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TO: NARD Board, NRD Managers and Conservation Partners
FROM: Dean E. Edson, NARD Executive Director
RE: April 2 NARD Update

Governor Action

LB 148e - Transfer certain environmental safety programs to the Department of Environment and Energy. Bostelman.

Governor Ricketts signed LB 148e into law on March 31st. The bill includes the emergency clause and became law immediately following approval by Governor Ricketts. Senators gave final round approval to LB 148e on Thursday, March 25th by a 47-0-2 vote.

The Legislature advanced LB 148 to Final Reading on March 10th by voice vote after adopting AM 332 on a 36-0 vote. The amendment (AM 332) replaces references to Department of Health and Human Services with Department of Environment and Energy.

On February 16th, the Legislature advanced LB 148 to Select File by a 40-0 vote after adopting AM 28 by a 35-0 vote.

Previously, the Natural Resources Committee advanced LB 148 to General File on February 4th on an 8-0 vote with Committee Amendment AM 28. The amendment clarifies that water uses includes wastewater, specifies the identity of the directors, and changes the expiration date of licenses to December 31 each year.

The bill proposes to transfer the following powers and duties from the Department of Health and Human Services to the Department of Environment and Energy: A) Relating to testing of water samples and B) Issuance of licenses and permits, fees, water well contractors, recreation camps, swimming pools, mobile home parks, and drinking water.

There are no changes to the make up of the Water Well Licensing Board. However, there are additional conflict of interest provisions and per diem requirements proposed. These include:

- No board member shall take any action or make any decision in the discharge of the duties of a member of the board that may constitute a conflict of interest. As soon as a member is aware of a potential conflict or should reasonably be aware of such potential conflict, whichever is sooner, the member shall submit a written statement to the Director of Environment and Energy describing the matter requiring action or decision and the nature of the potential conflict.
- The member shall take such action as the director shall advise or prescribe to remove the member from influence over the action or decision on the matter.

- Conflict of interest includes financial, professional, or personal obligations that may compromise or present the appearance of compromising the judgment of a member in the performance of the duties of a member of the board. The director may establish a definition of conflicts of interest for members of the board and may establish procedures in case such a conflict arises.
- Each member of the board shall, in addition to necessary traveling and lodging expenses, receive a per diem for each day actually engaged in the discharge of the duties of a member of the board, including compensation for the time spent in traveling to and from the place of conducting business.
- The compensation per day shall not exceed fifty dollars and shall be determined by the board with the approval of the department. The department shall be responsible for the general administration of the activities of the board. The cost of operation and administration of the board shall be paid from the General Fund and the Water Well Standards and Contractors' Licensing Fund.

Relating to testing of water samples, the director shall certify and enter into authorization agreements with laboratories to perform tests on water that is intended for human consumption, including the tests required by the director for compliance and monitoring purposes. The director shall establish, through rules and regulations, standards for certification.

Such standards (i) may include requirements for staffing, equipment, procedures, and methodology for conducting laboratory tests, quality assurance and quality control procedures, and communication of test results, (ii) shall provide for certification of independent laboratories to test samples provided by public water systems for all acute toxins for which the department tests such samples, including, but not limited to, coliform, nitrates, inorganic chemicals, organic chemicals, radionuclides, and any other acute toxins for which the department tests such samples, and (iii) shall be consistent with requirements for performing laboratory tests established by the United States Environmental Protection Agency to the extent such requirements are consistent with state law.

The director may accept accreditation by a recognized independent accreditation body, public agency, or federal program which has standards that are at least as stringent as those established pursuant to this section. The director may adopt and promulgate rules and regulations which list accreditation bodies, public agencies, and federal programs that may be accepted as evidence that a laboratory meets the standards for certification.

Inspection fees and fees for certifying other laboratories shall be established and collected to defray the cost of the inspections and certification.

Laboratories shall be allowed to test water samples which are not compliance samples by testing methods other than the methods and procedures required to be used on compliance samples by rules and regulations of the department. For purposes of this section, compliance sample means a water sample required under the Nebraska Safe Drinking Water Act and rules and regulations of the department to determine whether a public water system meets current drinking water standards.

The Natural Resources Committee accepted testimony on LB 148 on January 27th.

During his opening, Senator Bostelman mentioned he would be providing AM 28, which simply makes 3 clarifying changes and no technical changes to the bill. He mentioned that since 2005 NDEE and DHHS have been operating under a series of MOAs and this bill would simply formalize what is already occurring.

Proponents

Director Jim Macy testified in support of LB 148 on behalf of NDEE. He highlighted that NDEE has been running the various programs in this bill under a Memorandum of Agreement for the last 3.5 years. This bill will transfer the physical assets and funds from DHHS to NDEE. Macy outlined that NDEE has been able to

provide better service to communities across the state and anticipates no changes to the way the programs are run. He also mentioned the Safe Drinking Water Act and the Clean Water Act programs are both delegated to the state from EPA so it makes sense to have them both under the same agency.

Bo Botelhom, General Counsel for the Department of Health and Human Services, said DHHS & NDEE have been operating under a MOA and working towards transferring these programs and LB 148 would make this transfer official. This bill would properly consolidate the programs and would better serve Nebraskans.

Lee Orton, Executive Director of the Nebraska Well Drillers Association, testified in support of LB 148. Lee highlighted the program transfer under the MOA has worked very well over the last 3.5 years. Nebraska is recognized nationally for the success of our water well programs. Lee mentioned the well drillers were not necessarily pleased when the transfer first happened, but it has worked very well and the Well Drillers Association looks forward to working with the NDEE leadership. Lee said this move needs to be made official so we can move forward with the programs.

Opponents

No testimony was provided in opposition to the bill.

Neutral

Larry Wennekamp, Wastewater Supervisor, representing 476 communities across Nebraska and provides assistance in regulatory compliance testified in the neutral capacity. Larry mentioned many communities lack resources needed to run a water system. His concern with the transfer of these programs from DHHS to NDEE is that there will be a lack of training and technical assistance needed by smaller communities. His other concern is the programs are public health programs and not environmental programs. He said NDEE needs to make a commitment that the environmental side of things does not overshadow public health.

Letters of support were sent in from City of Blair, Lincoln, Omaha, Fremont, Village of Waunetta and the Department of Defense.

LB 368 - Provide the Auditor of Public Accounts enforcement powers for failure of political subdivisions to file reports. Sanders.

Governor Ricketts signed LB 368 into law on March 31st. The bill will become law 90 days after the session ends. Senators gave final round approval to LB 368 on Thursday, March 25th, by a 46-0-3 vote.

On March 9th, the Legislature advanced LB 368 to Select File by a 37-0 vote after adopting AM 66 on a 36-0 vote.

Previously, the Government Committee reported LB 368 to General File with AM 66 on February 8th by an 8-0 vote. The amendment (AM 66) deletes a redundant grant of authority to the Auditor of Public Accounts.

The bill proposes when a political subdivision fails to file a required report with the Auditor of Public Accounts by the applicable due date, the Auditor may assess the political subdivision a late fee of twenty dollars per day for each calendar day the required report remains not filed. The late fee would begin on the day following the date the report is due. The total late fee assessed shall not exceed two thousand dollars per filing.

The bill also outlines that at the auditor's discretion, the expense of the audit of the political subdivision shall be paid by the political subdivision.

The Government Committee accepted testimony on LB 368 on January 29th.

In her opening, Senator Sanders said the bill was brought to her office by the Auditors office. She told the committee the auditor's office receives reports from 2800 political subdivisions, of which 309 were filed late, and 19 still have not filed FY2019 audit reports. She noted that chasing reports is expensive and frustrating for the auditor's office. She stressed that the bill says may assess a penalty, so they have discretion. She also outlined a committee amendment (AM 66) which strikes the portion of the bill outlining that the auditor can audit the political subdivision, noting that under existing law they already have the ability to audit any given subdivision at any time, and that section of the bill is repetitive and unnecessary.

Proponents

Russ Karpisek testified on behalf of the Auditor of Public Accounts. He outlined the need for the bill and told the committee the main issue is the requirement is already in statute, but there is no teeth to make people get things in on time. He reiterated that trying to chase down people to submit the reports is time consuming and expensive, but there is nothing they can do right now.

Opponents

There was no opposition or neutral testimony.

A position letter in support was submitted by the Platte Institute.

LB 369 - Provide the Auditor of Public Accounts access to working papers and audit files. Sanders.

Governor Ricketts signed LB 368 into law on March 31st. The bill will become law 90 days after the session ends. Senators gave final round approval to LB 369 on Thursday, March 25th, by a 46-0-3 vote.

On March 10th, the Legislature advanced LB 369 to Select File by a 37-0 vote after adopting AM67 on a 39-0 vote.

Previously, the Government Committee reported LB 369 to General File with AM 67 on February 8th by an 8-0 vote. The amendment (AM 67) deletes a redundant grant of authority to the Auditor of Public Accounts.

The bill outlines that the Auditor of Public Accounts shall have unrestricted access to the working papers and audit files for any audit report required to be filed with the office of the Auditor of Public Accounts.

Under the bill, working papers and audit files are defined to mean those documents containing evidence to support the auditor's findings, opinions, conclusions, and judgments and includes the collection of evidence prepared or obtained by the auditor during the audit.

The bill also incorporates provisions proposed under LB 368. This includes when a political subdivision fails to file a required report with the Auditor of Public Accounts by the applicable due date, the Auditor may assess the political subdivision a late fee of twenty dollars per day for each calendar day the required report remains not filed. The late fee would begin on the day following the date the report is due. The total late fee assessed shall not exceed two thousand dollars per filing.

The bill also outlines that at the auditor's discretion, the expense of the audit of the political subdivision shall be paid by the political subdivision.

The Government Committee accepted testimony on LB 369 on January 29th.

In her opening Senator Sanders mentioned the bill was brought to her by the State Auditors office. Provisions of the bill were outlined and she offered a Committee Amendment (AM67) which strikes the

portion of the bill outlining that the auditor can audit the political subdivision, noting that under existing law they already have the ability to audit any given subdivision at any time, and that section of the bill is repetitive and unnecessary.

Proponents

Russ Karpisek testified on behalf of the auditor of public accounts in support. He told the committee the intent of the bill is essentially the same as LB 368, and just about improving compliance with existing law. He expressed that the auditor's office has had challenges with a specific CPA firm. He told the committee their office has not heard of any opposition.

Opponents

There was no opposition or neutral testimony. A position letter in support was submitted by the Platte Institute.

General File

LB 9 - Change annexation requirements and property tax special valuation provisions. Blood. Speaker Priority.

On March 30th, the Legislature advanced LB 9 to Select File by a 42-0 vote after adopting AM 231 on a 38-0 vote.

Previously, the Urban Affairs Committee reported LB 9 to General File with AM 231 on February 18th, following a 7-0 vote. The amendment (AM 231) limits the bill to cities of the first class located in a county with at least three cities of the first class. The amendment limits property deemed contiguous to the corporate limits and only applies if property owned by the federal government lies between the newly annexed area and the corporate limits of the city. The amendment also requires that any change to the service area of any electric utility without agreement from the electric utility serving the newly annexed area at the time of annexation.

The bill adds criteria for annexing contiguous property. This bill addresses an issue with land around Offutt Air Base in Sarpy County.

Under the proposal, lands, lots, tracts, streets, or highways shall be deemed contiguous although property owned by the federal government or a natural resources district lies between the same and the corporate limits, so long as the lands, lots, tracts, streets, or highways sought to be annexed are adjacent to or contiguous with the property owned by the federal government or a natural resources district.

The bill also adds criteria for special valuation of ag and horticultural land subject to a conservation or preservation easement as provided in the Conservation and Preservation Easements Act within the corporate boundaries of a city or village if : 1) The land is subject to air installation compatible use zone regulations; or 2) the land is within a flood plain.

Current law requires only that the governing body of the city or village approves the agreement creating the easement.

The Urban Affairs Committee accepted testimony on LB 9 on February 9th

In her opening, Senator Carol Blood mentioned the purpose of the bill deals with land in cities of the first class, it addresses an issue where there is land owned by Offutt Air Force Base in between parcels that the city of Bellevue wants to annex.

She offered an amendment to remove the language dealing with land owned by the NRD as it is not needed in this situation.

Two major focal points - The flood control efforts to protect the base creates a situation that the city of Bellevue needs to annex to assist with removing the area from the flood plain. A second issue is to skip over some ag land so that land does not lose its special valuation.

Proponents

Rusty Hike, Mayor of Bellevue, testified in support of the bill. He noted there have been some issues with contiguous land surrounding the air base for years. The base has land called "safety zones" around the base, which separates the lands in question and makes it non-contiguous. These zones can't be developed but could be farmed. They don't want to annex those properties and want the land to stay as agriculture and keep it is the special valuation as ag land. The city does not want to cause the land to lose its special valuation as ag land. The city wants to skip over these zones and leave them alone.

The growth of Bellevue is to the south and they want to work around Offutt.

Joe Kohout, representing United Cities of Sarpy County, testified in support of the bill. He mentioned this has been a problem for some time and voiced support for the bill to fix the problems and protect the ag land in the safety zones.

Christy Abraham, League of Municipalities, testified in support and mentioned this is a unique situation to Bellevue and wants to work with them to address the problem.

There were four letters of support and one neutral letter.

There were no opponents and no neutral testimony.

LB 650 - Adopt the Nebraska Geologic Storage of Carbon Dioxide Act. Flood. Hughes Priority Bill.

On March 30th, the Legislature advanced LB 650 to Select File by a 41-0 vote after adopting AM 548 on a 40-0 vote.

Previously, the Natural Resources Committee reported LB 650 to General File with AM 548 on March 12th following a 6-0-2 vote. Senator Hughes declared the bill as his priority bill for the session. The amendment (AM 548) adds that any permit issuance under the act shall not be construed to amend or alter any statute, rule, or regulation which relates to the commission's authority to regulate operations to increase ultimate recovery from a underground oil and gas reservoir.

The bill proposes the Nebraska Geologic Storage of Carbon Dioxide Act to promote the geologic storage of carbon dioxide.

The purpose is to benefit the state and the global environment by reducing greenhouse gas emissions, help ensure the viability of the state's energy and power industries, provide storage of carbon dioxide to allow for its ready availability if needed for commercial, industrial, or other uses.

A permitting process would be established and regulated by the Nebraska Oil and Gas Commission (NOGC) to provide for injection of carbon dioxide underground, via injection wells, and provide for an underground storage right.

Title to any reservoir estate underlying the surface of lands and waters would be vested in the owner of the overlying surface estate unless it has been severed and separately conveyed. The ownership of reservoir estates may be conveyed in the manner provided by law for the transfer of mineral interests in real property.

The NOGC would be required to hold a public hearing before issuing a permit. Notice of the hearing shall be provided in accordance to commission rules and regulations. Notice of the hearing shall be given to each mineral lessee, mineral owner, and reservoir estate owner within the storage reservoir and within one-half mile of the storage reservoir's boundaries. Notice of the hearing shall also be given to each surface owner of land overlying the storage reservoir and within one-half mile of the storage reservoir's boundaries.

Before issuing a permit, the commission shall find:

- (1) That the storage operator has complied with all requirements set by the commission;
- (2) That the storage facility is suitable and feasible for carbon dioxide injection and storage;
- (3) That the carbon dioxide to be stored is of a quality that allows it to be safely and efficiently stored in the storage reservoir;
- (4) That the proposed storage facility will not endanger surface waters or underground sources of drinking water;
- (5) That carbon dioxide will not escape into the atmosphere or surface waters from the storage reservoir;
- (6) That the storage facility will not endanger human health or unduly endanger the environment;
- (7) That the horizontal and vertical boundaries of the storage reservoir are defined;
- (8) That the storage operator will establish a testing and monitoring plan to assess the location and migration of carbon dioxide injected for storage and to ensure compliance with all permit, statutory, and administrative requirements;
- (9) That the storage operator has satisfied all of the requirements under the act and if the storage operator has obtained all permits required by the applicable underground injection control program permitting authority for each storage facility injection well;
- (10) That the storage facility is in the public interest;
- (11) That the storage operator has made a good-faith effort to obtain the consent of all persons who own reservoir estates within the storage reservoir;
- (12) That the storage operator has obtained the consent of persons who own reservoir estates comprising at least sixty percent of the physical volume contained within the defined storage reservoir;
- (13) Whether the storage reservoir contains commercially valuable minerals. If it does, a permit may be issued only if the commission is satisfied that the interests of the mineral owners or mineral lessees will not be adversely affected or have been addressed in an arrangement entered into by the mineral owners or mineral lessees and the storage operator; and
- (14) That all nonconsenting reservoir estate owners are or will be equitably compensated.

The Natural Resources Committee accepted testimony on LB 650 on February 11th

Senator Flood opened by noting the bill is the result of collaboration of several individuals and groups. He noted that the bill is about employing the best technology to expand the market for Nebraska products, while also addressing climate issues. He discussed that the climate change discussion has costal states prioritizing energy sources that meet climate friendly guidelines, noting that if Nebraska can store carbon deep underground as the bill allows to be permitted, they're going to look at Nebraska and it will make our products more marketable.

Sen. Flood noted this is a unique opportunity where all sides can come to together to create a win-win scenario. He noted that the bill would allow ethanol producers to capture CO₂ that would otherwise be emitted and safely inject it 3-10K feet underground. It was discussed that EPA currently has regulatory measures in place and the bill does not diminish existing EPA standards, rather it supplements and builds a state framework around existing EPA regulations.

Sen. Flood noted that groundwater protection is an important priority, and it has been demonstrated that underground injection can be done to ensure groundwater is protected. Storage is intended to be safe and stable in perpetuity, but there were questions from the committee on who is responsible as companies come

and go. He noted that financial assurances are in place for the state to address any potential issues, he also reiterated that the EPA regulatory measures have the state's best interest in mind.

Proponents

Troy Bredekamp testified in support on behalf of Renewable Fuels Nebraska. He noted that technology is becoming increasingly important for Nebraska's ethanol industry and that low carbon fuel standards are being adopted. He noted that ethanol is already a very low carbon producing energy source, but allowing for injecting CO₂ emissions will only make Nebraska ethanol more marketable and competitive in low carbon energy markets.

Hal Demuth, owner of Petretech Corporation a company specializing in oil and gas wells, testified in support. Mr. Demuth provided the committee with a lengthy overview of deep injection wells and how they work. He noted that the EPA UIC program focuses on protection of groundwater with six different classes of injection wells, CO₂ injection wells are classified as class 6 wells. He stressed that the existing EPA permit process requires a rigorous process for ensuring protection of water and safe long-term containment. He stated that the injected CO₂ is in a super critical state that is slightly heavier than water. He told the committee there are over 800 injection wells already across the country, however only one location where wells of this specific nature are operating is in Illinois.

Charles Goreckey with the University of North Dakota's Energy & Environmental Research Center testified in support of the bill. He outlined similar legislation introduced in North Dakota in 2009. He noted this framework would be needed for Nebraska to address management of the pore space and it would also allow for the state to seek primacy if needed. He provided examples of several similar injection projects across the globe.

Chuck Woodside, CEO of KAPA Ethanol holdings also testified in support. He reiterated the opportunity this would provide for ethanol to expand markets and become an even more competitive low carbon energy source.

Kristen Hassebrook testified in support on behalf of the Nebraska Chamber. The chamber supports the bill due to the opportunity to encourage business growth.

Jan Tenbenschel testified in support for the Nebraska Ethanol Board. He echoed the advantages of being competitive in low carbon fuel markets. He specifically addressed the risk of being out competed by neighboring states if they enact similar legislation and can offer lower carbon fuel. He noted there is even the potential for ethanol to be a negative carbon fuel.

Written testimony in support of the bill was submitted Nebraska Corn Growers and the Nebraska Farmers Union.

Opponents

There was no opposition testimony.

Neutral

John Rundel, Chair of the Nebraska Oil and Gas Conservation Commission testified in a neutral position. He spoke to the advantages of injection wells and told the committee the Commission is best equipped to provide oversight for this process. He noted they are a cash funded agency funded through mill levy's assessed on oil and gas production. He noted that the bill has funding mechanisms in place to make this a self-funded program, however there may need to be some appropriations made to bridge a funding shortage during startup of the program. He outlined the rules and hearing process that would begin once the bill is passed. He noted that primacy would stay with EPA for now, but in the future if directed the state and

commission could apply for primacy. He noted that currently the state has primacy over class II wells – with 110 active wells in the state.

Matt Joeckel, Director of Nebraska CSD, testified in a neutral capacity on behalf of himself. He provided the committee with a quick overview of the approximately 20 similar projects across the globe. He spoke about the need for trained geologist and engineers to provide assessments. He noted that due to geologic features these projects are feasible in several parts, but not all parts of Nebraska. He outlined the need for appropriate long-term monitoring. He addressed a question from the committee about the potential for earthquakes, noting that underground injection can result in earthquake, the risk can be addressed by running geology and engineering assessments.

Several position letters both in support and opposition of the bill were submitted for the record. Sen. Flood waived closing.

LB 501 - Adopt the Uniform Easement Relocation Act. Flood. Speaker Priority.

The legislature advanced LB 501 to Select File on April 1st by a 40-0 vote after adopting AM's 526, 671, and 794.

AM 671 adds public power and irrigation district, irrigation district, reclamation district, or canal company to the list of easements that may not be relocated.

The Judiciary Committee reported LB 501 to General File on March 10th with AM 526 following an 8-0 vote. The amendment (AM 526) incorporates provisions of four other bills, none of which are on the list of bills relating to natural resources districts.

The bill proposes a process to modify easement relocation.

Specifically, the bill modifies the rule requiring mutual consent of owners for easement relocation, allowing the owner of the burdened lot to obtain permission to relocate the easement from a court. The burdened property owner must demonstrate to the court that the relocation would not materially reduce the usefulness of the easement, impose a burden on the easement holder, impair a purpose for which the easement was created, impair the safety of anyone using the easement, or reduce the value or condition of the easement holder's property.

The burdened property owner must provide advance notice of the relocation plan to parties owning an interest in the property served by the easement, and any of them may object to the relocation in court. Additionally, the burdened property owner may not disrupt the easement holder's access during relocation.

The bill does not apply to relocating a public-utility easement, conservation easement, or negative easement or to encroach on such.

The Judiciary Committee accepted testimony on LB 501 on February 4th.

In his opening, Sen. Flood noted that the Nebraska Law School contacted him about introducing the bill. It codifies what is already in the law and provides more guidance for the courts.

He provided an example for the committee. Sen. Flood owns a section of land between Sen. Lathrop's land and Sen. Lathrop has an easement to run a water pipe across Sen. Flood's land to irrigate his land. Now Sen. Flood decides he wants to develop his land and wants Sen. Lathrop to move his water pipe to the edge of the property. The law provides a process and structure for that to easily happen and guide landowners.

Flood noted that statute is silent on this issue and in 2006 the court of appeals dealt with this issue and constructed a process. Now the goal is to take that process and add it to statute, so instead of referencing the case law, you could just reference it in statute.

Proponents

Larry Ruth testified in support on behalf of the Uniform Law Commission. The Uniform Law Commission is a state agency created by statute and helps to codify court decisions. The purpose is to strengthen the federal system and judicial system. They find areas of uniformity that states can benefit from by making things uniform across the system.

Steve Willborn, UNL Law Professor and serves on the Uniform Law Commission, testified in support. This provides procedural structure and process, which ensure the easement holder is protected. This adds protections for easement holders and will help avoid nasty disputes after. This uniform bill was promulgated this summer and has been introduced in a few states, but not adopted yet anywhere.

Written testimony in support of the bill was submitted by the Nebraska State Irrigation Association.

Opposition

There was no opposition or neutral testimony and Senator Flood waived closing.

Committee Action

LR 11 CA - Constitutional amendment to require enactment of a consumption tax and prohibit certain other forms of taxation. Erdman. Co-sponsored by Albrecht, Brewer, Briese, Clements, Halloran, Lowe, McDonnell and Murman. Erdman Priority Bill.

The Revenue Committee reported LR 11 CA to General File on March 31 following a 6-2 vote.

A proposed constitutional amendment, effective January 1, 2024, that prohibits the State of Nebraska and all political subdivisions of the state from imposing a tax on personal income, a tax on corporate income, a tax on personal property, a tax on real property, a tax on an inheritance from a deceased person, a tax on the estate of a deceased person, and a tax on the retail sale of goods and services.

It replaces such taxes with a consumption tax which shall apply to purchases of services and new goods, except for fuel. Such consumption tax shall begin no later than January 1, 2024 (See LB 133).

The proposal does include language to allow the Legislature to authorize political subdivisions of the state to enact their own consumption taxes upon such terms and conditions as the Legislature may provide. This portion is not included in LB 133.

The Revenue Committee accepted testimony on LR 11CA on February 3rd.

Prior to Senator Erdman opening on the bill, the committee raised the question of if comments from the previous hearing could simply be referenced, it was acknowledged by the Chair that could occur, however Erdman proceeded with opening on the CA.

During opening Senator Erdman commented that the problem is not just property tax, and that income tax and inheritance tax are also problems. He commented that legislation just continues to be a band-aid, only decreasing the increase. He stressed that consumption tax is catching fire and that there is a lot of support and that everyone would want to move to Nebraska because of all the tax savings.

There was no testimony provided as individuals/organizations had provided testimony on LB 133 and were allowed to address both measures at that time. There were 47 position letters submitted in support and 18 letters in opposition.

The Committee reported no action on the measure.

Appropriations Committee Advances Budget

The Appropriations Committee reported the budget bills out of committee late Thursday. The Committee included amendments that replace the original bills and make minor adjustments to the Governor's proposed budget. Budget books were being distributed late Thursday and it is expected that the legislature will begin floor debate on the budget next week. We will continue to review the amendments and include a summary of budget adjustments with next week's update.