

June 6, 2025

TO: NARD Board, NRD Managers and Conservation Partners  
FROM: Dean E. Edson, NARD Executive Director  
RE: June 6 NARD SINE DIE Update

The Nebraska Legislature adjourned Sine Die June 2, 2025, on Day 89 of the scheduled 90-day session. The next 60-day session is scheduled to begin January 7, 2026. Regular sessions generally last 90 legislative days in odd-numbered years and 60 legislative days in even-numbered years.

During this first session of the 109<sup>th</sup> Legislature, 715 bills were introduced and 18 Constitutional Amendments were proposed. A total of 209 bills were passed, with 113 additional bills incorporated to those measures as amendments. One constitutional amendment was passed and will move forward to the general election to allow for the voters to determine whether legislators will be allowed to serve a third consecutive term.

NARD was tracking 56 measures of interest to natural resources districts, including 48 Legislative Bills and eight Constitutional Amendments. This document contains a summary of the outcome of all 2025 Legislative Bills of interest to natural resources districts. Hearing notes are also incorporated with the bill summaries.

- The first section lists the Constitutional Amendment to expand term limits that was passed by the Legislature and delivered to the Secretary of State for consideration of voters at the general election (pages 4-6).
- The second section lists bills that were advanced by the Legislature and signed by the Governor (pages 6-54).
- The third section lists bills that have been indefinitely postponed or withdrawn (pages 54-56).
- The fourth section lists bills that will be carried over for the next session (pages 56-100).
- The fifth section includes Interim Study Resolutions that were introduced in 2025 (pages 101-106).

Most bills passed and approved by Governor Pillen become law three calendar months after the Legislature adjourns unless they have an emergency clause or a specified operative date. The emergency clause is a provision that allows a bill or a portion of a bill to take effect immediately after the Governor signs it or after the Legislature overrides a governor's veto.

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LB 175	Provide duties for the successor in interest of a railroad	Hallstrom	46-47
LB 180	Provide an exception for public lettings and biddings for the Department of Natural Resources	Clouse	24
LB 191	Change provisions relating to unlawful interference with telecommunications under the One-Call Notification System Act	Bosn	35-36

LB 242	Change the Property Tax Growth Limitation Act and the School District Property Tax Relief Act and change provisions relating to budget limitations, municipal occupation taxes, and property tax statements	Riepe	49-51
LB 247e	Change provisions relating to fees and distribution of proceeds under the Integrated Solid Waste Management Act and uses of and transfers from the Petroleum Release Remedial Action Cash Fund	DeKay	25-26
LB 260e	Provide, change, and eliminate provisions relating to appropriations	Arch, at the request of the Governor	27-28
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LB 264e	Provide, change, and eliminate transfers from the Cash Reserve Fund and various other funds and change, terminate, and eliminate various statutory programs	Arch, at the request of the Governor	31-35
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LB 311e	Adopt the Telecommunications Exchange Deregulation Act, restrict actions of governmental actors relating to telecommunications, and change provisions relating to regulation of telecommunications	DeBoer	35-36
LB 317e	Merge the Department of Natural Resources with the Department of Environment and Energy and change the name to the Department of Water, Energy, and Environment and provide, change, and eliminate powers and duties	Brandt at the request of the Governor	37-43
LB 331	Adopt the Nebraska EPIC Option Consumption Tax Act and terminate tax provisions	Hardin	55
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LB 346	Change qualifications of the State Capitol Administrator, provide for termination of boards, commissions, committees, councils, funds, panels, task forces, the Conservation Corporation Act, and the Nebraska Potato Development Act, and change and eliminate funds and powers and duties of departments and agencies	Arch, at the request of the Governor	43-45
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LB 398e	Adopt updates to federal law relating to motor vehicles and motor carriers and change provisions relating to commercial driver's licenses and CLP-commercial learner's permits	Moser	45-48
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## **Section 1 – Measures passed by the Legislature and advanced to the General Election.**

### **LR 19 CA - Constitutional amendment to change legislative term limits to three consecutive terms. Dover and 23 Co-sponsors.**

On May 28, 2025, the legislature passed LR 19 CA on a 39–10 vote. The constitutional amendment now awaits action by voters during the 2026 general election.

Previously, on May 9, 2025, Senators advanced LR 19 CA to Final Reading after adopting an amendment to move the measure to the General Election in November 2026 and rejecting another amendment to change the ineligibility period.

Prior to advancement, Senator Dover offered AM 1352, which eliminated the committee amendment. This was adopted by a 31-0-18 vote and now proposes the constitutional amendment to be on the November 2026 ballot.

Also, on Select File Senator Lippincott offered AM 1233 to change the period of ineligibility from four years to eight years after a person serves three consecutive terms. That amendment failed by a 5-24-20 vote.

On April 25, 2025, senators advanced LR 19 CA to Select File by a 32-7-10 vote after rejecting one amendment and adopting the committee amendment.

On General File Senator Lippincott offered AM 1175, which would eliminate the two-term limit and replace it with language to restrict serving in the Legislature for no more than three terms in such a person's lifetime. The amendment failed on a 13-22-14 vote.

The committee amendment, AM 884, was adopted by a 30-7-12 vote on General File, but later eliminated on Select File with AM 1352. The committee amendment, AM 884, would have placed this constitutional amendment on the 2026 Primary ballot to be held on May 12, 2026.

The Executive Board advanced LR 19 CA to General File on April 15, 2025, on a 9-0 vote with committee amendment AM 884. The measure is a constitutional amendment to change the limit on legislative terms from two consecutive terms to three consecutive terms.

*The Executive Board held the hearing on LR 19 CA on February 27, 2025.*

The hearing on LR 19 CA was held jointly with LR 27 CA. Both Sen. Dover and Sen. Hunt introduced the measures noting that the current terms restrict the institutional expertise and give additional power to outside influences. They also discussed how the current terms lessen the ability of lawmakers to fully grasp complex issues. Additionally, term limits prevent voters from being able to reelect strong senators.

*Proponents*

NARD submitted testimony in support of LR 19 CA as follows:

While term limits serve an important function in promoting new leadership, the current two-term limit presents challenges that hinder legislative effectiveness. Extending the limit to three terms would strengthen our legislative process and benefit the citizens of our state in several ways:

1. **Increased Institutional Knowledge & Experience** – Legislating is complex, and senators often require years of service to fully understand the intricacies of policymaking, budgeting, and governance. A three-term limit would allow legislators to develop the necessary expertise to craft more effective laws and policies.
2. **Stronger Leadership & Policy Continuity** – Many legislative initiatives take multiple years to develop and implement. With a three-term limit, experienced senators would have more time to advance long-term policy goals rather than being forced out just as they reach peak effectiveness. This continuity benefits issues such as infrastructure, education, and economic development.
3. **Stronger Representation for Constituents** – The learning curve for new senators is steep, and with constant turnover, some districts experience a loss of experienced representation. Extending term limits allows constituents to keep effective leaders in office longer, ensuring their voices are better represented in state government.

This change would enhance the quality of governance, strengthen our institution, and ultimately serve the best interests of the people.

Geoff Lorenz, an assistant professor of Political Science at UNL, testified on his own behalf. He said only about one quarter of lawmakers served three or more terms before Nebraska instituted term limits in 2006.

Adding a third term would put legislative careers closer to the institution's historical norms, while also offering a buffer against escalating polarization. He also noted that term-limited bodies tend to exert less influence on policy outcomes and are less innovative and more polarized, as members have less time to develop policy expertise and long-term working relationships.

Bryan Slone testified in support on behalf of the Nebraska Chamber of Commerce and Industry. He noted that Nebraska's unique one-house system means that lawmakers cannot run for a seat in another chamber, so the expertise that senators gain during their time in office is lost when they must leave office due to term limits.

He also noted that it is the best interest of the voters that term limits be periodically reconsidered to see if they're achieving the goals that were sought.

Jay Ferris presented testimony in support on behalf of Nebraska Farm Bureau Federation, Nebraska Cattlemen, Nebraska Corn Growers Association, Nebraska Pork Producers, Nebraska Sorghum Producers Association, Nebraska State Dairy Association, Nebraska Wheat Growers Association, and Renewable Fuels Nebraska.

Additional proponents included several individuals and representatives of the Open Sky Policy Institute, the League of Nebraska Municipalities, Civic Nebraska, and the Nebraska Civic Engagement Table.

Opponents – There were no opponents to the measures.

Letters submitted for the record on LR 27 CA were 27 proponents and 15 opponents.

Letters submitted for the record on LR 19 CA were 17 proponents and 18 opponents.

### **Section 3 – Bills passed by the Legislature and approved by Governor Pillen.**

**LB 36 - Adopt the Safe Battery Collection and Recycling Act, provide for the Home Weatherization Clearinghouse and for mitigation of incidental taking of threatened or endangered species habitat, change provisions relating to the Water Recreation Enhancement Act, ground water allocation, and permits and stamps issued by the Game and Parks Commission, and create the Research Excellence Cash Fund Brandt.**

Gov. Pillen signed the bill on May 20, 2025. Previously, on May 14, 2025, Senators gave final approval to LB 36 on a 43-6-0 vote. The bill includes provisions of six different bills that were before the Natural Resources Committee – LBs 309, 344, 459, 480, 562, and 595.

The accompanying appropriation bill, LB 36A, includes \$51,585 from the Waste Reduction and Recycling Incentive Fund for FY2025-26 and (2) \$109,036 from the Waste Reduction and Recycling Incentive Fund for FY2026-27 to the Department of Environment and Energy. Total expenditures for permanent and temporary salaries and per diems from funds appropriated in this section shall not exceed \$30,264 for FY2025-26 or \$63,554 for FY2026-27. The appropriations bill passed 48-1-0.

The Legislature advanced LB 36 to Final Reading on April 23, 2025, by voice vote after adopting an amendment to clarify a process for the Department of Environment and Energy to handle home weatherization funds and programs.

The amendment, AM 998, eliminates the language about establishing a clearinghouse and replaces it with language for an information hub for availability and application processes of and eligibility for grants, loans, or other programs that fund home weatherization projects, whether administered by the department, other state or local agencies, nonprofit organizations, or the federal government. The amendment was adopted by a 36-0-13 vote.

The Legislature advanced LB 36 to Select File on April 9, 2025, by a 38-0-11 vote after adopting the committee amendment, AM 635, by a 37-0-12 vote.

Prior to adopting the committee amendment, Senator Prokop was successful in amending the committee amendment with AM 930 which added provisions of LB 595, as amended by the committee, to create the Research Excellence Cash Fund.

The fund to be administered by the University of Nebraska and may be used to support research-based investments in data, data collection, and ongoing research critical to the Nebraska economy, including, but not limited to, the Nebraska Mesonet system. The amended version included that no funds can be used for any electronic-related equipment or components manufactured or supplied by a foreign adversary applicable to data gathering equipment that will be or is located within a 10-mile radius of a military installation. The amendment was adopted by a 41-0-8 vote.

The Natural Resources Committee advanced LB 36, with AM 635, to General File on April 1, 2025.

The amendment (AM 635) totally eliminates the proposed language of LB 36 and added the following bills:

- ***LB 309 as amended adopts the Safe Battery Collection and Recycling Act.***
- ***LB 344 amends the Nebraska Ground Water Management and Protection Act pertaining to ground water allocations for municipalities and municipal-served and self-served commercial or industrial users in the fully appropriated and over-appropriated areas of the state.***
- ***LB 459 as amended establishes the Home Weatherization Clearinghouse and directs its primary focus is the facilitation of funding for whole-home rehabilitation projects and directs that all grants that accomplish whole-house rehabilitation projects shall be given priority.***
- ***LB 480 provides the Game and Parks Commission the authority to administer and carry out additional projects under the Water Recreation Enhancement Act.***
- ***LB 562 allows an increase to the caps for fees charged by the Game and Parks Commission, to raise the number of certain permits, and to clean up and remove redundant language.***
- ***LB 590 authorizes the Nebraska Department of Transportation (NDOT) to establish and operate a mitigation bank or in-lieu-fee program for construction projects in areas where an endangered species habitat may exist.***
- ***LB 595e - Create the Research Excellence Cash Fund. Prokop. (added with AM 930)***

Again, the original provision of LB 36 dealing with Wellhead Protection Areas was eliminated in the amendment. Following is the summary of what the original LB 36 proposed and the other bills that were incorporated with AM 635.

- **LB 36 - Provide for notification of certain regulations and permits to controlling entities by counties, cities, and villages under the Wellhead Protection Area Act. Brandt.**

The language proposed in the bill was eliminated with AM 635. The bill proposed to amend the Wellhead Protection Act.

First, the bill proposed that any county, city, or village with zoning, land-use, planning, or permit-granting authority over any wellhead protection area shall notify the controlling entity of such wellhead protection area of any proposed land-use or zoning regulation or building permit within such wellhead protection area.

The notification shall be made no less than thirty days prior to any public hearing or anticipated legal action to consider authorization of any land-use or zoning regulation or building permit within the wellhead protection area.

In addition, the county, city, or village shall take into consideration the ability of a controlling entity to provide the public with an adequate supply of potable water when making any determinations regarding the authorization of a proposed land-use or zoning regulation or building permit within a wellhead protection area.

The Natural Resources Committee held the hearing for LB 36 on January 29, 2025.

Sen. Brandt opened by providing the committee with an overview of Wellhead Protection Areas. He noted this bill provides framework to protect clean drinking water. He recognizes that this bill is a work in progress, and there is no intent for the bill to slow down new growth, rather the intent is to ensure entities are informed of actions that could impact drinking water. He noted the bill was brought to him by the Metropolitan Utilities District (MUD).

#### Proponents

Rick Kubat testified in support on behalf of MUD. Kubat noted the bill accomplishes two goals. 1) Requires notification to water providers. 2) Requires public drinking water be taken into consideration by local jurisdictions when land use changes are considered within wellhead protection areas.

Kubat noted wellhead protection areas are often referred to as toothless creatures, and this bill would help address that. Kubat provided a recent example of when a developer proposed a recreational RV park next to their wellfield and there was no requirement that MUD be notified. This bill would have ensured due consideration between all parties involved. Currently, county jurisdictions don't need to provide notification of zoning or changes within wellhead protection areas.

Opponents - There was no opposition.

#### Neutral

Lash Chaffin, League of Municipalities, testified in a neutral capacity, noting that many of the concerns brought in opponent letters are provisions that can easily be worked out.

Letters were submitted for the record by four proponents, two opponents and two neutral.

Again, the original provision of LB 36 dealing with Wellhead Protection Areas was eliminated in the amendment.

The following bills are included in LB 36.



- **LB 309 - Adopt the Safe Battery Collection and Recycling Act. Hughes.**

Provisions of LB 309 were incorporated into LB 36 via AM 635 on April 9, 2025. LB 36 was signed into law on May 20, 2025. The bill creates the Safe Battery Collection and Recycling Act.

Beginning January 1, 2028, no producer or retailer may sell, offer for sale, or distribute for sale in or into this state any covered battery or battery containing product unless the producer of the covered battery or battery containing product is a member of a battery stewardship organization operating under a battery stewardship plan approved by the NDEE.

The batteries would also have to be marked with the identification of the producer and is marked to ensure proper collection and recycling.

The battery stewardship plan must have performance goals and shall include target collection rates for rechargeable batteries and for batteries that are not capable of being recharged. A target recycling efficiency rate is outlined of at least 60% for rechargeable batteries and 70% for batteries that are not capable of being recharged.

A battery stewardship organization shall:

1. Pay a \$100,000 fee to NDEE upon approval of a plan and a fee of \$100,000 annually thereafter.
2. Be responsible for all costs associated with implementing the plan.
3. Reimburse local governmental units for demonstrable costs incurred as a result of a local government facility or solid waste facility serving as a collection site under the plan.
4. Collect charges from participating producers sufficient to cover the costs of implementation, including battery collection, transportation, and processing, education and outreach, program evaluation and payment of the annual fee.

A battery subject to this act includes a product that contains or is packaged with a covered battery. A covered battery means a portable battery or a medium format battery.

A covered battery does not include:

1. A battery designed to power a motor vehicle, part of a motor, or a component part of a motor vehicle.
2. A battery in a product that is not intended or designed to be easily removable from the product.
3. A battery or battery containing product that is being recalled for safety reasons.

*The Natural Resources Committee held the hearing for LB 309 on February 12, 2025.*

Sen. Hughes introduced LB 309, the Safe Battery Collection and Recycling Act, addressing a public safety concern with an innovative solution.

Through an interim study last year, LR 163, Sen. Hughes learned about the growing public safety risks associated with lithium batteries, which have increased in use across devices such as cell phones, laptops, and power equipment. Lithium can heat up to over 2,000 degrees, and when improperly discarded, these batteries can become damaged and ignite fires.

There has been a rise in garbage truck fires, with 5,000 fires annually, including three catastrophic incidents resulting in total facility losses and \$22 million in claims. Omaha's recycling center alone has suffered \$1 million in fire damage. Property taxes are currently covering the costs of these fires.

LB 309 proposes a proactive solution by establishing a battery recycling program, modeled after successful programs in other states. This initiative will have no ongoing financial impact on taxpayers, as manufacturers will fund the program through fees.

The Nebraska Department of Environment and Energy (NDEE) will oversee the program, ensuring proper administration and public education.

**Battery Types Covered:**

- Small format: AAA, AA, etc.
- Mid format: Batteries used in power tools and lawn equipment
- Exclusions: Electric vehicle and medical equipment batteries

Additionally, the bill does not cover embedded batteries found in devices such as vapes and certain toys, though future solutions will need to address these items.

LB 309 was developed through collaborative efforts and does not place any financial burden on Nebraska retailers. Instead, program costs will be covered by companies participating in the battery stewardship organization.

**Additional Provisions:**

- AM 219 ensures that the statute does not need to be reopened in the future, a recommendation from NDEE aimed at reducing administrative costs.
- Senator Brandt inquired about the \$51,000 fiscal impact, and discussions with NDEE are ongoing to determine the funding source.

*Proponents*

Al Davis testified in support on behalf of the Nebraska Sierra Club. He acknowledged that while the bill may seem complex, its primary goal is to expand battery recycling to include types not typically covered. He emphasized that the bill is necessary to reduce the increasing number of fires caused by improper battery disposal, which negatively impacts air quality. He reiterated that battery stewardship organizations will fund the program, ensuring manufacturers cover the costs.

Andy Pollock testified in support on behalf of Waste Connections. Waste Connections, a waste management company operating in Nebraska and across the U.S., has experienced numerous fires caused by improperly discarded lithium batteries. He cited an example from Pennsylvania, where a waste facility burned to the ground, resulting in a \$30 million replacement cost. He stressed that this is a growing problem requiring immediate attention.

John Hansen, President of Nebraska Farmers Union, testified in support. He expressed strong support for recycling initiatives and highlighted his past participation in litter reduction programs. He encouraged proactive efforts to address environmental hazards through statewide, systematic recycling solutions.

*Opponents*

Rich Atto, Nebraska Retail Federation, testified in opposition. He expressed concerns that LB 309 places undue burdens on retailers and presents compliance challenges. He acknowledged that while the bill aims to address battery-related fires, many items not covered under the bill will still be improperly discarded, continuing to pose fire risks. Although the bill states that retailers won't bear the financial burden, they will still be responsible for compliance based on the products they sell.

Atto raised concerns about small toy stores and international sellers like TEMU, which will continue selling products without being held accountable under the bill. Additionally, he questioned the timeline and feasibility of the 2028 deadline.

Key issues Auto identified: 1) compliance and administrative burdens on retailers; 2) lack of clear guidance on battery collection sites; 3) continued fire risks from improperly discarded batteries; and 4) uncertainty in how public education on the program will be implemented.

Joey Adlerwayne, Recycled Materials Association, testified in opposition. She highlighted three key areas that need to be addressed:

1. Existing electronics and battery recyclers should still be allowed to process closed batteries.
2. A comprehensive infrastructure assessment should be conducted to ensure first responders are properly equipped to handle battery-related fires as part of the education component.
3. Oversight should be provided through an advisory committee made up of relevant stakeholders with experience in handling these materials.

When asked “Why Opposed Instead of Neutral?” He stated the association has not yet been able to finalize language for an amendment with Sen. Hughes. While they would like to move to a neutral position with an amendment, they have not reached that point yet.

In closing, Sen. Hughes encouraged everyone to review the online comments, as many individuals were unable to attend due to the weather.

Currently, there are three facilities that successfully recycle these batteries, proving that it can be done. While it’s impossible to cover every type of battery, this bill serves as a strong starting point. It focuses on addressing what is feasible now, with retailers still able to accept select batteries for recycling.

This is a large bill, but it presents an opportunity to collaborate with reputable manufacturers that produce high-quality products.

As we move toward an increasingly electronic world, it’s crucial to begin proactively addressing this issue. This is not just a Nebraska problem – it’s a national issue, which is why a large number of manufacturers have already joined the Battery Stewardship Organization.

Finally, Sen. Hughes reiterated that retailers would not be required to collect or recycle batteries under this bill.

Letters submitted for the record include 26 proponents, three opponents, and two neutral.

- **LB 344 - Change provisions relating to ground water allocation. Brandt.**

Provisions of LB 344 were incorporated into LB 36 via AM 635 on April 9, 2025. LB 36 was signed into law on May 20, 2025.

The Natural Resources Committee advanced LB 344 to General File on February 21, 2025, following a 7-0 vote.

The bill updates language that is set to expire on January 1, 2026, regarding allocations and limits placed on municipal water use in fully and over appropriated areas.

The old law allowed municipal water use greater than 25 million gallons that commences prior to January 1, 2026, may be subject to controls under integrated management plans.

The changes are as follows:

On and after January 1, 2026, any new or expanded commercial or industrial user served by a municipal water source that commences water use at a rate in excess of 25 million gallons annually, expands water use to a rate in excess of 25 million gallons annually, or at any time exceeds water use of 25 million gallons annually shall be subject to the controls of an integrated management plan, rule, or order and provide a mitigation report to the natural resources district within which such user is located.

The mitigation report shall include (i) annual water use, (ii) annual volume of water returned to the municipal system or discharged to another location, (iii) source of water used to mitigate the new or expanded consumptive use, and (iv) any other information deemed necessary by the applicable natural resources district or the Department of Natural Resources.

The mitigation report shall be approved by the applicable natural resources district and the Department of Natural Resources prior to January 1, 2026, or prior to commencement of the new or expanded use.

Each integrated management plan, rule, or order within an area determined by the Department of Natural Resources to be fully appropriated pursuant to section 46-714 or designated as over appropriated pursuant to section 46-713 may require annual water use and water consumption reporting from municipalities.

*The Natural Resources Committee held the hearing for LB 344 on February 13, 2025.*

Sen. Brandt opened noting the bill addresses groundwater allocations for municipalities for fully and over appropriated areas of the state. The bill seeks to clarify post 2026 uses for large municipal and industrial users and imposes certain requirements for large users.

#### *Proponents*

Jesse Bradley testified in support on behalf of the Department of Natural Resources. Provisions of the bill do not apply to areas that have not been classified as fully or over-appreciated. He discussed the Department has coordinated the development of this language with impacted NRDs.

The easiest way to break down the issue is to start with current law, under 46-740, municipalities cannot be allocated, but in 2026 they could be. The bill strikes this section, such that no allocations could be placed on municipalities unless they were in place prior to 2005.

Additionally, it adds that new or expanding large industrial users connected to municipalities would need to provide mitigation plans to local NRDs. These plans would need to include annual consumptive water use and identify the source of water to mitigate the new consumptive use. Existing large users will require no action. The bill will provide clarity and certainty, ensuring new large users cannot saddle the state or local NRDs with the costs of mitigation.

Dr. Brandi Flyr, Central Platte NRD, testified in support on behalf of NARD. LB 344 clarifies water mitigation responsibilities for increases in municipal and industrial water uses within the fully appropriated and over appropriated areas of the State after January 1, 2026. This bill allows communities flexibility to manage their water supplies as they so choose, while setting no limitations on municipal or economic growth. The bill also provides that municipalities may set their own allocations, if desired, as well as offer water offsets to attract or retain businesses that consume large quantities of water.

This bill sets forth a framework for collaboration between local Natural Resources Districts and municipalities to ensure water mitigation and offsets are met, while providing water certainty to both growing municipalities and industries.

In fully appropriated and over appropriated areas of the state, any new or expanded water uses must be mitigated or offset to maintain the water balance within the basin. LB 344 will ensure that the costs associated with water offsets that result from large-scale industrial and commercial users that hook into a municipal system do not become a tax burden applied to the local Natural Resources District taxpayers and the State of Nebraska.

To state another way, without LB 344, any large-scale commercial or industrial water users that hook into a municipal system could do so without permitting by the local Natural Resources District nor the State, but

the local Natural Resources District and the State would become responsible for mitigating the increases in water consumption.

Current statutes treat commercial and industrial users, within the fully and over appropriated areas, that have their own wells or water systems quite differently than those that hook into municipal water systems. Commercial and industrial users that have their own wells are responsible for their water offsets, while those that hook into municipal systems have no offset responsibilities.

This bill provides a level playing field for all commercial or industrial large-scale users, regardless of whether they have their own well system or utilize a municipal water system.

Opponents – There was no opposition testimony.

Neutral

Lash Chaffin testified neutral on behalf of the League Nebraska Municipalities but spoke favorably of the bill and the efforts of NRDs. Chaffin provided the committee with an overview of the history of LB 962 and the process for establishing the current law.

Letters submitted for the record included two proponents, no opponents, and one neutral.

Sen. Brandt closed by noting that the issue is complex, but the experts have worked to ensure everyone is comfortable with the language and there are no necessary changes to the bill or amendments.

- **LB 459 - Establish the Home Weatherization Clearinghouse within the Department of Environment and Energy. Conrad.**

Provisions of LB 459 were incorporated into LB 36 via AM 635 on April 9, 2025. LB 36 was signed into law on May 20, 2025.

The bill creates The Home Weatherization Clearinghouse in the Nebraska Department of Environment and Energy. The clearinghouse is charged with coordinating and serving as a primary contact point for people applying for grants, loans or programs that fund home weatherization projects administered by the department, local or state governments, nonprofits or the federal government.

A select file amendment, AM 988, was adopted to eliminate the language about establishing a clearinghouse and replaces it with language for an information hub for availability and application processes of and eligibility for grants, loans, or other programs that fund home weatherization projects, whether administered by the department, other state or local agencies, nonprofit organizations, or the federal government. The amendment was adopted by a 36-0-13 vote.

The primary focus of the information hub will be focused on and priority given to whole home rehabilitation projects.

NARD was not following the bill so there are no hearing notes.

- **LB 480 - Change provisions relating to the Water Recreation Enhancement Act. DeKay.**

Provisions of LB 480 were incorporated into LB 36 via AM 635 on April 9, 2025.

The committee advanced LB 480 to General File on February 21, 2025, on a 7-0 vote.

The bill proposes to amend existing laws to expand water access or recreational opportunities to other projects identified for projects that were approved in 2022. These include the following:

- Lake McConaughy – New marina construction projects.
- Lewis & Clark State Recreation Area – New marina construction projects.
- Niobrara State Park - Construction of an event center and lodge.

*The Natural Resources Committee held the hearing on LB 480 on February 18, 2025.*

Sen. DeKay opened by providing the committee with an overview of the history of the STAR WARS committee. LB 1023 in 2023 authorized the construction of a marina and event lodge, due to several reasons, including inflation, the marina remains the only feasible original project. Current law only allows spending for a marina and lodge and this bill allows the remaining \$30 million in funds to be distributed to other projects.

Sen. DeKay addressed the question of availability of funds, noting the governor's budget proposes to sweep the fund. However, conversations are ongoing regarding the sweep of funds, and he remains optimistic the funds can be protected. The bill will not impact the current marina project that is proceeding and set to proceed if funds remain. It would instead provide an opportunity for funds to be used for other projects, such as road improvements.

Sen. Raybould noted she is on the STAR WARS committee, and she understood the prognosis of projects to be bleak, asking do you feel optimistic about reconciling the governor's budget that sweeps these additional funds? Sen. DeKay reiterated that he sees a path forward and has visited with the Governor's office to show numbers and why the marina project is feasible.

*Proponents*

Jim Swenson, Nebraska Game and Parks Commission, testified in support of the bill. Swenson noted NGPC moved quickly on the Lewis and Clark marina design processes and have achieved a level of design allowing them to proceed with seeking approval by USACE. Studies have shown the project will have a \$5.3 million regional impact and there is ongoing private construction activity that is banking on the marina project coming to fruition. The marina is at 99% design completion, and they hope to receive final USACE review in the next month or two, they will then quickly move to a bid process with construction by 2026.

There was no opponent and no neutral testimony.

Letters were submitted for the record by one opponent.

- ***LB 562 - Change provisions relating to permits and stamps issued by the Game and Parks Commission. Brandt.***

Provisions of LB 562 were incorporated into LB 36 via AM 635 on April 9, 2025. LB 36 was signed into law on May 20, 2025. The bill includes an increase to the caps for certain fees charged by the Game and Parks Commission, to raise the number of certain permits, as follows:

- The annual park permit resident fee is capped at no more than \$50, and daily permit fee is capped at no more than \$10. Nonresident fees remain at twice the resident fee.
- The bill would also authorize an increase in the cost of an aquatic invasive species stamp for nonresident motorboat owners from \$15 to \$30.
- Increases the allowable number of additional auctions permits for mountain sheep from one to two and clarifies who is qualified as a Nebraska resident for a limited permit to hunt elk.

NARD was not following the bill so there are no hearing notes.

- **LB 590 - Provide for a mitigation bank or an in-lieu fee program relating to the incidental taking of threatened or endangered species. Moser.**

Provisions of LB 590, as amended by the committee amendment (AM289), were incorporated into LB 36 via AM 635 on April 9, 2025. LB 36 was signed into law on May 20, 2025. The Natural Resources Committee advanced LB 590 to General File on February 28, 2025, on an 8-0 vote after adopting a committee amendment (AM 289).

The amendment, AM 289, moves the provisions of the bill from Chapter 37, Game and Parks, to Chapter 39, Highways and Bridges. Additionally, the amendment contains the substantive provisions authorizing development and operation of mitigation banks or in-lieu fee programs that were contained in original bill, but adds authority to provide research and educational opportunities, and makes the requirement to pay a sum in lieu of ad valorem taxes lost only applicable to property acquired after July 1, 2026.

The bill proposes that the Department of Transportation may establish, use, and operate a mitigation bank or an in-lieu fee program for the purpose of providing compensatory mitigation for the incidental take of threatened or endangered species and such species' suitable habitat arising out of permitted activities, and restoring, creating, enhancing, preserving, or any combination thereof, habitats or resources where the Department of Transportation or other individual or entity is required to provide compensatory mitigation for permitted activities.

State regulatory agencies shall make a good faith effort to use and give priority to the mitigation bank and in-lieu fee program established by the Department of Transportation when consulting on or reviewing mitigation plans for the impacts of permitted state transportation projects.

The Department of Transportation may:

- (a) Enter into one or many cooperative agreements with a state or local public agency or private party for the establishment, use, operation, and maintenance of the mitigation bank or in-lieu fee program;
- (b) Acquire title to real property through purchase, bequest, donation, or eminent domain for use with the mitigation bank or in-lieu fee program to mitigate the impacts of permitted projects;
- (c) Establish or restore suitable habitat and natural resources for threatened and endangered species and impacts to the environment and natural resources across Nebraska;
- (d) Provide a consistent and simplified approach to address mitigation requirements associated with permits or authorizations issued by federal and state agencies;
- (e) Streamline the permitting process, minimize delays in permit decisions, and decrease the burden of permit applicants of planning and performing compensatory mitigation for suitable habitat losses and adverse environmental and natural resources effects of permitted projects;
- (f) Increase the ecological efficiency and effectiveness of compensatory mitigation;
- (g) Achieve replacement of impacted acres of land by providing for the establishment of a net increase in suitable habitat acres, functions, and values for endangered and threatened species and other natural resources through using a fair, reasonable, and practicable ratio of compensatory mitigation acres to offset the impacts of a permitted project; and
- (h) Achieve a net increase in conservation land functions and values for endangered and threatened species and other natural resources impacted by permitted projects.

A state or local agency or private party that owns the mitigation bank shall also pay a sum in lieu of ad valorem taxes lost by the county.

*The Natural Resources Committee held the hearing for LB 590 on February 12, 2025.*

Sen. Moser opened on the bill noting that the Department of Transportation (NDOT) has the authority to manage a mitigation bank to meet its obligations under state and federal law. This bill continues the efforts of LB 1335, aiming to improve the program delivery process.

Currently, NDOT faces significant workload challenges in maintaining mitigation banks, leading to delays in projects. Efficient mitigation efforts are essential for protecting endangered species, wetlands, and pollinator habitats. This bill allows NDOT to contract a third party to manage mitigation banking, enabling NDOT to focus on road construction.

Sen. Moser reported that an amendment will be introduced to refine definitions without altering the bill's overall purpose.

When asked about a fiscal note, Sen. Moser clarified that no additional cost is anticipated. Contracting a third party is expected to be more efficient than NDOT managing mitigation in-house.

*Proponents*

Vicki Kramer, Director of the Nebraska Department of Transportation (NDOT), testified in support. Currently, NDOT handles its own mitigation, which requires significant time and management, often delaying projects. LB 590 expands upon LB 1335, providing a tool to help meet the requirements of the Endangered Species Act.

By partnering with a third party instead of conducting mitigation activities internally, NDOT can increase efficiency. This approach allows for the option to pay a fee in lieu of property taxes.

An amendment clarifies some definitions within the bill, ensuring a common-sense approach to habitat protection. Importantly, LB 590 does not impact NDOT's process for obtaining permits.

Given the regulatory environment, the use of in-lieu fees is a strategic approach. Additionally, mitigation banking must occur within the species' home range.

Tony Baumert, a senior scientist and ecologist with Olsson, testified in support. He specializes in working with threatened and endangered species across Nebraska. He also represents the ACEC (American Council of Engineering Companies), advocating for streamlined and effective environmental solutions.

Nebraska's existing mitigation process is often cumbersome, time-consuming, and fails to achieve the desired outcomes for species protection. Additionally, regulatory uncertainty can hinder beneficial projects. LB 590 provides a more efficient, predictable, and effective alternative.

Benefits of a mitigation bank or in-lieu fee program: 1) greater certainty by simplifying the permitting process, 2) more efficient mitigation efforts, 3) leverages the expertise of conservation professionals, and 4) provides a cost-effective solution for project developers.

Rob Wemhoff testified in support on behalf of Associated General Contractors of Nebraska and Perrett Construction (Valentine, NE). Wemhoff emphasized AGC's commitment to being good stewards of the environment while supporting infrastructure development.

Wemhoff discussed that LB 590 benefits both NDOT and contractors by helping them meet their environmental obligations more efficiently. This change will streamline project delivery while ensuring



compliance with environmental regulations. One key advantage of utilizing a mitigation bank or in-lieu fee program is that it can be factored into the bidding process for road projects. For example, if a contractor knows they must haul dirt 60 miles to a site, having a mitigation option or closer resources significantly reduces time and costs.

John Hansen testified in support on behalf of Nebraska Farmers Union. He noted they support efforts to accelerate highway construction and improve project financing. The state is not progressing on infrastructure projects as efficiently as it should, which ultimately increases project costs.

Hansen noted LB 590 addresses two key concerns: 1) streamlines the mitigation process, making it easier to complete highway projects; and 2) protects biodiversity, as a mitigation bank creates a larger, more efficient pool for conservation efforts.

Opponents – There was no opposition testimony.

### Neutral

Al Davis testified neutral on behalf of the Nebraska Sierra Club. He expressed concerns regarding LB 590. Last year, a similar bill was introduced that made it easier for NDOT to bypass certain environmental obligations. A primary concern is that there is no clear focus on where mitigation should occur. Environmental groups work to protect specific lands, and without targeted mitigation efforts, protected areas may not benefit. Davis acknowledged NDOT's need for a solution, but the Sierra Club cannot fully support this bill as it currently stands, as it appears to be an "easy fix" rather than a comprehensive plan.

Timothy McCoy testified neutral on behalf of the Nebraska Game and Parks Commission. Speaking broadly, Nebraska Game and Parks Commission supports the intent of LB 590, as it provides NDOT with greater flexibility to meet its mitigation requirements – an issue that has posed challenges in the past.

A major strength of the bill is that it allows NDOT to collaborate with other entities, ensuring mitigation obligations are met. Most species requiring protection in Nebraska are federally protected, meaning mitigation efforts extend beyond state-level concerns.

However, McCoy raised several concerns:

1. Unusual Legislative Language – It is uncommon for a bill to assign additional duties to a state agency. There may be a more appropriate place for this language within existing statutes.
2. Need for Clearer Definitions – Some terms within the bill may need further clarification under current rules and regulations.

McCoy noted regarding Section 4, the bill states that state agencies should make a good faith effort to prioritize mitigation banks. However, as a consulting agency, Game and Parks does not dictate mitigation decisions—that responsibility lies with NDOT as the project proponent. NGPC's role is to minimize risk to protected species rather than determine the mitigation approach.

On the question of whether Game and Parks would serve as a mitigator, McCoy clarified NGPC has never taken on that role, as it would present a conflict of interest given its consulting function. Additionally, long-term commitments to mitigation could pose budgetary and authority challenges, as NGPC's funding is determined biennially by the legislature.

In closing, Sen. Moser addressed some of the questions regarding the effectiveness of mitigation. The NDOT would remain responsible for ensuring the mitigation takes place, and the in-lieu-of contract arrangement could streamline the process, making it more efficient. We are also eager to collaborate with Nebraska Game and Parks on refining definitions and language.

Letters submitted for the record included two proponents, one opponent and one neutral.

- **LB 595e - Create the Research Excellence Cash Fund. Prokop.**

Provisions of LB 595, as amended by the committee amendment (AM 619), were incorporated into LB 36 via AM 635 on April 9, 2025. LB 36 was signed into law on May 20, 2025. The Natural Resources Committee advanced LB 595e to General File on March 18, 2025, by a 7-1 vote with committee amendment, AM 619.

The amendment restricts the use of the funds for any electronic-related equipment or components manufactured or supplied by a foreign adversary applicable to data gathering equipment that will be or is located within a 10-mile radius of a military installation.

The bill proposes to create the Research Excellence Cash Fund to be administered by the University of Nebraska. The fund may be used to support research-based investments in data, data collection, and ongoing research critical to the Nebraska economy, including, but not limited to, the Nebraska Mesonet system.

The Natural Resources Committee held the hearing on LB 595e on March 6, 2025.

Sen. Prokop opened by noting the bill works to establish a fund that will address current emerging challenges the state faces. The fund is flexible in its uses, but one of the key purposes will be to help address the Mesonet system. Sen. Prokop discussed that the challenges we face today require a data-driven approach.

Proponents

Russell Callan, General Manager of the Lower Loup Natural Resources District, testified in support of the bill on behalf of the Nebraska Association of Resources Districts. Callan's testimony is in support of LB 595 specifically focused on the Nebraska Mesonet system.

The Nebraska Association of Resources Districts recognizes the important role of the Nebraska Mesonet system in weather monitoring and data collection. The information collected provides valuable historical records while also serving immediate, real-time applications for producers, water managers, and researchers.

One of the most significant uses of the Mesonet data is in agricultural water management. Throughout the growing season, crop water use reports rely on weather data to estimate the daily water needs of crops. Irrigators use this information to make informed decisions about water application, promoting efficient irrigation practices that conserve water and help mitigate nitrogen contamination—an issue of increasing concern.

Despite its importance, the costs of maintaining and expanding the Mesonet system continue to rise. There is also a growing need for additional weather stations across the state. For example, the Lower Loup NRD, which covers approximately 1.2 million irrigated acres, currently has only two weather stations available to support producers' irrigation decisions. This gap highlights the need for greater investment in the system.

Beyond agriculture, the data collected through the Mesonet is essential for tracking long-term weather trends, improving flood forecasting and enhancing water modeling and management efforts. These applications demonstrate the widespread reliance on this system by NRDs and other stakeholders across the state.

Support for LB 595 is vital to ensuring the continued operation, expansion, and enhancement of the Nebraska Mesonet System, providing essential data that benefits agriculture, water conservation, and resource management statewide.

John McClure testified in support on behalf of NPPD, noting that they appreciate the way the fund is set up for data-driven decisions. Weather drives NPPD business, and they have surface water systems and the data from the Mesonet helps with water deliveries.

Lorrie Benson, chair of the First-Plymouth Church Climate Action Team, testified in support highlighting the benefits of the Mesonet system. She noted they would prefer the bill to fund the Mesonet instead of just setting up the fund.

Bruce Johnson, testified on his own behalf in support of the bill. Johnson highlighted the benefits Mesonet provides to production agriculture. Initially, Nebraska's system was a model for the nation, but Nebraska's system has fallen behind due to a lack of funding. Johnson outlined that the bill does not go far enough, because it does not include the funding that is necessary to support the system.

Al Davis, Nebraska Sierra Club, testified in support. Davis discussed that this is an investment that should be funded by the state.

Opponents – There was no opposition.

Neutral

Matt Bloomstedt, University of Nebraska, testified in a neutral capacity highlighting the importance of research. He discussed the approach of bringing the bill to this committee instead of appropriations. Larkin Powell, UNL School of Natural Resources, testified on his own behalf in a neutral capacity. Powell provided an overview of the current Mesonet in Nebraska, noting there are currently 74 active stations. Future sites are proposed. Powell discussed that the Mesonet's ROI is \$180 million from crop users alone. Senators had questions about station life cycles – Powell discussed that on average, sensors have a 10-to-12-year life cycle.

Powell was asked about the total cost to finish the system. He highlighted that there is about \$5 million in construction currently with USACE grants, and another \$10 million in grants through USFS that are being pursued. This would allow for completion of the system, but once it's built there are ongoing operation and maintenance costs.

John Erixson, Nebraska Forest Service, testifying on his own behalf in a neutral capacity highlighted the critical role the Mesonet can play in early detection and management of wildfires. Mesonet provides an opportunity to utilize artificial intelligence and high-resolution data to provide early detection of wildfires. Additionally, Mesonet data provides first responders critical data to combat wildland fire.

In closing, Sen. Prokop discussed that the bill was brought based on the belief that the Mesonet is important, and we need the fund set up for when there is funding available.

Sen. Clouse asked if the use of the fund should be limited to the Mesonet? Sen. Prokop discussed that it would be an option to narrow the use.

Online testimony was submitted for the record by 21 proponents. There was no opponent testimony submitted.

**LB 50 - Change provisions relating to the distribution of the nameplate capacity tax. DeKay.**

On May 30, 2025, the legislature passed LB 50 on a 45-3-1 vote. The bill was presented to Gov. Pillen on May 30, 2025. The Legislature adjourned SINE DIE prior to action by Governor Pillen, however communication to the unicameral expressed his intent to not veto the measure.

Previously, on May 8, 2025, Senators advanced LB 50 to Final Reading by voice vote.

Senators voted 38-0-11 to advance LB 50 to Select File on May 1, 2025.

The Revenue Committee advanced LB 50 to General File on February 25, 2025, on an 8-0 vote.

The bill addresses a shortfall in funding community colleges when the state took over funding and removed the colleges from property tax authority. It adds back a portion of the nameplate taxes on renewable energy to the colleges.

The bill requires that five percent of such tax revenue be distributed to the community college area in which the renewable energy generation facility is located. The remainder of such revenue shall be distributed to local taxing entities which, but for such personal property tax exemption, would have received distribution of personal property tax revenue from depreciable personal property used directly in the generation of electricity using wind, solar, biomass, or landfill gas as the fuel source.

*The Revenue Committee held the hearing on LB 50 on February 19, 2025.*

Sen. DeKay opened the hearing by providing the committee with a summary of the bill noting the measure is intended to simply correct unintended consequences of name plate revenue funding being taken away from community colleges. The bill has no fiscal impact to the state. Portion of revenue lost by community colleges was \$550,000 last year, revenue lost was distributed to other political subdivisions. Community colleges do not seek to claw back any funds, only fix the issue moving forward.

*Proponents*

Leah Barret, Nebraska Community College Association and Nebraska Chamber of Commerce, testified in support. This bill addresses an unintended consequence and does not result in a tax increase, nor is it a loss of revenue to other political subdivisions. The mistake has resulted in over \$550,000 in lost revenue to community colleges and impacts their ability to carry out statutory duties. The 5% in the bill was derived from percentage of total taxes collected when community colleges were able to collect the tax.

Kenny Zoeller, Governor's Policy Research office, testified in support of the bill on behalf of the Governor. The bill remedies the unintended consequence of LB 243, which was intended to replace local levying authority with state funds. Community Colleges are a primary driver of economic development. LB 243 was not intended to fund full operating revenue and given the nameplate tax was tied to their levy authority, this specific issue was created. The Governor had initial concern with remedying the issue with general fund appropriation, and instead supported replacing it to how it was traditionally distributed. He reiterated the bill is not negatively impacting any political subdivisions, instead it is just rectifying what was a 1-year windfall.

Jenn Regeale, Nebraska Republican party, testified in support noting that economic success is critical to communities and community college institutions work to deliver those services.

John Hansen, Nebraska Farmers Union, testified in support noting the loss of nameplate tax for community colleges was an unintentional error that needs to be fixed.

*Opponents*

Cale Giese, Mayor of Wayne, testified in opposition, noting that nameplate funding is disproportionate. Wayne County receives the most revenue from the tax, with the top five counties accounting for 68% of the statewide total and the top ten counties accounting for 95% of the statewide nameplate revenue.

Luke Virgil, Economic Development Wayne America, testified in opposition highlighting how the bill will negatively impact Wayne County taxpayers. There has been \$754 million in renewable energy development and due to those investments Wayne County is the largest generator of nameplate tax, with \$2.16 million in annual revenue. Virgil told the committee that if passed, the bill will redistribute 5% of that to community colleges across the state. He expressed that if 5% is redistributed, it will fall as burden to Wayne County and the County would be subsidizing other counties that have been opposed to renewable developments.

### Neutral

Jon Cannon, NACO, provided an overview of the history of the nameplate tax. Cannon noted there are ramifications that need to be addressed.

Lynn Rex, League of Municipalities, testified in a neutral capacity acknowledging the circumstance and they understand what occurred and recognizing the shortfall and the challenges it presents. However, she emphasized that they feel a better approach would have been to bring the issue to the appropriations committee to address it.

Letters were submitted for the record by six proponents.

Sen. DeKay closed by reiterating the bill simply redistributes the tax and it not a tax increase or significant loss to other political subdivisions.

### **LB 59 - Provide for the disbursement of funds of a natural resources district by electronic payment systems. Sanders.**

Governor Pillen signed LB 59 on March 11, 2025. The Legislature gave final round approval to LB 59 on March 6, on a 47-0-2 vote.

Previously, the Legislature advanced the bill to Final Reading on Feb. 19, on a voice vote.

The Legislature advanced the bill to Select File on Feb. 5, on a 35-0 vote after adopting the committee amendment, AM 13, on 37-0 vote.

The Government Committee advanced LB 59 to General File on Jan. 30, with AM 13 following an 8-0 vote. The committee amendment changes the word “automatic” to “automated” to harmonize with common usage of the terminology elsewhere in statute.

The bill adds electronic funds transfer and automated clearinghouse transfer to the list of authorized payment methods by NRDs. The Natural Resources Districts would join most of Nebraska’s citizens and businesses who regularly avail themselves to the benefits of electronic payment systems.

### **The Government Committee held the hearing for LB 59 on January 23, 2025.**

Sen. Sanders opened on the bill, noting that NRDs are currently only allowed to use paper checks to disperse funds, this change would allow them to use electronic transfer of funds. The bill allows NRDs to use a more efficient and more secure payment process.

### **Proponents**

Mike Sousek, Lower Platte South NRD, testified in support on behalf of LPSNRD and NARD.

Sousek noted when the legislation for the creation of Natural Resources Districts was written, the digital platforms we rely on today did not exist, and your predecessors could not have anticipated the business practices in place by 2025. Considering this, the Lower Platte South NRD proposes amending the statutes to allow all NRDs in the state to utilize electronic platforms for financial transactions.

With the passage of LB 59, the Lower Platte South Natural Resources District expects to save over \$2,000 annually on printer ink, checks, envelopes, and postage. Additional savings will come from avoiding finance and late fees due to postal delays. This change will also reduce staff time spent on printing and mailing checks; an expense not reflected in these savings. Overall, it will improve operational efficiency, streamline payments, and enhance customer satisfaction, as many have requested this preferred payment method for faster payment delivery.

He requested that the committee advance the bill to help districts adopt modern business practices for the benefit of all.

#### Opponents

There was no opposition and no neutral testimony.

During closing Sen. Sanders noted that there is one minor amendment needed to the bill. During drafting the bill mistakenly used the term automatic and the correct terminology is automated.

#### **LB 123 - Change provisions relating to withholding money due to noncompliance with budget limits and annual audits for certain political subdivisions. Sanders.**

Governor Pillen signed the bill on March 25, 2025. Previously, the Legislature gave final approval to LB 123 on March 20, 2025, by a 45-0-4 vote.

The Legislature advanced the bill to Final Reading on March 11, on a voice vote after adopting an amendment (AM 407) on a 29-0 vote.

The amendment, AM 407, clarifies the section of statute referenced in the bill.

Previously, the Legislature advanced the bill to Select File on February 21, following a 37-0 vote.

The Government Committee advanced LB 123 to General File on February 7, following an 8-0 vote.

The bill proposes that state aid to governmental units that do not submit their calculated restricted funds authority with its budget documents at the time the budgets are due to the Auditor of Public Accounts, shall be forfeited until the governmental unit reaches compliance and the State Treasurer has received notification of such compliance from the Auditor of Public Accounts.

If the governmental unit fails to reach compliance, future distributions will be suspended until they are in compliance.

#### The Government Committee held the hearing for LB 123 on January 29, 2025.

Sen. Sanders opened by noting the bill was requested by the State Treasurer's Office to address specific cases for highway allocations related to noncompliant government units.

#### Proponents

Heidi Wallace of the State Treasurer's Office testified in support. She noted the bill synchronizes processes in statute for non-compliant cities and villages.

Jeff Schreier, State Auditor's Office, testified in support. He noted the bill provides good clarification and harmonizes provisions that would provide clear direction to the State Auditor and State Treasurer's Office.

#### Opponents

There were no opponents.

#### Neutral

Candace Meredith testified in the neutral on behalf of the Nebraska Association of County Officials (NACO). She noted that following LB 34, cities and counties are now under property tax growth limitation

act, and this bill looks at restricted funds that cities and counties are no longer under. She recognized an amendment being discussed noting it would address their concern.

Letters were submitted for the record by one proponent and one opponent.

**LB 167e - Change the sunset date for the Nebraska Litter Reduction and Recycling Act. Clouse.**

Gov. Pillen signed LB 167e into law on February 25, 2025. The bill contains the emergency clause and became law immediately following action by Gov. Pillen.

Previously, the Legislature gave final round approval to LB 167e on February 21<sup>st</sup> on a 47-1-1 vote. The bill was presented to Gov. Pillen on February 21<sup>st</sup>.

On February 7<sup>th</sup>, the Legislature advanced LB 167e to Final Reading on a voice vote.

On January 30<sup>th</sup>, the Legislature advanced LB 167e to Select File by a 40-0 vote.

The Natural Resources Committee advanced LB 167e to General File on January 28<sup>th</sup> following an 8-0 vote.

The bill changed the sunset date for the Nebraska Litter Reduction and Recycling Act from September 30, 2025, to September 30, 2030.

**The Natural Resources Committee held the hearing for LB 167e on January 23, 2025.**

Sen. Clouse opened on the bill noting it's an extension of the act originally established in 1979. The bill would extend the sunset date another five years, and the bill has an emergency clause, so it would take effect immediately.

**Proponents**

Kimberly Carroll Steward, executive director with the Nebraska Recycling Council, testified in support. She explained the purpose of the Act and its importance throughout Nebraska. The Nebraska Recycling Council gathered data from 2020-2024, which showed that \$165.6 million was distributed across 330 grants statewide. Of that, \$4.6 million was awarded to constituents in the districts of the senators who serve on the Natural Resources committee.

Blair MacDonald testified in support on behalf of the Nebraska Beverage Association. She noted that in 1978, there was a ballot initiative to make Nebraska a bottle recycling state like Iowa. It did not pass but groups vowed to work together to recycle, which is how the Act came into law. Every five years the bill comes up to continue that sunset date. In 2024, there were 51 grants totaling \$2.6 million. She noted the grant funds have been swept many times by various Governors and partners are trying to get the funds distributed faster to draw down the account.

Christie Abdul-Greene, Keep Omaha Beautiful executive director, testified in support. In 2025, Keep Omaha Beautiful received a \$190,000 grant. She explained how the funds are being used by their organization in their communities.

Ansley Fellers testified in support on behalf of the Nebraska Grocery Industry Association. She noted it's important that funds are pushed out and used for their intended purpose.

Lash Chaffin testified in support on behalf of the League of Nebraska Municipalities. He mentioned the Act has been great and funded a lot of projects in communities including many educational programs.

### Opponents

There were no opponents and no neutral testimony.

There were seven proponent letters submitted for the record.

### **LB 180 - Provide an exception for public lettings and biddings for the Department of Natural Resources. Clouse.**

Governor Pillen signed LB 180 on March 11, 2025. The Legislature gave final round approval to LB 180 on March 6, 2025, on a 48-0-1 vote.

Previously, the Legislature advanced the bill to Final Reading on Feb. 19, on a voice vote.

The Legislature advanced the bill to Select File on Feb. 5, on a 43-0 vote.

The Government Committee advanced LB 180 to General File on Jan. 30, following an 8-0 vote. The bill proposes to add the Department of Natural Resources to the long list of entities that are exempt from the public bidding requirements. The contracts would still be subject to review by the Director of Administrative Services.

This bill clarifies legislation passed in 2023 to allow the Department of Natural Resources to use design build.

### The Government Committee held the hearing for LB 180 on January 23, 2025.

Sen. Clouse opened by providing a summary of the bill and noting it was brought at the request of the Dept. of Natural Resources. Previously, LB 565 gave DNR authority to use alternative methods of contracting including design build and general contracting methods. Methods of contracting are common and modeled after DOT and NGPC with the goal of improving quality and speed of projects to save money.

### Proponents

Isabella Peterson, Nebraska Department of Natural Resources, testified in support noting the purpose is to harmonize language. Previously LB 565 that was introduced at the request of Gov. Pillen and was passed into law, gave DNR the authority to utilize alternative methods of project contracting. While the authorities are already granted under LB 565, there was an oversight in the language and this measure fixes that conflicting law by harmonizing the act.

### Opponents

Allie Bush, Nebraskans Against Government Overreach, testified in opposition. She did not want the NRDs to have this authority.

There was no neutral testimony.

Sen. Clouse closed by noting the bill is not for the NRDs, but strictly for DNR.

Letters were submitted by two proponents and no opponents.



**LB 247e - Change provisions relating to fees and distribution of proceeds under the Integrated Solid Waste Management Act and uses of and transfers from the Petroleum Release Remedial Action Cash Fund. DeKay.**

The bill was signed by Gov. Pillen on March 17, 2025. The bill contains the emergency clause and becomes law immediately following action by the Governor. The Legislature gave final round approval to LB 247e on March 13, 2025, on a 44-3-2 vote.

Previously, the Legislature advanced the bill to Final Reading on February 28, on a voice vote.

The Legislature advanced the bill to Select File on February 19, following a 32-1 vote.

The Natural Resources Committee advanced LB 247e to General File on February 7, on a 6-1 vote.

The bill increases the state disposal fees at landfills regulated by the department or transported for disposal out of state from a solid waste processing facility holding a permit under the Integrated Solid Waste Management Act as follows:

- Increases from \$1.25 to \$2.34 for each 6 cubic yards of uncompacted solid waste.
- Increase from \$1.25 to \$2.34 for each 3 cubic yards of compacted solid waste.
- Increase from \$1.25 to \$2.34 per ton of solid waste (a) disposed of at landfills regulated by the department or (b) transported for disposal out of state from a solid waste processing facility holding a permit under the Integrated Solid Waste Management Act.

The bill also proposes changing the distribution of the funds as follows:

- Increase from 50% to 65% of the fees credited to the Integrated Solid Waste Management Cash Fund.
- Decrease from 50% to 35% of the fees credited to the Waste Reduction and Recycling Incentive Fund.

The use of the fund would also be expanded to providing cost share, operation, and maintenance for remediation of superfund sites to pay for nonfederal costs, including costs for in-kind services.

The current uses of the fund would remain which includes:

- a) responding to spills or other environmental emergencies,
- b) regulating, investigating, remediating, and monitoring facilities during and after operation of facilities, or
- c) performance of regulated activities under the Integrated Solid Waste Management Act, the Nebraska Litter Reduction and Recycling Act, and the Waste Reduction and Recycling Incentive Act.

Finally, the bill eliminates the transfer of \$1.5 million from the Petroleum Release Remedial Action cash fund for providing cost share, operation, and maintenance for remediation of superfund sites in order to pay for nonfederal costs, including costs for in-kind services.

**On February 6, 2025, the Natural Resources Committee accepted testimony on the bill.**

Sen. DeKay introduced LB 247 on behalf of the Nebraska Department of Environment and Energy (NDEE). The bill aims to establish a sustainable funding mechanism to support Nebraska's Superfund program.

Currently, there are 11 orphan sites—contaminated locations without a responsible party for cleanup. The Superfund is primarily used to clean up hazardous waste sites, including many former oil and gas stations. This bill proposes an adjustment to the solid waste disposal fee, marking the first increase since 1992, to help fund the program.

### Proponents

Kara Valentine, Interim Director of NDEE, testified in support including this is a priority bill for the agency. The bill revises the funding mechanism for Superfund sites, which are among the most contaminated locations in Nebraska and pose risks to human health. There are currently 18 active Superfund sites in Nebraska, 11 of which are orphan sites with no responsible party for cleanup.

Initially, the Environmental Protection Agency (EPA) covers 90% of the cleanup costs for the first 10 years, with the state responsible for the remaining 10%. After 10 years the state is responsible for 100% of the cleanup costs.

The current funding model is unsustainable, and this bill provides a long-term solution by adjusting the solid waste disposal fee. Under the proposed adjustment, 65% of the revenue would be allocated to the solid waste fund. The solid waste fee is paid by Nebraska's 22 landfills. If increased, the fee would generate approximately \$2.8 million annually, while Nebraska's annual Superfund cost is about \$2 million to meet its 10% match requirement. The fee adjustments are long overdue and would help minimize the financial burden of the state.

### Opponents

There were no opponents and no neutral testimony.

In closing, Senator DeKay addressed questions raised earlier in the hearing, clarifying that the proposed fee increase would be passed on appropriately. He emphasized that LB 247 is essential for keeping Nebraska in compliance with environmental cleanup requirements.

There was one letter of support submitted, no opponents or neutral.

### **Budget Bills Passed – (LB 260, LB 261, LB 264)**

It was reported on May 27, 2025, that Governor Pillen signed the budget bills on May 21, 2025, as passed by the legislature without any line-item vetoes.

Prior to the bills being reported as signed, it was initially announced that the bills would be signed with four line-item vetoes, but those vetoes were apparently filed late and to the wrong office.

The letter that was delivered to senators on May 21, 2025, but not filed with the clerk, noted the Governor's intent to sign the bills into law with four line-item vetoes as follows:

- \$18 million reduction in appropriation of cash funds for recreational upgrades at Lake McConaughy.
- \$168,903 reduction in FY25-26 and a \$343,069 reduction next year from the State Fire Marshal's salary and health insurance premium increases.
- \$4.1 million reduction to the appropriation to the Nebraska Supreme Court in FY25-26 and a \$7.8 million in the second year of the biennium. This brings the increase to 0.625% in year one and 1.25% in year two.
- \$1 million reduction in general fund appropriation to the state's public health departments in each FY.

The Governor has five days after bills pass, not including Sunday, to report whether the bill has been signed or vetoed. It has been reported that Governor Pillen delivered the budget bill and vetoes to the Secretary of State's office on May 21, 2025, and sent a veto message letter to senators, but not the Clerk's Office as required by the state constitution.

Without the Clerk's Office receiving the line-item vetoes before the deadline, the Legislature determined that the constitutional process for line-item vetoes had not been followed and that the unicameral body would not accept the vetoes.

It was later reported that the Governor would withdraw his vetoes and refile the bills without any objections – that action was reported on May 27, 2025, with the bills being reported as signed into law on May 21, 2025.

Previously, on May 15, 2025, Senators passed the budget bills on Final Reading.

The process to get a balanced budget took several turns. It started out with a projected deficit of \$432 million in November, revised to \$124 million at the beginning of the session and jumped back to \$396 million due to the Nebraska Economic Forecasting Board revised forecast.

The Appropriations Committee reported the budget bills to General File on April 29, 2025. Debate on the bills began May 6, 2025, with the initial forecasted shortfall. Senators came back with a Select File amendment to make more cuts due to the revised forecast.

On the revenue side, Legislative Bills 645 and 650, which both passed on Final Reading on April 30, 2025, are the bills that help fill the remaining deficit. Passage of these bills are estimated to generate roughly \$134 million in revenue.

- LB 650, introduced by Sen. von Gillern at the request of Gov. Pillen, eliminates, pares back or postpones tax credits and exemptions to generate revenue intended to help lawmakers balance the state budget. This is estimated to fill about \$50 million over the two fiscal years budget. Governor Pillen approved the bill on May 6, 2025.
- LB 645, introduced by Sen. Ballard, at the request of Gov. Pillen, requires different contribution levels from retirement plan participants, employers and the state, contingent on the funded ratio on the actuarial value of assets in the previous year. This is estimated to fill about \$84 million over the two fiscal years budget. Governor Pillen approved the bill on May 6, 2025.

The revenue and appropriation bills, including a \$137 million transfer from the cash reserve, leaves approximately \$684 million in the cash reserve fund.

After all these actions, the forecast for the next two-year budget cycle still shows a \$133 million projected deficit. If tax receipts do not pick up, more cuts will need to be made in the next budget cycle.

**LB 260e - Provide, change, and eliminate provisions relating to appropriations. Speaker Arch, at the request of the Governor.**

It was recorded on May 27, 2025, that the bill was signed by Gov. Pillen on May 21, 2025. The measure includes the emergency clause and becomes law immediately.

On May 15, 2025, senators gave final approval to the bill by a 41-7-1 vote.

Senators advanced the bill to Select File by a 41-0-8 vote and to Final Reading on May 9, 2025, by a voice vote.

The bill adjusts the budget for FY 2024-25. The only adjustment for natural resources was a General Fund reduction to the Nebraska Game and Parks Commission Parks budget of \$5 million, that reduction was offset with a Cash Fund increase of \$5 million. LB 264 includes cash fund transfers of \$2.5M this FY from the Rec Roads fund to the State Park cash fund, and another \$2.5M from the Rec Roads fund to the Parks cash fund in FY25-26. There are no other adjustments related to natural resources programs.

**LB 261e - Appropriate funds for the expenses of Nebraska State Government for the biennium ending June 30, 2027, and appropriate Federal Funds allocated to the State of Nebraska pursuant to the federal American Rescue Plan Act of 2021. Speaker Arch at the request of the Governor.**

It was recorded on May 27, 2025, that the bill was signed by Gov. Pillen on May 21, 2025. The measure includes the emergency clause and becomes law immediately.

Previously, Senators gave final approval to LB 261 on May 15, 2025, by a 41-7-1 vote.

Senators advanced LB 261 to Select File by a 37-6-6 vote after invoking Cloture on a 35-6-8 vote, and adopting the committee amendment, AM 832, by a 38-5-6 vote.

Senator Clements reported that they only adopted enough spending cuts to address the initial budget deficit on General File. The committee offered additional cuts for a Select File amendment to address the additional shortfall estimated by the Forecasting Board.

The bill provides appropriations for the operation of the state government over the next two fiscal years.

For natural resources programs, the budget includes the following:

- **Nebraska Soil and Water Conservation Fund** – The original bill eliminates General Fund funding that had previously been at \$1,806,112 and appropriates \$2,550,000 in Cash Funds for both FY 25-26 and FY 26-27. The bill includes funding via a cash transfer from the Nebraska Environmental Trust.
  - *The committee amendment reduced this amount to \$2,050,000 for both Fiscal Years and reappropriates unexpended balances.*
  - *The committee amendment to LB 264 makes a \$2 million transfer from the Nebraska Environmental Trust to the Soil and Water Fund in FY 25-26 and FY 26-27.*
  - **The Final Reading version maintains this level of funding.**
- **Water Resources Cash Fund (This fund is in LB 264)** – The original bill provided a transfer of 25% of the proceeds to the Nebraska Environmental Trust be transferred to the Water Resources Cash Fund. This would amount to almost \$7 million per year.
  - *The committee amendment for LB 264 transfers \$3 million from the Environmental Trust Fund to the Water Resources Cash Fund for FY 25-26 and nothing for FY 26-27.*
  - *The amendment also eliminates language requiring the Water Resources Cash Fund to reimburse the NETF any interest earned each month. It does include language that the funds need to be used in accordance with the goals of the trust, which includes conserving, enhancing and restoring groundwater and surface water.*
  - **The Final Reading version maintains this level of funding.**
- **Water Well Decommissioning** – Appropriates \$70,000 in Cash Funds for both FY 25-26 and FY 26-27.
  - *The committee amendment made no changes to the proposed amounts and reappropriates unexpended balances.*
  - **The Final Reading version maintains this level of funding.**

- **Natural Resources Water Quality Fund** – \$1,187,500 in Cash Funds for both FY 25-26 and FY 26-27.
  - *The committee amendment made no changes to the proposed amounts and reappropriates unexpended balances.*
  - **The Final Reading version maintains this level of funding.**
- **Nebraska Resources Development Fund** – The bill includes no additional appropriations. However, unexpended balances existing on June 30, 2025, would be reappropriated.
  - *The committee amendment made no changes to the proposed amounts.*
  - **The Final Reading version maintains this language.**
- **Nebraska Water Sustainability Fund** – The original bill includes an appropriation of \$10,865,033 for both FY 25-26 and FY 26-27. Unexpended balances existing on June 30, 2025, would be re-appropriated. Note the bill includes a transfer of only \$5 million from NET. This would result in a year over reduction of \$5.8 million to the fund.
  - *The committee amendment reduced this amount to zero for both fiscal years.*
  - *The committee amendment to LB 264 transfers \$8 million from the from the Nebraska Environmental Trust to the Water Sustainability Fund in FY 25-26. The unexpended balances are reappropriated.*
  - **The Final Reading version maintains this level of funding.**
- **Water Projects** – The original bill included a Cash Fund appropriation of \$67.8 million for both FY 25-26 and FY 26-27. Includes \$67,800,000 in Cash Funds from the Perkins County Canal Project Fund and \$5 million in Cash Funds from the Jobs and Economic Development Initiative (JEDI) Fund in both FY 25-26 and 26-27.
  - *The committee amendment reduced this amount by \$2.5 million to \$65.3 million for FY 25-26 and \$5 million to \$62.8 million for FY 26-27.*
  - *The amendment also reduces the transfer from the Jobs and Economic Development Initiative (JEDI) Fund to \$2.5 million in FY 25-26 only. There is no transfer in FY 26-27 from that fund. The unexpended balances from the Jobs and Economic Development Initiative (JEDI) Fund are reappropriated.*
  - *LB 264 transfers \$4.4 million from the Jobs and Economic Development Initiative Fund to the General Fund on or after July 1, 2025, but before 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 Final Reading version maintains this level of funding.**
- **Critical Infrastructure Fund** – The original bill includes no additional appropriations, however unexpended balances existing on June 30, 2025, would be re-appropriated.
  - *The committee amendment made no changes to the proposed amounts.*
  - **The Final Reading version maintains this level of funding.**
- **Department of Natural Resources operations** – The original bill appropriates \$22,489,358 in FY 25-26 and \$22,592,399 in FY 26-27. Unexpended balances existing on June 30, 2025, for subprograms 19, 20, 21, and 24 would be re-appropriated. This includes the Water Resources Cash Fund – see LB 264.
  - *The committee amendment changes the appropriations slightly to \$22,489,487 for FY 25-26 and \$22,646,492 for FY 26-27.*
  - *The Select File amendment also included the agency code changes to reflect the merged agency with passage of LB 317.*
  - **The Final Reading version maintains this level of funding.**
- **Environmental Trust** – The original bill includes appropriations of \$26,584,483 for FY 25-26 and \$26,587,415 for FY 26-27. A \$5 million transfer to the Water Sustainability Fund in both FY 25-26

and FY 26-27. A \$2.5 million transfer to Nebraska Soil and Water Conservation Fund in both FY 25-26 and FY 26-27. Additionally, see LB 264 for the proposed 25% NET transfer to Water Resources Cash Fund.

- *The committee amendment increases the amounts slightly to \$26,602,651 from FY 25-26 and \$26,622,563 in FY 26-27. The committee amendment to LB 264 transfers \$8 million from the from the Nebraska Environmental Trust to the Water Sustainability Fund in FY 25-26 only.*
  - *The committee amendment to LB 264 was reduced to a \$2 million transfer from the Nebraska Environmental Trust to the Soil and Water Fund in FY 25-26 and FY 26-27.*
  - *The committee amendment to LB 264 transfers \$8 million from the Nebraska Environmental Trust to the Water Sustainability Fund in FY 25-26.*
  - **The Final Reading version maintains this level of funding.**
- **Department of Environment and Energy** – The bill includes appropriations of \$91,344,418 for FY 25-26 and \$91,984,247 for FY 26-27 for Administration, Water Quality, Land Quality and Air Quality programs.
  - *The committee amendment increased these amounts to \$94,208,055 for FY 25-26 and \$94,884,639 for FY 26-27.*
  - *The Select File amendment also included the agency code changes to reflect the merged agency with passage of LB 317.*
  - **The Final Reading version maintains this level of funding.**
- **Drinking Water Facilities Loan Fund (NDEE)** – Appropriates \$12,990,000 in FY 25-26 and \$12,990,000 in FY 26-27.
  - *The committee amendment made no changes to the proposed amounts.*
  - **The Final Reading version maintains this level of funding.**
- **Nebraska Game and Parks Commission Wildlife Conservation** – The original bill appropriates \$41,008,055 for FY 25-26 and \$41,204,158 for FY 26-27.
  - *The committee amendment increases the amounts to \$46,477,873 in FY 25-26 and \$46,548,193 in FY 26-27. Most of the increase is from increased cash funds.*
  - **The Final Reading version maintains the committee amendment levels.**
- **Nebraska Game and Parks Commission Habitat Development** – The original bill appropriates \$12,960,697 for FY 25-26 and \$13,046,566 for FY 26-27.
  - *The committee amendment increases these amounts slightly to \$12,980,821 for FY 25-26 and \$13,085,071 for FY 26-27.*
  - **The Final Reading version maintains the committee amendment levels.**
- **Nebraska Game and Parks Commission Planning and Trails Coordination** – Appropriates \$3,000,554 for FY 25-26 and \$3,042,964 for FY 26-27.
  - *The committee amendment increases these amounts slightly for FY 25-26 to \$3,065,289 and reduces the amount for FY 26-27 to \$2,460,735. The amendment also limits the amounts for the development and maintenance of the Cowboy Trail to \$64,000 in each fiscal year. The amendment also reappropriates up to \$8.3 million for the MOPAC Trail.*
  - *Senator Clements amendment adopted on Select File, AM 1320, makes the following changes:*
    - *Reduces the MOPAC trail funding from \$8.3 million to \$5.4 million.*
    - *There is also a separate \$100,000 cash fund appropriation in FY 2025-26 to the NGPC to complete projects for the Cowboy Recreational and Nature Trail and the Lied Platte River Bridge Trail, including, but not limited to, trail surfacing, bridge decking, culvert construction, trailside amenities, and parking.*
    - *\$544,000 in cash funds in FY 2025-26 and \$250,000 in FY 26-27 for emergency repair and maintenance on the Cowboy trails facilities.*
  - **The Final Reading version maintains this level of funding as amended by AM 1320.**

- **Nebraska Game and Parks Commission Niobrara Council** – Appropriates \$178,500 for both FY 25-26 and FY 26-27.
  - *The committee amendment makes no changes to these amounts. Part of the appropriation is \$125,000 in estimated Federal Funds.*
  - **The Final Reading version maintains the committee amendment levels.**
- **University of Nebraska Robert B. Daugherty Water for Food Global Institute** – Appropriates \$500,000 in General Funds for both FY 25-26 and FY 26-27. Funds shall be used to support water and agricultural research and existing collaborative initiatives to implement best practices in water conservation.
  - *The committee amendment made no changes to the proposed amounts.*
  - *Senator Clements Select File amendment, AM 1320, did not include funding for the Water for Food program. However, Senator Dover offered AM 1384 on Select File to restore the \$500,000 funding for each fiscal year. That amendment was adopted 30-11-8.*
  - **The Final Reading version includes \$500,000 each fiscal year.**
- **University of Nebraska State Nebraska Forest Service** – Appropriates \$2,804,862 in General Funds for both FY 25-26 and FY 26-27.
  - *The committee amendment made no changes to the proposed amounts.*
  - **The Final Reading version maintains the committee amendment levels.**

**LB 264e - Provide, change, and eliminate transfers from the Cash Reserve Fund and various other funds and change, terminate, and eliminate various statutory programs. Speaker Arch at the request of the Governor.**

It was recorded on May 27, 2025, that the bill was signed by Gov. Pillen on May 21, 2025. The measure includes the emergency clause and becomes law immediately.

Previously, Senators gave final approval to LB 264 on May 15, 2025, by a 35-13-1 vote.

On May 12, 2025, Senators advanced LB 264 to Final Reading by a voice vote after invoking cloture by a 35-8-6 vote.

Several amendments were adopted on Select File to make more reductions and changes in funding.

- Senator Clements offered AM 1396 which transfers \$1.25 million from the Nebraska Litter Reduction and Recycling Act to the General fund in FY 25-26 and a similar amount in FY 26-27. The amendment was approved by a 27-12-10 vote.
- Senator Halstrom offered AM 1402 to eliminate a \$4 million transfer from the Rural Workforce Housing to the General Fund in FY 25-26 and a \$4 million from the Middle-Income Workforce Housing Fund to the General Fund. The amendment makes a \$8 million transfer from the Affordable Housing Trust fund to the General Fund in FY 26-27. The amendment was adopted by a 26-5-18 vote.
- Senator Clements offered AM 1428 to reduce the transfer from \$2 million to \$1 million from the Record Management Fund to the General Fund in FY 25-26 and increase the transfer from \$1 million to \$2 million from the Record Management Cash Fund in FY 26-27. The amendment was approved by a 29-1-19 vote.

- Senator Sanders offered AM 1403 which eliminated the \$500,000 annual appropriation from the General Fund for each of FY 2024-25 through FY 2028-29 to carry out the Nebraska Nonprofit Security Grant Program Act. The amendment was approved by a 36-0-13 vote.
- Senator Clements offered FA 222 to increase the transfer from \$142 million to \$147 million from the Cash Reserve Fund to the General Fund on July 1, 2025, but before June 20, 2026. The amendment was adopted by a 40-3-6 vote.

A couple of amendments offered on Select File for other changes were rejected as follows:

- Senator Conrad offered AM 1401 to eliminate the \$500,000 transfer from the Nebraska Public Safety Communication System Cash Fund to the General Fund in FY 25-26 and a similar amount in FY 26-27. The amendment failed on a 13-22-14 vote.
- Senator McKinney offered AM 1427 to restore the interest from the Perkins County Canal Fund to the Inland Port Authority Fund in FY 25-26 and FY 26-27 rather than to the General Fund. The interest is budgeted to result in \$18,550,800 reallocation to General Fund in each FY 25-26 and FY 26-27. The amendment lost by a 15-32-2 vote

On May 7, 2025, senators advanced LB 264 to Select File on a 34-6-9 vote after voting to invoke Cloture by a similar 34-6-9 vote.

Prior to advancement, Senators adopted the Committee Amendment, AM 835, by a 34-7-8 vote.

The bill as amended includes a \$142 million transfer from the Cash Reserve Fund to the General Fund on or after July 1, 2026, but before June 30, 2027, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services

Senator Raybould introduced AM 1245 to LB 264 on General File to take \$500 million from the Perkins County Canal Project Fund to the General Fund. The amendment failed by a 5-24-13 vote.

The bill provides for transfers of funds for state operations and changes the uses of funds.

There are several cash fund transfers to the General Fund related to Natural Resources.

- **Water Recreation Enhancement Fund** - The original bill proposed a \$65 million transfer from the Water Recreation Enhancement Fund to the General Fund.
  - *The committee amendment reduces this transfer to \$27.7 million. The committee amendment also limits the use of funds for water and recreational projects pursuant to the Water Recreation Enhancement Act or for campground expansion projects, road repair projects, and general infrastructure and maintenance projects, with two-thirds used for projects at the Lewis and Clark State Recreation Area and one-third used for projects at the Lake McConaughy State Recreation Area*
  - *An amendment adopted on General File increases the transfer to \$32.7 million.*
  - **The Final Reading version includes the \$32.7 million transfer on or after July 1, 2025, but before June 30, 2026. It also maintains the language on the use of the funds.**
- **Jobs and Economic Development Initiative (JEDI) Fund** - The original bill proposed a \$6 million transfer from the Jobs and Economic Development Initiative (JEDI) Fund to the General Fund in FY 25-26.
  - *The committee amendment to LB 264 reduces this transfer to \$4.4 million in FY 25-26.*
  - **The Final Reading version includes the \$4.4 million transfer on or after July 1, 2025, but before June 30, 2026**



- **Resilient Soils and Water Quality Act** - The original bill proposes to repeal the Resilient Soils and Water Quality Act.
  - *The committee amendment to LB 264 reinstated the language for the Resilient Soils and Water Quality Act.*
  - **The Final Reading version of LB 264 maintains the Resilient Soils and Water Quality Act.**
  
- **Water Resources Cash Fund (WRCF) and the Nebraska Environmental Trust (NET) Fund** - The original bill proposed to modify language relating to the operations of funds. Related to natural resources, it proposes changes to both the Water Resources Cash Fund (WRCF) and the Nebraska Environmental Trust (NET) Fund. The proposal was that beginning in July 2025, the State Treasurer shall, on the last day of each month, transfer a percentage of the money credited to the Nebraska Environmental Trust Fund during such month as follows:
  - (a) Twenty-five percent to the Water Resources Cash Fund; and
  - (b) Twenty-five percent to the State Park Cash Revolving Fund.
  - *This proposed language was eliminated with the committee amendment to LB 264 and adds language that transfers may be made from the Environmental Trust to the Nebraska Soil and Water Conservation Fund, Water Resources Cash Fund or the Water Sustainability Fund.*
  - *The committee amendment for LB 264 transfers \$3 million from the Environmental Trust Fund to the Water Resources Cash Fund for FY 25-26 and nothing for FY 26-27.*
  - **The Final Reading version maintains this transfer.**
  
- **Water Sustainability Fund**
  - *The committee amendment transfers \$8 million from the Nebraska Environmental Trust Fund to the Water Sustainability Fund on or 26 after July 1, 2025, but before 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 Final Reading version maintains this transfer.**
  - **The Final Reading version also includes language that the Department of Administrative Services shall establish a subaccount within the Water Sustainability Fund for the accounting of any money transferred to the fund from the Nebraska Environmental Trust Fund. It also requires any money transferred from the Nebraska Environmental Trust Fund to the Water Sustainability Fund shall be expended in accordance with section 81-15,168, which defines programs eligible for funding.**
  
- **Nebraska Soil and Water Conservation Fund**
  - **The Final Reading version transfers \$2 million from the Nebraska Environmental Trust Fund to the Nebraska Soil and Water 31 Conservation Fund in FY 25-26 and a similar amount in FY 26-27.**
  
- **Perkins County Canal Fund** - The bill also proposes to modify the Perkins County Canal fund to direct interest, after July 1, 2025, to the General Fund. Previously, interest was credited back to the fund prior to a change in 2023 crediting it to the Inland Port Authority Fund. The interest is budgeted to result in \$18,550,800 reallocation to the General Fund in each FY 25-26 and FY 26-27.
  - *This language is maintained in the committee amendment.*
  - **This language is maintained in the Final Reading version.**
  - *Senator Raybould introduced AM 1245 to LB 264 on General File to take \$500 million from the Perkins County Canal Project Fund to the General Fund. The amendment failed by a 5-24-13 vote.*
  - *Senator McKinney offered an amendment (AM 1427) on Select File to transfer the money back to the Inland Port Authority on Select File, but it failed 15-32-2.*

Below are some other transfers that are included in adopted amendments to LB 264 on General File.

- **Nebraska Game and Parks Commission:**
  - The committee amendment transfers \$2.5 million from the State Recreation Road Fund to the State Park Cash Revolving Fund 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.
  - **The Final Reading version maintains this transfer.**
  - The Select File amendment requires the State Treasurer to transfer \$5 million from the Economic Recovery Contingency Fund to the State Park Cash Revolving Fund in FY 25-26. A similar transfer is made in FY 26-27.
  - **The Final Reading version maintains this transfer.**
- **Halsey 4-H Camp** -- The State Treasurer shall transfer the remaining balance of the Youth Outdoor Education Innovation Fund to the General Fund on or after July 1, 2025, but before July 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.
  - **The Final Reading version maintains this transfer.**
- **Lead Service Line Cash Fund** -The State Treasurer shall transfer \$4,000,000 from the Lead Service Line Cash Fund to the General Fund on or after July 1, 2025, but before 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 Final Reading version maintains this transfer.**
  - **The Final Reading copy of LB 261 allows for the unexpended Cash Fund appropriation balance appropriated for this program existing on June 30, 2025, up to \$6 million, is hereby reappropriated for providing grants to metropolitan utilities districts for lead service line replacements.**
- **Trails:** The State Treasurer shall transfer \$3,350,000 from the Trail Development and Maintenance Fund to the General Fund on or after July 1, 2025, but before 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 Final Reading version maintains this transfer.**
- **Surface Water Irrigation Infrastructure Fund:** Back in 2022, the Legislature approved \$50 million to the fund to provide upgrades to surface water irrigation systems. The program is operated through NeDNR contracts with various irrigation districts.
  - *Transfers the interest from the fund to the General Fund from July 1, 2025, through June 30, 2027. Beginning, July 1, 2027, the interest goes back to the fund. **This is maintained in the Final Reading version.***
  - *The State Treasurer shall transfer \$2.5 million from the Surface Water Irrigation Infrastructure Fund to the General Fund on or after July 1, 2025, but before 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. **This is maintained in the Final Reading version.***
  - The State Treasurer shall transfer \$2.5 million from the Surface Water Irrigation Infrastructure Fund to the General Fund on or after July 1, 2026, but before June 30, 2027, on such dates and in such amounts as directed by the budget administrator of the budget

division of the Department of Administrative Services. **This is maintained in the Final Reading version.**

- **Outdoor Recreation Fund:** A fund for the Nebraska Game and Parks Commission.
  - *The original Committee Amendment included that the State Treasurer shall transfer \$500,000 from the Nebraska Outdoor Recreation Development Cash Fund to the General Fund on or after July 1, 2025, but before June 30, 2026, and a similar amount in FY 26-27. This is maintained in the Final Reading version.*

**LB 311e - Adopt the Telecommunications Exchange Deregulation Act, restrict actions of governmental actors relating to telecommunications, and change provisions relating to regulation of telecommunications. DeBoer. Transportation Committee.**

The Legislature passed LB 311e on May 14, 2025, on a 49-0-0 vote. The bill was approved by Gov. Pillen on May 20, 2025. The measure includes the emergency clause and became law immediately following approval by the Governor. The bill includes provisions of several bills, including LB 191 which was followed by NARD.

LB 311 clarifies that federal law preempts local government regulations in managing broadband Internet access services including rates, contract terms, and conditions. This does not affect authority delegated to the Public Service Commission or to any other state agency, like the Nebraska Broadband Office, to administer federal or state broadband grants.

The Committee advanced LB 311 to General File on April 24, 2025, with a committee amendment, AM 1111. The bill was used for a committee package of bills. The bills in the package are as follows:

- **LB 4 - Adopt the Telecommunications Exchange Deregulation Act. Bosn.**

The bill allows electing local exchange carriers to petition the PSC to deregulate some or all of their exchanges. Deregulation removes certain obligations in those exchanges including reporting requirements, rate restrictions, and carrier of last resort duties. It provides the PSC with criteria to consider when considering such deregulation. The bill was amended by AM 1094, which clarified PSC duties, the information it could consider, and fees associated with such petitions.

NARD was not following the bill, so there are no hearing notes.

- **LB 191 - Change provisions relating to unlawful interference with telecommunications under the One-Call Notification System Act. Bosn.**

The bill adds broadband and communications to the list of utilities under the One Call Notification System. Specifically, it adds them to the list to fine any person who willfully and maliciously breaks, injures, destroys, or otherwise interferes with such utility. The amendment (AM 394) adds wireless infrastructure companies to the list of companies that receive additional protection from willful and malicious interference with their facilities

Previously, the Transportation and Telecommunications Committee advanced LB 191 to General File on February 26, 2025, on an 8-0 vote after adopting committee amendment AM 394 on an 8-0 vote.

The Transportation & Telecommunications Committee held the hearing for LB 191 on February 10, 2025.

### Proponents

Tip O'Neill, President of Nebraska Telecommunications Association, testified in support. Mr. O'Neill referenced a recent article that highlights the increasing incidents of theft and vandalism of telecommunication systems. The article makes two key recommendations:

1. Expand federal law provisions to include privately owned communication systems while increasing penalties, including fines and prison terms.
2. Encourage states to establish legal structures to better protect telecommunication infrastructure.

Dayton Murty, Charter Communications, testified in support. He also emphasized the importance of safeguarding telecommunication systems. Protecting assets is critical to ensure reliable service for residents and businesses. A major driver of these crimes is the global demand for copper, which has led to increased vandalism of telecommunication systems. Strengthening legal protections and enforcement measures will help deter such crimes and protect vital communication networks.

There was no opponent or neutral testimony.

Letters were submitted for the record by two proponents.

- **LB 227 - Change provisions relating to authorization to operate for certain motor carriers. DeBoer.**

The bill shifts the burden of proof for common carriers seeking to provide transportation services in Nebraska. Under the bill, the burden of proof shifts from the transportation applicant to the contesting incumbent carrier to prove that the applicant is not fit, willing or is unable to perform the services proposed. Incumbents must show that an area's needs are currently or will be met without the applicant and that the operations of existing carriers would be impaired contrary to the public interest.

NARD was not following the bill, so there are no hearing notes.

- **LB 347 - Eliminate conditions on the issuance of securities by common carriers. Prokop.**

The bill requires a common carrier to secure an affirmative order from the PSC before issuing stocks, bond, notes, or other evidence of indebtedness payable at periods of twelve months. Common carriers would not have to seek such PSC approval.

NARD was not following the bill, so there are no hearing notes.

- **LB 666 - Change provisions relating to duties of the Public Service Commission under the Rural Communications Sustainability Act. Storer.**

The bill allows competitive broadband providers to petition the Public Service Commission (PSC) to transition Nebraska Universal Service Fund support from a former incumbent local exchange carrier (ILEC) serving a designated area to the competitive provider now serving that area, as long as it accepts responsibilities similar to carrier of last resort (COLR) duties. Previously, only ILECs were able to petition the PSC. The following provides a summary of the bills included in the committee amendment, AM 1111.

NARD was not following the bill, so there are no hearing notes.

**LB 317e - Merge the Department of Natural Resources with the Department of Environment and Energy and change the name to the Department of Water, Energy, and Environment and provide, change, and eliminate powers and duties. Brandt at the request of the Governor.**

Senators gave final approval to LB 317e by a 34-12-3 vote on May 1, 2025. The bill was signed into law on May 6, 2025, by Governor Pillen. The bill included the emergency clause so it becomes effective immediately.

On April 22, 2025, the Legislature advanced LB 317 to Final Reading by a voice vote after adopting a couple of clarifying amendments and defeating a couple other amendments to take money from the Perkins County Canal Fund.

The Select File amendments adopted included:

- Senator Storer offered an amendment, FA 116, to eliminate a proposed 10-year cap on funds from the Water Sustainability Fund. The amendment was adopted by a 46-0-3 vote to eliminate the new language proposed in the bill.
- Senator Conrad offered an amendment to reinstate language that referenced the Low-Level Radioactive Waste program. That amendment, AM 1124, was adopted by a 34-8-7 vote. Reinstating the obsolete language for the non-existing program does not change anything.
- Senator Brandt offered an amendment to expand the qualifications for the Chief Water Officer. The amendment would change the requirement for the position to be either a professional engineer or a professional geologist. The amendment was adopted by a 36-0-13 vote.

The Select File amendments and motion rejected included:

- Senator John Cavanaugh offered FA 117 to remove \$61 million from the Perkins County Canal Fund and put it in the General Fund. The amendment was rejected by a 12-29-8 vote.
- Senator John Cavanaugh offered AM 1133 to remove \$150 million from the Perkins County Canal Fund and put it in the General Fund. The amendment was rejected by a 13-33-3 vote.
- Senator Machaela Cavanaugh's motion to bracket the bill until May 5, 2025, lost by a 1-29-19 vote.

The Natural Resources Committee advanced LB 317, with AM 711, to General File on March 27, 2025, by a 7-1 vote. The bill was advanced to Select File on April 2, 2025, by a 31-2-16 vote after adopting the committee amendment, AM 711, by a 30-4-15 vote.

The 446-page bill proposes to merge the Department of Environment and Energy (DEE) and the Department of Natural Resources (DNR) to become the Department of Water, Energy, and Environment (DWEE), effective July 1, 2025.

AM 711, the 273-page committee amendment, clears up and closes missed or inconsistent language in the original 446-page bill. The amendment also reinstates a requirement that the Chief Water Officer (CWO) must be a Professional Engineer. Many of the changes deal with making sure the civil procedures and appropriate courts are identified for cases involving the two different agencies.

The merged Department shall exercise the powers and perform such duties that were assigned to both DEE and DNR prior to the merger. As introduced, the Director of Environment and Energy shall be renamed the Director of Water, Energy, and Environment and shall be appointed by the Governor as the agency director. The bill proposes to eliminate language that the Environmental Quality Council shall submit a list of names from which the Governor shall appoint the Director.

The Director of Natural Resources shall be renamed the Chief Water Officer and would retain the authorities previously prescribed for the administration of the duties of DNR. The Chief Water Officer shall have at least five years' experience in a position of responsibility in irrigation work, shall be appointed by the Governor, and shall report directly to the Director of Water, Energy, and Environment. The original bill proposed to remove the engineering requirement for the Chief Water Officer, which is reinstated with AM 711. A professional geologist was added on Select File with AM 1084, so the director could be either an engineer or geologist.

Any appropriations provided in any legislative bill enacted during the session to the Department of Natural Resources would be null and void, and any such amount would be appropriated to Agency No. 84, Department of Water, Energy, and Environment.

Any financial obligations of the Department of Natural Resources that remain unpaid as of June 30, 2025, shall be paid by the Department of Water, Energy, and Environment.

On and after July 1, 2025, whenever the Department of Natural Resources or the Department of Environment and Energy is referred to or designated by any contract or other document in connection with the duties and functions of the Department of Water, Energy, and Environment, such reference or designation shall apply to the Department of Water, Energy, and Environment.

All contracts entered into by the Department of Natural Resources or the Department of Environment and Energy prior to July 1, 2025, in connection with the duties and functions of the Department of Water, Energy, and Environment would be recognized, with the Department of Water, Energy, and Environment succeeding to all rights and obligations under such contracts.

Any cash funds, custodial funds, gifts, trusts, grants, and appropriations of funds from prior fiscal years available to satisfy obligations incurred under such contracts shall be transferred and appropriated to such department for the payment of such obligations.

In addition to the merger, the bill also proposes to:

- Repeal outdated and duplicative sections, including provisions relating to the Conservation Corporation Act, the Low-Level Radioactive Waste Disposal Act, and the Nebraska Soil Survey Fund.
- Eliminate the requirement for NRDs to prepare and adopt annual Long Range Implementation Plans.
- Transfers duties related to locating State Game Refuge Boundaries from DNR to the Nebraska Game and Parks Commission.

*The Natural Resources Committee held the hearing for LB 317e on February 13, 2025.*

### *Proponents*

Governor Jim Pillen testified in support, outlining that the bill will result in important outcomes for the next seven plus generations. Nebraska's approach to water management has served us well and we are at the center of economic boom with industries looking to grow, and we need to double down.

He noted that over application of fertilizer and water is what led to our water challenge, and it cannot continue. The State needs to work in partnership with NRDs to proactively enhance efforts.

Combining agencies sets the foundation for water quality and quantity under the same leadership. Jesse Bradley has the leadership to solve these issues. Combining agency reduces bureaucracy and increases efficiency in operations. Long range planning and strategy are important, and this marks the first step.

Sen. Clouse asked about the Water Quantity Task Force and how is it different than the Water Sustainability Task Force? Gov. Pillen responded that this task force focuses on a little different mission – focused on the extraordinary boom that will need water and focuses on proactive approach to water quality and quantity. He noted there are challenges ahead with tremendous opportunity to scale best practices so we can have impact on water amount and stop talking about water quality and impact it.

Sen. Raybould thanked Gov. Pillen for championing water. She mentioned concerns from constituents regarding the number of inspectors and CAFO inspectors and how this would impact that? Gov. Pillen responded that we've had quality separated and this is an opportunity to consolidate. We're not talking about transformative change and it's not a goal to bring agencies together to purge, it's an opportunity to bring together and enhance activities.

Sen. Conrad asked if long-term costs have been considered, is there going to be a change or is the goal just more cooperation under one banner? Gov. Pillen responded that to come and say exactly would not be fair to public servants, and that we will have those conversations after it becomes law. Common sense says there are duplicate tasks, but it's not fair to public servants to discuss those now.

Sen. Clouse asked where did the input for this idea come from and if there is concern that it will be too large of a department? Gov. Pillen discussed that bringing groups of people together will mean more collaborative efforts and then we will be able to find people with specific areas of expertise. He expressed that he's been communicating with the NRDs and believes we'll come together. The NRDs are excited to be a part of proactive instead of reactive water management. He used an example from his farm of reactive water management from a local NRD. He said NRDs in water-restricted areas are doing phenomenal practices.

Sen. Moser asked, "what is going to drive boom in water use?" Gov. Pillen mentioned the extraordinary demand for hydrogen power. New companies that will process ethanol and things from carbon above ground. He mentioned just calling it the way it is, we don't know how much water is being used in the state.

Sen. Moser asked if we could anticipate a change in the number of irrigated acres? Gov. Pillen responded that it would be something we would need to sit down and talk about. If you can show incentive for using less water than you should be able to irrigate more land.

Sen. Dekay asked about the make-up of the proposed task force. Gov. Pillen noted he doesn't have it today, but it's a number between maybe 15-18 people. Those would be identified via a strategic group of 4 -5 leaders.

### Proponents

Jesse Bradley, Interim Director NeDNR and Interim Director NDEE, testified in support of the bill. Bradley provided a summary of the bill highlighting the seven changes and repeal of duplicate statutes proposed in the bill beyond the merger.

Relating to the merger, Bradley discussed that the state would improve focus on nitrogen management challenges. It is expected to allow customers who work separately to work with a single department. The merger will provide streamlined services and employees will find enhanced growth opportunities. Bradley noted a clarification for specific duties for the chief water officer will be coming via an amendment.

Sen. Clouse asked if there are flowcharts to show what a merger may look like? Bradley discussed that they have been working on that, but don't have them available today.

Sen. Raybould asked about the bill eliminating Long Range Implementation Plan for NRDs? Bradley noted the NRDs have a lot of plans they do, and this is a duplicate effort, the NRDs would retain Master Plans.

Sen. Hughes mentioned the merged Department would still be less than 400 people and asked if everyone is staying in same roles, would it just be consolidating? Bradley reiterated that the focus is areas around water,

and those staff are excited to get rid of barrier and bring functions closer together. Data collection and inspection activities can help us learn from each other and improve efficiencies.

Sen. Raybould referenced \$2.3 billion in requests for water projects and how those would be addressed. Bradley noted it's a topic of discussion, with the aim to make state resources around water more streamlined, different pots of money and having groups working together would be a positive outcome.

Sen. Clouse asked if there is an impact to Natural Resources Commission and Water Sustainability Fund? Bradley noted the Commission is retained and the only adjustment is modifying the length of project time for WSF projects to a 10-year period.

Sen. Conrad noted struggles with not seeing any changes or any cost-savings, is there any sort of prohibition under the current framework that limits collaboration - What is really going to change? Bradley responded that the reality is names and silos can get in way. Co-locating and having daily conversations from a leadership perspective ensures collaboration.

Sen. Hughes asked if there will be attrition or absorption of duties? Bradley responded that certainly would occur, and that it's something that has been ongoing at DNR.

Jacob Leaver, Department of Administrative Services, testified in support. He noted he's available to answer technical budget questions. Leaver discussed that the bill will not impact FY 25. The emergency clause is included to ensure the merger timeline coincides with the biennium. It was discovered that the fiscal office mistakenly combined each department's fiscal note, so real costs are more like \$100,000 instead of the fiscal notes reported \$200,000.

During questioning, Sen. Conrad mentioned surprise that there were not more cost savings. Leaver discussed that they did not want to show impact for saved funds that may not be realized, but they do believe in upcoming biennium there will be a reduction and savings. Sen. Conrad asked where DNR and DEE stand in terms of vacancies? Leaver did not have those numbers available.

Timothy McCoy, Nebraska Game and Parks Commission, testified in support. McCoy noted his testimony and support was specific to Sections 57 and 58, which changes the mapping for wildlife refuges to NGPC. McCoy noted at the time of creation of the law, NGPC did not have GIS capacity, but today they have the existing capacity.

### Opponents

Jasper Fanning, Upper Republican NRD General Manager, testified in opposition on behalf of NARD. The NRDs truly appreciate Governor Pillen's commitment to and interest in water conservation and quality management, but our long history of working with these two departments and our in depth understanding of water management gives us some valuable insight into what is workable and what isn't. We believe that on balance the bill isn't workable or in the best interest of Nebraskans. Also, the bill as drafted doesn't seem to keep our water law and management intact.

Our opposition is premised on three main concerns.

First, the risks of the merger in our view far outweigh any potential, and very uncertain, benefits. Rolling an agency that focuses solely on Nebraska's largest and most important resource into another agency mainly tasked with implementing federal regulations would take resources and focus away from Nebraska water management.

Second, the proposal was developed in a hurried manner without any real input from the stakeholders including Natural Resources Districts. Our management of groundwater and partnership with DNR is considered by many to be what should be a model for water management across the country



Finally, the bill fails to give the Chief Water Officer the necessary authorities to carry out the duties of the DNR director in our current water management statutes, leaving our water management authorities unraveled.

The complete merger of the two agencies is a massive lift even without considering the needed culture shift. It's a lift that will take away resources from the most important interstate water project in the history of Nebraska water: The South Platte Compact and Perkins County Canal project. This project will secure water for more than seven generations and needs to be a priority for Nebraska. Protecting our water future will be hampered by the merger as proposed. The insignificant and fleeting claims of gained efficiency from the hurried merger are not enough to justify jeopardizing the project.

Merging some of the DEE authorities into DNR might make sense, but that should be a topic for stakeholders to have input on how to make it work. Historically an example is LB 962 approved in 2004, which has been successful, but not without challenges. That process to create an integrated approach to water management involved first engaging stakeholders to make sure that the result accomplished the needs of Nebraskans. The Governor's suggested task force would be an ideal starting place for a more refined and thoughtful process to consider how best to consolidate authorities with DNR, or whether doing so is in the best interests of the state. This process has worked very well before and we should use it again if needed, there's no reason we're aware of to rush a merger with consequences nobody has yet fully thought out.

DNR's existence as a nimble planning and problem-solving agency was developed over the last couple of decades through stakeholder engagement in the legislative restructuring process, changing the culture to one focused on what's best for Nebraska's people, which includes having the right people in leadership. The likelihood of accomplishing something similar by enacting a bill to merge the agencies is nil.

DNR should stick to dealing with Nebraska's water issues and the issues that are truly Nebraska issues. We have concern that taking on all of the EPA federal issues that aren't of primary concern to Nebraska will water down the resources available to work on our important issues of water conservation and water quality, especially the South Platte Compact.

We encourage this committee, the legislature and the Governor to work with us in the coming months to engage other stakeholders and bring forth a solution that will work and that is best for Nebraskans.

During questioning Fanning mentioned other states interviewed us as model on how to manage water. Bradley and DNR staff are currently involved in Nebraska's most important water issue like South Platte Canal and expressed concern with taking away from their efforts of ensuring its success.

Fanning discussed that DNR finds ways to work with partners to benefit people of Nebraska, while DEE focuses more on federal mandates and not asking the question of how we can help Nebraska.

Fanning mentioned we could carve out things from DEE related to water that would make sense, but a full-scale merger and saying we're going to merge and then figure it out later isn't advised. It would have been better to have a task force identify those and then merge. Bigger isn't always better, the things we like about working with DNR is they are small, allowing them to be responsive and nimble.

Sen. Hughes asked, "If no one is going away and it's not about losing people why the concern?" Fanning reiterated that right now, Director Bradley and his leadership is responsive and available, but just since his announcement of being interim Director of DEE, much more of his time has been obligated to other tasks.

Sen. Conrad discussed the foresight of the NRDs and how our state's collaborative approach has led to successful management of our water, and she's struggling to think through how a proposal like this can work if one of the key partners has concerns. Fanning again discussed that a more refined and thoughtful process of what should and shouldn't be in each department would make sense as a first step.

Sen. Moser discussed that it's a little bit disconcerting not knowing how this is going to go or what savings there will be, but we're sure it's bad? Fanning reiterated the NRDs will continue to work collaboratively with each agency regardless.

LeRoy Sievers testified in opposition on behalf of the Nebraska State Irrigation Association. He supports the Governor and efforts to improve government services and property tax relief but urges the committee to decline this bill. He noted he has witnessed the consequences and effects of mergers in the past and they often increase bureaucratic barriers. Employees already can't get everything done – improved processes save money, and having enough people get the job done. Merging will make it difficult to navigate significant water issues.

Sievers expressed the importance have having a director in charge of water issues, providing examples from other states that were set back by having their Chief Water individual working under the directive of another department head.

Bruce Rieker testified in opposition on behalf of Nebraska Farm Bureau. Rieker discussed that after thorough discussion with their board, they decided to oppose until they have enough information to make an informed decision. He discussed that they want to be at the table.

Sen. Clouse asked what specific details they would like to see. Rieker discussed that the Governor mentioned modernizing how we handle water in his State of the State address – so how do we do that? He noted he's not testifying to say what's wrong or what's right, but the question from members is why? He doesn't have an answer for that.

Kurt Bogner, Environmental Quality Council, testified in opposition on behalf of himself. He discussed that he's opposed to the change of eliminating EQC's role in providing potential director candidates to the Governor. The timetable of change is being made during process of hiring a new DEE director. There have been at least two EQC meetings with no update and no information about the process.

Al Davis testified in opposition on behalf of the Nebraska Sierra Club. Davis mentioned he suspects the Governor believes this will save taxpayers money and increase efficiency, but the fiscal note does not indicate savings. The AltEn facility in Mead was the result of complacency of DEE and further consolidation is not going to make sluggish work of DEE better. Since the merger of Department of Environmental Quality (DEQ) and the Department of Energy, the energy component has fallen short and they don't want DNR to succumb to the same fate.

John Hansen testified in opposition on behalf of Nebraska's Farm Union. The Energy office and DEQ merger were promised fixes to resource and funding shortages. Attrition has taken a toll and now the energy office staff is nearly half of what it was prior to the merger. Mixing regulatory and statutory responsibilities will muddy regulatory roles and it will come at the expense of groundwater management. DEQ was designated to be the state EPA regulatory agency, and the federal responsibilities are in conflict with other state water management responsibilities.

### Neutral

Katie Torpy testified neutral on behalf of the Nature Conservancy. Her testimony echoed much of the opposition testimony. Torpy expressed concern rushing through a merger when gains have not been articulated and responsibilities not defined. Broader conversation is warranted through a stakeholder process that is not inclusive only of the water management industry. Torpy noted there is greater opportunity to pull out and merge components of NDEE.

Devin Brundage testified neutral on behalf of Central Nebraska Public Power and Irrigation District (CNPPID) and Nebraska Power Association. They have strong working relationships with DNR and greatly value the collaborative approach with DNR. Some of the transformational opportunities underway, including

South Platte Canal, make it more important than ever to maintain quality leadership. He discussed that they believe technical expertise of a Professional Engineer (PE) requirement is important and the expertise should be required of the Chief Water Officer.

Alden Zauche, Chairman of the Environmental Quality Council (EQC), testified neutral. He offered to be a resource to the committee and discussed that the 17 EQC members struggle to stay informed.

Sen. Brandt closed by reiterating the Governor's comments that increasing nitrate levels need to be addressed. We need a proactive approach to attack that, and this will be an enhancement not a purge. He provided the committee with details on staffing, noting DNR has 112 employees and DEE 252. Currently, DEE is the 9<sup>th</sup> largest agency and combining the two would make it the 8<sup>th</sup> largest. He reiterated that the fiscal note was incorrect, NDEE and DNR each sent in \$100,000 and they combined them and its really supposed to be \$100,000 total. He mentioned they're going to add back in the PE requirement for either the department director or chief water officer.

Letters submitted for the record included two proponents, 28 opponents, and ADA testimony was provided by League of Women Voters.

**LB 346 - Change qualifications of the State Capitol Administrator, provide for termination of boards, commissions, committees, councils, funds, panels, task forces, the Conservation Corporation Act, and the Nebraska Potato Development Act, and change and eliminate funds and powers and duties of departments and agencies. Speaker Arch, at the request of the Governor.**

The bill was signed into law on May 30, 2025, by Governor Pillen. On May 28, 2025, the legislature passed LB 346 on a 49-0 vote.

Previously, on May 14, 2025, Senators advanced LB 346 to Final Reading by voice vote after adopting a clarifying amendment, AM 1397, offered by Speaker Arch.

The Select File amendment clarified representation on the Board of Nursing and some other minor corrections.

The amendment also removed a reference suggesting the Conservation Corporation Act (CCA) be eliminated. Since the CCA was eliminated with the passage of LB 317, it was unnecessary to repeal the statutes again. Thus, the reference was deleted through the clarifying amendment, AM 1397, offered by Speaker Arch on Select File by a 41-0-7 vote.

The CCA was a structure set up back in 1981 to allow NRDs to pool funds to provide conservation assistance to Nebraska landowners involved in farm and ranch operations in the form of low-cost conservation loans, implementation of land treatment, and water conservation practices. The statutes also allowed the entity to borrow funds. No records are available if this program was ever implemented.

Senators advanced LB 346 on Select File on April 24, 2025, by a 42-0-7 vote after adopting a couple of amendments to AM 492, the Government Committee amendment.

- Senators approved FA 134 offered by Senator McKinney by a 33-0-16 vote which reinstated the Racial Profiling Advisory Committee. The bill originally proposed that the Nebraska Commission on Law Enforcement and Criminal Justice carry out the duties of the advisory committee.
- Senators approved AM 821 offered by Speaker Arch by a 41-0-8 vote which reinstated the Palliative Care and Quality of Life Advisory Council and the Wireless 911 Advisory Committee.

After adopting the two amendments, senators approved the committee amendment, AM 492, by a 40-7-9 vote.

The Government Committee advanced the bill on March 17, 2025, with Committee Amendment, AM 492.

The amendment, AM 492, removes changes proposed by the original bill relating to the Nebraska Children's Commission Advisory Committee, the Nebraska Child Abuse Prevention Fund Board, the Nebraska Worker Training Board, the Motor Vehicle Industry Licensing Board, the Capitol Commission, the Governor's Keep Nebraska Beautiful Committee, and the First Regiment Nebraska Volunteer Infantry at Fort Donelson Committee.

The 74-page bill eliminated many boards, task forces and commissions. Most are terminated permanently, and some duties are reassigned to other agencies. Related to agriculture and natural resources, the following are terminated on July 1, 2026:

- The Nebraska Potato Development Committee
- The Climate Assessment Response Committee
- The Nebraska Aquaculture Board
- The Advisory Council on Public Water Supply (duties assigned to the Environmental Quality Council)
- The Private Onsite Wastewater Treatment System Advisory Committee (duties assigned to the Environmental Quality Council)
- The Governor's Keep Nebraska Beautiful Committee
- The Advisory Committee to NDEE on solid waste management issues

*The Government Committee held the hearing for LB 346 on February 13, 2025.*

Sen. Arch opened on the bill noting this is a good government bill to make things more efficient. He noted many times legislation is reactionary, and these commissions, boards and councils are often created for a specific issue at a specific time and may no longer be relevant.

*Proponents*

Kenny Zoeller, Governor's Policy Research Office, testified in support on behalf of Gov. Pillen. He noted there are over 400 vacancies for boards, councils, etc., and the Governor is responsible for 1,200 appointments. He noted the Governor's office spends a lot of time refilling these positions and many have very specific requirements on who can and can't be appointed. He noted eliminating these boards, commissions, and councils, is a multi-year process that the Governor's office will bring annually.

Lynn McNally testified in support on behalf of the Propane Education Resources Council. She noted they worked with the Governor on their Council, and it will be going from nine members to five members and eliminating some of the more burdensome appointment requirements. The Propane Education Resources Council provides training for fire departments on dealing with propane fires and trains propane truck drivers.

*Opponents*

Steve Guenzel testified in opposition specifically to delete Section 63 related to the Fort Donelson Committee, which was created in 2020. The Committee is actively working to get a monument for Fort Donelson National Battlefield in Tennessee where Nebraskans were present and played a significant role. He noted the process has been very slow dealing with the federal government, but they want to get this finished before the committee is disbanded.

Jon Needels testified in opposition on behalf of the State Council of Election Workers. He noted the committee still serves a purpose, but the tasks could be assigned to the Workforce Development Board.

Bob Riley testified in opposition due to a one-word change for qualifications of the State Capitol Administrator. The bill changes the experience for the Capitol Administrator from an architect **with** 5-years' experience to an architect **or** 5-years' experience.

Emily Roesler, an architecture graduate, testified in opposition. She was opposed to a one-word change on the qualifications of the State Capitol Administrator.

Sage Leis testified in opposition on behalf of the Nebraska Children's Commission. She noted multiple committees in the bill are essential to child welfare and the work of Nebraska's Children's Commission.

Josh Eikmeier testified in opposition on behalf of the Nebraska Motor Vehicle Industry Licensing Board. He noted there is an amendment that will satisfy their issue.

### Neutral

Kent Rogert testified neutral on behalf of the Association of Nurse Anesthetists. They are bringing a separate bill to address their issues.

Letters submitted for the record included 10 proponents, 42 opponents, and one neutral.

In closing, Sen. Arch expressed appreciation for the Governor's staff and their willingness to eliminate boards, councils, etc., that no longer serves a purpose.

### **LB 398e - Adopt updates to federal law relating to motor vehicles and motor carriers and change provisions relating to commercial driver's licenses and CLP-commercial learner's permits. Moser.**

The bill was approved by Gov. Pillen on June 4, 2025. The measure includes the emergency clause and becomes law immediately following approval by the Governor. The Legislature passed LB 398e on May 28, 2025, on a 45-4 vote. The bill includes provisions of LB 175 and LB 568, summaries of each follow.

Prior to passage, senators on a 21-14 vote, rejected an attempt by Sen. Hallstrom to return the bill to Select File for a specific amendment.

Previously, after advancing LB 398 to Final Reading by voice vote on April 23, 2025, the bill was successfully returned to Select File on May 14, 2025, for an amendment by Sen. Ballard that modified fees for the department of motor vehicles. Following adoption of the amendment the bill was again advanced to Final Reading on a voice vote.

Senators advanced LB 398 to Select File by a 39-0-10 vote on April 9, 2025, after adopting amendments to add provisions of LB 175 and LB 568.

Senator Halstrom offered AM 765 to add provisions of LB 175. Those provisions add the successor in interest in a railroad line to provide and keep in repair at least one adequate means for such landowner to cross the right-of-way when the landowner owns property on both sides of the right of way. The amendment was adopted by a 39-0-10 vote.

Senator Moser offered AM 842 to add provision of LB 568 and other changes to license plates. The main provision of LB 568 was to add Arbor Day Plates and the Arbor Day Plate Cash Fund. The amendment was adopted by a 39-0-10 vote.

The main provisions of LB 398 updates Nebraska law to reference federal laws and regulations related to commercial driver's licenses and CLP-commercial learner's permits to state as they existed on January 1, 2025. It updates requirements for commercial driver's license medical certification, allowing operators to self-certify that they have passed the required medical examinations and mandating that the Department of Motor Vehicles (DMV) post relevant information to the Commercial Driver's License Information System. Finally, it increases civil penalties for violations of laws relevant to commercial driver's licenses and CLP-learner's permits.

LB 398 was not on the NARD watch list, so we do not have hearing notes on it. The notes for LB 175 and LB 568 follow.

- **LB 175 - Provide duties for the successor in interest of a railroad. Hallstrom.**

The bill was incorporated into LB 398 via AM 842 on April 9, 2025.

The Government Committee advanced LB 175 to General File on March 17, 2025, by an 8-0 vote.

The bill proposes to add the successor in interest to provide and keep in repair at least one adequate means for such landowner to cross the right-of-way when the landowner owns property on both sides of the right of way.

Under the proposal, successor of interest is defined as any agent, successor, assignee, trustee, receiver, or other person acquiring interests or rights in railroad land, including the owner or holder of any servient estate or right of reversion relating to railroad land.

The petition to the Department of Transportation for such access is also expanded to the successor of interest. Under this process, the department does an investigation, holds a hearing, and can issue an order. When a special crossing involves an expenditure of more than \$1,500, the landowner shall bear one-half the expenses of more than \$1,500.

**The Transportation Committee held the hearing on LB 175 on March 10, 2025.**

Sen. Hallstrom introduced the bill noting the issue stems from work with one of his clients and a situation where they were unable to get a perpetual easement after buying a piece of property. He noted the inability to secure a permanent easement prevented the opportunity for his client to secure financing for the property.

**Proponents**

Dan Watermeier testified on his own behalf in support of the bill. Watermeier noted he purchased a property with two existing crossings for access, but despite the existing crossings, the railroad refused to grant easements. He reiterated the bill is about protecting personal property rights and ensuring landowners are not left without access. He repeated the challenge future landowners could face receiving financing when there is not the ability to secure a standalone easement, or a law in place.

Andrew Foust, Smart-TD, testified in support noting when farmers own land on both sides of a railroad it's common sense to allow them to enter and exit.

### Opponents

Jacob Farrell, OPPD, testified in opposition noting OPPD owns 56 miles of the Arbor Rail Line. Farrell discussed that they feel the legislation is not needed as there are railroad crossings in place for all properties in question, and OPPD has been in negotiations with the landowner in question since 2023. Farrell told the committee they are more than willing to discuss issues with landowners, but since there are existing crossings they feel this bill is not needed.

Sen. Hallstrom closed by noting the real rub is that OPPD seems to be negotiating like they are not a railroad, despite owning one. He noted the bill is simple in that it says someone that acquires railroad or rail right of way, is going to be subject to the same requirements. Sen. Hallstrom noted the intent is that this bill would replace the need for an easement because they would be obligated under state law to provide access.

Letters were submitted for the record by two proponents.

- **LB 568 - Provides Arbor Day Plates and the Home of Arbor Day Plate Cash Fund and change provisions relating to license plates. Fredrickson.**

The bill, as amended by committee amendment AM 269, was incorporated into LB 398 via AM 842 on April 9, 2025.

The Transportation Committee advanced the bill to General File on February 19, 2025, by an 8-0 vote after adopting an amendment (AM 269). The amendment adds the provisions of three other bills as follows:

- LB 134 provides that the fees are waived for "Disabled Veterans", "Prisoner of War", and "Purple Heart" license plates.
- LB 343 lowers the fee for the entire field of specialty license plates fees from \$70 to \$40 effective October 1, 2025.
- LB 563 creates a new permanent license plate for commercial fertilizer trailers and creates an issuance and renewal fee of one dollar.

The bill creates Arbor Day specialty license plates to represent the history and importance of Arbor Day in Nebraska.

The additional license plate fees, beyond what is distributed to the road funds, would go to the Home of Arbor Day Plate Cash Fund and be administered by the Board of Regents of the University of Nebraska.

The University of Nebraska Board of Regents shall use the funds to award grants to the Nebraska Statewide Arboretum, for purposes of tree planting, garden making, community building, and environmental education and outreach.

The specialty plates would follow the existing law, where the Department of Motor Vehicles would have to receive at least 250 prepaid requests for the plates before they could become available.

### The Transportation Committee held the hearing on LB 568 on February 4, 2025.

In his opening, Senator Fredrickson noted the bill honors the national holiday of Arbor Day. Since the holiday originated in Nebraska, we need to create these plates to honor Arbor Day. The bill also streamlines specialty plates for future new plates. There will be an amendment to clarify a minor drafting error to clarify the plates will start next year.

### Proponents

Hanna Pinneo, Nebraska Statewide Arboretum executive director, testified in support on behalf of herself. She mentioned that our community forests have taken a hit due to insect pests and weather disasters. Community tree budgets have a hard time keeping up with these costs and the Statewide Arboretum has helped communities fund efforts to keep the tree canopy strong.

Last year, the Statewide Arboretum partnered with 97 communities on tree, native grass, and pollinator plantings. The bill would give the Arboretum another funding source to help communities across the state plant trees.

Karen Pesek, board member Statewide Arboretum, pointed out the Arboretum helped plant 69 trees along a corridor road in Omaha to help beautify the city.

### Opponents

There were no opponents and there were no neutral testifiers.

There were nine proponents, and three neutral letters submitted for the record.

In his closing, Senator Fredrickson noted this would help the Arboretum continue to do good work across the state and encouraged support from the committee.

### **LB 521e - Change and eliminate provisions relating to the Election Act. Sanders.**

The bill was signed into law on May 30, 2025, by Governor Pillen. The bill includes the emergency clause and became law immediately following approval by the governor. On May 28, 2025, the legislature passed LB 521 on a 49-0 vote.

Senators advanced LB 521 to Final Reading on May 8, 2025, by voice vote after adopting an amendment to eliminate the portion dealing with foster care review boards (LB 238). Senators also rejected an amendment to eliminate the changes for the City of Lincoln elections.

Senators advanced LB 521 to Select File on May 1, 2025, by at 42-0-7 vote after adopting the committee amendment by a 41-0-8 vote.

The Government committee advanced LB 521 to General File on April 29, 2025, with AM 1152 that included four other bills – LBs 19, 238, 243 and 659. Provisions in LB 243 make changes to the Open Meetings Act notices.

The original bill is included, which is the annual Election Act update bill with recommended changes from the Nebraska Secretary of State. These changes are intended to promote efficient, reliable elections. It includes hospice and disability services as entities whose photographic patient record may serve as a photographic voter identification document.

The bill would clarify that local election officials shall verify signatures on identification envelopes using signatures from voter registration records.

It would also change the location for the meetings of the state board of canvassers from the State Capitol to a location designated by the Secretary of State, in order to provide flexibility in cases where the State Capitol may be unavailable or an inappropriate venue for the meeting.

The Committee amendment includes the following four other bills:



- **LB 19 - Change provisions relating to elections for cities of the metropolitan class. J. Cavanaugh.**

The bill is included in LB 521, which passed and was signed into law. This bill would move municipal primary and general elections in cities of the metropolitan class to coincide with statewide primary and general elections during presidential election years. This election timing change would become effective in the 2028 election cycle. As of 2025, the City of Omaha is the only city of the metropolitan class.

The committee amendment expands the option for the cities of the primary class to hold their elections by provision of such a city's home rule charter, in conjunction with the statewide general election rather than just to be held on the first Tuesday in May of every odd-numbered year. Lincoln is the only city in the primary class.

- **LB 238 - Exempt local foster care review boards from the Open Meetings Act and eliminate obsolete provisions regarding an advisory group. M. Cavanaugh.**

The bill is included in LB 521, which passed and was signed into law. This bill proposes exempting local foster care review boards from the requirements imposed by the Open Meetings Act. It also makes harmonizing changes. Although originally in the package, it was removed with FA 190 offered by Senator Bosn by a 31-0-18 vote.

- **LB 243 - Change provisions relating to sidewalk assessments by county governments. Sanders (This now deals with Public Meeting Notices)**

The bill is included in LB 521, which passed and was signed into law. The original bill was introduced as a shell bill for the committee to use. An amendment was filed (AM 1038), and a hearing held on it, to amend the statutes of the public notice requirement in the event the statewide website is not available due to a hacking incident or for any other reason. Recently, there have been several public bodies and newspapers have been hacked. There is a concern of how a public body could meet the notice requirements if the NPA statewide website is hacked or is not operational for whatever reason.

The new language would add the term "if available" to a request to post on the statewide site. The public body would be required to keep the written request to post on the statewide site and record the methods and dates of such notes in its minutes.

In the event the site goes down, the written request would be proof of the notice. Public bodies can also use their websites as a notice of the hearing as a backup.

- **LB 659 - Change provisions relating to vote counting devices under the Election Act. Andersen.**

The bill is included in LB 521, which passed and was signed into law. This bill proposes changes to the Election Act by enhancing election security and transparency by mandating three independent tests of vote counting devices before ballot processing. These tests must be conducted by (1) the election commissioner or county clerk, (2) the chief deputy election commissioner or a registered voter of a different political party, and (3) the person who installed or operates the vote counting device. Additionally, each political party is entitled to appoint one watcher—credentialed by the county central committee—to observe the testing process, with unobstructed access provided via closed-circuit television if in-person observation is restricted.

The bill also requires election officials to certify the completion of the pre-election testing to the Secretary of State, who will publicly post the results on their website.

**LB 647e - Change property tax provisions relating to net book value. Revenue Committee.**

The bill was approved by Gov. Pillen on June 4, 2025.

The measure includes the emergency clause and will become law immediately following approval by the Governor. The Legislature passed LB 647e on May 30, 2025, on a 35-13-1 vote. The bill includes provisions of LB 242 and LB 628, summaries of each follow.

Previously, Senators advanced LB 647 to Final Reading by a 28-6-15 vote on May 9, 2025, after adopting a clarifying amendment dealing with recreational trail easements.

The amendment, AM 1360, eliminates the tax exemption of ten cents per square foot for property owners that provide a perpetual trail easement and just makes the property exempt. These were provisions of LB 628 that were included in the package.

Senators advanced LB 647 to Select File by a 39-0-10 vote on April 29, 2025, after adopting the committee amendment, AM 994.

At the request of Senator Dungan, the committee amendment was adopted through a process called “dividing the question.” That process separated provisions of the amendment that included voting on the subject matter that included LB 131 alone and then voting on the remaining provisions of the amendment.

Senators approved AM 1203, which included the provisions of LB 131 by a 32-11-6 vote, followed by adopting AM 1202, which included the remaining portions of the committee amendment by a 42-0-7 vote.

The Revenue Committee advanced LB 647 to General File on April 16, 2025, with a committee amendment, AM 994. The bill was introduced as a shell bill and was intended to be used for a committee package of bills. No original provisions of LB 647 remain. A couple of bills that NARD was following were included in the package - LB 242 and LB 628. The bills in the package are as follows:

- **LB 131 - Include elementary and secondary schools in the Nebraska educational savings plan trust and change tax benefits. Sorrentino.**
- **LB 242 - Change the Property Tax Growth Limitation Act and the School District Property Tax Relief Act and change provisions relating to budget limitations, municipal occupation taxes, and property tax statements. Riepe**
- **LB 401 - Change provisions relating to income taxes imposed on partnerships and small business corporations and notices of deficiency determinations, deficiencies, and denials of claims for refunds. von Gillern.**
- **LB 628 - Adopt the Recreational Trail Easement Property Tax Exemption Act and change provisions relating to the filing of statements of recorded easements and property tax exemptions. Dover.**
- **LB 709 - Adopt the Adoption Tax Credit Act. Bostar.**

The following provides a summary of the bills included in the committee amendment, AM 994.

- **LB 131 - Include elementary and secondary schools in the Nebraska educational savings plan trust and change tax benefits. Sorrentino.**

The bill is included in LB 647, which passed and was signed into law. The bill seeks to expand the current Nebraska educational savings plan trust to be available to all eligible educational institutions, including elementary and secondary schools, as well as postsecondary institutions. The bill removes language referring to “college” and “higher education” and instead uses “elementary, secondary, and postsecondary.”

The bill removes elementary and secondary education payments from the nonqualified withdrawal list.

NARD was not following the bill, so there are no hearing notes.

- **LB 242 - Change the Property Tax Growth Limitation Act and the School District Property Tax Relief Act and change provisions relating to budget limitations, municipal occupation taxes, and property tax statements. Riepe.**

The bill is included in LB 647, which passed and was signed into law. The bill proposes several changes to the budget limitations passed during the special session in 2024 for cities and counties.

There is one proposed change that impacts the allowable growth and valuation process for all political subdivisions. The bill adds:

- Change in use of real property;
- Any increase in personal property valuation over the prior year; and
- The increase in excess valuation over the redevelopment project valuation within the governmental unit, provided the accumulated excess valuation which exists as of July 1, 2025, shall be included in the calculation of the increase in excess valuation for the governmental unit's first fiscal year beginning on or after July 1, 2025.

*The Revenue Committee held the hearing on LB 242 on March 5, 2025.*

In his opening, Senator Riepe reported the bill is intended to make the law passed in the Special Session workable for cities and counties, many of which are preparing their budgets for the upcoming fiscal year.

Riepe said LB 242 includes a provision to help cities and counties — which currently are subject to a lid on restricted funds, including property taxes — transition to the new method.

Riepe said LB 242 would modify the formula to ensure that it accounts for growth, as intended by the Legislature when it passed the special session bill.

*Proponents*

Lynn Rex testified in support of the bill on behalf of the League of Nebraska Municipalities. She said the current formula fails to work as intended because it does not allow cities and counties to increase their preliminary property tax request authority when inflation is 0% or less.

She said the change is important for the state's growing municipalities, including Gretna, Lincoln and Omaha.

The bill would also repeal current limits on the amounts municipalities can collect from local occupation taxes, which Rex said was the Legislature's intent when it passed LB 34 during the Special Session last August.

Candace Meredith, NACO, testified in support noting that under LB 34, also known as the Property Tax Growth Limitation Act, growth cannot be captured by cities and counties when inflation is 0%. They believed the intent of LB 34, passed during the 2024 special session, was to allow for growth, they introduced LB 234 to carry out that intent.

La Vista Mayor Douglas Kindig also testified in support. The city currently may collect up to \$700,000 per year from its 1% occupation tax on restaurants, he said, but estimates show that it could generate an additional \$650,000 per year over the next decade if the revenue cap was removed.

Kindig pointed out that removing this cap will allow for La Vista to capture the revenue from the growth of the tourism industry without financially impacting our residents and it will allow us to replace the revenue lost with the current property tax growth limitations.

Jack Cheloha, City of Ralston, testified in support noting the need to address calculating the impact of TIF in allowable growth calculations.

Opponents -- No one testified in opposition or in neutral to the bill.

Online testimony was submitted for the record by four proponents and six opponents.

- **LB 401 - Change provisions relating to income taxes imposed on partnerships and small business corporations and notices of deficiency determinations, deficiencies, and denials of claims for refunds. von Gillern**

The bill is included in LB 647, which passed and was signed into law. The bill makes changes to several notice requirement sections as to what needs to be communicated to taxpayers regarding action taken by a determination made by the Tax Commissioner.

When sending notices regarding underpayment, deficiencies, proposed deficiency determinations, or confirming there was no overpayment, the Tax Commissioner would be required to disclose the facts, circumstances, and reasoning in writing.

The bill would allow partnerships and small businesses corporations the discretion to elect to pay taxes, interests, and/or penalties at the entity level. The election is made on the applicable income tax return and must be made by the filing deadline. Additionally, language is added to allow the refundable tax credit for the year the election is made, regardless of when the tax is paid

NARD was not following the bill, so there are no hearing notes.

- **LB 628 - Adopt the Recreational Trail Easement Property Tax Exemption Act and change provisions relating to the filing of statements of recorded easements and property tax exemptions. Dover.**

The bill is included in LB 647, which passed and was signed into law. The original bill was indefinitely postponed at the end of the session as it's provisions were incorporated into LB 647.

The bill proposes to establish property tax exemptions for taxpayers who encumber their property into a perpetual recreational trail easement with an eligible holder. Eligible holder means: (a) A municipality, county, or a land trust accredited by the Land Trust Alliance authorized to hold recreational trail easements within the State of Nebraska; or (b) A nonprofit organization with a mission explicitly aligned with public access, recreational land conservation, and community benefit, authorized to hold recreational trail easements within the State of Nebraska.

Under the original proposal, the property tax exemption would be equal to ten cents for each square foot of the property encumbered by the easement. This was eliminated by AM 1360 on Select File and just makes the property under the easement exempt from property tax.

To qualify for the property tax exemption the easement shall:

- (i) Be perpetual and recorded with the appropriate county register of deeds;
- (ii) Provide public access and connect to existing or planned regional trails or significant local attractions, such as parks, waterways, cultural sites, or residential areas; and
- (iii) Be held by an eligible holder, including nonprofit organizations that demonstrate:
  - (A) A primary mission of promoting public access, health, and wellness through recreational land use;

(B) A commitment to environmental conservation and land stewardship; and

(C) Capacity to oversee and manage trail easements independently or through partnerships with accredited entities, ensuring compliance with public access goals.

As amended on Select File, landowners would follow existing statutes to file exempt status with the county assessor.

The Revenue Committee held the hearing on LB 628 on February 20, 2025.

Sen. Dover opened by outlining provisions of the bill. The bill would ensure landowners are not unduly burdened by property taxes on land used for public good and enriching communities. Sen. Dover offered an amendment provided by the Dept. of Revenue that would eliminate their portion of the fiscal note.

### Proponents

Jason Buss, Volunteer, noted the bill provides a new opportunity to promote trail development without needing to acquire land while providing landowner an equitable incentive. Many other states are utilizing this process. Easements will be much easier than acquisition.

Anna Allen, Assistant City Engineer, Norfolk, testified that the City of Norfolk collaborates with title companies and property owners to secure temporary easements for right-of-way projects, spending approximately \$500,000 annually. A tax waiver would encourage landowners to partner with cities for trail connections, reducing project costs and increasing property values for landowners. Recently, the city secured a grant for a 4-mile trail that will enhance community access, connect towns, and link visitors to Norfolk's historic downtown. This project promotes outdoor recreation and transportation.

Jason Brummels, Executive Director, Trails Have Our Respect (THOR), testified in support. Since 1996, the organization has supported trail development in Nebraska and western Iowa, including building and maintaining trails at Platte River State Park. A significant barrier to expanding trails is the predominance of private landownership. While \$6 million has been invested in trail stewardship, growth is limited by land access, planning, and design challenges. This bill would provide a crucial tool to unlock trail development potential across the state.

Kent McNeill, CEO, International Mountain Bicycling Association, this initiative is essential for expanding outdoor recreation and supporting Nebraska's growing outdoor economy. It would help the state stay competitive in attracting and retaining a skilled workforce. Currently, 80% of Nebraskans use trails, but less than 2% of land is dedicated to public recreation, hindering economic growth. Expanding trail access for landowners offers a common-sense solution to increase economic activity and create jobs tied to outdoor recreation.

- ROI Example: 26 states have established offices for outdoor recreation. Arkansas invested \$75 million in trails, yielding an annual return of \$150 million.

Cait Dumas-Hein, Bike Walk Nebraska, trail development has the power to transform Nebraska's economy, offering a \$4 return on every dollar invested. Expanding trails, such as the Cowboy Trail, would also provide relief for landowners and promote economic development across all Nebraska communities. Cyclists spend approximately 7% more in local communities compared to motorists, highlighting the financial benefits of increased trail access.

In closing, Senator Dover highlighted how LB 628 would remove barriers to outdoor trail development.

Letters submitted for the record included five proponents and three opponents.

- **LB 709 - Adopt the Adoption Tax Credit Act. Bostar.**

The bill is included in LB 647, which passed and was signed into law. The bill adopts the Adoption Tax Credit Act, allowing a refundable income tax credit equal to ten percent (10%) of the federal adoption expenses tax credit. The proposal also authorizes the Department of Revenue to adopt and promulgate the rules and regulations needed to carry out the Act.

NARD was not following the bill, so there are no hearing notes.

### **Section 3 - Bills that have been indefinitely postponed or withdrawn.**

**LR 10CA - 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. Hardin.**

Following a motion by the introducer Sen. Hardin, the measure was withdrawn on February 13, 2025, by a 37-0-12 vote

A constitutional amendment to provide that the State of Nebraska shall impose a retail consumption tax or an excise tax on all new goods and services, that the Legislature may authorize political subdivisions to do the same, and that there shall be no exemption from such taxes except for grocery items purchased for off-premises consumption.

The amendment does not eliminate all other taxes.

**LR 11CA - Constitutional amendment to prohibit governmental entities from imposing any taxes other than retail consumption taxes and excise taxes. Hardin.**

Following a motion by the introducer Sen. Hardin, the measure was withdrawn on February 13, 2025, by a 37-0-12 vote

A constitutional amendment to provide that, beginning January 1, 2028, no governmental entity in the State of Nebraska may impose taxes other than retail consumption taxes or excise taxes.

**LB 191 - Change provisions relating to unlawful interference with telecommunications under the One-Call Notification System Act. Bosn.**

The bill was successfully incorporated into LB 311e via AM 1111 on April 24, 2025. LB 311e was signed into law on May 20, 2025, and a summary can be found on page 35-36.

Following provisions having been included in other enacted legislation, the bill was reported as indefinitely postponed on June 2, 2025.

**LB 175 - Provide duties for the successor in interest of a railroad. Hallstrom.**

The bill was successfully incorporated into LB 398e via AM 842 on April 9, 2025. LB 398e was passed on May 28, 2025, and a summary can be found on pages 46-47.

Following provisions having been included in other enacted legislation, the bill was reported as indefinitely postponed on June 2, 2025.

**LB 331 - Adopt the Nebraska EPIC Option Consumption Tax Act and terminate tax provisions. Hardin.**

Following a motion by the introducer Sen. Hardin, the measure was withdrawn on February 13, 2025, by a 36-0-13 vote

The bill establishes the Nebraska EPIC Consumption Tax Act, where EPIC stands for the elimination of property, income, and corporate taxes. The bill proposes to repeal such taxes on Dec. 31, 2027. Beginning Jan. 1, 2028, imposes a flat tax on the use or consumption in Nebraska of taxable property or services at the rate of 7.5%. No consumption tax shall be imposed on the purchase of fuel or for used property or service purchased for a business purpose in a trade or business.

**LB 344 - Change provisions relating to ground water allocation. Brandt.**

Provisions of LB 344 were incorporated into LB 36 via AM 635 on April 9, 2025. LB 36 was signed into law on May 20, 2025 and a summary can be found on pages 11-13.

Following provisions having been included in other enacted legislation, the bill was reported as indefinitely postponed on June 2, 2025.

**LB 480 - Change provisions relating to the Water Recreation Enhancement Act. DeKay.**

Provisions of LB 480 were incorporated into LB 36 via AM 635 on April 9, 2025. LB 36 was signed into law on May 20, 2025 and a summary can be found on pages 13-14.

Following provisions having been included in other enacted legislation, the bill was reported as indefinitely postponed on June 2, 2025.

**LB 568 - Provides Arbor Day Plates and the Home of Arbor Day Plate Cash Fund and change provisions relating to license plates. Fredrickson.**

The bill, as amended by committee amendment AM 269, was incorporated into LB 398 via AM 842 on April 9, 2025. LB 398e was passed on May 28, 2025, and a summary can be found on pages 47-48.

Following provisions having been included in other enacted legislation, the bill was reported as indefinitely postponed on June 2, 2025.

**LB 590 - Provide for a mitigation bank or an in-lieu fee program relating to the incidental taking of threatened or endangered species. Moser.**

Provisions of LB 590, as amended by the committee amendment (AM 289), were incorporated into LB 36 via AM 635 on April 9, 2025. LB 36 was signed into law on May 20, 2025 and a summary can be found on pages 15-17.

Following provisions having been included in other enacted legislation, the bill was reported as indefinitely postponed on June 2, 2025.

**LB 595e - Create the Research Excellence Cash Fund. Prokop.**

Provisions of LB 595, as amended by the committee amendment (AM 619), were incorporated into LB 36 via AM 635 on April 9, 2025. LB 36 was signed into law on May 20, 2025, and a summary can be found on pages 18-19.

Following provisions having been included in other enacted legislation, the bill was reported as indefinitely postponed on June 2, 2025.

**LB 628 - Adopt the Recreational Trail Easement Property Tax Exemption Act and change provisions relating to the filing of statements of recorded easements and property tax exemptions. Dover.**

Provisions of LB 628 were incorporated into LB 647e via AM 1202 on April 29, 2025. LB 647e was passed on May 28, 2025, and a summary can be found on pages 52-53.

Following provisions having been included in other enacted legislation, the bill was reported as indefinitely postponed on June 2, 2025.

**Section 4 - Bills that will be carried over for the next session.**

**LR 12CA - Constitutional amendment to impose a limit on ad valorem taxes for real property, provide a new method of valuing real property for tax purposes, provide certain exceptions, and eliminate conflicting constitutional provisions. Kauth.**

A constitutional amendment to eliminate the uniform and proportionate language in the constitution for taxes on real property. The amendment also eliminates the language to allow ag land to be a separate class of property. This section allows ag land to be valued at 70% of the market value rather than full market value.

The new method would be to value real property at full cash value. Full cash value is defined as the county assessor's valuation of real property for 2027 or, thereafter, the appraised value of real property when purchased, when newly constructed, or when a change in ownership has occurred after the 2027 assessment.

The full cash value shall be adjusted from year to year by the inflationary rate, not to exceed two percent for any given year, or the deflationary rate, if applicable, as shown in the consumer price index or comparable data for the area subject to taxation, and may also be reduced to reflect substantial damage, destruction, or other factors causing a decline in value.

Beginning January 1, 2027, the maximum amount of any ad valorem tax on real property shall not exceed one and one-half percent of the full cash value of such property. Such tax shall be collected by the counties and apportioned as prescribed by the Legislature to the political subdivisions within the counties.

**The Revenue Committee held the hearing on LR 12CA on February 28, 2025.**

Sen. Kauth opened discussing that the measure is modeled after Proposition 13 out of California. Sen. Kauth brought the measure to have a discussion and compare this concept to other property tax relief measures being considered. She noted the measure would give consistency and stability to taxpayers. The property tax would be set at 1.5% of the sale of a home. Sen. Kauth discussed that ongoing conversations and calculations suggest that the amount for ag land should be 1.125%.

Sen. Dungan discussed that prop 13 caused political subdivisions to face budget deficits and that the state had to pick up that deficit – he followed that up with asking if there is anything in this measure to prevent that? Sen. Kauth noted California started at 1%, and with this measure she found that 1.5% seemed to be an amount that would be close to current average rates.

**Proponents**

Doug Kagan, Nebraska Taxpayers for Freedom, testified in support, highlighting the burdens of Nebraska's property tax system. He suggested this measure would mitigate bonds and force bond efforts to become more highly scrutinized. He suggested the measure would take the issue out of the hands of the legislature and give Nebraska voters the opportunity to address the issue at the ballot box.



Alan Seybert, Nebraska Taxpayers for Freedom, testified in support and echoed testimony provided by Doug Kagan.

### Opponents

Stacey Watson, testified in opposition on behalf of the Omaha, Lincoln, and Nebraska Chambers. Her testimony outlined several issues proposition 13 has created in California. The measure creates an inequality in property tax. Additionally, the burden is placed on other forms of taxation, suggesting people stay in Nebraska vs California due to low income taxes.

John Cannon, NACO, testified in opposition, highlighting the impact the measure would have on Nebraska's uniformity clause and the predictability it brings. Cannon provided the committee with examples of the discrepancy and inequality that would be created between properties recently sold and properties that haven't sold for years.

Lynn Rex, League of Municipalities, testified in opposition echoing the testimony of previous testifiers.

Sen. Kauth closed noting that the failures of California are not related to prop 13. She suggested opponents and entities don't want to give up the hidden windfall that comes with valuation increases.

Letters were submitted for the record by three proponents, three opponents, and one neutral.

### **LR 16CA - Constitutional amendment to require the Legislature to reimburse political subdivisions. Urban Affairs Committee.**

A constitutional amendment to require the state to reimburse political subdivisions for responsibilities imposed by the Legislature after the year 2026 or for increased levels of service required by the Legislature after the year 2026.

*The Government Committee held the hearing on LR 16CA jointly with LR 18CA on February 27, 2025.*

For hearing notes on LR 16CA see LR 18CA below.

### **LR 18CA - Constitutional amendment to require the Legislature to reimburse political subdivision. Government Committee.**

The Government Committee reported LR 18CA to General File on March 11, 2025, following an 8-0 committee vote.

A constitutional amendment to require the state to reimburse political subdivisions for responsibilities imposed by the Legislature after the year 2026 or for increased levels of service required by the Legislature after the year 2026.

*The Government Committee held the hearing on LR 18CA jointly with LR 16CA on February 27, 2025.*

Sen. Sanders introduced LR 18CA by noting the need to address property taxes. Citing a recent report that Nebraska property taxes are the 8<sup>th</sup> highest in nation. Nebraska has wrestled with this issue for years as the Legislature has steadily added other duties to local governments. Anytime we tell them to do something new, it comes with an expense.

Sen. Sanders discussed that if efforts to reduce the property tax burden in the state are serious, then unfunded mandates need to be part of the solution. Sen. Sanders noted the proposal has been voted out of committee to the floor twice – once in 2022 and again during the 2024 special session. The committee needs to do its part to solve the problem for Nebraska.

Sen. McKinney introduced LR 16CA on behalf of the Urban Affairs Committee, noting political subdivisions have been left to absorb financial burdens. Sen. McKinney discussed that if the state deems a new program necessary, they should fund it and reimbursements must come through direct appropriation.

### Proponents

Lisa Alers, Nebraska Association of School Boards and Grand Island Public Schools, testified in support. Unfunded mandates have strained school resources. Unfunded mandates disproportionately burden smaller school districts.

Jack Moles, Nebraska Rural Community Schools Association, testified in support highlighting that it's not just unfunded mandates, but also underfunded mandates. Moles noted there are about 30 bills this year that might add local costs to districts. Often, they're small costs, but they hit the small districts especially hard.

Joe Dondlinger, City of Lincoln, testified in support noting the measure would help protect taxpayers and ensure cities could continue to provide services.

Christy Abraham, testified in support on behalf of League of Nebraska Municipalities. Abraham provided a list of unfunded mandates, noting it's not an exhaustive list. Often unfunded mandates are not bad, but the costs get placed on counties and municipalities.

David Klug, Sarpy County Commissioners, testified in support. Klug provided that \$15 million, or 15%, of Sarpy County's budgeted expenditures in 2024 went to fund unfunded mandates in 2024.

Beth Bazyn Ferrell, NACO, testified in support noting that we need to recognize the link between the state and the counties, and the funding impact when something new is put in place.

NARD submitted written testimony on behalf of Nebraska's Natural Resources Districts (NRDs) to express our support to LR 16 & 18 CA.

We appreciate the two committees recognizing there is a cost shifted back to political subdivisions to implement programs approved by the legislature. What has been missing over the years is recognizing that these programs cost money to implement and they fall back on property taxes to pick up the cost.

In 2004, the Legislature passed a bill to declare the Platte River over-appropriated. This bill, LB 962, required NRDs in over appropriated areas of Nebraska, as designated by the Nebraska Department of Natural Resources, to create Integrated Management Plans (IMPs). These plans are an incremental approach aimed at achieving and sustaining a fully appropriated condition while maintaining economic viability, social and environmental health, safety, and welfare of the Basin.

The initial increment of IMPs required NRDs to offset over 18,400 ac/ft of depletions to the Platte River upstream of Chapman. To meet these requirements, NRDs were confronted with the choice of implementing potentially devastating regulations, posing a threat to local economies, or seeking alternative options for returning water to the river. NRDs were able to meet the mandates of the initial increment by pursuing studies, conjunctive management projects, irrigation retirements, and leases. **However, these efforts came at a cost of more than \$57 million to local NRDs which came from property taxes.**

The NRDs in the over appropriated area of the Upper Platte Basin now find themselves in the middle of the required IMP's second increment which has to be in place by 2029. Not only are NRDs tasked with the costly endeavor of maintaining the actions implemented during the initial increment, they also must implement further programs and projects to offset additional depletions that exceed those required during the 1<sup>st</sup> increment.

A recent example of the cost is a bill passed last year to implement the Nitrogen Reduction Incentive Act. This bill required a payment of at least \$10 acre to farmers that reduced their nitrogen application by at least 15% or 40 pounds per acre. This bill helps address the nitrogen reduction loads that might get into groundwater. There were 1,137 applications to enroll 156,143.59 acres in the first year.

The NRDs dedicated significant staff time working with individual producers, helping them compile their data and complete the necessary information. We also worked with crop consultants, local agronomists and nitrogen technology dealers to promote the program. Many also did radio, social media posts, newspaper ads and newsletters to promote the program. This took time away from other duties and was not reimbursed. We will also have time spent on compliance checks and issuing final payments.

There is another bill introduced this year to increase funding for the program with LB 638. We are working with the sponsor of the bill and the Agriculture Committee to consider allowing a 10% administrative fee to assist with the cost of the program moving forward.

While the amount might seem small, roughly \$100-125 thousand, the cost to implement and administer new programs adds up and it falls back on property taxes.

We encourage your support for the language included in LR 16 CA and 18 CA.

Opponents – There was no opposition and no neutral testimony.

Letters were submitted for the record by 14 proponents.

Sen. Sanders closed by reiterating it's time for the committee to advance this measure to the floor for the third time.

**LR 22CA - Constitutional amendment to provide the right to a clean and healthy natural environment and that the state and political subdivisions serve as trustee of the natural resources of Nebraska. Dungan.**

A constitutional amendment to require that all people have a right to a clean and healthy environment, including pure water, clean air, healthy soils, balanced ecosystems, a safe climate, and diverse and abundant native flora and fauna and to the preservation of the natural, cultural, scenic, recreational, and healthful qualities of the environment.

The state, and each subdivision thereof, shall serve as trustee of the natural resources of Nebraska and shall conserve, protect, and maintain such resources for the benefit of all the people, including present and future generations. The rights and obligations in this section shall be self-executing.

The Natural Resources Committee held the hearing on LR 22CA on February 26, 2025.

Sen. Dungan opened by noting the idea for the resolution came following his attendance at a youth climate summit and a presentation about the green amendment. There are three states that have adopted a green amendment – Pennsylvania, Montana, and New York – and nine other states are currently considering the measure.

Sen. Dungan discussed the amendment, which would ensure that the government, including at the state and local level will work to enhance the environment at every level of the decision-making process. The measure will legally rank the right to environmental health along with other conditional protected rights.

Sen. Dungan discussed that the measure does not create private rights of action against another citizen, rather the goal is to provide individuals ability to take action against government when it infringes on their rights. The language for the amendment comes from case law from states where this has been adopted. Montana and Pennsylvania adopted this in the 1970s.

Sen. Hughes presented a hypothetical scenario regarding nitrates, and what the measure would mean when an individual who buys land and digs a well that has high nitrates? Sen. Dungan discussed that the way he understands it, when the government makes a decision that caused it, an individual would have to prove the government caused it and ultimately case law would need to be referenced.

Sen. Hughes asked about the references to pure water and clean air, and if those are defined? Sen. Dungan noted the courts would need to look at case law for determinations of definitions. Sen. Dungan mentioned there have been an average of 3-10 cases a year in states with this in place.

### Proponents

Sheridan Macy, Attorney from Omaha, testified in support. She noted she helped draft the language. She discussed that it's the duty of state government to protect people and when people are not protected, this enables them to sue the government.

Other proponents included Nebraska Sierra Club, Nebraska Power and Light, GC Resolve, and several student and climate activist groups. Proponent testimony highlighted concerns over climate change and other environmental threats. Several testifiers referenced nitrate contamination and threats to water quality. A common theme was this would allow for legal action allowing the courts to sort out holding government accountable.

### Opponents

NARD submitting written testimony on behalf of Nebraska's Natural Resources Districts to express our opposition to LR 22CA.

While ensuring a clean and healthy natural environment for all Nebraskans is a laudable goal, we believe this constitutional amendment makes promises Nebraska cannot keep.

Nebraska's NRDs already serve as trusted stewards of our natural resources, using a locally driven approach, to balance environmental protection with the economic needs of our communities. This system has been highly effective in addressing local resource concerns—whether it be groundwater quality/quantity management, soil conservation, or flood control.

There are areas in the state that have nitrate contamination from excess fertilizer applied over the last 50 years. This problem did not arise overnight and will not be cleaned up overnight. We are on the right path to reverse the trend, but it might take decades to make all water safe to drink.

The vague language of LR 22CA could introduce legal uncertainty, increase litigation, and create overlapping responsibilities that might weaken the authority of NRDs to make timely, localized decisions. This could result in funding legal actions, not corrective actions to improve and protect natural resources.

Additionally, Nebraska already has strong environmental protections in place under existing statutes and regulations. Adding a constitutional amendment could lead to conflicts with these existing frameworks, creating uncertainty for both regulators and those who rely on Nebraska's natural resources for their livelihoods—particularly our agricultural sector.

In conclusion, while we support the intention behind LR 22CA, Nebraska's NRDs believe that the amendment is unnecessary and could unintentionally weaken the very conservation system that has served our state effectively for decades. I urge the committee to reject this measure and instead continue supporting the strong, locally driven resource management model we have in place.

Dave Begley, an Attorney from Omaha, testified in opposition highlighting this would be the most extreme and expensive measure ever offered in the Unicameral. It would skyrocket the budget deficit as every liberal attorney in the state would file lawsuits.

### Neutral

Allie Bush, Nebraskans Against Government Overreach, testified in a neutral capacity. Bush suggested if the government gets sued, they kind of deserve it. She referenced Nebraska statute 2-3237 and suggested NRDs contract with other entities for weather modification and she would like to see a ban on weather modification, so heavy metals and chemicals are not being put in the air.

Letters were submitted for the record by 138 proponents, nine opponents, and one neutral.

Sen. Dungan closed suggesting that the opposition is concerned about frivolous lawsuits, but no lawsuit that has been brought under this measure in other states has been dismissed as frivolous. He does not think there will be an influx of litigation in Nebraska.

Sen. Conrad inquired if inaction would result in a ballot initiative? Sen. Dungan suggested this is the beginning of the process and there may be a broader effort.

Sen. DeKay asked if this puts more clarification on the nitrate issue? Sen. Dunigan suggested it presents a platform for the issue to be discussed.

The Committee reported no action on the measure.

### **LR 27CA - Constitutional amendment to change legislative term limits to three consecutive terms. Hunt.**

The proposed amendment extends the term limits for the legislature to three consecutive terms.

The Executive Board held the hearing on LR 27CA jointly with LR 19CA on February 27, 2025.

For hearing notes, see LR 19CA on pages 4-6.

### **LB 86e - Appropriate funds to the Department of Natural Resources. Dorn.**

The bill proposes a \$500,000 appropriation from the General Fund to the Department of Natural Resources for the purpose of issuing a grant to a natural resources district that has more than two hundred fifty watershed structures in order to fund projects involving the operation, maintenance, or repair of such structures.

The bill adds a requirement that a project is eligible for grant funding under this section if the total cost of the project exceeds \$30,000 per structure. The bill includes the emergency clause.

The Appropriations Committee accepted testimony on the bill on March 18.

Sen. Dorn introduced LB 86 as a straightforward request for essential funding aimed at aging infrastructure. If the state expects to keep farms and communities safe, it must invest to rehabilitating critical infrastructure. While NRDs have done an outstanding job managing these systems, relying on patchwork repairs is not a sustainable long-term solution.

Sen. Dover asked about current annual expense for maintaining dams?

Sen. Dorn noted the state is not investing anything in these efforts. While NRDs receive some federal funds it's minimal.

### **Proponents**

Kyle Hauschild, the General Manager of the Nemaha Natural Resources District, testified as a proponent to LB 86 on behalf of the Nemaha NRD and the Nebraska Association of Resources Districts.

Over the past 70 years southeast Nebraska has been developed as one of the biggest stormwater infrastructures in the state. Currently 518 dams have been constructed within the Nemaha NRD, and 379 are

operated and maintained by the NRD. Most of these structures were constructed prior to the inception of the NRD system in 1972. When the NRDs took over these entities, they also inherited the responsibilities of these structures.

PL 534 and PL566 were federal programs that were used to build many of the watershed structures around the state, with many of these structures being built prior to the inception of the NRD system. PL 534 was a pilot project that was created to provide grade and flood control, and the Nemaha NRD is proud to house the first plan that was ever completed, which started in 1953 and was completed in 1962. When these dams were constructed, the design life was 50 years, leaving the Nemaha NRD with many structures that have far surpassed their design life. This fund was established for the construction of these dams, not the operation, maintenance or rehab.

There is a funding need to fix these structures that have served their purpose. Just like all infrastructure, these dams need rehabilitation to make sure they can serve the public for another 50 plus years. The NRDs have been working to keep up with the needs of dam maintenance. With our limited budget at the Nemaha NRD of just short of \$4 million, we are not able to keep up with the rehabilitation needs and the upkeep of these structures alone.

The NRDs strive to provide superior public services and keep our property tax levy as low as possible. It has been estimated that if the Nemaha NRD were to rehabilitate all of the dams that are at or over 50 years old, it would cost \$10.5 million, and that cost increases each year with more dams added to the list. Completing these projects is a big task with a limited budget and a large price tag.

He recognized the bill is very narrow so only a couple of NRDs can benefit and are willing to work with the committee and interested parties to look at additional funding so all NRDs can participate. He attached some fact sheets to this testimony to provide additional background information on all of the structures in Nebraska.

We need financial help with keeping this valuable infrastructure in place, operating as designed, and protecting the people and the resources above and below them. Going with the motto of the NRDs, we are here for “protecting lives, protecting property, and protecting the future.” These dams have done that for over 70 years, and we ask for help to protect them for 70 more.

Kyle was asked how dams are prioritized for maintenance and the cost associated with it?

Nemaha NRD has a priority list of Dams from oldest to newest. Various maintenance strategies are used, with slip lining being a key resource. Slip lining has a 75 year warranty and costs an average of \$60,000 per structure. General maintenance averages \$5500 per year per structure.

Spivey asked questions related to planning?

NRDs have our own maintenance schedules and work with NeDNR on dam safety inspections and provide comments on them. It's easy to budget for maintenance but hard to plan for unforeseen issues that arise. Spivey asked questions related to funding? Federal funds were established to build dams, but not maintain dams. All maintenance falls back on owners, so NRDs are charged with all operation and maintenance.

Sen. Dover, do you look at size when prioritizing?

The primary factors are the need and age of the structures rather than the size.

Sen. Clements do you levy at your limit?

We do levy but we are not at our maximum.

In closing, Senator Dorn mentioned that larger dams serve multiple purposes beyond flood control, including recreation and environmental benefits. Investing in their maintenance ensures they continue to provide these vital services for communities.

Letters submitted for the record include three proponents.

The Committee has not reported any action on the bill.

**LB 145 - Require the Director of Agriculture to administer a grant program relating to noxious weeds and restate intent regarding appropriations for vegetation management. Ibach.**

The bill modifies the Noxious Weed and Invasive Plant Species Assistance Fund.

First, the bill eliminates the permissive language (may) and requires (shall) the Director of Ag to administer a grant program to assist local control authorities and other weed management entities in the cost of implementing and maintaining noxious weed control programs and in addressing special weed control problems as provided in law.

The bill also increases the intent language to appropriate funding from \$3 million a year to \$6 million annually beginning in FY 2025-26 for the management of vegetation within the banks or flood plain of a natural stream.

**The Agriculture Committee held the hearing for LB 145 on January 28, 2025.**

Sen. Ibach opened on the bill noting there was \$5 million appropriated in 2007 to control invasive species that prevent delivery of water. Due to lean budget years it has been cut. Last year, the committee heard from weed management agencies that applications were accepted but the Nebraska Department of Agriculture (NDA) said they would no longer provide grants. The legislature protected funds last year and the agency decided to ignore the intent. The State needs to support weed management agencies. Having two-year contracts vs one-year contracts may be a better solution.

Sen. Ibach provided an overview of compact and how remediation of invasive riparian species protects states compliance.

**Proponents**

John Thorburn, manager of Tri-Basin NRD, testified on behalf of the Tri-Basin NRD and the Nebraska Association of Resources Districts in support of LB 145.

Tri-Basin NRD is responsible for protecting the soil and water resources of Gosper, Phelps and Kearney counties in South-Central Nebraska. Our NRD helped organize both the Platte Valley Weed Management Area and the Twin Valleys Weed Management Area. NRD staff work with these entities, helping to identify areas that need treatment and contacting affected district landowners to secure their cooperation with Phragmites control efforts on their properties. We have also provided as much as \$20,000 of our local funds annually for the past 15 years to support the Platte Valley Weed Management Area.

Thorburn noted he personally worked with former state senator Tom Carlson to develop LB 98 back in 2009. This act created the Noxious Weed and Invasive Species Assistance Fund, which is the subject of our discussions today. That fund was created to address a crisis. At the time, the Republican River below Harlan County Dam was choked with phragmites to such an extent that the weeds held up stream flows and caused lowland flooding. Phragmites was also expanding into the Platte River. Working with the Nebraska Department of Ag, we used state funds to leverage local contributions and got the Weed Management Areas, or WMAs, up and running. Within three years, we nearly eradicated Phragmites on the Republican River and cleared it from the main channels of the Platte as well.

Over the past 15 years, WMAs have received modest, but steady funding from several sources and have utilized those dollars extremely effectively, keeping invasive riparian plants under control in our river systems. Steady, predictable funding is key to effective management of invasive plants. This can't be an on

again/off again process. Missing even one spray season could unravel the progress that we've achieved over the past 15 years. We don't expect the state to pay all the cost of managing invasive riparian plants, but we do need a reliable, predictable partner.

He thanked Senator Ibach for introducing this bill. He also thanked the committee for consideration of this proposal and urged advancement to General File.

Letters were also submitted in support of the bill by Lyndon Vogt, Central Platte NRD, and by John Winkler, Papio Missouri River NRD.

Don Batie testified in support on behalf of Nebraska Farm Bureau and Ag Leaders Working Group. The state has been working to eradicate noxious weeds, but it is expensive and an ongoing battle. Sen. Hansen asked a question about property rights. Batie noted that noxious weed law requires property owners to control noxious weeds, if you don't, the county can control them and bill you for it.

Jon Cannon testified in support on behalf of the Nebraska Association of County Officials (NACO). He provided an overview of the Republican River compact noting that in 2010 Nebraska was sued for \$71 million for not meeting compliance with compact flows, but that was reduced to \$5 million, demonstrating the ROI. He noted this is a state issue, as evident by Nebraska being sued, not the counties.

Brent Meyer of Lancaster County testified in support on behalf of Weed Control Association, Lower Platte Weed Management Area and Lancaster County. He noted the issue is the responsibility of the state. Legislation creates strong partnerships between agencies, including local NRDs. All citizens benefit from the control of noxious weeds.

Mike Reed, Riparian Task Force Committee Chair and Douglas County Weed Superintendent, testified in support and provided several examples of noxious weed management successes statewide.

Katie Torpy testified in support on behalf of The Nature Conservancy. She noted that supporting proactive and collaborative approaches are key to addressing invasive weeds.

Todd Boller, Filmore County and Twin Valley Weed Management Area, testified in support. He outlined that even though funding was available, NDA did not release or distribute the funds, this limited the ability to secure other funds.

Jon Hansen testified in support on behalf of the Nebraska Farmers Union. His testimony reiterated that issues like compact compliance are state responsibility and obligation.

### Opponents

There were no opponents to the bill.

Letters were submitted for the record by 21 proponents and no opponents.

In closing, Sen. Ibach noted that these funds include cost-share for landowners. Sen. Ibach noted we jeopardize losing monetary help from neighbors if the state doesn't contribute. She noted counties and applicants are very prudent with funds and reiterated that stable and predictable funding is critical.

The committee reported no action on the measure.

### **LB 147 - Change provisions relating to approval and regulation of adding fluoride to the water supply of certain political subdivisions. Hansen.**

The bill makes it permissible for a public or private entity to add fluoride to the water supply for human consumption in the amount and manner prescribed by the rules and regulations of the Department of Health and Human Services.



*The Health and Human Services Committee held the hearing on LB 147 on March 12, 2025.*

The hearing for LB 147 lasted nearly 3.5 hours; this is a condensed summary of the key discussions and testimonies.

Sen. Hansen introduced LB 147 to remove the state's mandate requiring fluoride in public water supplies, arguing that fluoridation should be a local choice. Since the mandate began in 2008, 49 of 61 Nebraska communities have voted to remove fluoride, reflecting widespread opposition to forced consumption of what many view as medication.

While fluoride occurs naturally, the synthetic form added to water is classified as an acid. Research from experts, including Dr. Lemphaear and studies from the CDC and EPA, suggest potential risks to brain development, particularly in infants and children, who retain more fluoride than adults. Studies also indicate a link between fluoride exposure and lower IQ levels.

Fluoride is effective in cavity prevention, but topical application through toothpaste is a safer, more targeted method than ingestion. The rise in fluorosis further supports concerns about overexposure. LB 147 does not ban fluoride—communities can still choose to fluoridate—but it removes the mandate, ensuring decisions about water fluoridation are made locally rather than imposed statewide.

*Proponents*

Seven individuals testified in support of LB 147 arguing that Nebraska should end mandatory water fluoridation, aligning with the growing national movement against it. Supporters of LB 147 cited health risks, lack of proven benefits, and concerns over personal choice and financial burdens. Stuart Cooper (Fluoride Action Network) noted that Nebraska is one of only 12 states still requiring fluoridation despite studies linking fluoride to neurotoxicity and increased dental fluorosis.

Allie Bush (Nebraska Against Government Overreach) framed fluoridation as forced medication, advocating for local control. Lisa Hatterman (Concerned Parent) and Dianne Plock (public health advocate) raised concerns about fluoride's potential neurological effects, its role in pipe corrosion, and the costs to taxpayers. Tracy Aksamit highlighted mixed research results on fluoridation's effectiveness, while Dr. Stacy Skold and Kendra White pointed to ethical concerns, financial motives behind fluoride use, and recent studies questioning its safety.

Collectively, proponents stress potential health risks, lack of conclusive benefits, financial concerns, and the right to personal choice in water fluoridation policy.

*Opponents*

Ten individuals testified in opposition of LB 147 arguing that water fluoridation is a proven, cost-effective public health measure that significantly reduces cavities, particularly for low-income families and children without regular dental care. Dr. Jessica Meeske and Dr. Scott Morrison (Nebraska Dental Association) emphasized its proven effectiveness, citing studies showing a 25% reduction in cavities with no credible evidence of harm at the recommended 0.7 mg/L level.

Dr. Timothy Tesmer (DHHS) and Dr. Ann Williamson (UNMC) dismissed concerns based on studies with excessive fluoride exposure, asserting that fluoridation in the U.S. remains safe and beneficial. Dr. Debra Esser (BCBS) and Dr. Stacie Pleiar linked poor dental health to broader health issues, highlighting increased infections and absenteeism in non-fluoridated communities.

Local studies presented by Charles Cone and Johnny Johnson demonstrated tangible benefits, including a dramatic drop in dental referrals after fluoridation began in Burwell and increased cavity rates in non-fluoridated areas of Alaska.

Opponents maintain that fluoridation is a science-backed public health measure that prevents costly dental procedures and reduces long-term health disparities.

In closing, Sen. Hansen reiterated that the evidence linking fluoride to health risks remains unchallenged by opponents, who prioritize cavity prevention over broader public health concerns. Studies from the National Institutes of Health indicate fluoride-related issues, with some research showing adverse effects even at the current 0.7 mg/L level.

He pointed out that if fluoride were essential, the 38 states without mandates would have implemented them—but they have not. Nebraska should reconsider its outdated requirement.

Letters were submitted for the record by 53 proponents, 105 opponents, and one neutral.

The committee reported no action on the measure.

**LB 163 - Create the Office of Climate Action. Spivey.**

The bill proposes to create the Office of Climate Action within the Department of Environment and Energy.

The office shall work with interested stakeholders in climate action, political subdivisions, and organizations supporting climate action across the state to enhance education and skills, provide technical support, and expand access to resources to support climate action. The office shall serve as a point of contact to assist with policies and programs dealing with climate action.

On or before July 1, 2026, the Office of Climate Action shall create a climate action plan that shall propose actions to:

(a) Manage the risks of climate change impacts on the state; and (b) Reduce the causes of climate change within the state.

On or before July 1 of each year, the Office of Climate Action shall file with the Clerk of the Legislature an annual report that details:

- (a) The extent to which state legislation enacted the prior year supports, hinders, or affects climate action;
- (b) The amount of federal dollars secured for climate action across this state;
- (c) Any technical assistance provided by the Office of Climate Action to stakeholders, political subdivisions, and organizations;
- (d) The number of times the Office of Climate Action collaborated with stakeholders, political subdivisions, and organizations;
- (e) A synopsis of localized climate action plans and programs; and
- (f) Any recommendation for additional climate action through investment or activities.

For purposes of the act, climate action is defined to mean any effort to combat climate change and its effects.

*The Natural Resources Committee held the hearing for LB 163 on January 30, 2025.*

Sen. Spivey opened the hearing by outlining main components of the bill, noting the Department of Environment and Energy would act as the quarterback, coordinating statewide climate activities. This would build on activities the department is already doing. She noted that states with climate offices have been successful in securing federal dollars for projects.

During questioning, Sen. Spivey was asked about the fiscal note, she discussed that it included adding new jobs and totals \$710,000. She noted that she talked to the department, and that they're already doing much of this climate work and suggested they could allocate the time of existing staff to this new program. She also noted that while she calls it an "office" in the bill, but she sees it within NDEE and they would refer to it as a "program."

*Proponents*

Kenneth Winston, Nebraska Power and Light, provided testimony in support. During his testimony he highlighted his concerns with climate change impacts across the state. He noted NDEE's ONE RED plan the state has received funding for has not been carried out yet, and suggests this bill would provide dedicated expertise in that area.

Mia Perales, an Environmental Engineering Student at UNL, testified in support. She shared with the committee about experiencing record heat every year and record disastrous events. She noted this bill is about protecting Nebraska youth and providing a safe environmental future. She suggested the office would create jobs for people and encourage youth to stay in the state.

Meghan Sittler, Audubon Great Plains, testified in support. She noted the Audubon is focused on preservation of birds and that climate change is significant threat to birds. This bill would provide for strategic work within NDEE.

John Hansen, Nebraska Farmers Union, testified in support. He noted that insurance companies are facing record losses and natural disasters are becoming more extreme and expensive. He noted the state needs to do a better, more focused job of bringing funds to Nebraska.

*Opponents*

There were no opponents.

*Neutral*

Jeff McCaslin with the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) testified in a neutral capacity. His testimony highlighted that ASHRAE would like to make themselves available for technical assistance as stakeholders and subject matter experts.

Sen. Spivey waived closing. Comments were submitted for the record by 57 proponents and 64 opponents.

The Committee reported no action on the measure.

***LB 242 - Change the Property Tax Growth Limitation Act and the School District Property Tax Relief Act and change provisions relating to budget limitations, municipal occupation taxes, and property tax statements. Riepe.***

Provisions of LB 242 were incorporated into LB 647e via AM 1202 on April 29, 2025. LB 647e was passed on May 28, 2025, and a summary can be found on pages 51-52.

**LB 309 - Adopt the Safe Battery Collection and Recycling Act. Hughes.**

Provisions of LB 309 were incorporated into LB 36 via AM 635 on April 9, 2025. LB 36 was signed into law on May 20, 2025, and a summary can be found on pages 9-11.

**LB 384 - Require a majority of the elected members of the governing bodies of participating political subdivisions to attend joint public hearings under the Property Tax Request Act. Storer.**

The Revenue Committee advanced LB 384 to General File on March 20, 2025, with Committee Amendment AM 703.

The amendment replaces the words "a majority of the elected members" with "one voting member" to require that at least one voting member of the governing body shall attend such joint public hearing

This proposal deals with cities, counties and school districts when they seek to increase its property tax request by more than the allowable growth percentage. This does not apply to NRDs.

The law requires that each such political subdivision shall designate one representative to attend the joint public hearing on behalf of the political subdivision. If a political subdivision includes area in more than one county, the political subdivision shall be deemed to be within the county in which the political subdivision's principal headquarters are located.

The original proposal would require at least a majority of the elected members of the governing body to attend the joint public hearing, which is eliminated with AM 703.

**The Revenue Committee held the hearing for LB 384 on February 13, 2025.**

Sen. Storer introduced LB 384, a bill requiring a majority of the board to attend joint public hearings.

In recent years, pink postcards have provided clear information on property tax increases. LB 384 strengthens the truth-in-taxation law by ensuring that a majority of the board members – those responsible for voting – are present at the joint public hearing. This measure enhances transparency in local government.

By mandating attendance, the bill holds elected officials accountable and modernizes the process, ensuring decision-makers are directly engaged in these critical discussions.

The intent is to have elected officials present to hear directly from their constituents. Currently, they are not required to attend, allowing substitutes—such as a county clerk—to represent them instead. This bill ensures that those making the decisions are the ones listening to public concerns.

**Proponents**

Doug Kegan testified in support on behalf of Nebraska Taxpayers for Freedom. The intent of the Truth and Taxation law was to require elected officials to be present at public hearings. However, very few elected officials attend these hearings to face the public. Instead, they send representatives who are not required to answer questions. By requiring a majority of governing members to attend, each official can provide their reasoning for tax increases while being directly accountable to the public.

Alan Seybert of Omaha testified in support on behalf of Nebraska Taxpayers for Freedom. She noted if a political subdivision wants to exceed its taxing authority, a majority of elected officials should be required to attend the hearing. All elected officials should be present.

Nicole Fox testified in support on behalf of the the Platte Institute. As a supporter of LB 644, which passed in 2021, I worked closely with Sen. Hansen to create a direct postcard notification for the public hearing process. We identified the four highest subdivisions responsible for the largest tax increases. The purpose of

joint hearings is to prevent Nebraskans from having to take time off work to attend multiple hearings ensuring only one consolidated hearing is held. We believe this proposal is reasonable and continues to strengthen the ability of Nebraskans to engage directly with local officials responsible for tax decisions.

Carter Thiele testified in support on behalf of Lincoln Independent Business Association. He noted LB 644 was created with the understanding that local property tax increases significantly impact Nebraskans. The law was designed to provide transparency, justification for increases, and an opportunity for community feedback. However, the law's intent—to ensure resident feedback matters—is undermined when voting board members do not attend hearings. This proposal aligns with the Truth and Taxation law by requiring decision-makers to be present and engaged. It ensures governing members are willing to listen to their constituents. It allows residents who take the time to attend budget hearings to interact directly with elected officials making the decisions.

Ryan McIntosh testified in support on behalf of the National Federation of Independent Business. He noted when the Truth and Taxation law first passed in 2021, it required a joint public hearing for property tax increases that exceed allowable limits. However, some political subdivisions are failing to meet their obligations under this law, reducing its effectiveness. This proposal strengthens the requirement, ensuring compliance and accountability.

### Opponents

Douglas Kindig, Mayor of La Vista, testified in opposition on behalf of United Cities, emphasizing that they speak with one voice. He argued that requiring a majority of the city council to attend a joint public hearing is both unnecessary and redundant, as it mandates the presence of officials who cannot take action at the meeting. The current law, which requires only one representative from a political subdivision to attend, is sufficient. Kindig reiterated that the budget process already includes three public hearings, ensuring transparency.

While the city actively publishes its budget agenda across multiple outlets, it cannot force residents to read or engage with it. Transparency is already being upheld at the local level, making the additional requirement for the full city council's attendance redundant. His opposition was not based on concerns about transparency but rather on the fact that transparency is already being achieved through existing processes.

Sen. Jacobson countered by highlighting that many residents avoid public hearings out of fear of being singled out. He suggested that joint hearings provide an opportunity for like-minded individuals to attend together, making participation more comfortable. Additionally, he argued that attending the hearing firsthand prevents misinterpretation or errors in relayed information, ensuring that people receive accurate details directly from officials.

Dave Welsch, a school board member for 33 years, testified in opposition. He took offense at the term "Truth in Taxation," arguing that it falsely implies school boards are not transparent. He asserted that school boards are always truthful with the public and are required to maintain a quorum at budget hearings. Welsch encouraged residents to engage with school board members and governing bodies throughout the year rather than relying on a single hearing. He also criticized the pink postcard notification system, stating that it arrives too late in the process for meaningful input. He advocated for an earlier notification timeline to allow for more effective public engagement.

Kristy Abraham testified in opposition on behalf of the League of Nebraska Municipalities. She outlined three main concerns. First, she emphasized that residents should attend budget hearings, where their input can still influence decisions. Budget hearings are scheduled at a time when citizen comments can be considered, unlike the pink postcard hearings, which occur too late for adjustments. Second, she pointed out the logistical challenges of requiring full attendance at joint hearings. For example, in Madison County, 72 representatives from five cities, five school districts, and one community college would need to be present.

Third, she questioned whether there would be consequences if a majority of a city council failed to attend a joint hearing, asking whether this would impact the city's budget approval process.

Beth Bazin Ferrell testified in opposition on behalf of Nebraska Association of County Officials. She reinforced previous concerns. She argued that it would be more effective for residents to attend budget hearings rather than joint hearings. She noted that most attendees of the pink postcard hearings come to dispute their property tax valuations rather than to discuss budgets or levies. She emphasized that public input should be incorporated earlier in the budget process and expressed support for LB 683, which aims to address these issues.

Colby Coash testified in opposition on behalf of the Nebraska Association of School Boards. He focused on process-related concerns. He stated that school board members participate in these hearings because they are required to, but they receive public feedback too late in the process to make meaningful adjustments. The current timeline does not allow for concerns to be addressed effectively. He also noted that budget hearings used to be included as agenda items in regular school board meetings but now require separate notices, adding to the administrative burden. His testimony echoed many of the concerns raised by previous speakers.

Courtney Wittstruck testified in opposition on behalf of the Nebraska Community College Association. She reiterated many of the previously stated concerns. She explained that four political subdivisions were selected for joint hearings because they received the highest property tax levies, but community colleges have since dropped from fourth to seventh on that list. She highlighted LB 495, a bill that would remove community colleges from this requirement and stated that further details would be provided when the bill is heard.

Wittstruck emphasized that political subdivisions have been collaborating with senators who support "Truth in Taxation" and suggested that budget hearing dates should be added to the notification process. She argued that residents should be directed to budget hearings instead of joint hearings so they can provide input earlier, allowing boards to adjust. Additionally, she pointed out that many citizens cannot attend budget hearings because they are typically held during the day, advocating for evening hearings to increase accessibility.

In closing, Sen. Storer recognized today's discussion brought forward a range of thoughtful questions. However, one clear takeaway is that there are steps we can take to make the pink postcards more effective.

Much of the opposition came from those directly being asked to attend these meetings, and the broader concerns raised were less about the requirement itself and more about whether the pink postcard notification process is truly effective.

As long as the Truth and Transparency Act remains in place, we must remain mindful of our responsibility to taxpayers. If the officials voting on the budget are unable to answer questions about the budgeting process or justify their request for an increase, they are not fully prepared to cast that vote.

Requiring elected officials to attend one additional meeting should not be considered an undue burden—it is a reasonable expectation in the interest of accountability and transparency.

**LB 393 - Eliminate obsolete transfers relating to the Cash Reserve Fund. Clements. Appropriations Priority.**

The bill eliminates several obsolete Cash Reserve Fund transfers previously enacted. This includes the \$574,500,000 from the Cash Reserve Fund to the Perkins County Canal Project Fund. The transfer from the Cash Reserve Fund to the Canal Project Fund occurred in FY 23-24.

The Appropriation Committee held the hearing on LB 393 on March 12, 2025.

Sen. Clements opened on the bill noting that it is a shell bill introduced to provide a contingency in the event that the Appropriations Committee needs an additional bill to carry out its budget recommendations.

Sen. Spivey asked if this is standard committee practice. Sen. Clements noted that many committees have a shell bill or two in case something comes up and then it can be amended into the shell bill.

There was no additional testimony.

The committee reported no action on the measure.

**LB 403 - Create the Office of Grants and provide duties. Spivey.**

The bill proposes to create the Office of Grants in the executive branch of state government. The office would consist of the Director of Grants, who shall be appointed by the Governor, and such other employees as are appointed by the Director of Grants to achieve the purposes of the office and for which adequate funding is available.

The Director of Grants shall have at least 10 years of experience in writing or managing federal grants and shall be selected after conducting a nationwide search.

The Office of Grants shall:

- (a) Identify national grant programs, including grant programs of the federal government, that are available to state agencies, political subdivisions of this state, and private organizations located in this state; and
- (b) Assist state agencies, political subdivisions of this state, and private organizations located in this state in identifying relevant national grant programs, applying for grant funding under such programs, and complying with such programs.

No later than July 1, 2026, the Office of Grants should be required to develop a statewide plan, to be updated annually, for maximizing the amount of grant funding received by state agencies, political subdivisions of this state, and private organizations located in this state under national grant programs, including grant programs of the federal government.

The Office of Grants shall electronically submit a report to the Legislature which includes:

- (a) A summary of the statewide plan;
- (b) An analysis of whether any state legislation passed during the most recently completed legislative session supports, hinders, or otherwise affects the ability to receive funding under national grant programs, including grant programs of the federal government;
- (c) The number of state agencies, political subdivisions, and private organizations served by the office during the most recent calendar year; and
- (d) The number of national grant awards received during the most recent calendar year by state agencies, political subdivisions, and private organizations as a result of services provided by the office and the total dollar amount of such grant awards.

**The Government Committee held the hearing for LB 403 on February 13, 2025.**

Sen. Spivey opened on the bill noting the office would apply for and coordinate federal and national grants. This bill creates no new taxes or mandates and local agencies can still go after their own grants. She noted the reason for the bill is to strengthen Nebraska's ability to compete for federal funding. She noted that Nebraska only ranks 46<sup>th</sup> per capita in grant awards – If Nebraska was just average per capita that would be

\$1.7 billion more dollars for the state. This would be an innovative revenue stream, and the office would easily pay for itself. Sen. Spivey noted that managing the compliance piece of a grant can be very cumbersome and having a professional that can manage that would show Nebraska can both secure the money and implement it successfully.

Proponents – There were no proponents.

Opponents

Nicole Fox testified in opposition on behalf of the Platte Institute. She noted that the federal government has an unsustainable spending problem with much of those funds going to states through grant programs. She noted that the current administration is looking to cut excess spending and has put a freeze on outgoing funds.

Knowing that those funds can be frozen or withheld, the state should not be dependent on that money, and she cautioned that the State's budget relies too heavily on grants. She suggested that before bringing in more federal dollars, the state should consider contingency planning for the federal dollars it already receives in case they are withheld.

She cautioned against federal money, noting that it is not free, and many grants require a match of dollars when money is already tight. She noted grants that are a one-time spend are less risky and would caution the state to be aware of multi-year grants that require maintenance and are not guaranteed to be there.

Letters submitted for the record included four proponents, one opponent, and no neutral.

Sen. Spivey noted that the bill is meant to hire a person who has a strategic vision and can help streamline the grant process and maximize the grants Nebraska could potentially bring in. It is a missed opportunity not to leverage dollars from all sources and bring those back to Nebraska.

The committee reported no action on the measure.

**LB 424 - Limit increases in property tax bills. Andersen.**

The bill proposes that property tax bill for any parcel of real property shall not exceed the prior year's property tax bill by more than the allowable growth percentage. Allowable growth percentage is defined as the inflation rate or 3%.

The Revenue Committee held the hearing on LB 424 on February 27, 2025.

Sen. Bob Anderson opened on the bill noting he asked 11,000 residents their No.1 priority for him upon being elected and the No. 1 response was property taxes. High property taxes has led people to sell homes or move out of the state, and his goal is to provide relief for homeowners. He provided examples from other states (Florida, Iowa and Oregon) that cap property tax growth. The goal of the bill is to create predictability for the homeowner. There were various questions from the committee about how the bill would work, why it was drafted a specific way, etc.

Proponents

Doug Kagan testified in support on behalf of Nebraska Taxpayers for Freedom. He provided examples from various states about how they limit property taxes. He suggested using the Midwest CPI. He noted we have an affordable housing crisis with buyers being priced out of the market. He discussed the economics of property taxes and how it limits small businesses and investments in the state.

Alan Seybert testified in support on behalf of Nebraska Taxpayers for Freedom. He noted that property owners reported 10-20% increases in their property taxes, while counties only reported on average about 6%



increases. Political subdivisions need to be conscientious about setting their levees. Douglas County said they cut their levee (less than 1%), but they received 10% more in funding due to evaluations.

### Opponents

Dean Edson provided testimony in opposition on behalf of the Nebraska Association of Resources Districts.

Dean stated up front that we are not opposed to property tax reform. The natural resources districts are very concerned about the heavy reliance on property taxes to fund schools and other political subdivisions.

The tasks before you are daunting and complex. We support reforms that reduce property tax reliance and provide adequate funding for both rural and urban areas. We believe you are on the right path to address school financing.

Local NRD boards have worked hard to keep the NRD taxes low and find other sources of revenue. However, this new proposed restriction not only hampers our efforts to protect natural resources, but it also sends a signal to never reduce taxes.

Dean attached a graph for the NRD valuation changes and tax collections over the past 10 years.

Three times in the last 10 years we have had tax levy increases close to the valuation increase. The other years, the rates were below the valuation increase.

What I can't tell you is that the range of valuations increases to get to the average, because we don't get that information. Let's pick Fiscal Year 18-19 as an example, where valuations went up 1.7% statewide and the average levy went down 3%.

If there were parcels that went up 10%, but the average for all parcels was 1.7%, our average decreased levy of 3% would still end up as a tax increase on that parcel, but not for most of the parcels.

The NRDs budget is a little different than other political subdivisions. We are closer to zero-based budgets as we build flood control projects, develop water augmentation programs, and develop cost share for specific projects. When these projects are completed and paid for the tax collections go back down. That is why the pattern of levy rates does not correlate with the valuation increases.

Local boards want the ability to lower the rates when they don't need the taxes and raise them in the years that we do need them. What this bill would do to the NRDs is to make sure that they take the maximum amount every year, which is the wrong incentive.

The NRDs work with local citizens to develop workable solutions to complex issues. As the NRDs navigate the complexities of water management, we ask the legislature to consider the on-going commitment to keep Nebraska #1 in water management and efficiency. The current and evolving demands necessitate a thoughtful and collaborative approach to spending controls. LB 424 does not meet these requirements.

Jon Cannon testified in opposition on behalf of Nebraska Association of County Officials. He noted there are equalization concerns due to uniformity clause. He noted per the Nebraska constitution; counties must use a uniform procedure and rate in how properties are evaluated. He noted this bill has a cap on an individual parcel and he demonstrated how that could potentially be an issue due to market changes. He noted that as values rise and fall, the fair share that people pay is based on that.

Sen. Jacobson asked about differing CPI rates. Cannon noted there is a distinct difference between rural and urban rates. He also explained why agriculture land is valued differently than other property.

Lynn Rex testified in opposition on behalf of the League of Municipalities. She noted that with LB 34 this new bill would essentially be a cap on a cap. She emphasized the need to establish a single cap rather than laying one cap on top of another.

Jason Buckingham testified in opposition on behalf of Ralston Public Schools and the Greater Nebraska School Association. He noted the bill creates issues with TEEOSA calculations. The passage of the bill without a companion bill to adjust the TEEOSA formula would penalize school districts.

Gary Kubicek testified in opposition on behalf of the Norris School Board of Nebraska Association of School Boards. He noted this legislation places a spending limit on schools and would impede a school board from meeting the needs of their district and communities. He added that the bill is overly restrictive and would do more harm than good. He noted that the local school boards should be able to make their own fiscal decisions and stand accountable to local taxpayers.

Sen. Anderson closed on the bill highlighting the goal is to make the taxes more predictable for homeowners. He addressed TEEOSA by noting that the cap would provide stability and we shouldn't punish people for owning a home.

Letters submitted for the record included 39 proponents and 9 opponents.

The Committee reported no action on the measure.

**LB 525 - Adopt the Agricultural Data Privacy Act. Jacobson At the request of the Governor.**

The bill proposes to adopt the Agricultural Data Privacy Act for the purposes of protecting the privacy of agricultural producers in Nebraska; and protecting the agriculture industry in Nebraska.

In basic terms, the bill requires the individual (person) to sign off on releasing any data to anyone. The person could also rescind the release. There is no exception for NRD data requests for water management purposes.

The bill establishes the following definitions for purposes of the Act:

- (1) Acquisitions data means data related to the acquisition of capital, land, equipment, inputs, livestock or any other acquisition of agricultural property;
- (2) Agricultural data means acquisitions data, care data, crop production data, cultivation data, field usage data, financial standings data, GPS data, historical yield data, irrigation data, maintenance data, marketing strategy and decisions data, purchase sell information, usage data, and yield data;
- (3) Care data means data related to the acquisition or selling of livestock and metrics associated with such a transaction;
- (4) Controller means an individual or other person that, alone or jointly with others, determines the purpose and means of processing agricultural data;
- (5) Crop production data means data related to the practice of protecting the crop yields from different agents including pests, weeds, plant diseases, and other organisms that may cause damage to agricultural crops;
- (6) Cultivation data means data related to the practice of planting, harvesting, cultivating, or other related practices and the data such as dates operation occurred, metrics regarding method of the practice, and other personally identifiable related practices;
- (7) Field usage data means data related to commodities planted, land care, irrigation, and land management practices;

- (8) Financial standings data means data related to financial standings of agricultural production operations including assets and liabilities, and other related identifiable information;
- (9) GPS data means data related to Global Positioning Systems (GPS) in farm machinery, decision making software, and all other related systems utilizing GPS in agricultural practices;
- (10) Historical yield data means data connected to individual parcels of land, including yield metrics related to the success of crops cultivated in individual parcels;
- (11) Irrigation data means data related to the method, timing, and usage of irrigation resources and equipment;
- (12) Maintenance data means data related to maintenance actions of equipment, including services, service intervals, and other related personally identifiable data;
- (13) Marketing strategy and decisions data means data related to transactions of commodities, livestock, and land, including marketing plans, marketing actions, and related metrics;
- (14) Process or processing means an operation or set of operations performed, whether by manual or automated means, on agricultural data or on sets of agricultural data, such as the collection, use, storage, disclosure, analysis, deletion, or modification of agricultural data;
- (15) Processor means a person that processes agricultural data on behalf of a controller;
- (16) Purchase sell information means data related to the acquisition or selling of livestock and metrics associated with the transaction;
- (17) Usage data means data concerning the operation of machinery related to common agricultural practices; and
- (18) Yield data means data connected to the harvest of commodities, including yield and production metrics, as well as date of harvest and other personally identifiable data.

A person may provide written consent to any potential controller of such person's agricultural data that authorizes:

- (a) The potential controller to process such person's agricultural data; or
- (b) A third party to process such person's agricultural data on behalf of the potential controller.

A person that has provided written consent may rescind such consent by providing a written notice of such rescission to the controller of the agricultural data.

A controller shall not:

- (a) Require any person to submit to any processing of such person's agricultural data without the written consent of such person;
- (b) Provide any difference in any service, good, benefit, or reward provided to any person who does not consent to the collection or possession of agricultural data; or
- (c) Sell, provide, or use the agricultural data of any person without such person's authorization.

A controller shall delete the agricultural data relating to a person that has provided a written notice rescinding the authorization pursuant to section of this act within thirty days after receiving such written notice. A processor shall not process, sell to any person, provide to any person, or use the agricultural data of a person without such person providing written consent that authorizes such processing to the controller of the agricultural data.

The Agricultural Data Privacy Act does not apply to the processing of agricultural data by a person if such person is the owner of the agricultural data.

Any provision of a contract or agreement that waives or limits in any way any requirement for a controller or processor as described in this act is contrary to public policy and is void and unenforceable.

The Attorney General has exclusive authority to enforce the Agricultural Data Privacy Act and may bring an action against any controller or processor to:

- (1) Seek injunctive relief; or
- (2) Recover a civil penalty in the amount of [XXXX] dollars for each separate violation of the Agricultural Data Privacy Act. All such civil penalties shall be remitted to the State Treasurer for distribution in accordance with Article VII, section 5, of the Constitution of Nebraska.

The Attorney General shall post on the Attorney General's website:

- (1) Information relating to:
  - (a) The responsibilities of a controller under the Agricultural Data Privacy Act;
  - (b) The responsibilities of a processor under the Agricultural Data Privacy Act; and
  - (c) A consumer's rights under the Agricultural Data Privacy Act; and
- (2) An online mechanism through which a person may submit a complaint under the Agricultural Data Privacy Act to the Attorney General.

The Agricultural Data Privacy Act shall not be construed as providing a basis for, or being subject to, a private right of action for a violation of the Agricultural Data Privacy Act or any other law.

On February 3, 2025, the Banking, Commerce and Insurance Committee accepted testimony on the bill.

In his opening, Sen. Jacobson reported the bill is going to be held over and an interim study will be done on the issue. He mentioned the bill needs to be clarified and has talked to various interested parties about the bill who will be testifying today.

#### Proponents

Director of Agriculture, Sherry Vinton, testified in support of the bill on behalf of Governor Pillen.

John Hansen, Nebraska Farmers Union, testified in support of the bill noting farmers should keep their own data.

Kevin Kenney, a Nebraska Farmer, testified in support noting he wants to keep his own data and doesn't think the companies should sell it. The trade secrets of farms are at risk, and he expressed concern that robots will replace farmers.

#### Opponents

There was no opposition testimony.

#### Neutral

Bruce Reiker testified in a neutral capacity on behalf of the Ag Leaders group, which is made up of eleven ag groups and commodity organizations. He noted the merits of the bill, but also recognized it needs work to clarify the overall goal. He pledged to work with the committee over the interim on the bill.

Phil Erdman, Iowa and Nebraska Equipment Dealers Association, testified in a neutral capacity. He offered their availability during ongoing discussions on the topic. Currently data is managed under the 2014 Ag Data Agreement, which provides customers with safeguards.

Rocky Weber, Nebraska Cooperative Council, testified in a neutral capacity. They appreciate the bill and the good conversation it is creating between commercial and farmer groups. He noted they want to be part of the conversation, and policy needs to recognize that data is generated from a lot of different places.

Dean Edson presented testimony on behalf of NARD. He noted that he has had conversations with Senator Jacobson and the Governor's staff about an amendment to clarify that NRD data and information for water quality & quantity management purposes is not subject to LB 525. If it is not exempt, our NRD boards will not have enough data to make sound decisions on local water management.

We understand the goal of the bill and do not want to be in the way to accomplish such goals. However, we want to work with the committee and parties involved to make sure NRDs have appropriate data to make management decisions on water quality and quantity.

Our data collection programs exceeds 99% from mandatory reporting on metering and fertilizer applications in areas. If this becomes voluntary, with a producer's agreement to supply such data, our collection rates will diminish greatly. We want to make sure the management decisions that are made by the local NRDs is based upon as much relevant information as possible.

The testimony include a couple of aggregate data PowerPoint slides from data collected in the Lower Niobrara NRD. He noted this is provided back to producers for educational and information purposes. The data points are an individual's but they are not identified. The producers know where they are on the charts and it helps them make some better management decisions.

This data in aggregate reports back to producers, the number of producers that exceed the recommended fertilizer rates has dropped from 91% in 2015 to about 62% in 2023. We are gaining ground but still have a ways to go.

We also suggest including some guard rails that we are not going to sell the data, and individual data would not be subject to a public records request. We are willing to share aggregate data but want to make it clear that we will not release any individual data.

Edson offered the following suggested language to consider that will fit the goals of the bill:

**In Section 3 add:**

- **Controller shall not include a natural resources district, or its employees and agents, when acting in performance of their statutory duties.**
- **Processor shall not include natural resources districts, or its employees and agents, when acting in performance of their statutory duties.**

**In Section 6 add:**

- **No political subdivision shall sell any of the data identified in this act.**

**Amend Neb. Rev. Stat. § 84-712.05**

- **The following records, unless publicly disclosed in an open court, open administrative proceeding, or open meeting or disclosed by a public entity pursuant to its duties, may be**

**withheld from the public by the lawful custodian of the records: All data identified in the Agricultural Data Privacy Act, unless prior written consent has been obtained from the person from whom such data was obtained.**

We can't make sound policy decisions without accurate, timely and dependable data. We want to continue down this path to develop sound, workable and accurate policy and encourage the committee to amend the bill to allow us to do so.

Letters were submitted for the record by three proponents, no opponents, and two neutral.

Sen. Jacobson closed by thanking all testifiers and reiterated this is a large and important issue with a lot of moving parts and he wants to avoid unintended consequences.

The committee has not reported any action on the bill.

**LB 546e - Change provisions relating to emergency proclamations for disasters, emergencies, and civil defense emergencies made by the Governor. Rountree.**

The bill allows the Governor to issue an emergency proclamation for multiple counties when requested by any political subdivision of the state that supplies electricity, natural gas, water, or sewer service.

The request would be for any disaster, emergency, or civil defense emergency. The request may be made directly to the Governor without first requesting such an emergency proclamation from a county or any other governmental entity.

The Government Committee held the hearing on LB 546e on March 12, 2025.

Sen. Roundtree opened on the bill highlighting that the effort is aimed at reducing disaster response times. The goal is to streamline the communication that takes place. The bill was brought by OPPD as a result of ice jams on the Missouri River.

#### Proponents

Seth Voyles, OPPD, testified in support noting this is a follow up to LB 1277 brought last year. He outlined the bill is intended to address specific incidents that don't necessarily have local damages, such as ice jamming impacting a power plant. The bill does not change that local resources need to be fully utilized before state resources are deployed. Voyles acknowledged issues with the language and highlighted the need to work on new language over the interim that identifies specific scenarios.

#### Opponents

Craig Strong, Nebraska National Guard, and Nebraska Emergency Management Agency, testified in opposition highlighting that the bill is unnecessary and potentially disruptive. The bill would bypass existing hierarchy and usurp the Governor's authority. The bill would result in the Governor receiving requests from multiple political subdivisions which could cause potentially hundreds of requests being submitted without first seeking local coordination.

Ervin Portis, Nebraska Emergency Management Agency, testified in opposition noting the bill would be contrary to the Federal Stafford Act, and the state must follow the act. The Governor has the authority to declare an emergency when an interruption poses a hardship under existing law. Bypassing local

governments could negatively impact community lifelines. Portis reiterated that this measure could result in hundreds of additional disaster declaration requests without first seeking local resources.

Amanda Burki, Lancaster County, testified in opposition highlighting the bill bypasses local emergency management. She noted the idea that a political subdivision doesn't have the time to check with local emergency managers is irrational. Burki suggested utility companies have not attempted to make improvements to this bill. She suggested that a perceived emergency, such as low water at a power plant, is not a true emergency, but rather a lack of contingency planning.

Whitney Shipley, Douglas County Emergency Management Agency, testified in opposition on her own behalf emphasizing that the 1988 Stafford Act provides a good framework and bypassing it raises concerns. Local officials are best positioned to assess resource needs and bypassing them could delay the response efforts. Shipley suggested public utilities need robust continuity plans to address disasters and saw no benefit to this legislation other than convenience of utility providers. She noted many of the things suggested as examples would not be eligible for proclamation, because they're only company emergencies.

Beth Bazayn-Ferrel, NACO, testified in opposition and highlighted that there are plans and relationships in place that would be bypassed if this bill was passed.

Sen. Roundtree closed by noting that OPPD would like to request to table the bill and continue to collaborate with partners on the language.

Letters were submitted for the record by one proponent and four opponents.

The committee reported no action on the measure.

**LB 565e - Provide and change requirements relating to agency guidance documents. Quick.**

The bill proposes that any guidance documents prepared by state agencies for regulations shall include a description, including an estimated quantification, of the fiscal impact on state agencies, political subdivisions, and regulated persons or businesses.

The bill also adds that an agency shall not issue guidance documents on or after July 1, 2025, and before July 1, 2027, unless specifically required by amendments to existing federal rules or to become compliant with new federal rules and regulations.

The guidance document shall not impose greater regulations on Nebraska residents or businesses than federal requirements.

Finally, the bill proposes that all guidance documents and provider bulletins issued on or after July 1, 2022, and before July 1, 2025, are revoked pending a formal rulemaking process as provided in the Administrative Procedure Act unless explicitly required for federal compliance.

**The Government Committee held the hearing for LB 565e on February 12, 2025.**

Sen. Quick opened by noting it is intended to address concerns raised by intellectual and development disability providers. State regulations at DHHS are burdening and imposing costly administrative requirements. The state didn't use the proper rule making process and didn't provide funding to implement when establishing the regulations.

He noted that AM 239 works to align language with the original intentions. Working in additional amendments that would provide additional transparency for DHHS. The bill may need further work as it came to his attention that it impacts other agencies.

### Proponents

Justin Solomon testified in support on behalf of Integrated Life Choices. He Provided real world examples of how DHHS has burdensome, unnecessary regulations have been costly and how the bill will provide regulatory relief to industry.

Alana Schriver, Nebraska Association of Service Providers, testified in support. She noted a national survey showed 90% of providers have staffing challenges and people spend years on a list waiting for services, and instead of helping, Nebraska is burdening providers. The DHHS Provider Bulletin requirements are a burden to staff.

Edison McDonald testified in support on behalf of ARC Nebraska. He provided additional context to the scope of impact faced by community based service providers.

Laura Ebke testified in support on behalf of the Platte Institute. She noted the state chamber also supports the bill. Google definitions of guidance documents are written statements and not legally binding, however they're being used as regulatory documents by the state. Ebke suggested the committee add the measure to a larger committee regulatory package.

### Opponents

Tim Texel, Nebraska Power Review Board, testified in opposition. Texel discussed that they had concern with the bill as drafted and guidance documents being revoked. He further noted that if an amendment limits the measure to specific developmental disability services, than they'd be okay. A lot of agencies use guidance documents as interactive documents and they are useful tools.

Jaime Hegr, Nebraska DHHS, testified in opposition. She noted guidance documents provide important information on agency intentions. A guidance document is not a regulation and does not have the force of law.

Matthew Ahern, Nebraska DHHS - Medicaid Division, testified in opposition. The inability to use guidance documents and provider bulletins would limit ability to administer Medicaid program. He noted details and expectations are not always provided in law. Formal regulation process would require too much time and not be responsive enough to keep compliance with federal laws and federal funding requirements.

Darrin Schulz, Nebraska Attorney General's Office, testified in opposition. Schulz noted he has not reviewed the amendment, but vacating all guidance documents for all agencies would not be advised. Guidance documents are advisory in nature and function to inform the public – thus they provide public and agency predictability.

### Neutral

One individual provided testimony in a neutral capacity.

Letters were submitted for the record included 27 proponents, four opponents, and one neutral.

The committee reported no action on the measure.



**LB 575e - Change provisions relating to the Property Tax Request Act and property tax levy limits.**  
**Hallstrom.**

The bill proposes that if the total taxable valuation of property in a political subdivision exceeds the total taxable valuation from the prior year, then such political subdivision's levy shall be no more than the levy necessary to raise the exact same amount of property taxes as was raised by such political subdivision in the prior year.

The bill provides that a political subdivision may exceed the levy limit provided upon the affirmative vote of at least two-thirds of the members of the governing body of such political subdivision.

**The Revenue Committee held the hearing on LB 575 on February 20, 2025.**

Sen. Hallstrom opened by outlining provisions of the bill. His opening focused on efforts to change the date for the postcards and wanting to ensure meaningful input in the budget process and not after things are already decided. He mentioned he recognizes that NRD budgets are a little different.

**Proponents**

Doug Kagan, Nebraska Taxpayers for Freedom, testified in support.

Nicole Fox, Platte Institute, testified in support. The bill would enhance the truth in taxation law by improving upon caps and providing greater transparency. Citizen buy in and greater transparency are needed. The truth in taxation weaknesses is that joint public hearings are held too late in the process and after budgetary decisions have already been made. The bill will improve this process by moving those hearings earlier. Property tax increases occur automatically and increases should only occur if entity's vote to raise the rate.

Bruce Bohrer, Lincoln Chamber, testified in support and noted there are many issues around local property taxes, however the issue that irks citizens the most is the idea of a valuation change and no change in the levy being spun as no tax increase. He gave credit to local boards that engage the public in budgeting process, but the bill is meant to get to the issue and processes that boost confidence in government. He discussed that this bill was a topic of discussion from the property tax working group he served on that was set up by the governor.

**Opponents**

Opponents included representatives from NACO, Nebraska Association of School Boards, Nebraska Rural Schools, League of Municipalities, and several other local political subdivisions.

Dean Edson presented testimony in opposition on behalf of the Nebraska Association of Resources Districts.

We are not opposed to property tax reform. The natural resources districts are very concerned about the heavy reliance on property taxes to fund schools and other political subdivisions.

The tasks before you are daunting and complex. We support reforms that reduce property tax reliance and provide adequate funding for both rural and urban areas. We believe you are on the right path to address school financing.

Local NRD boards have worked hard to keep the NRD taxes low and find other sources of revenue. However, this new proposed restriction not only hampers our efforts to protect natural resources, but it also sends a signal to never reduce taxes.

Attached to the testimony was a graph for the Central Platte NRD of their past 10 years of property tax collections. Note the upward trend until FY 2015-16, then a downward trend until FY 22-23.

Here is what causes this. Central Platte is in the Platte River Recovery area and had an obligation imposed on it by the state to come up with projects that will increase flows to the Platte River. The first increment had to be in place by 2019. They finished the projects in 2016 and lowered their collections from the high of just over \$6 million in FY 15-16 to \$4 million in FY 21-22.

Now the second increment targets need to be in place by 2029. You will note their collections are starting to increase to pay for the new projects.

If this bill was in place back in 2015, the incentive would be to keep the collection at the \$6 million level and not decrease them as the levy limit be no more than the levy needed to raise the same amount of property tax revenue as was raised in the previous tax year.

If this bill was in place for FY 21-22, they could not get back to a level to pay for new projects.

The other districts in the Platte River recovery area – North Platte, South Platte, Twin Platte and Tri-Basin NRD all had similar patterns in tax collection. All peaked around 2016 when they got their projects in place, then lowered them. Now they are starting to trend up to pay for the next increment.

The NRDs work with local citizens to develop workable solutions to complex issues. As the NRDs navigate the complexities of water management, we ask the legislature to consider the on-going commitment to keep Nebraska #1 in water management and efficiency. The current and evolving demands necessitate a thoughtful and collaborative approach to spending controls. LB 575 does not meet these requirements.

The committee did not report any action on the bill.

**LB 579 - Prohibit charging a fee for public records requests by members of the Legislature. M. Cavanaugh.**

The bill prohibits charging a fee for public records requests by members of the Legislature.

The Executive Board held the hearing on LB 579 on February 18, 2025.

The committee reported no action on the measure.

**LB 596 - Change requirements for legal publications and notices required by law. Sanders.**

The bill clarifies that legal publications and notices can be published in a digital news publication, if a digital news publication does not have a print publication.

The Government Committee held the hearing on LB 596 on March 13, 2025.

Opening on the bill, Sen. Sanders noted this is an update to the outdated statute since most Nebraskans no longer access their news via a paper newspaper. Rather than being limited to print, legal notices can be published online. It does not take away the option to print in the newspaper but opens up more avenues for publishing with a goal of reaching a broader, more diverse audience

**Proponents**

Colby Coash testified in support on behalf of the Nebraska Association of School Boards. He noted that updating and modernizing the provisions that school and political subdivisions are subject to is important to keep the public informed. Many newspapers are no longer there, and some areas are having to access newspapers that are several counties away. This concept can assist those small districts that are in those media deserts. We need to find a path forward to discuss how these notices can be updated to meet the

current demand for how people are consuming news. He noted that schools want the public to be engaged in the budget process and discussion, so there needs to be alternative ways to ensure the public is aware of these meetings.

Beth Bazyn Ferrell, Nebraska Association of County Officials, testified in support. She noted county officials get nervous when they a newspaper closes or even if there is rumor that one is closing. Counties have many legal notices that must be published, so if the local paper is no longer available it is difficult for the county to decide where to go with that information.

### Opponents

Dennis DeRossett, Nebraska Press Association, testified in opposition. He noted they were opposed to the bill as it is currently worded, but wanted to get the bill to a place where all can agree. He noted that 1/3 of Nebraska newspapers have seen increases in readership and that newspapers still reach 50% of Nebraskans. He suggested that interested parties take the next 6-8 months to come up with an agreed upon bill for the next session.

He noted that out of 138 Nebraska newspapers, only 22 newspapers don't have a website and those are some of the most rural areas. DeRossett noted that he understands we are moving toward a digital era, but it should be clarified what digital platforms qualify to publish legal notices. He noted that legal notices are not an advertisement, they are legal affidavits that are notarized by newspapers.

In closing, Sen. Sanders noted this wasn't the first time this bill has been brought, and it was previously suggested to have an amendment, but one was never brought. She said waiting another 6-8 months just delays this process until next year.

Letters submitted for the record included 10 proponents and two opponents.

The committee reported no action on the measure.

### **LB 607 - Adopt the Environmental Stewardship of Batteries Act, the Extended Producer Responsibility Data Collection Act, and the Minimum Recycled Content Act, and change provisions relating to the Integrated Solid Waste Management Act, the Environmental Protection Act, and the Waste Reduction and Recycling Incentive Fund. Bostar.**

The bill creates the Environmental Stewardship of Batteries Act to create a dedicated battery stewardship program. The bill proposes to provide a recycling program for certain batteries.

The bill allows a Battery Stewardship Organization to coordinate the battery recycling program. The organization is defined to mean a producer that directly implements a battery stewardship plan required under the Environmental Stewardship of Batteries Act or a nonprofit organization designated by a producer or group of producers to implement a battery stewardship plan required under the act.

Covered battery means a portable battery or, beginning January 1, 2029, a medium format battery.

A covered battery does not include:

1. A battery contained within a medical device that is not designed and marketed for sale or resale principally to consumers for personal use;
2. A battery that contains an electrolyte as a free liquid;
3. A lead acid battery weighing greater than eleven pounds; and

4. A battery in a battery-containing product that is not intended or designed to be easily removable from the battery-containing product

Large format battery – Defined as a rechargeable battery that weighs more than 25 pounds or has a rating of more than 2,000 watt-hours.

Medium format battery – Defined as a rechargeable battery, weighing more than 11 pounds or having a rating of more than 300 watt-hours. The definition also includes primary batteries weighing more than 4.4 pounds, but not more than 25 pounds.

Primary battery -- Defined as a battery that is not capable of being recharged.

Beginning January 1, 2027, each producer selling, making available for sale, or distributing covered batteries or battery-containing products in or into the State of Nebraska shall participate in an approved Nebraska state battery stewardship plan through participation in and appropriate funding of a battery stewardship organization; and

A producer that does not participate in a battery stewardship organization and battery stewardship plan may not sell covered batteries or battery-containing products covered by the Environmental Stewardship of Batteries Act in or into Nebraska.

Beginning July 1, 2027, for portable batteries, and July 1, 2029, for medium format batteries, a retailer may not sell, offer for sale, distribute, or otherwise make available for sale a covered battery or battery-containing product unless the producer of the covered battery or battery-containing product certifies to the retailer that the producer participates in a battery stewardship organization whose plan has been approved by the department.

Retailers of covered batteries or battery-containing products are not required to make retail locations available to serve as collection sites for a stewardship program operated by a battery stewardship organization.

A retailer may not sell, offer for sale, distribute, or otherwise make available for sale covered batteries, unless those batteries are marked consistently with the requirements of this act. A producer of a battery-containing product containing a covered battery shall certify to the retailers of their product that the battery contained in the battery-containing product is marked consistently with the requirements of this act.

The bill also expands grants from the Waste Reduction and Recycling Incentive Fund to private businesses for the purposes of planning and implementing facilities to further the goals of the Integrated Solid Waste Management Act. Current grants can only go to counties, municipalities and agencies.

*The Natural Resources Committee held the hearing on LB 607 on February 27, 2025.*

In opening, Sen. Bostar described the bill as aiming to enhance Nebraska's recycling efforts through a comprehensive battery stewardship program. This legislation strengthens our economy while addressing environmental concerns by reducing waste and pollution.

LB 607 establishes a modern framework for battery recycling, ensuring the safe and responsible management of used batteries. Improperly handled batteries pose significant hazards, including fire risks. This act implements statewide stewardship measures to mitigate these dangers and promote safer disposal practices.

Nebraska should not be left behind—25 other states have enacted similar recycling provisions. This bill aligns Nebraska with proven best practices, expanding economic opportunities while protecting public health and the environment.

The legislation also introduces extended producer responsibility requirements, allowing for better data collection and analysis of waste generation. This data-driven approach will provide policymakers with critical insights into Nebraska's recycling strengths and areas for improvement.

While work on an amendment is ongoing, adjustments are being made to incorporate feedback and refine the bill's provisions.

### Proponents

Marcus Branstad, representing the American Chemistry Council, testified in support of LB 607, particularly its first section on recycling technology definitions. The bill clarifies regulations for facilities using these technologies in manufacturing. If passed, Nebraska would be the 26th state to recognize these technologies.

These plants, which remanufacture post-use plastics into new products, are not sorting facilities and are not subject to traditional siting rules. Many Midwestern states have already passed similar laws, showing broad support. LB 607 would attract investment, boost economic growth, and promote sustainable manufacturing innovation in Nebraska.

Jeffrey Wooster, a chemical engineer, testified in support of the bill, emphasizing his 15-year commitment to advancing plastic recycling. He highlighted that expanding recycling depends on investment in new technologies and infrastructure, with businesses playing a key role in driving progress.

Wooster stressed the need for openness to new ideas in reprocessing and repurposing materials. While challenges exist, they are solvable. Supporting this bill will foster innovation, attract investment, and help move towards a more sustainable, circular economy for plastics.

Andrea Albersheim, Associate Director of the American Chemistry Council, testified in support of LB 607, addressing misconceptions about advanced recycling technologies. These technologies do not burn or incinerate materials; instead, they preserve molecular structures to create new products. There is a strong business incentive to maximize material recovery and reuse.

These facilities are heavily regulated and do not fall under Title V of the Clean Air Act due to their low emissions. Advanced recycling is especially effective for mixed plastics that traditional methods cannot process. To date, 12 facilities have diverted 1 billion pounds of plastic from landfills, showcasing their real-world impact.

Supporting this bill will drive innovation, reduce landfill waste, and promote a circular economy for plastics.

Dale Gubbels, representing First Star Fiber, Nebraska's largest material recovery facility, testified in support of LB 607. The facility employs 100 people and diverts 100,000 tons of material from landfills annually. Through programs like Hefty Renew, it recycles non-traditional plastics such as straws and bags into products like plastic lumber and feedstock for manufacturers.

With landfill fees rising and closures looming, Gubbels stressed the importance of proactive recycling solutions for a sustainable future. He also highlighted safety concerns, noting three fires caused by improperly discarded lithium batteries, emphasizing the need for better battery recycling programs.

John Hansen, President of the Nebraska Farmers Union, testified in support of LB 607, advocating for structural solutions to recycling challenges. He highlighted the difficulty of efficiently collecting and reusing agricultural plastics and stressed the importance of proactive efforts to reduce long-term costs. Hansen emphasized the need to rethink product packaging and prioritize recycling and reuse.

He also discussed the Union's work with Midwest companies focused on recycling wind turbine blades, aiming to establish a Nebraska satellite location. Supporting this bill will create practical recycling solutions, reduce waste, and open new economic opportunities for the state.

### Opponents

Blair McDonald, representing the Nebraska Beverage Association, testified in opposition to LB 607, specifically the extended producer data collection provisions. He argued that the requirement is an unfunded mandate that duplicates state-level efforts already in progress.

The state is currently updating recycling data through an ongoing study, with a final report expected in fall 2026. The Association is committed to reducing packaging waste through initiatives like the Every Bottle Back campaign, aimed at increasing recycling of plastic bottles and aluminum cans.

While neutral on the mechanical recycling provisions, McDonald urged careful consideration of the data collection requirements to avoid unnecessary duplication and costs.

Andrew Hackman, representing Ameripen, testified in opposition to LB 607's Extended Producer Responsibility (EPR) and recycled content provisions, but is neutral on the advanced recycling provisions. Hackman noted that EPR, adopted by only five states, has not led to significant recycling improvements. He suggested a needs assessment would better address gaps in Nebraska's recycling infrastructure.

He also emphasized the need for consistent definitions across states to avoid disruptions in supply chains. Hackman expressed concerns about the rapid escalation of the recycled content mandate to 30%, which could create supply chain challenges. Ameripen is open to discussing amendments to improve the bill.

Joey Adlermaiw, representing Nebraska members of the Recycled Materials Association, testified in opposition to LB 607, expressing concerns about the new definition for chemical recycling. The bill exempts post-use plastics only if processed in certain ways, raising issues about how recyclable materials are classified and potential unintended consequences for the broader recycling industry.

While supporting chemical recycling, Adlermaiw emphasized it should not undermine existing methods. Without revisions to ensure fairness, the Association cannot support the bill.

Rich Otto, representing the Nebraska Retail Federation and Nebraska Hospitality Association, echoed concerns from previous testifiers. While acknowledging the need to address lithium battery waste, he pointed out that car batteries are already recycled at a 99% rate and should be excluded from this program.

Otto also raised concerns about the collection process and the lack of clarity on how the program will be implemented in Nebraska, given limited information on similar programs in other states. He urged the development of a detailed framework to ensure proper oversight and management of the battery stewardship initiative.

### Neutral

Kent Holm, Environmental Services Director of Douglas County, testified in a neutral capacity, expressing full support for improving recycling in Nebraska. He noted that the Nebraska Department of Environment and Energy (NDEE) is working on a statewide waste characterization, with results expected next year, to better understand waste disposal and the resource value of materials.

Holm emphasized the importance of measurement in waste management and highlighted the need for a review of the Nebraska Integrated Solid Waste Management Act. He also suggested that an Extended Producer Responsibility (EPR) program could incentivize the creation of more recycled products and help address property tax challenges.

Allison Kustic, from the State Government Association of APR, testified neutrally, emphasizing the economic and environmental benefits of recycling. Her members recycle 5 billion pounds of plastic annually by purchasing, sorting, washing, and grinding plastic containers to create new products.

Nebraska ranks among the worst states in recycling, and this program could support U.S. manufacturing by addressing that gap. The waste collection study, a landfill audit, will provide valuable data to improve recycling operations. While more work is needed on the bill's language, Kustic believes it offers significant economic and environmental benefits.

In closing, Sen. Bostar suggested this is a comprehensive piece of legislation because recycling is a multifaceted issue that requires our attention. The status quo is not working, and while there are areas that need to be fixed and changed, there is also significant opportunity here. Sen. Bostar expressed hope we can all work together and engage on this topic.

Sen. Bostar noted we've received a lot of valuable feedback, and recommended first reviewing it carefully to see what we can agree on and where we need to make revisions. From there, we can prioritize the amendments and focus on what is closest to agreement while identifying areas that need further work.

Letters were submitted for the record by 22 proponents and five opponents.

The Committee reported no action on the bill.

**LB 638e - Change provisions of the Nitrogen Reduction Incentive Act. Ibach.**

The bill changes funding for the Nitrogen Reduction Incentive Act that was passed last year. The act makes payments to producers who reduce nitrogen applied to their fields by the lesser of 40 pounds per acre for nitrogen or 15 percent.

The bill proposes that prior to the application deadline for fiscal year 2025-26, the Department of Natural Resources shall apply for a grant of \$25 million from the Nebraska Environmental Trust Fund, to be paid out in five annual installments of \$5 million.

The purposes listed in the grant application shall be consistent with the uses of the Nitrogen Reduction Incentive Cash Fund.

The Department of Natural Resources shall establish a subaccount within the Nitrogen Reduction Incentive Cash Fund for the accounting of all money received as a grant from the Nebraska Environmental Trust Fund. Interest earned in the subaccount at the end of each month shall be transferred to the NET Fund.

**The Agriculture Committee held the hearing on LB 638e on February 25, 2025.**

Sen. Ibach opened by providing an overview of LB 638, highlighting how it builds on the foundation of last sessions LB 1368. She noted the goal is to take a proactive approach, encouraging farmers to adopt efficient and sustainable agricultural practices, including the use of biological products.

Sen. Ibach expressed how thankful she was for the efforts of NeDNR and NRDs to quickly implement the incentive program within a short eight months. The plan was to pass LB 1368, establish the program, and secure initial funding, with the intention of seeking a more substantial investment this year. Last year, demand for funding significantly exceeded available resources.

LB 638 proposes \$25 million in funding over the next five years, initially intended to come from the NET. An amendment has been suggested to instead use the Water Resources Cash Fund (WRCF), though Sen. Ibach noted it was brought to her attention that WRCF dollars may already be obligated. Despite this, conversations about how to fund the program are ongoing.

Additionally, discussions are underway with private companies to explore broader opportunities. A long-term commitment to this initiative will send a strong message to private sector partners and agricultural producers.

Sen. Ibach noted this program is not meant to be permanent. Once producers experience the benefits of these practices firsthand, they are expected to continue using them independently.

Sen. Raybould expressed support for the program but voiced concerns about drawing funds from the NET. Sen. Ibach responded, emphasizing that the Trust's mission is to promote clean air and water, aligning with the goals of this legislation.

### Proponents

NARD Executive Director Dean Edson testified in support on behalf of NARD with a request for a recommended amendment to assist with implementation. The committee was provided a one-page summary of the first year of the program.

The NRDs worked with the Nebraska Department of Natural Resources, the industry and individual producers to develop guidelines for the program. The final rules did not get done until late fall, so we did not have a lot of time to promote the program. Nevertheless, the demand exceeded the available funding by just shy of \$1 million.

There were 1,137 applications to enroll 156,143.59 acres in the first year. The breakdown is as follows:

- Priority A - 60,857.64 acres. These are areas of elevated nitrate levels with enhanced management including wellhead protection areas and irrigated lands in Phase II or higher areas. Most of these acres would have nitrates above 7.5 ppm and 10 ppm is the maximum containment level for nitrates.
- Priority B - 62,946.29 acres. These are areas that are not in Priority A and have acres that are certified to irrigate.
- Priority C – 32,040.66 acres. These are all other areas of the state not captured in Priority A or B Area designations.
- Priority B & C – 299 acres. This was a combination of both.

There were 10 districts that did not use their initial allocation. This totaled \$176,789.66 that will be reallocated to the districts that had more demand. We don't have the final redistribution formula figured out yet, but we are working with NeDNR and the NRDs to figure out a way to redistribute the funds to get the maximum benefit.

The NRDs dedicated significant staff time working with individual producers, helping them compile their data and complete the necessary information. We also worked with crop consultants, local agronomists and nitrogen technology dealers to promote the program. Many also did radio, social media posts, newspaper ads and newsletters to promote the program. This took time away from other duties and was not reimbursed. We will also have time spent on compliance checks and issuing final payments.

We are not asking for reimbursement for the first year of the program but ask that you consider allowing a 10% administrative fee to assist with the cost of the program moving forward.

We anticipate more interest in the program in future years. We are looking forward to the future successes of the program to assist with the overall goals of reducing nitrate leaching into the groundwater.

Sen. Raybould provided praise for the work NRDs do and then asked the question isn't the potential cost savings enough incentive for farmers to apply less nitrate? Dean highlighted this is something we've been emphasizing with producers—helping them recognize the financial benefits of reducing over-application.

We are taking a two-pronged approach:

1. In Phase 2 and 3 areas, reporting requirements help us assess and refine necessary regulations. For example, in the Lower Niobrara NRD initial data showed that 91% of producers were over-applying



fertilizer in 2015. After using this information for education, over-application rates have dropped to around 60% in 2023, showing progress.

2. Seventeen NRDs have partnered with the agri-business industry to develop *Producer Connect*, a mobile app with an economic component that helps producers track cost savings from reduced fertilizer use. However, more efforts will be needed beyond just these measures.

Sen. Raybould asked about the funding source needing to be NET? Dean discussed that while we fully support the Trust and its mission, budget constraints have put us in a difficult position. When appropriations are cut in half and then supplemented with NET funds, we face a tough choice—do we operate with 50% less funding or accept the money? We have had extensive discussions on how to navigate this challenge and explore alternative funding sources. Our goal is to make this program work while ensuring that we uphold the mission of NET and maintain the necessary resources to support our initiatives.

Sen. DeKay asked questions regarding examples of projects funded. Dean highlighted how applications included a variety of practices, not limited to the use of biologicals, technology such as Sentinel, nitrogen stabilizers, and just reducing application.

Sen. Kauth asked if there is a way to audit the soil or a process to ensure people do not cheat the program? Dean suggested NRDs work closely with producers and establish relationships locally, but ultimately we have to have some faith in producers.

Sen. Kauth inquired about if there may be a time when there needs to be a mandate? Dean discussed there is authority for that, especially in Phase IV areas; however, we don't want to have to use that. Instead NRDs want to work with producers to ensure we can avoid mandates and avoid federal regulations.

John Hansen, President of Nebraska Farmers Union, testified in support. He highlighted their support for the underlying bill last year for several reasons. As an organization, they have been actively engaged in providing education and outreach on nitrate contamination in the water supply. Their focus has been on finding ways to maintain agricultural yields while reducing nitrogen use and minimizing nitrate levels in water.

Hansen testified that the key challenge is changing behavior. The most effective approach is education and following that with incentives. A strong emphasis on incentives—the "carrot" approach—ensures that enforcement, or the "stick," is rarely needed.

Historically, many farmers apply more fertilizer than soil tests recommend, believing it is necessary to achieve high yields. However, the financial implications of over-application are often overlooked. By prioritizing education and targeted incentives, they can encourage producers to adopt more sustainable practices without compromising productivity.

Hansen noted that while they fully support this program and its goals, they believe funding should come from the WRCF rather than the NET.

### Opponents

Jarel Vinbuska, Farmer in Sarpy County, testified in opposition. He told the committee he believes it is poor public policy to set a goal without properly funding it. If alternative fertilizers are effective, word will spread naturally, and adoption will occur without government intervention.

Kristal Stoner, Nebraska Audubon Society, testified in opposition. She note they are conflicted in their stance. As a conservation organization dedicated to protecting birds, they fully support the goal of this bill. However, their opposition stems from concerns about the proposed funding source.

Stoner highlighted that while this is a valuable program that deserves funding, they do not believe the NET is the appropriate funding source. Stoner testified that the Trust was established with a clear mission, and concentrating nearly all its funds into a single program is not a sound approach to conservation funding.

Sen. Kauth suggested there has been a lot of testimony supporting this program but opposing its funding source. NET has funds specifically set aside from the lottery for environmental issues and this seems to fit within the purposes so why shouldn't those funds be used?

Stoner answered with the concern is not about the program's merit but about maintaining the integrity of the Trust's funding process. If this proposal were submitted through the normal grant application process, it might not be ranked fairly compared to other projects. The NET was established to support a broad range of conservation efforts, and directing a significant portion of its funds to a single initiative is not the best approach to managing those resources.

Al Davis, Sierra Club, testified in opposition. He noted the Sierra Club is deeply concerned about nitrate contamination in Nebraska's water. They supported LB 1368, believing it would serve as a pilot program, but they oppose this new approach for several reasons.

First, it is premature to expand the program without clear evidence of its effectiveness. Additionally, given the state's current financial challenges, Nebraska must manage its fiscal resources carefully. They do not support using NET funds for this purpose.

Furthermore, this proposal seeks a five-year grant, which falls outside the Trust's established three-year grant guidelines. If the grant were to go through the standard ranking process, they would have fewer concerns.

Sen. Kauth followed up by asking Davis the same question and suggesting this program fits within the guidelines the Trust is setup to fund.

#### Neutral

Nebraska Environmental Trust Executive Director Karl Elmschaeuser testified as neutral. He noted several key considerations.

Awarding a \$25 million grant would account for approximately 97% of available grant funds. While it would be paid for in four annual installments, the first payment would require an upfront transfer to the Nebraska Department of Natural Resources (NeDNR). Under the Nebraska Environmental Trust Act, any funds transferred to the Trust must still comply with the Act's requirements, raising concerns about whether this allocation aligns with those guidelines.

Currently, 44.5% of all lottery proceeds—about \$26 million—go to the NET annually.

The Trust follows a competitive grant process: applications are first reviewed by the grants committee, then presented to the full board, sent back to the grants committee for scoring, and finally returned to the full board for a final decision. While this bill directs NeDNR to apply for funding, it does not guarantee an award.

At present, NET holds \$70 million in total funds, with \$66 million already committed through existing grant contracts or appropriations. This raises questions about the feasibility of allocating such a large sum within the constraints of our current funding obligations.

Sen. Ibach closed with thanking NARD for helping clarify how this program works. She provided a list of projects currently funded by the WRCF for the committee's reference.

Sen. Ibach noted one of the biggest concerns she has heard is that farmers already using sustainable practices aren't included in this program. However, this funding helps offset the costs for those willing to try new

approaches and reduce reliance on harmful nitrates. It provides support for farmers investing in alternative solutions.

Regarding dryland farming, many time-released products work well in these applications. Ultimately, changing behavior requires incentives. The goal here is not to eliminate nitrogen fertilizer but to reduce its use and transition to less harmful alternatives.

Letters were submitted for the record by three proponents, 25 opponents, and three neutral.

**LB 673e - Change provisions relating to the Perkins County Canal Project and provide for a transfer from the Perkins County Canal Project Fund. Raybould.**

The State Treasurer shall transfer \$500 million from the Perkins County Canal Project Fund to the Water Sustainability Fund on or before June 30, 2025.

*The Appropriations Committee accepted joint testimony on LB 673 and LB 674 on March 18, 2025.*

See LB 674 below for hearing notes.

The committee reported no action on the measure.

**LB 674e - Change provisions relating to the Perkins County Canal Project and provide for a transfer from the Perkins County Canal Project Fund. Raybould.**

The bill requires the State Treasurer to make two transfers, totaling \$500 million, out of the Perkins County Canal Fund as follows:

- Transfer \$250 million to the General Fund on or before June 30, 2025.
- Transfer \$250 million to the Water Sustainability Fund on or before June 30, 2025.

*The Appropriations Committee accepted joint testimony on LB 673 and LB 674 on March 18, 2025.*

Senator Raybould's opening testimony focused on concerns regarding the state's budget deficit and the \$2.3 billion in water infrastructure needs across Nebraska. While she acknowledged the importance of the Perkins County Canal, she emphasized that her intent is not to derail the project but to reorder its construction priorities.

Sen. Raybould's primary argument was to prioritize the construction of a reservoir in Nebraska before moving forward with the canal, leveraging revenue from the reservoir to offset costs. She also raised concerns about the legal and permitting challenges ahead, suggesting that Nebraska has years to address these issues before land acquisition becomes necessary. Raybould cited a March 7, letter from an attorney representing Colorado landowners, arguing that the state currently lacks an immediate need for land purchases.

To address these concerns, she proposed five key action items:

1. Redirect a portion of canal funds to help reduce the budget deficit, emphasizing the committee's role in reviewing and allocating resources.
2. Allocate part of the funds to address broader water infrastructure needs across the state.
3. Build one of the proposed reservoirs first, as highlighted in a department video estimating \$580 million in benefits, using its revenue to help fund future canal construction.
4. Utilize state bonding authority as a financing tool for the project.
5. Anticipate legal and permitting delays that could extend the timeline significantly, allowing time to assess additional infrastructure needs.

Raybould's testimony centered on a strategic and fiscally responsible approach to water management, ensuring that Nebraska maximizes the benefits of its water resources while addressing immediate budget concerns.

### Opponents

Matthew Manning, Senior Project Engineer at NeDNR, testified in opposition, emphasizing that the Perkins County Canal is one of the most critical water resource projects in Nebraska's history. Without it, Nebraska remains vulnerable to Colorado's water management decisions.

While NeDNR appreciates past support for the project, Manning warned that these bills undermine that commitment. He stressed that signals matter—Colorado closely monitors Nebraska's actions and adjusts its legal and political strategies accordingly. Delays or changes in funding raise doubts among federal permitting agencies and Colorado officials about Nebraska's resolve to complete the canal. Despite these challenges, NeDNR remains fully committed, with consultants making steady progress on design, permitting well underway, and land acquisition actively progressing.

Manning underscored the severe economic and environmental consequences of abandoning the project. A cost-benefit analysis estimates \$2 billion in overall benefits. Failure to assert Nebraska's compact rights would result in less water at the state line, impacting water users statewide. He argued that Nebraska should not be expected to subsidize Colorado's continued water development and urged legislators to maintain funding and forward momentum on the project.

Sen. Dorn: Is land acquisition proceeding as expected?

*Manning:* Yes, it is progressing as planned.

Sen. Clements asked has NeDNR prepared a response to the legal letter from Colorado's attorney, which Sen. Raybould distributed?

Manning replied not yet, but a response is in progress and should be completed later this week. He emphasized that Nebraska has a strong legal team working on this issue.

Sen. Prokop asked how much has been allocated to legal fees?

Manning responded legal fees are anticipated but represent only a small portion of the project's total funds.

Sen. Dover asked how does Nebraska enforce eminent domain in another state?

Manning answered while unique, the compact grants Nebraska the authority to do so, as it is both state and federal law.

Manning concluded by reiterating the urgency of moving forward, cautioning that any hesitation could jeopardize Nebraska's water security and long-term interests.

Devin Brundage, representing CNPPID and NSIA, testified in opposition, emphasizing the critical benefits of the Perkins County Canal for Central Nebraska and surface water irrigators statewide. He highlighted that the South Platte River serves as the foundation for Nebraska's natural water flows, and every drop not received from Colorado must be replaced by releases from Lake McConaughy.

Brundage stressed that the compact flows are significant—enough to fill Lake McConaughy every 5 to 6 years. He described the canal project as a transformational investment, comparable to the development of Lake McConaughy and its infrastructure nearly a century ago. Without action, Colorado has the ability and intent to further deplete South Platte flows, making it imperative that Nebraska secures and protects its rightful water resources for future generations.

Kent Miller, General Manager of the Twin Platte Natural Resources District, testified in opposition to the bills on behalf of the Twin Platte Natural Resources District and for the Nebraska Association of Resources Districts.

Transferring \$500 million from the Perkins County Canal Project Fund to the Water Sustainability Fund on or before June 30, 2025, would end the Perkins County Canal project approved and funded by this Legislature. This would tell the State of Colorado you can use all the water of the South Platte River for the growing population of the front range and forever dry up the South Platte River entering Nebraska.

The South Platte River Compact approved by the State of Colorado, approved by the State of Nebraska, and approved by the United State Congress in the 1920s allows Nebraska 500 cubic feet per second of water during the winter months **only if** the Perkins County Canal is built.

For the last 40 years, beginning in the 1980s, we have been promoting Nebraska to utilize the provisions of Article VI of the South Platte River Compact and build the Perkins County Canal.

The majority of the South Platte River in Nebraska is within the Twin Platte Natural Resources District. I have been observing for over 50 years the developments occurring in the Front Range of Colorado and their desperate need for water. The past opportunities the front range of Colorado had from the Colorado River, on the west slope, are going away or are gone.

He enthusiastically applauded Governor Ricketts for proposing and funding the Perkins County Canal Project in 2022, the Nebraska Legislature fully funding the project in 2023 and for Governor Pillen to continue this support in the budgets.

This is the right time, and Nebraska cannot wait any longer. It is essential to the economic prosperity, health, and welfare of the people of the State of Nebraska, and to the environmental health of the entire Platte River Basin across Nebraska, to protect Nebraska's full entitlement to the flows of the South Platte River as provided for in the South Platte River Compact.

Nebraska needs to build the Perkins County Canal Project NOW.

The Nebraska Department of Natural Resources has retained a consortium of engineering firms who have completed 30% of the design. Further, the department began the purchase of land in Colorado for the project and has begun the required process of obtaining the required federal permits.

I have heard time and time again from Colorado folks at conferences, and in conversations, they are working to dry the South Platte River up at the Nebraska state line. And the only protection Nebraska has are the provisions in the South Platte River Compact.

The Twin Platte Natural Resources District has extensive requirements in our Integrated Management Plan, required by the Legislature in 2004, for conjunctive management of groundwater and surface water for the over appropriated Upper Platte River Basin in Nebraska. These regulatory burdens will increase if South Platte River flows into Nebraska from the South Platte River continue to decrease.

Nebraska must protect the flows we are now receiving. This is a project that will benefit the Platte River Basin in Nebraska for centuries. Miller pleaded with the committee members not to abandon this project.

During questioning, Miller responded to inquiries regarding Senator Raybould's proposal to build a reservoir first to finance the project. He emphasized that constructing the canal is essential to securing the water—without it, there are no provisions or legal requirements for water to cross the state line. While a reservoir could be built, it would serve no purpose without a guaranteed water supply.

Kyle Leibig, testifying in opposition on behalf of NPPD and the Nebraska Power Association, provided an overview of the compact's history. He outlined the critical role of South Platte River water and its multiple benefits across the upper and central Platte regions, emphasizing its importance for various uses, including power generation, irrigation, and ecosystem support.

Bruce Reiker, representing the Farm Bureau and eight organizations from the Ag Working Group, emphasized the urgency of this project, acknowledging that action may have been delayed longer than it should have been. He highlighted the policy goal of optimizing water resources for the benefit of Nebraska citizens, stressing that water management is key to economic growth and addressing financial challenges. While no new agricultural land will be created, the available water could be used to support and expand the livestock industry. Beyond agriculture, the project would provide significant benefits to cities, recreation, hydropower, habitat restoration, water quality improvements, and flood control. Reiker reiterated that water is a scarce and valuable resource, making its efficient use critical for Nebraska's future.

David Grimes, a farmer from Kearney County, testified on his own behalf, emphasizing that the Platte River in western Nebraska is already over-appropriated. He highlighted the critical connection between groundwater and surface water, stressing that Nebraska cannot afford to see further reductions in surface water flows into the state.

In closing, Senator Raybould reaffirmed her support for the project, emphasizing that her intent is not to halt or defund it. She once again advocated for constructing the reservoir on the Nebraska side before proceeding with the canal. Additionally, she urged the committee to consider reallocating a portion of the project's funding to help address the budget deficit at their discretion.

For the record, letters were submitted by four proponents, five opponents, and one neutral party.

The committee reported no action on the measure.

**LB 683 - Change provisions relating to duties of county assessors regarding notification of real property assessments and eliminate and change provisions of the Property Tax Request Act. Raybould.**

The bill requires, in addition to preliminary valuation notices, each county assessor to create and send a notice to each property owner a notice that includes the following:

1. Display a column for the prior tax year and the current tax year.
2. Under the column for the prior tax year, the notice shall display the valuation of the parcel in the prior year and the amount each political subdivision levied against such parcel in the prior year.
3. Under the column for the current tax year, the notice shall display the valuation of the parcel in the current year and the time and place when each political subdivision levying a tax against the parcel is convening the budget hearing of each political subdivision.

The bill also requires that on or before May 15, each political subdivision levying a tax against property shall inform the county assessor of the time and place such political subdivision's budget hearing will convene.

**The Revenue Committee accepted testimony on LB 683 on March 20, 2025.**

In opening, Senator Raybould highlighted the foundation for this bill stems from the Property Tax Request Act, commonly known as the "Pink Postcard Bill," which was passed in 2021 under LB 644. Transparency is only effective when it allows the public to engage before decisions are finalized. Unfortunately, most cities, counties, and school districts begin their budgeting process before the pink postcards are sent out, limiting opportunities for meaningful public input.

It is essential to ensure that citizens' voices are heard at the right time in the process. The primary factor driving property tax changes is the tax request made by the political subdivision, not just valuations.

If residents have concerns about property valuations, they should address them with the county clerk. However, if they are concerned about the amount of property taxes they owe, they should attend public budget hearings, where these decisions are made.

Under LB 683, the state will assume responsibility for delivering these notices.

### Proponents

John Cannon, Executive Director of NACO, testified in support on behalf of NACO and the Nebraska Association of School Boards. He pointed out the bill focuses on transparency. Property tax increases occur locally through two factors: property valuation and levy rate.

Concerns about valuation should be appealed to the county board, while tax amount concerns should be addressed at budget hearings—often the least attended yet most crucial meetings. Public participation is essential for transparency and accountability.

Terry Keebler, NACO Board Member and Legislative Representative for the Nebraska Association of County Assessors, testified in support of the measure. County assessors ensure fair valuations through mass appraisal, but valuations shouldn't be directly linked to tax increases. The primary driver of tax hikes is the levy, not valuations. The "Pink Postcard" created confusion by connecting the two. Aligning valuation discussions with tax rates earlier in the budgeting process and holding joint public hearings would improve transparency and public understanding.

Lynn Rex, representing the League of Nebraska Municipalities, testified in support noting the bill is a common-sense measure for better transparency. The legislation improves the process by:

1. Requiring all property owners to receive a notice, even if their valuation doesn't change.
2. Clearly stating when and where budget hearings will occur.
3. Mandating political subdivisions to inform the county of their budget hearings.

The bill ensures taxpayers have access to essential information, enhancing transparency in the property tax process.

### Opponents

Nicole Fox, representing the Platte Institute, testified in opposition of the bill. In 2021, we supported LB 644, which established the joint public hearing process. Polling at the time showed 77% of respondents favored requiring local governments to notify them of hearings on tax increases. Currently, a hearing is triggered when spending exceeds last year's budget plus growth and 2%.

While the process could be more effective with earlier timing, LB 683 eliminates both postcard notifications and the joint hearing process. The Platte Institute advocates for direct taxpayer notification and evening budget hearings for better accessibility.

### Neutral

Carter Theile, representing the Lincoln Independent Business Association, offered neutral testimony on the bill. While we support transparency improvements in LB 630 and LB 633, these should supplement, not replace the pink postcard notification. The preliminary valuations don't clearly indicate tax increases.

Nebraska residents, facing high property taxes, want the most accessible way to stay informed. We urge lawmakers to retain the pink postcard system for clear, direct notification of potential tax changes.

Comments received online included one proponent and one opponent.

In closing, Senator Raybould indicated both online testimonies were proponents.

She noted the goal is to shift the timeline so public input is gathered earlier in the process and can genuinely influence budget decisions. Budget hearings are currently scheduled early in the year, and to maximize public participation, they should be held in the evening when more people can attend. This revised pink postcard proposal enhances transparency, ensuring taxpayers have clearer and more timely information about how tax decisions are made.

The committee reported no action on the measure.

**LB 695 - Require the Lower Elkhorn Natural Resources District to construct a dam and provide for flood control measures. Dover.**

On Feb. 21, a motion (MO 42) by Sen. Brandt was approved. The motion allowed for the suspension of Rule 3, Section 14 to allow the cancellation of the public hearing that had been scheduled for Feb. 26. A new hearing was scheduled for March 5.

The bill declares that it is essential to the people of Battle Creek, the surrounding region, and the State of Nebraska that flood control improvements be made to protect Battle Creek and downstream communities and that the Lower Elkhorn Natural Resources District shall:

- (a) Cause a dam to be built based upon the engineering design reference number XXX of the XXX and take such other flood control measures as are necessary;
- (b) Not take any action or adopt an engineering design that will accelerate the velocity or volume flow of the Elkhorn River downstream;
- (c) Seek or secure any available local, state, and federal funds to construct such dam and take such other flood control measures; and
- (d) To the extent possible, by securing such other funding, reduce or eliminate the need to raise the district's levy and thereby increase taxes on district residents and businesses.

The bill also proposes adopting the following findings:

- (a) The community of Battle Creek, originally incorporated in 1873, is an essential community of Legislative District No. 19. Battle Creek provides for a high quality of life for its residents and employees for local businesses and is essential for regional workforce housing;
- (b) The existing road infrastructure in and around Battle Creek requires protection from flooding. This infrastructure is vital for public transportation using cars and buses and for businesses transporting produce, raw materials, and finished products by truck; and
- (c) Existing rail infrastructure in the area is critical to support existing and future regional industries. These industries are vital to the area and nation and include essential agricultural and metal industrial sites. These commercial taxpayers also lessen the property tax burden on surrounding agricultural producers.

**The Natural Resources Committee held the hearing on LB 695 on March 5, 2025.**

Sen. Dover opened on the bill highlighting how flood control is a top priority, as reflected in the NRD's mission to Protect Lives, Protect Property, and Protect the Future.

He noted it is time for the Lower Elkhorn NRD to do its job and protect Battle Creek from flooding. Despite years of engineering studies confirming the need for mitigation, no steps have been taken to address the



problem. Infrastructure in and around Battle Creek has suffered significant damage, and without intervention, future flooding is not a question of if but when.

Sen. Dover stated LB 695 was introduced to call attention to this urgent issue and push for meaningful action. Decades of inaction by the NRD have left Battle Creek vulnerable. Now is the time to implement a solution that follows sound engineering design and ensures the safety of residents and property.

Sen. Dover noted that if the Lower Elkhorn NRD moves forward with the engineering recommendations, he is willing to withdraw this bill. The action by the Lower Elkhorn NRD will either kill the bill or move it to general file. He discussed that he remains confident that the NRD will make the right decision to protect the community.

Funding options, including NRCS funds, are available, and securing these resources quickly will expedite the process. The latest study, conducted by JEO and Houston Engineering, is in its final review stage, with decisions expected between sessions. Additionally, the City of Battle Creek has committed to contributing through a bond to help finance the project.

A senator on the committee recognized it is uncommon for legislation to designate specific cities for action, this situation calls for a broader conversation about flood mitigation and infrastructure support.

### Proponents

Eric Kraft, Battle Creek City Council member, testified in support highlighting the urgent need for flood control measures in their community. Kraft provided a PowerPoint handout to the committee outlining the challenges they face. Battle Creek has two major drainage areas, with the east drainage covering approximately 750 acres. They have worked diligently to mitigate water issues within our city limits, but this drainage continues to impact the eastern two-thirds of town. The overall drainage area extends far beyond the city, spanning 90 square miles (56,000 acres), most of which drains directly toward Battle Creek.

Kraft discussed that despite efforts, the scope of this issue is simply beyond what the small community can handle alone. They've invested nearly \$145,000 in local drainage improvements, including cleaning out ditches, digging a drainage channel, and implementing 12 specific projects inside city limits to improve water flow. However, they cannot address the massive volume of water coming from outside the city on our own.

Kraft highlighted that the town of just 1,200 people has done everything possible to manage the situation, but the reality is that they cannot control the 56,000 acres draining into the community. That is why they are asking for support in implementing a larger-scale solution.

Of the questions asked by the committee, Kraft was unable to answer and deferred the questions to Brian Bruckner who would later be testifying in opposition.

Heath Mettler, Mayor of Battle Creek, emphasized the urgent need for flood control solutions and the impact this issue has on the community's growth and economic development. From an economic standpoint, they have approximately 50 to 75 families who opt into the school district but must commute into town because they lack available housing. This shortage of homes limits the city's ability to attract and retain families who want to be part of the community.

Mettler noted a 972-acre reservoir has been proposed as a solution, yet for the past 20 years, they have repeatedly asked the NRD for assistance, only to face continued delays. Mettler told the committee the NRD has extended the proposal twice but has yet to act. The NRD board has stated that they will not support any project that includes a dam to help Battle Creek. Additionally, they cited a repayment of approximately \$380,000 to the federal government, which only led to the completion of a study rather than real action.

When asked if the City of Battle Creek could sue the NRD, Mettler responded that it will be their next step.

A committee member reiterated that the legislature usually does not get involved in a specific project for a specific town and a better approach would be to work with the NRD.

Joe Barry, resident of Battle Creek, testified that since 1990, his home has flooded three times. After the third flood, they made the difficult decision to sell and rebuild in the country. But flooding continues to put homes, families, and livelihoods at risk in town.

Cleon Schwede, former Fire Chief & Emergency Manager in Battle Creek, testified that flooding is not just a personal hardship, but a major financial burden on the city. Protecting the town from rising waters is costly, and emergency response efforts take a toll on our resources and residents. During floods, they do everything they can – sandbagging, redirecting water, and trying to minimize the damage – but there’s only so much they can do. Schwede told the committee if floodwater could be slowed before it hit the town, it would make a significant difference. He noted they need a plan that protects Battle Creek before more families are forced to leave.

### Opponents

Brian Bruckner, Lower Elkhorn NRD General Manager, testified in opposition on behalf of the Lower Elkhorn NRD and the Nebraska Association of Resources Districts.

I appreciate the opportunity to share my comments with you on this proposed legislation, and extend my appreciation to Senator Dover for being responsive to the concerns of his local constituents in also seeking a solution for a flood protection measure for the community of Battle Creek. Though I appear before you today in the opposition, know that the Lower Elkhorn NRD and the Nebraska Association of Resources Districts will work cooperatively with Senator Dover, Governor Pillen, and the legislature to seek the best solutions for the residents of our state, no matter the challenge.

The basis for our opposition is rooted in two concepts. The first is that LB 695 circumvents the Lower Elkhorn NRD’s ability to manage its resources locally and instead creates an unprecedented legislative mandate for how the Lower Elkhorn NRD should manage water. NRDs were created by the legislature as the most efficient and cost-effective way to manage the state’s natural resources. NRDs have been implementing local water management solutions since 1972 in conjunction and collaboration with local communities and entities. In fact, the Lower Elkhorn NRD is currently utilizing such local management to accomplish the goals LB 695 improperly sets to achieve.

The Lower Elkhorn NRD is actively engaged in a comprehensive evaluation of the Battle Creek Watershed utilizing the Watershed Protection and Flood Prevention Operations (WFPO) program administered by the Natural Resources Conservation Service (NRCS). The Lower Elkhorn NRD entered into a cooperative agreement with NRCS on April 1, 2020, and has leveraged \$540,000 of federal funds to evaluate flood prevention measures that would protect the City of Battle Creek. An additional \$351,182 of local funds was approved on July 27, 2023, to facilitate additional analysis of the watershed, including a proposal for a dam and levee system. This effort is on track to be completed this calendar year. In short, the Lower Elkhorn NRD is not ignoring the flood control needs of Battle Creek, but rather is working diligently to address them, and in fact will have a proposed solution within the year.

We pride ourselves on being able to find a local solution for a local challenge, as the legislature intended when creating NRDs, and LB 695 stands to jeopardize our ability to engage in local self-governance. Moreover, this legislation clearly meets the definition of “special purpose” legislation, which would trigger legal challenges and additional legal expense for the State, if enacted into law.

The second concept that triggers our opposition is the fact that Senator Dover has not requested any funding from the State to assist the Lower Elkhorn NRD in complying with this proposed legislative mandate. The

language contained within the bill would suggest that we should “seek or secure any available local, state, and federal funds to construct such dam,” though no level of financial commitment from the State is identified. This creates yet another unfunded mandate for local government to manage. The Lower Elkhorn NRD is working diligently to do its part in lessening the burden of property taxes on the residents of the District, but enactment of LB 695 could hamstring our ability to do so. Further, the WFPO program through which we are currently working, offers eligible flood protection projects the opportunity to leverage a significant amount of federal dollars that can be utilized to pay for design, engineering, and construction of a project.

As you can hopefully understand from my testimony, the issue of flood prevention for the City of Battle Creek has been of paramount priority for our District. We are working diligently through a process to identify a technically and financially feasible flood protection measure for the community. We respect Senator Dover’s intention to also move forward a solution but take issue with efforts to bypass local control and ignore the governance framework that has effectively served the residents of the State since 1972.

We encourage the Natural Resources Committee not to advance this bill out of committee and allow us to work through the remaining phases of this process in the months that lie ahead.

Sen. Moser asked what percentage of the NRD is involved in this project? Bruckner noted that the watershed covers approximately 94 square miles, but he doesn’t have the exact percentage of the district it encompasses. This project is one of three ongoing evaluations for flood control measures. The plan is expected to be completed by the end of this calendar year and will then go before the Lower Elkhorn Board for adoption. If the board approves it, realistically, construction wouldn’t begin for at least five years, given the numerous steps required to move the project forward.

Sen. Hughes asked once the plan is completed at the end of the year, does that guarantee board approval? Is the plan focused solely on a dam, or does it include other mitigation efforts? Bruckner discussed that completion of the plan does not automatically mean the board will adopt it. The proposal includes a dam and levee combination, not just a dam – both components are necessary. While there are multiple technically feasible options, identifying a viable funding mechanism remains a challenge.

Senator Hughes asked what is the financial impact of this project? Bruckner noted their current tax levy is relatively low, and while Lower Elkhorn NRD has the authority to raise it, they are mindful of the property tax burden on residents. Even with additional revenue, this project would still impose a significant financial challenge.

Senator Hughes asked if the Lower Elkhorn Board would vote on the plan at the end of the year? Bruckner noted the staff recommendation will be to approve the plan, but ultimately, the decision rests with the board.

Senator Hughes asked if funding from the U.S. Army Corps of Engineers (USACE) has been explored. Bruckner replied yes, but the proposed project is estimated to cost \$58 million, which exceeds the funding threshold for a USACE project.

Senator Hughes asked if USACE expressed any opposition? Bruckner replied no and that engineers and NRCS have been in consultation with the USACE throughout the planning process.

Senator Hughes asked what happens if the board votes against the proposal? Bruckner discussed that if the board rejects the plan, it will not be adopted, and Lower Elkhorn NRD will continue having difficult conversations about flood control without a clear path forward.

Senator Hughes asked if communication with the public be improved? Bruckner replied absolutely noting that the Lower Elkhorn NRD has made efforts to remain transparent and responsive to Battle Creek’s concerns. The Lower Elkhorn NRD board meets twice a month, with committee and full board meetings. I provide monthly updates on this and other district projects, and all meetings are open to the public.

Senator Hughes ask if the NRD has bonding authority to help fund the project? Bruckner responded that only the Papio-Missouri River NRD has bonding authority. However, the City of Battle Creek does have bonding authority, which could be an option for funding.

John Hansen testified in opposition on behalf of the Nebraska Farmers Union. He emphasized the broader concerns at play. He noted they fully support the previous testimony provided by Brian Bruckner. Hansen testified that in all his years, he has never encountered a bill that so directly undermines local control as this one does. The placement of towns was often a matter of chance, but flood control decisions should not be.

Lower Elkhorn NRD has consistently addressed flood control issues, relying on feasibility studies to guide responsible action. Ignoring these studies not only discredits the NRD but also disregards the expertise of consultants. If a site is not suitable for a dam, forcing a project in the wrong location leads to a poorly designed structure that fails to function effectively. Instead of solving the problem, it risks flooding neighboring properties and creating further complications.

### Neutral

Chad Korth testified in a neutral capacity, noting he is serving a third term as a member of the Lower Elkhorn NRD, but is testifying in a personal capacity not on behalf of the NRD.

Korth discussed that as both a resident of Battle Creek and someone living within the watershed, he has witnessed firsthand the impact of flooding and the devastation it can cause. Korth noted that while he is not here to advocate for or against a specific proposal, he believes it is important to have an informed, transparent discussion about the best path forward for Battle Creek and the broader watershed.

Michael Fler, City Administrator of Battle Creek and District 4 representative on the Lower Elkhorn NRD Board, testified in a neutral capacity. Fler told the committee one of the primary reasons I joined the NRD was to ensure that flood control efforts in Battle Creek continue to move forward. This has been an ongoing challenge for years, and I believe the NRD is actively working toward an economically feasible solution. Currently, we are waiting on a decision from the NRCS headquarters, which will determine the next steps.

Fler noted as part of this process; Battle Creek has the authority to bond up to \$4 million for flood control efforts. To clarify, the flooding issues we face are not due to groundwater seepage into basements but rather surface water that enters the town and impacts homes.

In closing, Sen. Dover noted he did not introduce this bill because it was unnecessary, but because decades of inaction have left Battle Creek vulnerable. This is not a new issue; it is an ongoing problem that must be addressed.

Sen. Dover told the committee the Lower Elkhorn NRD is fortunate to have Brian Bruckner, who is dedicated to the NRD's mission, and he remains hopeful that the right actions will be taken to protect Battle Creek. However, a life has already been lost to flooding and he asked the committee if need to wait for another tragedy before real progress is made?

Sen. Dover noted he requests that this bill remain in committee, discussing that ultimately, his hope is that this bill will not need to move forward because the NRD will take the necessary steps to protect Battle Creek.

Online testimony was submitted for the record by one proponent and 11 opponents.

The Committee reported no action on the measure.

## Section 5 -- Interim Study Resolutions that were introduced in 2025

Below is a list of interim studies of interest to NRDs. A full list can be found at:

<https://www.nebraskalegislature.gov/session/interim.php>

### **LR 123 - Interim study to examine the collection, use, and protection of agricultural data in Nebraska. Jacobson.**

PURPOSE: The purpose of this resolution is to propose an interim study to examine the collection, use, and protection of agricultural data in Nebraska with a focus on trade practices and consumer protection which is the focus of the Agricultural Data Protection Act introduced as LB 525 in the First Session of the One Hundred Ninth Legislature.

Agricultural data encompasses a wide range of information, from crop yields and soil conditions to livestock health and market trends and is increasingly vital to the operation and profitability of Nebraska farms and ranches. The proliferation of digital technologies and data-driven practices in agriculture has led to a significant increase in the collection and storage of sensitive agricultural data by various corporations and entities.

This has raised concerns regarding the potential for unauthorized use, sale, and sharing of farmers' and ranchers' data, which may lead to unfair trade practices and consumer protection issues.

The interim study shall include, but not be limited to, the following:

- (1) The types of agricultural data being collected and utilized by corporations and other entities;
- (2) The existing legal and contractual frameworks governing the ownership, use, and transfer of agricultural data;
- (3) The potential for unfair trade practices and consumer protection issues arising from the unauthorized use or sale of farmers' and ranchers' data;
- (4) Best practices for data protection and security in the agricultural sector;
- (5) The impact of data sharing and aggregation on market transparency and competition; and
- (6) Methods of protecting the data from third-party sales and unauthorized usage.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED NINTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Banking, Commerce and Insurance Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature

### **LR 158 - Interim study to examine the feasibility of the State of Nebraska assuming the administration of the seventy-six mile stretch of the Niobrara River that has been designated as a national scenic river. Storer, Brandt.**

PURPOSE: The purpose of this resolution is to propose an interim study to examine the process for and feasibility of the State of Nebraska assuming the administration of the seventy-six mile stretch of the Niobrara River that has been designated as a national scenic river.

Since its designation in 1991, the Niobrara National Scenic River has been administered by the National Park Service. Unlike many national park sites, the National Park Service owns very little of the land along the Niobrara. Management of the river, including natural features and recreation, is primarily through partnerships with and facilitation of landowner stewardship efforts.

The interim study shall include, but not be limited to, the following:

- (1) Administration of national scenic rivers by other states;
- (2) The process needed to transfer the administration of the Niobrara National Scenic River from the National Park Service to the State of Nebraska;
- (3) Rules and regulations in place or necessary to protect or administer the Niobrara River;
- (4) The current status of the water supply of the basin to determine whether the water will remain at a level necessary to support the needs of the users, including any studies, management plans, or water rights obtained that impact river flow; and
- (5) The role of state departments, the Game and Parks Commission, Cherry, Keya Paha, Brown, and Rock counties, the Niobrara Council, and the affected natural resources districts in the future administration of the Niobrara River.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED NINTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Natural Resources Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

**LR 163 - Interim study to examine the impact of lead and other environmental pollutants on the health and well-being of Nebraska communities. McKinney.**

PURPOSE: The purpose of this resolution is to propose an interim study to examine the impact of lead and other environmental pollutants on the health and well-being of Nebraska communities, particularly those located in historically marginalized or economically distressed areas.

The study shall include, but is not limited to, the following:

- (1) An evaluation regarding how exposure to such pollutants correlates with increased rates of juvenile justice system involvement, lower educational attainment, and long-term negative health outcomes;
- (2) An assessment as to how exposure to such pollutants correlates with increased rates of juvenile justice system involvement, lower educational attainment, and long-term negative health outcomes; and
- (3) An examination of the geographic distribution of environmental hazards in relation to community demographics, school performance, and juvenile justice system statistics.

In conducting this interim study, the Urban Affairs Committee may confer with state and local agencies, public health professionals, education stakeholders, juvenile justice experts, and community organizations to examine the prevalence and impact of lead and other pollutants in Nebraska neighborhoods.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED NINTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Urban Affairs Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

**LR 168 - Interim study of the purposes, uses, and utility of the Noxious Weed and Invasive Plant Species Assistance Fund and associated grants award pursuant to the Noxious Weed Control Act. Ibach. Eleven Co-sponsors.**

PURPOSE: The purpose of this resolution is to propose an interim study of the purposes, uses, and utility of the Noxious Weed and Invasive Plant Species Assistance Fund and associated grants awarded pursuant to the Noxious Weed Control Act.

The study shall include a review of the history and accomplishments of riparian vegetation management projects funded in whole or in part through grants awarded under the act. This history shall include:

- (1) A listing of recipients of grant awards;
- (2) An overview of management objectives of projects awarded grants under the program;
- (3) An overview of cooperating and participating state, federal, and local governmental entities or private entities providing cost-share funds, in-kind contributions, or other contributions;
- (4) An overview of landowner participation; and
- (5) A review of the role of the Riparian Vegetation Management Task Force.

The study shall identify and prioritize riparian vegetation management projects. Such identification and prioritization may include, along with other relevant considerations, the value and urgency of vegetation management projects to: Maintain Nebraska's compliance with obligations on compact streams and the Platte River Recovery Implementation Program; maintain stream conveyance for the efficient movement of water and to minimize consumptive losses; address riparian vegetation congestion in streambeds as a factor contributing to the frequency and severity of incidents of flooding; and mitigate degradation of wildlife habitats.

The study shall also identify potential funding sources for riparian vegetation management projects.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED NINTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Agriculture Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

**LR 192 - Interim study to investigate public notice requirements in Nebraska, including those mandated under the Open Meetings Act and the Administrative Procedure Act. Sanders.**

PURPOSE: The purpose of this resolution is to propose an interim study to investigate public notice requirements in Nebraska, including those mandated under the Open Meetings Act and the Administrative Procedure Act.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED NINTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Government, Military and Veterans Affairs Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

**LR 198 - Interim study to examine the process of creating the Technology Committee of the Legislature as a new standing committee and combining the Agriculture Committee of the Legislature and the Natural Resources Committee of the Legislature. Kauth.**

PURPOSE: The purpose of this resolution is to propose an interim study to examine the process of creating the Technology Committee of the Legislature as a new standing committee and combining the Agriculture Committee of the Legislature and the Natural Resources Committee of the Legislature.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED NINTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Executive Board of the Legislative Council shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the board shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

**LR 225 - Interim study to examine the need for and implementation of a Green Amendment and the implications of adopting LR22CA, 2025. Dungan**

PURPOSE: The purpose of this resolution is to propose an interim study to examine the need and implementation of a Green Amendment in Nebraska and the implications of adopting Legislative Resolution 22CA, One Hundred Ninth Legislature, First Session, 2025.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED NINTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Natural Resources Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

**LR 235 - Interim study to examine the approval process, personnel involved, and costs associated with controlled burn permits. Wordekemper and seven co-sponsors.**

PURPOSE: The purpose of this resolution is to propose an interim study to examine the approval process, personnel involved, and costs associated with controlled burn permits. The study shall include, but not be limited to, an examination of:

- (1) The timings and locations of controlled burns;
- (2) Prior complications with controlled burns and their impact on affected citizens;
- (3) Weather conditions, dates, and safety precautions prior to controlled burns;
- (4) Regulations for public versus private burns;
- (5) The long-term environmental goals of controlled burns;
- (6) Current statutes relating to burns;
- (7) Regulations for firebreaks, necessary equipment for safe burns, and equipment sourcing; and
- (8) The impact of controlled burns on the natural ecosystem.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED NINTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Natural Resources Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature



**LR 255 - Interim study to examine the fiscal, constitutional, and administrative implications of adopting LR12CA, 2025, which proposes reforms to Nebraska's property tax system. Andersen and five co-sponsors.**

PURPOSE: The purpose of this resolution is to propose an interim study to examine the fiscal, constitutional, and administrative implications of adopting Legislative Resolution 12CA, One Hundred Ninth Legislature, First Session, 2025, as amended by proposed amendment AM1101, which proposes significant reforms to Nebraska's property tax system and underlying constitutional language.

The study shall include, but need not be limited to, an examination of the following:

- (1) The fiscal and distributional impacts of capping the annual increase in property taxes levied on any parcel of real property by the allowable growth percentage, defined as the lesser of three percent or the Consumer Price Index for All Urban Consumers;
- (2) The legal and constitutional implications of substituting the current uniform and proportional clause of Article VIII, section 1, of the Constitution of Nebraska, with a system that establishes full taxable value based on the 2025 assessed value or purchase price following a change of ownership;
- (3) The practical challenges and administrative viability of implementing a static assessed value system for real property, including mechanisms for adjustment upon sale or new construction;
- (4) The impact of such a system on taxpayer equity, particularly among similarly situated properties with different ownership timelines, and the resultant tax disparities;
- (5) The implications of the proposed valuation structure on revenue predictability and budgeting processes for schools, counties, municipalities, and other local political subdivisions;
- (6) The definition clarity and scope of terms, including, but not limited to, "purchase", "change of ownership", and "new construction", and the exemption for spousal transfers;
- (7) The comparative evaluation of similar models in other states, such as California's Proposition 13, Florida's Save Our Homes amendment, and Oklahoma's property tax limitations, and the lessons they may offer for Nebraska;
- (8) The potential impact on housing affordability and accessibility for young people, first-time homebuyers, fixed-income homeowners, and individuals attempting to enter the housing market during a period of high home prices and limited supply;
- (9) The effects on agricultural producers and rural landowners, particularly regarding the classification, valuation, and long-term tax obligations for farmland and horticultural property; and
- (10) Stakeholder concerns and input from assessors, local governments, school districts, taxpayer advocacy organizations, and the Department of Revenue regarding feasibility and unintended consequences. In conducting this interim study, the Revenue Committee may consult with legal experts, tax policy professionals, economists, state agencies, and relevant stakeholders to ensure a comprehensive evaluation of the proposed reforms.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED NINTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Revenue Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

**LR 257 - Interim study to examine foreign and domestic threats to Nebraska agriculture. Bostar.**

PURPOSE: The purpose of this resolution is to propose an interim study to examine foreign and domestic threats to Nebraska agriculture, including foreign influence on the economic stability of the state and its agricultural industries, international policy trends undermining modern agricultural practices, and vulnerabilities of agricultural industries and critical infrastructure to influence from foreign adversaries.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED NINTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Agriculture Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature