the installation requirements of commercial electric vehicle charging stations. The bill would add a right of refusal process for constructing direct-current, fast-charging stations. The bill was amended to set the registration fee for plug-in hybrid electric vehicles at \$75.00.
- LB 1295 creates the Financial Institution Data Match Act, creating a system for matching tax debtors with their financial institutions to provide information to pursue recompense for those debts.
- LB 1374 creates the Good Life District Economic Development Act, creating a mechanism to allow municipalities to assist with Good Life Districts.
- LB 1389 adds a personal property tax exemption for broadband equipment.
- LB 1397 adds a separate definition that excludes land used for commercial purposes from the definition of agricultural and horticultural land for purposes of valuing land by county assessors.

Other amendments added to the bill before advancing included:

- AM 3135 by Senator Ibach: Adds the manufacturing of liquid fertilizer or any other chemical applied to agricultural crops, or the manufacturing of any liquid additive for a farm vehicle fuel to be eligible for tax credits.
- AM 3314 by Senator Clements: Adds a reporting provision for counties on the amount of inheritance taxes paid in each county, including an amount paid by non-residents.
- AM 1317 by Senator Linehan: Adopts the Gambling Winnings Setoff of Outstanding Debt Act to establish and maintain a procedure to set off against an obligor's casino winnings, parimutuel winnings, sports wagering winnings, or cash device winnings any debt.

Final Reading

The following bills were passed on Final Reading this week.

LB 164e - Change provisions relating to the Economic Recovery Act, the Municipal Inland Port Authority Act, the Nebraska Rural Projects Act, grants awarded by the Department of Economic Development, and transfers of funds and investment earnings, provide for a museum at Fort Robinson State Park, and adopt the Child Care Capacity Building and Workforce Act. McKinney

A bill to make changes to the Inland Port Authority Act and other projects was approved on Final Reading by a 37-6-6 vote on April 11, 2024. The bill now awaits action by Governor Pillen.

Previously, senators advanced the bill to Final Reading by a voice vote after adopting AM 3323, offered by Senator McKinney. The amendment was adopted by a 31-0-18 vote.

Related to natural resources the amendment makes several changes to the interest income from the Perkins County Canal Fund. These are as follows:

The bill amends the laws passed last year redirecting the interest from the Perkins County Canal fund. That law read as follows:

- a) Any investment earnings from investment of money in the Perkins County Canal Project Fund shall be credited to such fund, except that for fiscal years 2023-24, 2024-25, and 2025-26, such investment earnings shall be credited to the Economic Recovery Contingency Fund.
- b) Any investment earnings from investment of money in the Nebraska Capital Construction Fund shall be credited to such fund, except that for fiscal years 2023-24, 2024-25, and 2025-26, any investment earnings from investment of money in the Nebraska Capital Construction Fund from transfers credited to such fund that are designated for the construction of a new state prison shall be credited as to the Economic Recovery Contingency Fund.

The changes in LB 164, as modified with AM 3323, eliminates that existing language and replaces it with the following:

- 1) To the Economic Recovery Contingency Fund by October 1, 2024, and on or before June 30 of each year through June 30, 2026, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.
 - (a) The first \$13 million of any interest earned on or after July 1, 2024, and on or before June 30, 2026, on federal funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund;
 - (b) The first \$12 million of any interest earned on or after July 1, 2024, and on or before June 30, 2026, from the investment of money in the Perkins County Canal Project Fund; and

- (c) The \$5 million of any interest earned on or after July 1, 2024, and on or before June 30, 2026, from the investment of money in the Nebraska Capital Construction Fund from transfers credited to such fund that are designated for the construction of a new state prison.
- 2) To the Museum Construction and Maintenance Fund on or before June 30 of each year through June 30, 2026, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services. The fund is directed to the Nebraska Game and Parks Commission to construct, develop, and manage a museum at Fort Robinson State Park.
 - (a) The next \$7 million of any interest earned after the first \$12 million of interest earned on or after July 1, 2024, and on or before June 30, 2026, from the investment of money in the Perkins County Canal Project Fund.
 - 3) To the Inland Port Authority Fund on or before June 30 of each year through June 30, 2026, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services:
 - (a) Any interest earned after the first \$13 million of interest earned on or after July 1, 2024, and on or before June 30, 2026, on federal funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund;
 - (b) Any interest earned after the first \$19 million of interest earned on or after July 1, 2024, and on or before June 30, 2026, from the investment of money in the Perkins County Canal Project Fund; and
 - (c) Any interest earned after the first \$5 million of interest earned on or after July 1, 2024, and on or before June 30, 2026, from the investment of money in the Nebraska Capital Construction Fund from transfers credited to such fund that are designated for the construction of a new state prison.

Existing law that stays in place

Last year, there was also language to redirect interest from the Perkins County Canal fund. This language stays in place.

The Game and Parks Commission shall construct, develop, and manage a museum and visitor center honoring Chief Standing Bear. It is the intent of the Legislature to appropriate to the Game and Parks Commission for the Chief Standing Bear Museum and visitor center:

- (a) Not more than \$15 million for fiscal year 2025-26 from investment earnings from the Perkins County Canal Project Fund and credited to the Economic Recovery Contingency Fund for construction of the museum and visitor center;
- (b) \$750,000 for fiscal year 2025-26 from investment earnings from the Perkins County Canal Project Fund and credited to the Economic Recovery Contingency Fund for exhibit fabrication and historical interpretation; and
- (c) \$250,000 in fiscal year 2025-26 for staffing.

LB 287e - Prohibit creation of joint public agencies under the Joint Public Agency Act. Brewer. Government Committee Priority.

Senators gave final approval to LB 287e by a 46-0-3 vote on April 11, 2024. The bill now awaits action by Governor Pillen.

Previously, senators advanced LB 287 to Final Reading by voice vote after adopting a couple of clarifying amendments.

Senator Linehan offered, and later withdrew, an amendment that would have adopted provisions of LB 951, the Public Officials on Private Boards Open Meetings Act.

The Legislature advanced LB 287 to Select File on February 5, 2024, by a 44-0-2 vote after adopting the committee amendment AM 2060 on a 44-0-2 vote. AM 2060 removes all original sections from LB 287 and inserts provisions from six other bills LBs 47, 269, 302, 313, 513, and 514. LBs 302 and 513 are bills tracked by NARD and summaries of each are included below.

Prior to advancement on General File, Sen. Clements offered an additional amendment, AM 2343, that would have incorporated provisions of LB 390. Following a successful 25-14-6 vote adopting AM 2343, a motion to reconsider was filed and several senators expressed opposition, noting that AM 2343 would lead to a filibuster of LB 287. Following a successful 41-5-0 vote on the reconsideration motion, Sen. Clements withdrew AM 2343.

Previously, the Government Committee advanced LB 287 to General File on January 30, on an 8-0 vote after adopting committee amendment AM 2060 on an 8-0 vote.

- **LB 302 - Change provisions relating to conflicts of interest by certain officeholders and public employees. Linehan.**

Provisions of LB 302 were incorporated into LB 287 via AM 2060. This bill as amended amends the Nebraska Political Accountability and Disclosure Act. It removes a number of references to "city or village" and "city, village, or school district" and replaces them with the broader, more inclusive term "political subdivisions". The bill also provides that public employees whose annual salary and benefits exceed \$150,000 must prepare and submit a written statement disclosing certain conflicts of interest or potential conflicts. AM 2060 strikes all instances of "person holding an elective office" and changes them to "public official." The amendment also clarifies that a reference to "salary" refers to an "annual" sum.

Previously, the Government Committee reported LB 302 to General File on February 24, 2023, with AM 503 following an 8-0 committee vote. The amended version is very similar to LB 859 that Senator Linehan introduced this year. That bill was indefinitely postponed after LB 287 passed.

The Government Committee accepted testimony on the original LB 302 on February 16th, 2023.

Opening on the bill, Sen. Linehan offered an amendment that would clarify that public employees would only need to report if their salaries and benefits are over \$150,000. Her testimony included concern about a number of things in the newspaper where it looks like there's a conflict, but there's no record keeping of it. She noted there used to be more robust press, with more papers, and now it's difficult for press to follow trails, so we need to be more robust in what people disclose. She noted that it's not that you can't have a conflict, you just have to disclose it.

Proponents

Frank Daley, Executive Director, Nebraska Accountability and Disclosure Commission, testified in support of the bill. He noted that conflict of interest provisions applies to most, but not all political subdivisions. Secondly, he noted that currently they only apply to a limited number of public employees. He suggested that the amendment should clarify if a city administrator, clerk, or police chief is an official or an employee.

Opponents - There were no opponents. There was one letter of opposition submitted for the record.

Neutral

Jon Cannon, Executive Director, NACO, testified in a neutral capacity. He noted that having a clear process is important and NACO is not opposed to transparency. He noted that one concern is the struggle to attract and retain employees and the potential this may have on that.

During closing, Sen. Linehan asked the committee to work closely with Frank Daley and work to treat everyone the same.

- **LB 513 - Change proof of publication requirements for legal notices and published notice and virtual conferencing requirements under the Open Meetings Act. Brewer.**

Provisions of LB 513 were incorporated into LB 287 via AM 2060.

Previously, the Government Committee advanced the bill to General File on February 16, 2023, following an 8-0 committee vote.

The bill as amended incorporates a statewide website, to be completed in 2024, as a repository for public notices. The repository is to be established by a majority of Nebraska's newspapers.

The bill also proposes a two-step solution for situations where a newspaper fails to publish a public notice in cases of refusal, neglect or inability of the newspaper to timely publish the notice.

- 1) **Until January 1, 2025**, the public body shall (A) post such notice on its website, if available, and (B) post such notice in a conspicuous public place in such public body's jurisdiction. The public body shall keep a written record of such posting. The record of such posting shall be evidence that such posting was done as required and shall be sufficient to fulfill the requirement of publication.
- 2) **After January 1, 2025**, the public body shall (A) post such notice on its website, if available, (B) submit a post on a statewide website established and maintained as a repository for such notices by a majority of Nebraska newspapers, and (C) post in a conspicuous public place in such public body's jurisdiction.

The bill also provides two other changes for notices after January 1, 2025.

- 1) Publication in a newspaper of general circulation within the public body's jurisdiction that is finalized for printing prior to the time and date of the meeting, (II) posting on such newspaper's website, if available, and (III) posting on a statewide website established and maintained as a repository for such notices by a majority of Nebraska newspapers. Such notice shall be placed in the newspaper and on the websites by the newspaper; **or**
- 2) Posting to the newspaper's website, if available, and (II) a statewide website established and maintained as a repository for such notices by a majority of Nebraska newspapers if no edition of a newspaper of general circulation within the public body's jurisdiction is to be finalized for printing prior to the time and date of the meeting. Such notice shall be placed in the newspaper and on the websites by the newspaper.

Finally, the bill allows for any advisory committees of risk management pools and any advisory committee of any state entity created in response to the Opioid Prevention and Treatment Act to hold no more than one-half of its meetings by virtual conferencing.

The Government Committee accepted testimony on the original LB 513 on February 10th, 2023.

Opening on the bill, Sen. Brewer said he brought the bill on behalf of the League of the Nebraska Municipalities. This bill expands on the progress of Sen. Flood's 2021 bill.

Proponents

NARD presented testimony to strongly support using the websites for additional posting of upcoming meetings. All 23 NRDs have websites and have been posting meeting notices and minutes on their sites for years.

Developing a state public notice web system will help get information out to the public for meeting notices. We also support the provision in LB 513 to require the local newspapers and the Press Association to work together so we only have one contact to post online. It should not be the responsibility of the political subdivision to post in both. This can be streamlined as proposed in the bill.

One of the problems we have run into over the past several years is the loss of local newspapers to run notices. This is a larger problem for rural areas.

An example is the Gothenburg Times, a weekly newspaper that had been in business for more than 100 years. It was the site for public notices for that community. Last spring, they made an announcement that they ceased operations immediately and there would not be any further publications. The website was taken down as well.

Not only did the political subdivisions lose out on the public notice for the next edition, but they also lost the local paper to publish notices permanently. Some had to cancel regularly scheduled meetings as the newspaper posting was not available and they would have been in violation of the Open Meetings Act. This could be an on-going problem.

There is also declining readership of a "hard copy" newspaper. The younger generation gets their news from other sources, not newspapers. This will lead to the problem outlined above of more papers shutting down. Right now, the only way we are reaching the younger generation about meeting notices is our websites and social media.

For example, recently the Lower Loup NRD had a proposed change to their water quality regulations. It cost the district just over \$30,000 to public notice the meeting in local weekly and daily newspapers circulated within the district. The district did have some complaints from some farmers that the meeting notice did not go out on Twitter.

We need to get ahead of this trend, so the public is informed of meetings.

Lynn Rex, League of Nebraska Municipalities, testified in support. The bill is a result of a negotiated agreement with Nebraska Press Association, NACO, NARD and the Nebraska Community Colleges. She spent her time reviewing the Open Meeting Act changes line by line with the committee. She outlined that the date of Jan. 1, 2024, allows the Nebraska Press Association a year to get their online platform up to host open meetings postings.

John Spatz, Nebraska Association of School Boards, testified in support. He gave a couple of real-world examples where these updates would help. If you have a meeting on Monday, you couldn't schedule the next special meeting for another week due to the timing of the newspaper. If the newspaper forgets to publish, you can't host your meeting, and this has happened to various school boards. He said their risk pool membership includes people from Scottsbluff, Chadron and Dundy County and that is a financial burden for them to drive to participate.

Elaine Menzel, Nebraska Association of County Officials, testified in support. We view 513 as a reasonable effort and appreciate the partnership with the press association to move forward with the alternatives proposed.

Robin Spady, Nebraska Municipal Power Pool and Nebraska Power Association, testified in support. She noted the bill would allow their interlocal group the Public Alliance for Community Energy (ACE) to be included in the virtual meeting process.

Kevin Edwards, Millard & Papillion Rural Fire District, testified in support. He noted the local newspaper did not print their meeting notice and they had to cancel and move their meeting, adding that alternatives would be helpful.

Opponents – There were no opponents.

Neutral

Dennis Derossett, Executive Director for the Nebraska Press Association, testified in the neutral. The Nebraska Press Association is one of the oldest associations now celebrating 150 years. He said the language they drafted was offered to deal with meeting notices of the public body and they wanted to accommodate a schedule for non-routine business items. The Press Association launched the statewide website in June 2021 and as of October 2022 all newspapers upload a public notice to their website after it appears in print. The statewide website is no cost to the government. Their intent with language is to advocate for transparency but also show our good faith intent to work with elected officials to find solutions to problems.

Four proponent letters were submitted for the record. Senator Brewer waived closing.

LB 867e - Provide for a voluntary hunting and fishing guide and outfitter database, a migratory waterfowl hunting season for veterans, active-duty military state park entry permits and change provisions relating to the Nebraska Power Review Board and the Petroleum Release Remedial Action Cash Fund. Bostelman. Natural Resources Committee Priority

On April 11, 2024, senators gave final approval to LB 867e by a 47-0-2 vote. The bill now awaits action from Governor Pillen.

This was the Natural Resources Committee priority bill that is loaded up with several other bills. The Legislature advanced the bill to Final Reading on March 15, 2024, by a voice vote.

The original bill provides authority for the Game and Parks Commission to establish and maintain a voluntary hunting and fishing guide and outfitter database on its website and to authorize a registration fee for applicants who wish to be included in the database. This is still part of the bill.

The committee also incorporated LB 868 into the bill, which extends the sunset date for reimbursement of costs under the Petroleum Release Remedial Action Act from reported by June 30, 2024, to June 30, 2028.

Other bills included are:

- LB 1001 was introduced by Senator Conrad and amends the Nebraska Game Law to direct the commission to prescribe a migratory waterfowl hunting season for members of the armed forces.
- LB 971 was introduced by Senator Lippencott, joined by 19 other senators as co-sponsors. The bill amends the Nebraska Game Law to create an opportunity for permits to be issued to Nebraska veterans for no fee to hunt on Veterans Day in the year it is obtained.

- LB 1406 was introduced by Senator Sanders and provides for creation of an annual motor vehicle park entry permit that can be purchased by any active-duty military member who is stationed in Nebraska for five dollars, with proper documents of service and proof that such the individual is stationed at a military base located in Nebraska for active-duty military service.
- LB 866, brought by Senator Bostelman, outlines the composition, duties, and compensation of the Power Review Board (PRB) and increases the number of terms a member of the PRB may serve from two terms to three terms, and updates composition of the board, and increases per diem compensation.

Below are the hearing notes for LB 868.

- **LB 868 - Extend the sunset date for reimbursement for remedial action under the Petroleum Release Remedial Action Cash Fund. Bostelman.**

The bill extends the sunset date for reimbursement of costs under the Petroleum Release Remedial Action Act from reported by June 30, 2024, to June 30, 2028.

The Natural Resources Committee held the hearing on LB 868 on January 25th.

Sen. Bostelman opened the hearing by outlining how the funds are used and noted that the source of the funds come from petroleum users.

Proponents

Nebraska Petroleum Marketers and Convenience Store Association testified in support of the bill. Their testimony noted the fund serves as a better and cheaper alternative for everyone than trying to secure insurance. They addressed questions from the committee about prior efforts to raid the fund, noting that while they strongly oppose such efforts, in the past the fund has been raided. The testimony highlighted that there are 617 known leaking sites being addressed, 390 active investigation, 48 long term monitoring, 179 no responsible party sites, and it is estimated in the future that an additional 50-60 sites per year will be added. To date, 7,523 sites have been closed since the funds were established in 1983.

Robert Hallstrom testified in support on behalf of the Nebraska Bankers Association. Hallstrom discussed that bankers were involved in the original establishment of the fund, and it continues to serve as insurance for petroleum distributors. Additionally, lenders are financing some of these facilities and occasionally find themselves as a responsible party, and 3rd parties, including lenders, can also tap into the fund to ensure sites can be cleaned up.

Position statements were submitted for the record by one proponent, no opponents and one neutral.

LB 880 - Change requirements relating to the Land Acquisition and Source Water Loan Fund. Hughes.

On April 11, 2024, senators gave final approval to LB 880 by a 47-0-2 vote. The bill now awaits final action from Governor Pillen.

The legislature advanced LB 880 to Final Reading on March 26, 2024, on a voice vote.

Previously, senators advanced LB 880 to Select file on March 14, 2024, by a 39-2-8 vote.

The Natural Resources Committee reported LB 880 to General File on February 27th following an 8-0 Committee vote.

The bill eliminates provisions requiring the Director to consult with the Director of Public Health when developing an intended use plan or when conducting activities permitted under section 1425(k) of the Safe Drinking Water Act.

The Natural Resources Committee held the hearing on LB 880 on January 25th.

Matthew Howe, legislative aid for Sen. Hughes, opened on the bill by noting it's a simple technical amendment that addresses obsolete references following the transition of drinking water act duties from DHHS to NDEE in 2021.

Proponents

Jim Macy, Director of NDEE, testified in support of the bill. His testimony echoed that of Mr. Howe.

Opponents – There was no opposition and no neutral testimony.

LB 1074 - Adopt changes to federal law regarding banking and finance, change provisions of the Commodity Code, the Credit Union Act, and the Securities Act of Nebraska, adopt the Data Privacy Act and the Public Entities Pooled Investment Act, exempt certain records from public disclosure, and change breach of security provisions and computerized data, criminal history background checks, and vital records. Slama.

On April 11, 2024, Senators gave final approval to LB 1074 by a 47-0-2 vote. The bill now awaits final action from Governor Pillen.

The bill was introduced at the request of the Nebraska Department of Banking and Finance to amend various Nebraska Statutes and the Uniform Commercial Code by adopting updates to federal law relating to banking and finance.

The committee amendment (AM2560) contains the provisions of LB1074 and also the provisions of five other bills that were heard by the Banking, Commerce and Insurance Committee and each made a part of the committee amendments on an 8-0 vote. NARD was following LB 872, which was included in the package. Those bills are as follows:

- **LB 1075 (Slama)** – The bill was introduced at the request of the Nebraska Department of Banking and Finance to update existing requirements for background checks of consumer finance licensees and to provide a requirement for those licensees to notify the Department of data security breaches.
- **LB 1122 (Ballard)** – The bill changes enforcement provisions relating to written solicitations for financial products or services address a person's ability to use the name, trade name, logo, or symbol of a financial institution. Generally, under those laws, a person is restricted from such activity unless they have permission from the financial institution or have abided by stringent written solicitation notices to the individual being solicited. These laws are designed to prevent customers of financial institutions from being misled by solicitations that they mistakenly assume have come from the financial institution.
- **LB 1294 (Bostar)** The bill adopts the Data Privacy Act, change provisions relating to certain certificates and information relating to vital records, and provide for certain records to be exempt from public disclosure The Act provides for robust and comprehensive consumer data protections and gives exclusive authority of enforcement of the Act to the Nebraska Attorney General. This bill also provides businesses with clear rules and guardrails for complying with the Act while giving Nebraskans meaningful privacy protections and control over their sensitive personal data.

- **LB 872 - Prohibit acceptance of central bank digital currency by state and local governments. Clements.**

The bill prohibits a county treasurer, county official, or political subdivision official from using central bank digital currency as a method of cash payment of any tax, levy, excise, duty, custom, toll, interest, penalty, fine, license, fee, or assessment of whatever kind or nature.

Central bank digital currency is defined in the bill as a digital medium of exchange, token, or monetary unit of account issued by the United States Federal Reserve System or any analogous federal agency that is made directly available to the consumer by such federal entities. Central bank digital currency includes a digital medium of exchange, token, or monetary unit of account so issued that is processed or validated directly by such federal entities.

The Banking Committee held the hearing on LB 872 on February 5th.

Sen. Clements opened by providing the committee an overview of the bill and discussed that the measure is based on a policy recommendation by the national legislative council. Concerned about how a Central Bank Digital Currency (CBDC) could lead to invasion of privacy. Private currencies have no central ledger, unlike a CBDC, which would allow the government to see all transactions and present an opportunity for government to be able to control financial transactions. There are nine countries using CBDC to control finances and those include countries like China, Russia, and Nigeria.

Proponents

Dexter Schrod, Nebraska Independent Community Bankers Association, testified in support of the bill outlining the very real threat of the progression towards CBDC. The federal government is looking at it and this bill would allow the state to push back by preventing state and political subdivisions from accepting it. A CBDC would open the door for privacy issues and also prevent lending opportunities for local banks.

Robert Hallstorm, Nebraska Bankers Association, testified in support of the bill noting this would make a clear public policy statement that the state of Nebraska does not approve adoption of CBDC by the federal reserve. A CBDC only focuses on deposit account relationships and there's no other relationships consumers would have with the bank. Takes deposits out of commercial banking industry and would take that lending ability away from local economies. A CBDC would be an invasion and infringement of personal privacy rights.

Guy Mills Jr. testified in support noting he's concerned about the impact a CBDC would have on the country and individual liberty.

Stacie Skold testified in support and discussed there are three legal fronts to oppose CBDC and outlined steps that other states are taking to limit CBDC, including steps to explore the definition of money. Nebraska should explore more of the potential roadblocks to CBDC.

Cindy Liller testified in support voicing opposition to the use of CBDC by governments.

Cathy Wilmot, Nebraska Eagle Forum, testified in support of the measure and outlined the de-banking risks of CBDC.

Opponents – There was no opposition or neutral testimony.

Position comments submitted for the record included 102 proponents and four opponents.

LB 1300 - Adopt the Pacific Conflict Stress Test Act and the Foreign Adversary Contracting Prohibition Act. Bostar, at the request of the Governor.

On April 11, 2024, senators gave final approval to LB 1300 by a 46-0-3 vote. The bill now awaits action by Governor Pillen.

Previously, senators advanced LB 1300 to Final Reading by a voice vote on April 9, 2024.

On April 3rd, senators adopted the committee amendment, AM 3227, by a 41-0-8 vote and advanced the bill to Select File by a 41-0-8 vote.

The Government Committee advanced LB 1300 with AM 3227, that makes changes to the underlying bill, LB 1300, and also adds a number of other bills with committee amendments, including LB 2, LB 869, LB 887, LB 1048, LB 1243, and LB 1358. NARD is following LB 1243 and LB 1358.

The original bill proposes to prepare the state's supply chains and critical infrastructure for the risk of a Pacific conflict. The legislation directs the Department of Administrative Services and the State Treasurer to audit procurement supply chains and state-managed funds in order to assess the risk of disruption in the event of a Pacific conflict, and to create a contingency plan to mitigate the risk of supply chain disruption.

The bill would create the Committee on Pacific Conflict to assess current vulnerabilities in Nebraska in the event of a Pacific conflict, and to develop a plan to address outstanding risks. It would also prohibit companies from countries of concern from bidding upon any state or local procurement contracts for any information, surveillance, LiDAR (light detection and ranging), communications technologies, networks, or related services.

The committee amendment makes changes to the original substance of LB 1300 to include restrictions on circulation of the resulting report, with criminal penalties for unauthorized dissemination, and the substitution of a briefing for the written report originally to be provided to the Committee created under the bill.

It also adds a number of other bills with committee amendments, including LB 2, LB 869, LB 887, LB 1048, LB 1243, and LB 1358 as follows:

- **LB 2 - Create the Commission on Asian American Affairs. Sanders.**

This bill proposes the creation of a Commission on Asian American Affairs. The bill describes the basic purpose of the Commission and authorizes it to receive and administer funds from state, federal, and other sources. The Commission would have the power to select and pay an executive director, for whom an office would be provided under the bill.

- **LB 869 - Change provisions relating to services of the county veterans service committees. Bostar.**

This bill proposes changing the mission of county veterans service committees. Instead of being limited to aid for veterans who served during a period of war or a period of actual hostilities, its mission would be expanded to encompass aid to all veterans, regardless of the existence or non-existence of a war during their term of service.

- **LB 887 - Adopt the Nebraska Nonprofit Security Grant Program Act. Brewer.**

This bill would create a grant program to facilitate the development and improvement of security measures at Nebraska nonprofit organizations.

- **LB 1048 - Require certain chemical facilities to comply with a federal chemical security program. Bostar.**

This bill proposes requiring certain chemical facilities in Nebraska to participate in a federal program relating to cybersecurity and infrastructure security. The bill defines “chemical facility” and “federal standards” by reference to federal regulation, and defines “federal agency” so as to refer to the Cybersecurity and Infrastructure Security Agency of the United States Department of Homeland Security.

The bill includes legislative findings relating to the necessity of security measures for chemical facilities. The Nebraska Emergency Management Agency and the Nebraska Department of Environment and Energy would be directed to publish the mandated requirements on their agency websites.

- **LB 1243 - Adopt the Wildland Fire Response Act. McDonnell.**

The amendment includes the amended version as advanced by the Government Committee to General File on February 23rd.

The bill creates the Wildland Incident Response Assistance Team within the office of the State Fire Marshal for the purposes of providing assistance or guidance to any individual or entity that is attempting to prevent, control, suppress, or otherwise mitigate a wildland fire.

Under the bill, the State Fire Marshal shall serve as the coordinator of the Wildland Incident Response Assistance Team and shall:

- Establish squads within the team and select a squad leader and squad members for each squad. The State Fire Marshal may consult with the State Forester when establishing a squad, selecting a squad leader, or selecting a squad member. The State Fire Marshal is limited to selecting squad leaders and squad members from employees of the State Fire Marshal and employees of the Nebraska Forest Service;
- Maintain a roster of all individuals who are a part of the Wildland Incident Response Assistance Team; and
- Establish standards for the operation, training, equipment, and administration of the Wildland Incident Response Assistance Team. It is the intent of the Legislature that such standards should comply with the standards established by the National Wildfire Coordinating Group or its successor.

A squad leader or squad member of the Wildland Incident Response Assistance Team shall have the powers, duties, rights, privileges, and immunities and receive the compensation incidental to employment of such leader or member by the State Fire Marshal or the Nebraska Forest Service.

- **LB 1358 - Require approval of the registered voters to increase salaries of governing bodies of political subdivisions as prescribed. McDonnell.**

The committee amendment incorporates the changes to the bill previously made when they advanced the bill from committee on March 14, 2024.

The original bill states legislative intent relating to salaries of governing bodies. It proposes requiring a vote of the residents of that political subdivision to adopt any pay increase in excess of the increase in cost of living since the last increase.

The committee amendment strikes all original sections of the bill and replaces them in their entirety.

It provides generally that that city council members in cities of the metropolitan and primary classes may not increase their salaries or the salary of the mayor in excess of inflation as calculated by the Consumer Price Index plus one percent. City councils would be able to raise such salaries in excess of this limit only with a public hearing, a two-thirds vote of the council, and approval of the voters in that city.

Salaries could not be raised any more frequently than once every two fiscal years. A similar limitation and process would also be mandated for metropolitan utility districts and counties. Finally, the amendment would provide maximum salary levels for directors of public power districts.

An amendment offered by Senator McDonnell, AM 3317, was adopted on General File to clarify that increases in salaries could be cumulative rather than the average percentage. This would allow for salary adjustments to be skipped in a given year and increased in out years.

Hearing notes for LB 1243 and LB 1358 follow.

The Government Committee held the hearing on LB 1243 on February 22nd.

Sen. McDonnell opened the hearing by outlining provisions of the bill and discussing the need based on the recent increase of wildland fire frequency and intensity. He noted that while participating in the Governors Summit and LR 156 discussions over the last year, the key takeaways were the need for deeper focus on support provided to firefighters while fighting the fires. Sen. McDonnell also outlined an amendment that would add one position to specifically oversee the Wildland Incident Response and Assistance Team (WIRAT).

Proponents

Scott Cordes, Nebraska State Fire Marshall, testified in support of the bill noting the current team is designed to help support local teams. WIRAT activation can be requested through NEMA. The team serves in a technical advisory role. The WIRAT team members are employed in other areas and deployment requires significant cost in over-time.

Pat Gould, Chadron Volunteer Fire Department, testified in support noting the WIRAT team was started in 2002. The team is needed to help coordinate resources when volunteers are working outside normal mutual aid districts. The needs extend beyond the ability of local fire chiefs to coordinate and schedule. The bill would help streamline the process of asking for federal resources.

Kenny Krause, Nebraska State Volunteer Firefighters Association, testified in support noting the value of wildland fire training provided by the Nebraska Forest Service. Krause provided examples of fires in his area that were more than the local resources could handle, noting the benefits and impact that WIRAT provides.

Wesley Hock, Volunteer Firefighter, testified in support noting success of working with the WIRAT team on fighting past fires.

Devin Luvegrand, Fairbury Rural Fire District, testified in support noting the importance of having adequate training and tools to combat wildland fire. This bill would solidify tools necessary to continue to ensure WIRAT can continue to be a resource.

Steve Oseka, Platte Valley Twin Loups Task Force, testified in support noting his task force team is a resource that can be called in by WIRAT. Their task force team consists of 17 departments combining to

operate six trucks. WIRAT has knowledge and resources to support local resources and assist with incident command centers.

John Bomar, Nebraska State Volunteer Association Member, testified in support noting wildland fire issues are spreading to new parts of the state.

Jerry Stilmock testified in support on behalf of the Nebraska State Volunteer Fire Fighters Association, the Nebraska Fire Chiefs Association and the Nebraska Association of Resources Districts. His testimony noted that the first responder summit last summer included extensive discussion about the value and impact of the WIRAT team. The team needs a coach or a captain to help facilitate coordination of the team and resources.

Opponents – There was no opposition testimony.

Neutral

John Erixson, Director of Nebraska Forest Service, testified in a neutral capacity on his own behalf. His testimony included a summary of the history of large wildfire seasons in Nebraska, noting fire seasons are getting closer together and spreading across the state. Members of the WIRAT team include NFS staff and these team members are highly trained operating under national standards and qualifications. Sometimes out of state assignments are required for classes and training.

Sen. McDonnell closed by noting the new person added under the amendment would be under the Nebraska State Fire Marshall.

Position comments were submitted for the record by seven proponents.

The Government Committee held the hearing on LB 1358 on Feb. 7.

Sen. McDonnell opened by noting this initiative aims to ensure salary adjustments are made transparently and with direct voter oversight. Following votes by the Douglas County Board and the Omaha City Council to increase salaries, he has received several complaints. Sen. McDonnell discussed that with the exception of the Public Service Commission, elected officials are not career politicians and they are expected to hold other jobs outside of their elected duties. He believes in comparability in salaries, but those should be done transparently.

Proponents

Rick Kubat, testified in support on behalf of the Metropolitan Utilities District, CNPPID, OPPD, NPPD, and Nebraska Rural Electric Association. The current framework remains stagnant, and utility board salaries require legislative action. These are not taken up and compensation was last adjusted in 2000. When adjusted for inflation, the current compensation is roughly 58% less than what was provided in the early 2000s.

Opponents

Beth Bazyn-Ferrel, NACO, testified in opposition noting that county officials are already subject to several salary adjustment limitations. Counties set salary resolutions prior to January 15th so everyone knows what the salary will be for the following term. Already a process through which voters have input through the election of county board members. NACO has done a salary study and provided salary recommendations to county officials.

Neutral

Lynn Rex, League of Nebraska Municipalities, testified in neutral capacity and thanked Sen. McDonnell for ongoing negotiations that agree to exclude 1st class cities and villages.

In closing, Sen. McDonnell discussed that he wants to ensure boards are compensated fairly but also provide transparency.

Position comments submitted for the record included one proponent and one opponent.

LB 1335 - To change provisions of and provide duties and exemptions from the Nongame and Endangered Species Conservation Act. Moser. Moser Priority.

On April 11, 2024, Senators gave final approval to LB 1335 by a 36-3-10 vote. The bill now awaits action by Governor Pillen.

Senators advanced LB 1335 to Final Reading on April 4, 2024, by a voice vote after defeating an amendment offered by Senator Blood to weaken the bill.

Senator Blood's amendment, AM 3167, would make rights-of-ways subject to the Nongame and Endangered Species Conservation Act. As proposed in the bill, they would be exempt from the act. The amendment was defeated by a 10-24-15 vote.

On March 20, 2024, Senators gave first round approval to LB 1335 by a 39-0-10 vote after adopting the committee amendment (AM 2947) by a 36-0-13 vote.

The Natural Resources Committee advanced LB 1335 to General File on March 13, 2024, with a committee amendment. The amendment (AM 2947) adds structural context and includes the tool of incidental take like federal regulations that allow it. It narrows the exempted party definitions to define that they only apply if an entity is directly connected with a Department of Transportation project.

The bill proposes that the Nongame and Endangered Species Conservation Act does not apply to any action of an exempted party in furtherance of its lawful duties associated with designing, constructing, reconstructing, repairing, operating, or maintaining transportation infrastructure.

Exempted party is defined in the bill as any state agency, political subdivision, or any agent, employee, consultant, or contractor of any state agency or political subdivision.

Transportation infrastructure includes any:

- (a) Road, street, highway, or any right-of-way of a road, street, or highway;
- (b) Interdependent or interrelated contractor use site;
- (c) Actions permitted by a state agency or political subdivision within any road, street, highway, or right-of-way of any road, street, or highway controlled by the state agency or political subdivision;
- (d) Pedestrian or bicycle trail, lane, or bridge;
- (e) Technology with the primary purpose of benefiting the traveling public; and
- (f) Broadband infrastructure placed by the Department of Transportation.

The Nongame and Endangered Species Conservation Act would apply to any initial action of any exempted party that creates new transportation infrastructure on areas not previously dedicated to the exempted party's lawful duties or any subsequent action that increases the area of existing transportation infrastructure.

The Natural Resources Committee held the hearing on LB 1335 on Feb. 21.

Opening on the bill, Sen. Moser indicated this is his priority bill. Sen. Moser noted this bill was brought to him by the Nebraska DOT. He noted the bill balances environmental stewardship and the importance of transportation infrastructure that the state needs. The current law is currently more restrictive than the federal law and has fewer tools for balancing the opposing sides. He gave the example of an 80-foot right-of-way times a mile is about 10 acres. If you have to offset that by a two-to-one ratio you would need 20 acres to balance the environmental impact of the infrastructure. Thus, 20 acres would be a conservation easement in perpetuity.

Proponents

Khalil Jaber, Deputy Director of Engineering for Nebraska DOT, testified in support. He noted we need to address the Nongame and Endangered Species Conservation Act (NESCA) to better address transportation infrastructure. He said it is the stricter NESCA language that impacts project delivery and NDOT feels this bill balances their commitment to the environment and the safety of the traveling public. He noted the bill will help NDOT meet their fiscal responsibility to the taxpayer. He said the bill allows existing infrastructure and roadway corridors to be used for their primary purpose. He noted that if not changed, the current law will continue to drive costs up for roadway infrastructure.

He answered questions from senators including why is the bill a priority now if it's been a law since 1975? Jaber indicated it is because the list of species is always changing and depending on the species on the list it can be significant costs to do the consultations for the species. They do approximately 400 projects a year and the species can change depending on the part of the state. They are hearing about Monarch Butterflies that might be listed next year and then they will have to deal with that. Jaber noted that by bringing the political subdivisions into the mix, we want to exempt them so if they are applying for funds they can improve their infrastructure without the hurdle. They still have to qualify under the federal requirements.

Katie Wilson, Executive Director with the Association of General Contractors of America - Nebraska Chapter, testified in support. This bill strikes the right balance between infrastructure and the environment that makes our state great. The project will still be subject to review initially but will not require further review when the road is upgraded, added to, etc.

Lash Chaffin, League of Nebraska Municipalities, testified in support. He noted the public is very frustrated that road projects take so long – years from inception to completion. He noted that there are numerous environmental laws that the city, state and federal governments have to comply with and anything that can be done to make these laws more streamlined to reduce project time is valuable.

Elaine Menzel, Nebraska Association of County Officials, testified in support. She noted that this could potentially make things easier for counties with infrastructure projects.

Thomas Schafer, Assistant Director of Transportation for the City of Lincoln, testified in support. He noted this bill promises a more streamlined, cost-effective manner to complete projects. This bill strikes a balance between transportation and conservation of our resources. Every project, we have to fill out paperwork to prove that we aren't impacting a species.

Opponents

Kristal Stoner, Audubon Great Plains, testified in opposition. She noted it has always been a debate – what is more valuable, the road or the species? She noted she found only two projects where this has come into play – the Columbus Bypass where there were orchids in the right-of-way and the Heartland Expressway where there were foxes. She added that if DOT destroys habitat, they should have to put it back to how it was. She doesn't believe this bill achieves the goal the DOT is trying to achieve.

John Cougher, The Nature Conservancy of Nebraska, testified in opposition. It's important to the state's economy to keep threatened species from moving onto to the endangered list. The rights-of-way provide habitat for species and classifying them as manmade isn't going to improve the situation.

Cindy Veys, citizen and former NDOT environmental section employee, testified in opposition noting no state agency should be exempt from this law, instead they should be leaders in accommodating it.

Kimberly Stuhr, Nebraska Wildlife Federation, testified in opposition and outlined the success of the current Nebraska Endangered Species Act. She noted the need to protect endangered and at-risk species and state agencies should be held to the same standards as others. Saving the state money now may cost more in recovery and rehab costs.

Kai Adams testified in opposition as an individual and discussed the environment is important and we can't destroy it to save money.

Neutral

Al Davis, Nebraska Sierra Club, testified in a neutral capacity. He discussed that is his understanding that this does not attempt to circumvent federal law but would still require an assessment and that is their reason for neutral testimony. He suggested more specific language be included to clearly determine what is required and what is omitted from permits. Additionally, he asked for clarification as the bill is silent on private roads and what protections are available for private roads.

Tim McCoy, Director NGPC, testified in a neutral capacity noting that his agency and other state agencies work together as partners to move projects forward efficiently under NESCA. These changes will only apply to state listed species, which includes 16 of the total 32 listed species. McCoy raised questions about independent sites and requested the committee give further consideration to exempted parties. He requested the committee add language that requires applicants to attempt to minimize impacts to species and complete restoration efforts to benefit the species in the long run. Additionally, they would like language requiring a mandatory to consult so they could work with the involved parties to identify and minimize impacts.

Position comments were submitted for the record by seven proponents and six opponents.

Sen. Moser closed by discussing that he'd continue to work with all parties and agencies to reach a consensus. However, he does not believe the state act should be a more cumbersome process than what the federal act requires.

Sen. Moser has declared the bill his personal priority bill.

LB 1368 - To adopt the Nitrogen Reduction Incentive Act. Ibach. Ibach Priority.

On April 11, 2024, senators gave final approval to LB 1368 by a 42-0-7 vote. The bill now awaits action by Governor Pillen.

After a couple of amendments were adopted, senators advanced LB 1368 to Final Reading by a voice vote on April 4, 2024.

Senator Ibach filed AM 3281 to strike the original amendments and replace it with new language. The amendment was adopted by a 42-0-7 vote.

Senator Moser's amendment, AM 3357, incorporated provisions of LB 1199 to eliminate fees charged by the Department of Natural Resources. This amendment was adopted by a 36-0-13 vote. The Natural Resources Committee had advanced LB 1199 to General File on February 27, 2024, by an 8-0 vote.

The major change to the bill under AM 3281 is a reduction in funding for the bill. The original amendments adopted included \$5 million from the General Fund. The new amendment eliminates that funding and

replaces it with a transfer of \$1 million from the Water Resources Cash Fund to the Nitrogen Reduction Incentive Cash Fund as soon as administratively possible after the effective date of this act, but before June 30, 2025, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

Senators gave first round approval to LB 1368 by a 35-0-14 vote after adopting an amendment, AM 3002, offered by Senator Ibach by a 34-0-15 vote. This was replaced with AM 3281 on Select File.

The Agriculture Committee reported the advancement of LB 1368 to General File on Feb. 21, following a 7-0 committee vote. The bill proposes to create the Nitrogen Reduction Incentive Act to encourage farmers to adopt efficient and sustainable practices to help Nebraska protect land and water resources and position our farmers to compete.

The amendment (AM 3281) strikes the original provisions of the bill and replaces it with broader options for reductions in fertilizer use.

The changes from the original version are the following:

- The program shall provide an annual per-acre incentive for any farmer who verifies through documentation that commercial fertilizer rates were reduced by the lesser of 40 pounds per acre for nitrogen or 15 percent by incorporating a qualifying product in the farmer's nutrient plans. The original bill required the lesser of 25 pounds/acre for nitrogen or 15% by incorporating a qualifying product in the farmer's nutrient plans.
- Makes it permissible for the Department of Natural Resources to develop rules and regulations, rather than mandatory.
- Directs the Department of Natural Resources to apply for all grants from state, federal, and private sources that are applicable to the purposes of the Nitrogen Reduction Incentive Act.

The rest of the bill remains the same.

The bill requires that a commercial fertilizer rate reduction from historic baseline use shall be completed to qualify for the program. The purposes of the program are to:

- (a) Provide incentive payments to farmers; and
- (b) Encourage farmers to (i) reduce the use of commercial fertilizer and (ii) incorporate innovative technology into farming practices, including the proper use of biological nitrogen products.

The department shall not award more than \$5 million in incentive payments in total per year under the nitrogen reduction incentive program.

The program would be administered by the Department of Natural Resources.

The department shall:

- (a) Collaborate with natural resources districts to add any new technology to the program as it becomes available. Such technology shall replace nitrogen fertilizer use and maintain farm productivity;
- (b) Identify geographically beneficial target areas while keeping the program open to all farmers in the state;
- (c) Consult with farmers and commercial entities in the agriculture industry to determine a per-acre payment rate tied to the commercial rate reduction but not less than \$10 per acre; and
- (d) Review the per-acre payment rate based on inflation or emerging technology in renewing years.

The nitrogen reduction incentive program would terminate on Dec. 31, 2029.

Senator Moser's amendment, AM 3357, incorporated provisions of LB 1199 which is summarized below.

- **LB 1199 - Repeal provisions relating to certain administrative fees imposed by the Department of Natural Resources. Moser.**

The bill repeals Section 33-105 relating to the following fees imposed by the Department of Natural Resources.

- (1) For filing, recording, and examining each application for a storage reservoir, for the first 5,000 acre-feet or fraction thereof, \$25, and for each additional 5,000 acre-feet or fraction thereof, \$10;
- (2) For filing, recording, and examining each application for, or application for modification of permits to include, intentional or incidental underground water storage and recovery, \$500;
- (3) For filing, recording, and examining each application for water for irrigation from a natural stream, for the first 1,000 acres proposed for irrigation or fraction thereof, \$200, and for each additional 1,000 acres or fraction thereof, \$100;
- (4) For filing, recording, and examining each application for water for irrigation from a storage reservoir, for the first 1,000 acres proposed for irrigation or fraction thereof, \$50, and for each additional 1,000 acres or fraction thereof, \$25;
- (5) For filing, recording, and examining each application for water for power purposes, for each theoretical 50 horsepower or fraction thereof, \$5;
- (6) For filing, recording, and examining each application for withdrawal of ground water for industrial purposes, for the first 4,000 acre-feet or fraction thereof, \$1,500, and for each additional 1,000 acre-feet or fraction thereof, \$750;
- (7) For filing an application to amend a permit for withdrawal of ground water for industrial purposes, \$500;
- (8) For filing any petition, affidavit, other paper, or application for which no fee has been fixed, \$10;
- (9) For recording any deed or document pertaining to land covered in whole or in part by a water appropriation or any instrument other than an application, \$10; and
- (10) For certificate and seal, \$1.

These fees are currently remitted to the General Fund.

Hearing summaries for LB 1368 and LB 1199 follow.

The Agriculture Committee held the hearing on LB 1368 on Feb. 13.

Sen. Ibach opened the hearing by thanking those supporting the bill, including several ag groups and NARD. Sen. Ibach outlined provisions of the bill and noted the intent is to encourage farmers to adopt efficient and sustainable practices that will enable them to compete globally and win the race to adopt innovative products. This is the start of a bigger discussion in the months ahead. The sunset is included as this is intended to be an incentive starter, further recognizing that \$5 million is just a start. Sen. Ibach suggested exploring other funding sources including WSF, corn checkoff, NET, and other funding options, but we want to move

quickly. By being proactive, farmers can be in the driver seat of this important issue. Sen. Ibach asked the committee to consider making the measure a committee priority bill.

Sen. Hughes asked if the focus will be on areas with higher nitrates or how the funds would be distributed? Sen. Ibach noted it'd be up to NeDNR to decide, but the goal is to open it up to all farmers across the state.

Sen. Reipe discussed his concern over the health risks from nitrates and asked if switches from crop rotation to corn on corn has made an impact? Sen. Ibach discussed that addressing soil health is a big piece to addressing the problem and research shows that biologicals and soil health can reduce the amount of synthetic nitrogen needed. Sen. Reipe also expressed a desire to see additional education incorporated.

Proponents

Lyndon Vogt, General Manager Central Platte NRD, testified in support on behalf of NARD. Nebraska has more irrigated acres than any other state in the nation. Irrigation allows us to have a very stable crop yield on nearly 9 million acres. Applying extra fertilizer and water have been considered cheap insurance to guard against yield loss. The downside of that thought process is the increasing nitrate levels in the soil and waters of the state.

Many NRDs have worked with UNL and other professionals to educate producers on proper timing, placement and amounts of nitrogen applied to improve yields and profitability, while also reducing the risk of contamination. CPNRD, in conjunction with UNL, has the longest on-farm research project addressing nitrogen rates in the nation. This relationship has lasted over 44 years and is still going strong.

The NRDs need assistance in getting the majority of producers to adopt new practices and products while lowering their actual nitrogen applied. There are two options when implementing change, incentives or regulations. In my opinion regulations are much more expensive than incentives, and once implemented regulations rarely end. Financial incentives will be imperative to getting producers to change their current practices and help protect our water quality.

There are biological products that can assist in reducing nitrogen rates, as long as the products are used correctly, and the amount of nitrogen applied is reduced by the suggested amount.

There is also new sensor-based imagery via satellites that has become available in the last few years that recognizes when the crop is lacking nitrogen so the crop can be spoon fed during the growing season. This reduces over application and leaching of nitrogen. The CPNRD began cost sharing on sensor-based technology for nutrient applications last year. The majority of producers participating in this program are more profitable per acre as a result of reduced N application and stable yields. On average, profitability increased over \$27 per acre and nitrogen applied decreased by over 40 pounds per acre. In some cases, nitrogen applications decreased over 90 pounds per acre with no yield loss. This technology replaces an algorithm that results in a different amount of needed nitrogen by every entity selling nitrogen and making recommendations to producers.

CPNRD has required crop reports in our high nitrate areas since 1987. These reports include soil and water samples to account for all nitrogen sources available and all results are fed into the UNL algorithm to show producers what the UNL recommended amount of nitrogen is to produce the desired crop yield. If a producer is profitable, it is very difficult to convince them they can be more profitable by making small changes even though on farm research shows that most producers over apply nitrogen.

It is time for the State of Nebraska to recognize the high nitrate issues we face in the heavily irrigated areas of the state and begin to assist the NRDs and producers in addressing this issue with the latest technologies and financial assistance to implement these programs.

If this bill moves forward the NRDs will work diligently with NeDNR in creating new incentive-based nitrogen management programs with a focus on the higher nitrate areas of the state.

Hank Robinson, Aksarben Foundation & Full Value Ag, testified in support and discussed that sustainability can mean many things, but it usually comes down to carbon intensity, nitrogen management, and water management. Robinson outlined that 1.8 billion bushels of corn were produced in the state last year and anything farmers can do to reduce reliance on nitrogen also improves carbon intensity. Companies and agribusiness benefit through use of biologicals and timing split applications. Additionally, broadly adopted practices drive down carbon-intensity scores, allowing elevators and co-ops to use them in market negotiations. The sunset is fine as following the incentives, eventually the market will drive these practices. The bill mitigates risk for producers as they shift to new practices. Robinson discussed that he is open to working with anybody to see if they can expand the reach beyond 500,000 acres. This effort would drive price support in contracts for lower carbon products.

Sen. Holdcroft asked for examples of synthetic vs biological nitrogen sources? Robinson discussed that 40% of the production of anhydrous contributes to the footprint of corn. Biologicals are naturally occurring allowing microbes to fix nitrogen from atmosphere. Various delivery methods exist for biologicals, the most common in Nebraska being seed coating.

Sen. Hughes asked what other funding sources may be available. Robinson discussed that one way to incentivize producers may be a property tax refund for adopting practices.

Claudia Stevenson, League of Women Voters of Nebraska, testified in support. Her testimony highlighted that Nebraska has the highest rate of pediatric cancer and high nitrate is the cause based on research. Too much fertilizer is applied to crops in Nebraska. Reducing fertilizer use without hurting yield is required. Golf courses should also be considered.

Katie Torpy, The Nature Conservancy, testified in support outlining the environmental and health concerns related to nitrogen pollution. This bill would help mitigate risk as farmers are transitioning and incentives are required due to an engrained culture. There is a need to support private landowners and producers with technical and financial assistance. If looking at NET for funding, they would request its supplementary and urged that the application process for funds needs be respected.

Al Davis, Nebraska Sierra Club and Independent Cattlemen of Nebraska, testified in support also outlining concerns over nitrogen pollution. This is a great pilot project to address the issue, but the concern is if incentives would produce concrete results. NRDs are the perfect candidate to administer this type of program in partnership with extension. Echoed that NET funding application process should be followed.

Ken Winston testified in support outlining that groundwater is something to be proud of and Nebraska is the envy of other states in how we protect it. Tools have been provided through the years to NRDs but more needs to be done. Recommendations to make sure technology is vetted. Make sure there are additional incentives for people stopping fertilizer and expanding education.

John Hansen, Nebraska Farmers Union, testified in support discussing this is a step in right direction to address nitrate pollution. Despite working on this issue for over 40 years we are continuing to overapply. Utilizing a pilot project to educate and incentivize is the best process for getting conservation implemented in ag. This is a good time to augment federal sources of funds.

Sen. Halloran used questioning with Hansen to highlight how he feels there is a conflict with NRDs that restrict pumping of water to save the aquifer. Noting that restricting water pumping is a conflict in policy because one of the best ways to get rid of nitrate is to pump it and use it, and now that ability is being restricted by NRDs.

Craig Derickson, retired USDA employee, testified in support and discussed that the demand for resources has not peaked and the goal of sustainable and regenerative agriculture should be to allow future generations to meet their own needs. There is growing interest in cost-effective practices that improve water quality including no-till and cover crops. Currently requests for money for cost-share generally exceeds what is available by 3 or 4 times.

Opponents – There was no opposition testimony.

Neutral

Edison McDonald, GC Resolve, testified in a neutral capacity and outlined the health and environmental threats from nitrogen pollution. Appreciate Sen. Ibach’s intent, but improvements could ensure the issue is addressed properly. The bill should target areas and require coordination with NRCS and NDEE. The inclusion of biological products presents concerns over future unknown impacts of those products.

In closing, Sen. Ibach reiterated this is the start of a very important conversation that will impact Nebraska for many years. Ibach addressed Sen. Huges question about cost of products, noting currently it cost around \$325 ton for anhydrous and biologicals are sold by the acre and average \$22 per acre, many farmers use both. Sen. Ibach discussed that if we don’t step up and address the issue, we lose control of who will. Sen. Ibach noted she has visited with several NRDs and they’re doing an incredible job of monitoring and understanding how we can impact our groundwater.

Sen. Hansen asked if the is goal reduction in nitrogen in groundwater and if Sen. Ibach would be in favor of regulating nitrogen use? Sen. Ibach responded that the goal has to be to reduce nitrogen, and this is a proactive step to a long-term solution. Sen. Ibach also noted she doesn’t ever want to have to monitor how farmers and ranchers manage their operation, rather we become successful by giving them the ability to manage with best practices. Products and innovation will become the norm and farmers will use it.

Position comments submitted for the record included 10 proponents and two opponents.

The Natural Resources Committee held the hearing on LB 1199 on February 2nd.

Sen. Moser opened on the bill noting that the bill removes fees within the Department of Natural Resources, which will speed-up and streamline administration accounting costs and lower citizen costs to conduct business with the department. He said the fees are insignificant and do not impact the department’s budget or operating costs. The Nebraska Department of Natural Resources requested Sen. Moser bring the bill.

Proponents

Tom Riley, NeDNR Director, testified in support noting the majority of the fees are \$1, \$5, \$10 and \$25 and the department must have a physical check. Riley said to process the check it costs three times what is collected with the fee. Eliminating these fees will also facilitate electronic filing, which will be more efficient and reduce administrative accounting costs.

Opponents - There was no opponent and no neutral testimony.

One position comment in support was submitted for the record by NARD.

Position comments submitted for the record included 10 proponents and two opponents.

LB 1370 - Provide requirements for retirement of a dispatchable electric generation facility by an electric supplier. Bostelman. Natural Resources Priority.

On April 11, 2024, senators gave final approval to LB 1370 by a 40-0-9 vote. The bill now awaits action by Governor Pillen.

Senators advanced the bill to Select File on March 21, 2024, by a 29-0-20 vote after adopting the committee amendment by a similar vote.

The bill requires that the energy capacity of on-demand generation facilities must be replaced with equal or greater on-demand generation capacity prior to decommissioning the original facility and identifies advance notice and information that an electric supplier would be required to certify to the Power Review Board.

The bill was advanced to General File on March 7, 2024, with a committee amendment. Three other bills are included in the committee amendment, AM 2863, including LB 1260.

- **LB 969 - Change provisions relating to contracts and sealed bids for public power districts. DeKay.**

The bill proposes to increase the minimum dollar thresholds that require advertisement for sealed bids prior to contracting for project development by a public power district, or a public power and irrigation district.

The bill amends the current threshold amount that triggers the sealed bid requirement 1) by a District with gross revenue of less than \$500 million dollars the threshold is changed from \$250,000 to costs exceeding \$750,000. For a district with earnings of \$500 million or more from the current \$500,000 trigger, to \$1,500,000.

- **LB 956 - Provide requirements for light-mitigating technology on certain wind turbines. Bostar.**

The bill would require that FAA approved light mitigation technology be installed on all new wind turbines beginning July 1, 2025, and directs that application for FAA approval of the technology be made for installation on certain wind turbines in systems in Nebraska within 30 days.

The bill provides that owners and operators of wind energy conversion systems must apply to the FAA for approval to install light mitigation technology, sometimes referred to as Light Detection Systems on all new wind turbines constructed in Nebraska beginning July 1, 2025. The bill also requires that a certain percentage of existing turbines that are part of a commercial wind operation must make an application for FAA approval to install the technology on those turbines.

- **LB 1260 - Provide authority for public power and irrigation district directors to take action on certain agreements in which they have an interest. Jacobson.**

Although the bill has not advanced out of committee, provisions of the bill were incorporated into the Natural Resources Committee Priority Bill, LB 1370, through AM 2863. The amendment was adopted by a 29-0-20 vote and the bill was advanced to Select File on March 21, 2024, by a 29-0-20 vote.

The bill proposes a director of a public power and irrigation district may have an interest in a residential lease agreement or a water service agreement with such district. Such director may

participate in any discussion or vote on such agreements. No agreement of such public power and irrigation district shall be void or voidable by reason of such interest by such director.

Below are the hearing notes on LB 1260.

The Natural Resources Committee held the hearing on LB 1260 on February 7th.

Sen. Jacobson opened by noting this bill addresses unique problem of three public power and irrigation districts in the state. The bill does not impact the abilities of other entities to do their business. CNPPID has 12 board members and only six were able to vote on several of the measures. Individuals want representatives that understand the issues and can represent them and the most qualified to serve are those that use the service. Intent is to still not allow for vote on contracts that impact individual landowner. The legislation was crafted in partnership with the Accountability and Disclosure Commission.

Proponents

Devin Brundage, General Manager CNPPID, testified in support on behalf of NWRA, NSIA, and Nebraska Power Association. Central customers look to elect other customers who understand how votes and rates impact users. A 2019 advisory opinion provided limits to how board members could vote, and irrigators were prevented from voting on water service agreements and rates. Central has close to 1,000 lake leases and 1,100 water-use agreements that board members may hold, would again be able to vote on class action measures.

Dave Rowe, CNPPID Board Chair, testified in support and discussed that leases and contracts held by board members are not unique to them and are the same as all other lease and contracts held. The bill will remedy the current situation where customers are currently not represented because their elected representatives can't vote.

Tom Schwarz, CNPPID Users Association, testified in support outlining the impact of the CNPPID system on the local area. Understanding of irrigation and irrigation experience is critical for representatives. Central irrigators are currently disenfranchised, and this would fix that.

John Thorburn, General Manager Tri-Basin NRD (TBNRD), submitted a letter in support on behalf of TBNRD and NARD. Tri-Basin NRD is responsible for protecting the soil and water resources of Gosper, Phelps and Kearney counties in South-Central Nebraska. He noted that CNPPID is a critical partner in the districts mission to sustain our groundwater supplies. He also pointed out their district encompasses more than 580,000 irrigated acres. Although most of these acres are irrigated by groundwater, rather than canal water, groundwater users benefit from recharging to our aquifers provided by the operation of CNPPID's canals. Furthermore, Central's facilities are critical to our ongoing efforts to capture excess flows from the Platte and divert that water for aquifer storage, rather than allowing it to flow unused to the Gulf of Mexico.

We believe that it is fundamentally unfair for Central directors who utilize canal water to be prevented from voting on irrigation water delivery rates, a problem that arose due to a ruling from the Nebraska Accountability and Disclosure Commission. For instance, this past fall, when CNPPID decided to raise irrigation rates, only one of nine directors in the three-county irrigation service area was eligible to vote.

The Accountability and Disclosure ruling is also inconsistent with rules for irrigation district directors, who are allowed to vote on irrigation rates. It also removes a fundamental motivation for citizens who are irrigators to run for office at CNPPID. If you can't play a role in making decisions about irrigation rates, a principal feature of CNPPID's service to the area, why spend time running for and serving as a Central director?

We thank Senator Jacobson for introducing this bill and would encourage the committee to advance the bill.

Opponents – There was no opposition testimony provided.

Neutral

David Hunter, Nebraska Accountability and Disclosure Commission, testified in a neutral capacity and discussed that the commission addressed this issue in a 2019 advisory opinion which had the opinion that contract holders should not vote on such contracts. Hunter expressed that this carves out an exception to conflict-of-interest law and does not directly impact the accountability and disclosure act.

Sen. Jacobson closed by discussing his commitment to make it clear that it's just for form agreements and not independent contracts held individually.

Position comments submitted for the record included 4 proponents.

Committee Action

LB 859 - Change conflict of interest provisions for certain political subdivision officers. Linehan.

The Government Committee indefinitely postponed LB 859 after concepts of the bill were included in LB 287, which passed on Final Reading.

The bill proposed to expand a section of the conflict-of-interest statutes to all political subdivisions rather than just cities, villages and school districts. These conflict statutes outline when a person must abstain from voting if it may cause financial benefit or detriment to him or her, a member of his or her immediate family, or a business with which he or she is associated.

The conflict-of-interest statements would have to be filed with the person in charge of keeping public records for that political subdivision who shall enter the statement on the public records.

This section of statutes also allows for an exception as follows:

1. To the extent that the individual's participation is legally required for the action or decision to be made, or
2. If the potential conflict of interest is based on a business association and (A) such business association is an association of such political subdivisions, (B) the political subdivision is a member of such association, and (C) the business association exists only as the result of such person holding elective office.

The Government Committee held the hearing on LB 859 on February 14th.

Sen. Linehan waived both opening and closing on the bill. There was no in-person testimony provided.

Position comments submitted for the record included nine proponents and eight opponents.

The committee reported no action on the measure.

Bill, LR or CA	Description	Sponsor(s)	Priority	NARD POSITION	Committee	Hearing Date	Status	Amendments/Notes
LR 1CA	Constitutional amendment to require the Legislature to reimburse political subdivisions as prescribed	Blood	Blood (2023)	Support	Government	2/24/2023	General File	MO 120 - 126, AM 591 - Pending
LR 6CA	Constitutional amendment to prohibit governmental entities from imposing any taxes other than retail consumption taxes and excise taxes	Erdman		Oppose	Revenue	3/3/2023	Committee	
LR 7CA	Constitutional amendment to require the state to impose a consumption tax or an excise tax on all new goods and services and to provide a tax exemption for grocery items	Erdman		Oppose	Revenue	3/3/2023	Committee	
LB 7	Provide a statute of limitations for exposure to hazardous or toxic chemicals	Blood		Monitor	Judiciary	1/25/2023	Committee	
LB 40	Adopt the Riparian and Water Quality Practices Act	Blood		Oppose - as written.	Natural Resources	2/23/2023	Committee	AM 469 - Pending
LB 43e	Adopt the First Freedom Act and the Personal Privacy Protection Act, authorize tribal regalia to be worn by students, change provisions relating to withholding records from the public, provide requirements for interpretation of statutes, rules, and regulations, and prohibit state agencies from imposing certain requirements on charitable organizations	Sanders	Government (2024)		Government	2/9/2023	Passed 39-0-10	Approved by Governor Pillen on March 27, 2024.
LB 79	Adopt the Nebraska EPIC Option Consumption Tax Act	Erdman	Erdman (2023)	Oppose	Revenue	3/3/2023	Committee	MO 258 - 264, AM 314 - Pending
LB 121	Repeal the Trail Development Assistance Act	Bostelman		Monitor	Natural Resources	2/16/2023	Committee	
LB 125	Change provisions relating to the Surface Water Irrigation Infrastructure Fund	Bostelman		Support	Appropriations	3/14/2023	Committee	Provisions incorporated into LB 818 via AM 1172 - Adopted & Passed 2023.
LB 147	Change procedures for property tax refunds	Kauth		Monitor	Revenue	2/1/2023	Passed 41-0-8	Approved by Governor Pillen on March 5, 2024.
LB 164e	Change provisions relating to the Economic Recovery Act, the Municipal Inland Port Authority Act, the Nebraska Rural Projects Act, grants awarded by the Department of Economic Development, and transfers of funds and investment earnings, provide for a museum at Fort Robinson State Park, and adopt the Child Care Capacity Building and Workforce Act	McKinney	Urban Affairs (2024)		Urban Affairs	1/24/2023	Passed 37-6-6	Presented to Governor Pillen on April, 11 2024.
LB 205	Adopt the Government Neutrality in Contracting Act	von Gillern		Support	Government	2/10/2023	General File	AM 452 - 465 - Pending
LB 218	Change provisions relating to intent to appropriate money for management of vegetation within the banks or flood plain of a natural stream	Ibach		Support	Agriculture	2/7/2023	Final Reading	AM 2195 - Adopted
LB 241	Change provisions relating to transfers of water to another state	Briese		Monitor	Natural Resources	1/26/2023	Committee	
LB 281	Require the Department of Economic Development to provide grants for youth outdoor education camp facilities	Jacobson		Support	Natural Resources	2/15/2023	Committee	Provisions incorporated into LB 814 & LB 818 via AM 915 & AM 1172 - Adopted & Passed 2023.
LB 287e	Prohibit creation of joint public agencies under the Joint Public Agency Act	Brewer	Government (2024)	Monitor	Government	3/24/2023	Passed 46-0-3	Presented to Governor Pillen on April, 11 2024.
LB 292	Prohibit the use of eminent domain under the Jobs and Economic Development Initiative Act	Cavanaugh, M.		Monitor	Natural Resources	2/8/2023	Committee	
LB 302	Change provisions relating to conflicts of interest by certain officeholders and public employees	Linehan		Monitor	Government	2/15/2023	General File	Provisions incorporated into LB 287 via AM 2060 - Adopted & Passed.
LB 304	Require political subdivisions to disclose membership dues and lobbying fees	Linehan		Monitor	Government	2/9/2023	Passed 48-0-1	Approved by Governor Pillen on March 18, 2024.
LB 312	Change provisions relating to withholding money due to noncompliance with budget limits and annual audits for certain political subdivisions	Lowe		Monitor	Government	2/9/2023	General File	
LB 322	Prohibit creation of new joint public agencies with power or authority relating to tax	Linehan		Monitor	Revenue	3/9/2023	Committee	
LB 332	Prohibit creation of new joint public agencies with power or authority relating to education	Linehan		Monitor	Education	3/21/2023	Committee	
LB 361	State legislative intent to appropriate funds for the Precision Agriculture Infrastructure Grant Program	Dorn		Support	Appropriations	3/1/2023	Committee	Provisions incorporated into LB 814 via AM 915 - Adopted & Passed 2023.
LB 388	Change provisions relating to sales taxes	Linehan	Revenue (2024)		Revenue	3/24/2023	Final Reading	AM 3468, FA 445 - Adopted; AM's 3475, 3473, FA 447, 444 - Lost; Multiple AM's - Not Considered.
LB 394	Change provisions relating to the determination of damages as a result of eminent domain	Erdman		Oppose	Judiciary	2/23/2023	Committee	
LB 396	Provide for streamflow augmentation projects and retention of water rights	Erdman		Oppose	Natural Resources	3/1/2023	Committee	See Attorney General Opinion 23-006
LB 400	Adopt the Nebraska Pheasant Restoration Act	Brewer		Monitor	Natural Resources	2/8/2023	Committee	Provisions incorporated into LB 565 via AM 1314 - Adopted & Passed 2023.
LB 401	State intent regarding appropriations to the Department of Natural Resources	Dorn		Support	Appropriations	3/14/2023	Committee	
LB 506	State intent to appropriate federal funds to the Department of Natural Resources and the Department of Environment and Energy	Bostar		Support	Appropriations	3/14/2023	Committee	Provisions incorporated into LB 818 via AM 915 - Adopted & Passed 2023.

LB 513	Change proof of publication requirements for legal notices and requirements for published notice and virtual conferencing under the Open Meetings Act	Brewer		Support	Government	2/10/2023	General File	Provisions incorporated into LB 287 via AM 2060 - Adopted & Passed.
LB 534	Appropriate federal funds to the Department of Environment and Energy for community water systems	Slama		Support	Appropriations	3/13/2023	Committee	
LB 540	Change provisions relating to public lettings	Vargas		Monitor	Government	3/24/2023	Committee	
LB 560	State intent to seek federal funds under the Inflation Reduction Act of 2022	Blood		Support	Appropriations	3/6/2023	Committee	
LB 571	Appropriate funds to the Department of Environment and Energy to carry out the Water Well Standards and Contractors' Practice Act	Lippincott		Support	Appropriations	3/13/2023	Committee	
LB 576	Provide limitations on liability and nuisance related to land-management burning	Cavanaugh, J.		Support	Judiciary	3/3/2023	Committee	
LB 614	Appropriate funds to the Department of Agriculture	McDonnell		Support	Appropriations	2/22/2023	Committee	
LB 637	Require members of the public to be allowed to speak at each meeting subject to the Open Meetings Act	Albrecht		Monitor	Government	2/24/2023	General File	Provisions incorporated into LB 43 via AM 2812 - Aopted and Passed.
LB 651	Provide for appropriations relating to cybersecurity improvements for state agencies and political subdivisions	McDonnell		Support	Appropriations	3/16/2023	Committee	
LB 656	Change provisions relating to the Small Watersheds Flood Control Fund	McDonnell		Support	Natural Resources	3/1/2023	Committee	
LB 672	Appropriate funds to the Department of Environment and Energy	Hansen		Support	Appropriations	3/13/2023	Committee	
LB 723	Adopt the Public Water and Natural Resources Project Contracting Act	Bostelman, At the request of the Governor		Support	Natural Resources	2/2/2023	Committee	Provisions incorporated into LB 565e via AM 1240 - Adopted & Passed.
LB 729	Change provisions relating to the Jobs and Economic Development Initiative Fund	McDonnell		Monitor	Natural Resources	2/23/2023	Committee	
LB 766	Appropriate Federal Funds to the Department of Environment and Energy for reverse osmosis systems	DeKay		Support	Appropriations	3/13/2023	Committee	AM 651 - Pending
LB 768	Transfer money from the Cash Reserve Fund to the Critical Infrastructure Facilities Cash Fund	DeKay	DeKay (2023)	Support	Appropriations	3/14/2023	Committee	Provisions incorporated into LB 814 via AM 915 - Adopted & Passed - Line-item Vetoeed by Gov. Pillen.
LB 817	Appropriate funds for capital construction	Arch, At the request of the Governor		Support	Appropriations	2/13/2023	Committee	Provisions incorporated into LB 814 via AM 915 - Adopted & Passed.
LB 819	Change provisions relating to the Cash Reserve Fund	Arch, At the request of the Governor		Support	Appropriations	2/13/2023	Committee	Provisions incorporated into LB 818 via AM 1172 - Adopted & Passed.
LB 828	Change provisions of the Nebraska Apiary Act and provide for the Pollinator Task Force, the Nebraska Apiary Registry, and immunity for certain damages relating to bees	Blood		Monitor	Agriculture	1/30/2024	Committee	
LB 831	Change provisions of the Noxious Weed Control Act and provide for control of restricted plants	Blood		Oppose	Agriculture	1/30/2024	Committee	AM 2113 - Filed
LB 859	Change conflict of interest provisions for certain political subdivision officers	Linehan		Monitor	Government	2/14/2024	Indefinitely Postponed	Portions included in LB 287 via am 2060 - Adopted & Passed.
LB 867e	Provide for a voluntary hunting and fishing guide and outfitter database, a migratory waterfowl hunting season for veterans, active-duty military state park entry permits, change provisions relating to the Nebraska Power Review Board and the Petroleum Release Remedial Action Cash Fund, and prohibit restrictions on the provision of services related to natural gas and propane	Bostelman	Natural Resources (2024)		Natural Resources	1/31/2024	Passed 47-0-2	Presented to Governor Pillen on April, 11 2024.
LB 868	Extend the sunset date for reimbursement for remedial action under the Petroleum Release Remedial Action Cash Fund	Bostelman		Support	Natural Resources	1/24/2024	Committee	Provisions incorporated into LB 867 via AM 2767 - Adopted & Passed.
LB 872	Prohibit acceptance of central bank digital currency by state and local governments	Clements		Monitor	Banking	2/5/2024	Committee	Provisions incorporated into LB 1074 via AM 2560 - Adopted & Passed.
LB 880	Change requirements relating to the Land Acquisition and Source Water Loan Fund	Hughes		Monitor	Natural Resources	1/24/2024	Passed 47-0-2	Presented to Governor Pillen on April, 11 2024.
LB 925	Adopt the Firearm Industry Nondiscrimination Act	Aguilar		Monitor	Government	2/1/2024	General File	AM 2546 - Filed
LB 937	Adopt the Caregiver Tax Credit Act	Bostar			Revenue	1/25/2024	Final Reading	AM's 3206, 3116, 3260, 3205, 3420 - Adopted; 3132 - Divided; AM 3187 - Lost.
LB 951	Adopt the Public Officials on Private Boards Open Meetings Act	Linehan		Monitor	Government	2/15/2024	Committee	
LB 1018	Provide that positions of public employment shall not require a postsecondary degree and require equal consideration for non-degree-holders' wages and benefits	Holdcroft		Monitor	Government	2/2/2024	Committee	AM 2255 - Filed
LB 1074e	Adopt changes to federal law regarding banking and finance, change provisions of the Commodity Code, the Credit Union Act, and the Securities Act of Nebraska, adopt the Data Privacy Act and the Public Entities Pooled Investment Act, exempt certain records from public disclosure, and change breach of security provisions and computerized data, criminal history background checks, and vital records	Slama	Banking, Commerce & Insurance (2024)		Banking, Commerce & Insurance	1/30/2024	Passed 47-0-2	Presented to Governor Pillen on April, 11 2024.
LB 1080	Appropriate Federal Funds to the Department of Natural Resources	Holdcroft		Monitor	Appropriations	2/21/2024	Committee	

LB 1131	Appropriate funds to the Department of Environment and Energy for grants for tribal-owned community drinking water and sewer systems	Raybould		Monitor	Appropriations	2/2/2024	Committee	
LB 1179	Appropriate funds to the Department of Natural Resources	Wishart		Support	Appropriations	2/2/2024	Committee	
LB 1184	Adopt the Reverse Osmosis System Tax Credit Act	Bostar		Monitor	Revenue	2/15/2024	Committee	Provisions incorporated in LB 937 via AM 3206 and LB 1317 via AM 3246 - Adopted.
LB 1199	Repeal provisions relating to certain administrative fees imposed by the Department of Natural Resources	Moser		Support	Natural Resources	2/1/2024	General File	Provisions incorporated into LB 1368 via AM 3357 - Adopted & Passed.
LB 1205	Appropriate Federal Funds to the Department of Natural Resources	Hughes		Monitor	Appropriations	2/21/2024	Committee	
LB 1241	Change provisions relating to property tax levy limits	von Gillern		Oppose ¹ - See Policy Statement	Revenue	1/31/2024	Committee	AM 2135 - Filed
LB 1242	State intent to appropriate funds to the Board of Regents of the University of Nebraska	McDonnell		Monitor	Appropriations	2/1/2024	Committee	Provisions incorporated into LB 1412 via AM 2566 - Adopted & Passed.
LB 1243	Adopt the Wildland Fire Response Act	McDonnell		Support	Government	2/22/2024	General File	Provisions incorporated into LB 1300 via AM 3227 - Adopted & Passed.
LB 1244	Appropriate Federal Funds to the Department of Natural Resources	McDonnell		Support	Appropriations	2/21/2024	Committee	
LB 1258	Change requirements relating to certain permits and requirements relating to livestock waste control facilities and animal feeding operations	Cavanaugh, M.		Oppose	Natural Resources	2/15/2024	Committee	
LB 1260	Provide authority for public power and irrigation district directors to take action on certain agreements in which they have an interest	Jacobson		Support	Natural Resources	2/7/2024	Committee	Provisions incorporated into LB 1370 via AM 2863 - Adopted & Passed.
LB 1277	Change provisions relating to emergency proclamations for disasters, emergencies, and civil defense emergencies made by the Governor	Wayne		Support	Government	2/23/2024	Committee	
LB 1287	Appropriate Federal Funds to the Department of Environment and Energy for drinking water infrastructure	Ballard		Support	Appropriations	2/21/2024	Committee	
LB 1300e	Adopt the Pacific Conflict Stress Test Act and the Foreign Adversary Contracting Prohibition Act	Bostar, At the request of the Governor	Ballard (2024)		Government	2/8/2024	Passed 46-0-3	Presented to Governor Pillen on April, 11 2024.
LB 1317	State findings relating to property taxes	Linehan	Revenue (2024)		Revenue	2/1/2024	Final Reading	AM's 3079, 3135, 3314, 3479, 3246, 3447, 3378, 3362, FA 443 - Adopted; FA 438 - Lost; Multiple AM's & MO's - Withdrawn.
LB 1335	Change provisions of and provide duties and exemptions from the Nongame and Endangered Species Conservation Act	Moser	Moser (2024)	Support	Natural Resources	2/21/2024	Passed 36-3-10	Presented to Governor Pillen on April, 11 2024.
LB 1357	Prohibit camping on certain property owned by political subdivisions	McDonnell		Support	Judiciary	2/29/2024	Committee	
LB 1358	Require approval of the registered voters to increase salaries of governing bodies of political subdivisions as prescribed	McDonnell		Monitor	Government	2/7/2024	General File	Provisions incorporated into LB 1300 via AM 3227 - Adopted & Passed.
LB 1366	Change provisions relating to the use of eminent domain	Cavanaugh, J.		Monitor (Remove NRDS)	Judiciary	2/2/2024	Committee	
LB 1368	Adopt the Nitrogen Reduction Incentive Act	Ibach	Ibach (2024)	Support	Agriculture	2/13/2024	Passed 42-0-7	Presented to Governor Pillen on April, 11 2024.
LB 1370	Provide requirements for retirement of a dispatchable electric generation facility by an electric supplier	Bostelman	Natural Resources (2024)		Natural Resources	2/1/2024	Passed 40-0-9	Presented to Governor Pillen on April, 11 2024.
LB 1406	Provide for an active-duty military permit for state park entry	Sanders		Support	Natural Resources	1/31/2024	Committee	
LB 1412e	Provide, change, and eliminate appropriations for operation of state government, postsecondary education, state aid, capital construction, and federal funds allocated to the State of Nebraska from the federal American Rescue Plan Act of 2021	Speaker Arch, at the Request of the Governor		Monitor	Appropriations	1/30/2024	Passed 42-6-1	Approved by Governor Pillen on April 1, 2024.
LB 1413e	Transfer and provide for the transfer of funds and create and change the use and distribution of funds	Speaker Arch, at the Request of the Governor		Monitor	Appropriations	1/30/2024	Passed 37-8-4	Approved by Governor Pillen on April 1, 2024.
LB 1414	Adopt the Property Tax Growth Limitation Act and change provisions relating to budget limitations	Linehan, at the Request of the Governor		Oppose ¹ - See Policy Statement	Revenue	2/2/2024	Committee	Provisions incorporated into LB 388 via 3203 - Adopted.
LB 1415	Adopt the Property Tax Relief Act and change the Nebraska Property Tax Incentive Act	Dover, At the request of the Governor		Oppose ¹ - See Policy Statement	Revenue	2/2/2024	Committee	
LB 1417	Create, eliminate, terminate, and provide, change, eliminate, and transfer powers, duties, and membership of boards, commissions, committees, councils, task forces, panels, authorities, and departments and change and eliminate funds	Brewer, At the request of the Governor		Monitor	Government	2/29/2024	General File	AM 3346 - Pending.

¹ NARD Policy Statement - We will work with the Legislature and Governor Pillen on reasonable property tax reform measures. We support reforms that reduce property tax reliance and provide adequate funding for both rural and urban areas. We oppose restrictions on local budgets that harm the ability of local governments: 1) To implement programs and projects to meet federal and state mandated programs; 2) Make local annual adjustments to meet the needs of the local citizens; 3) Adequately fund both rural and urban needs; and 4) Provide local funding for efficient natural resources programs that protect water quality, water quantity, soil, property and the economy.