



May 28, 2021

TO: NARD Board of Directors, NRD Managers and Conservation Partners
FROM: Dean E. Edson, NARD Executive Director
RE: May 28, 2021 NARD Sine Die Update

The Nebraska Legislature adjourned Sine Die May 27, 2021, on day 84 of a 90-day session. Senators will reconvene for a special session to address redistricting following release of 2020 census data later this year. The deadline for senators to complete redistricting work is October 1st and it is expected that senators will convene in mid-September. The next 60-day session is scheduled to begin January 5, 2022. Regular sessions generally last 90 legislative days in odd-numbered years and 60 legislative days in even-numbered years.

This document contains a summary of the outcome of all 2021 Legislative Bills of interest to natural resources districts.

The first section lists bills that were passed by the Legislature and approved by Governor Ricketts (pages 4-39). The second section lists bills that have been indefinitely postponed or withdrawn (pages 39-41). The third section lists bills that will be carried over for the next session (pages 41-75).

The fourth section includes Interim Study Resolutions that were introduced in 2021 (pages 75-85). A spreadsheet is included in the back of the document for a quick reference to all bills of interest to natural resources districts.

Most bills passed and approved by the governor 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.

Bill or CA	Description	Sponsor(s)	Page #
LR 5	Accept the findings and recommendations of the Healthy Soils Task Force submitted to the Governor and the Agriculture Committee.	Gragert	75
LR 11 CA	A Constitutional amendment to require enactment of a consumption tax and prohibit certain other forms of taxation.	Erdman and other Co-Sponsors	41
LR 22 CA	Constitutional amendment to limit the total amount of property tax revenue that may be raised by political subdivisions.	Linehan, At the request of the Governor.	42
LR 23	Interim study to examine the progress of natural resources districts in fulfilling their originally intended purpose.	Erdman and Briese	78
LB 9	Change annexation requirements and property tax special valuations.	Blood	4
LB 26	Provide a sales tax exemption for residential water service.	Wayne	5
LB 29	Replace Arbor Day with Juneteenth as a state holiday.	Wayne	44
LB 52	Provide for immunity for injury or death resulting from COVID-19 exposure.	Lathrop	45
LB 54	Change immunity for intentional torts under the Political Subdivisions Tort Claims Act and the State Tort Claims Act.	Lathrop	45
LB 65	Change contractual conflict of interest provisions under the Nebraska Political Accountability and Disclosure Act.	Williams	6
LB 71	Change provisions relating to intentional tort claims under the Political Subdivisions Tort Claims Act and State Tort Claims Act.	Wayne	46
LB 83e	Change the Open Meetings Act to provide for virtual conferencing.	Flood	7
LB 90	Change fee provisions under the Pesticide Act and the Nebraska Commercial Fertilizer and Soil Conditioner Act.	Halloran	10
LB 91	Change germination seed testing provisions under the Nebraska Seed Law.	Brandt	48
LB 112	Require members of the public to be allowed to speak at each meeting subject to the Open Meetings Act.	Albrecht	49
LB 133	Adopt the Nebraska EPIC Consumption Tax Act and eliminate certain other taxes.	Erdman and other Co-Sponsors	50
LB 139	Adopt the COVID-19 Liability Protection Act.	Briese	11
LB 148e	Transfer certain environmental safety programs to the Department of Environment and Energy.	Bostelman	14
LB 166	Provide for Josh the Otter-Be Safe Around Water Plates, create a fund, and provide powers and duties for Game and Parks.	Geist	16

LB 176	Provide an income tax credit for certain agricultural producers.	Lindstrom	51
LB 178	Adopt the Infrastructure Improvement and Replacement Assistance Act and provide for a turnback of state sales tax revenue.	Lindstrom	52
LB 189	Change provisions relating to property tax refunds.	Halloran	39
LB 190	Change provisions relating to use of the Water Sustainability Fund.	Hughes	53
LB 209	Change provisions relating to treatment of deferred compensation by certain political subdivisions, state agencies, and the Public Employees Retirement Board	McDonnell	18
LB 212	Prohibit charging members of the Legislature fees for public record requests.	M. Cavanaugh	54
LB 213	Provide for an efficiency review of state agencies.	Breise	55
LB 242	Provide for county bridges under the Political Subdivisions Construction Alternatives Act.	Brandt	56
LB 285	Change provisions relating to adjusting boundaries for elections and change and eliminate provisions regarding elections for various purposes	Brewer	18
LB 314	Change provisions related to insurance coverage of telehealth.	Pahls	57
LB 368	Provide the Auditor of Public Accounts enforcement powers for failure of political subdivisions to file reports.	Sanders	20
LB 369	Provide the Auditor of Public Accounts access to working papers and audit files.	Sanders	21
LB 370	Adopt the Personal Privacy Protection Act.	Sanders	59
LB 379e	Provide, change, and eliminate provisions relating to appropriations.	Speaker Hilgers, at the request of the Governor.	22
LB 380e	Appropriate funds for the expenses of Nebraska State Government for the biennium ending June 30, 2023.	Speaker Hilgers, at the request of the Governor.	22
LB 383e	Appropriate funds for capital construction.	Speaker Hilgers, at the request of the Governor.	25
LB 384e	Provide for transfers of funds and change permitted use of a fund.	Speaker Hilgers, at the request of the Governor.	26
LB 399	Change provisions relating to rural water districts.	Bostelman	60
LB 406	Create the Lower Platte River Infrastructure Task Force and provide funding.	McDonnell	28
LB 408	Adopt the Property Tax Request Act.	Briese	60
LB 414	Change provisions of the Political Subdivisions Construction Alternatives Act.	Wishart	30

LB 449	Appropriate funds to the Department of Environment and Energy.	Wishart	64
LB 483	Require the University of Nebraska to develop a Climate Action Plan.	J. Cavanaugh	65
LB 501	Adopt the Uniform Easement Relocation Act.	Flood	32
LB 507e	Change provisions relating to hunting permits, electors under the Irrigation District Act, and the Water Sustainability Fund and prohibit the use of treated seed in the production of agricultural ethyl alcohol	Bostelman	33
LB 576	Appropriate funds to the University of Nebraska.	Bostar	66
LB 589	Change requirements for integrated management plans by natural resources districts.	Groene	67
LB 591	Require a permit for any natural resources district water augmentation project.	Groene	70
LB 605	Create the Outdoor Recreation and Education Study Committee of the Legislature	Wishart	72
LB 622	Limit the growth of real property valuations and provide for adjustments to assessed values.	Friesen	74
LB 644	Adopt the Property Tax Request Act.	B. Hansen	33
LB 650	Adopt the Nebraska Geologic Storage of Carbon Dioxide Act.	Flood	36

Section One – Bills Passed by the Legislature and Approved by Governor Ricketts

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

Governor Ricketts signed LB 9 into law on May 5th. The bill will become law 90 days after the session ends. The Legislature gave final approval to LB 9 on April 29th by a 46-0-3 vote.

Previously, the Legislature advanced LB 9 to Select File on March 30th by a 42-0 vote after adopting AM 231 on a 38-0 vote. On Select File, senators advanced the bill to Final Reading on April 14th following a voice vote.

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

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

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

as the lands, lots, tracts, streets, or highways sought to be annexed are adjacent to or contiguous with the property owned by the federal government or a natural resources district.

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

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

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

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

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

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

Proponents

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

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

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

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

There were four letters of support and one neutral letter.

There were no opponents and no neutral testimony.

LB 26 - Provide a sales tax exemption for residential water service. Wayne. Pahls Priority Bill.

Senators gave final approval to LB 26 by a 41-2-6 vote on May 20th. The bill was presented to the Governor on May 21st and was signed on May 25, 2021. The bill will become law 90 days after the session ends.

Previously, the Legislature advanced LB 26 to Final Reading on May 12th by a voice vote. State senators advanced LB 26 to Select File on a 38-3 vote. The Revenue Committee reported LB 26 to General File on March 10th following a 8-0 vote. Sen. Pahls declared LB 26 a personal priority bill for the session.

The bill proposes to exempt the sale, lease, or rental of and the storage, use, or other consumption in this state of residential water service from state sales and use tax.

The Revenue Committee accepted testimony on LB 26 on February 24th.

Opening on the bill, Sen. Wayne noted that Nebraska does not impose sales tax on bottled water but taxes tap water and residential service. He commented that people cannot survive without water and it should not be taxed.

Proponents

Doug Kagan testified in support on behalf of Nebraska Taxpayers for Freedom. He claimed that the exemptions and savings are offered to businesses and noted that it is only fair if residential water service is not taxed.

Opponents

Jack Cheloha testified in opposition on behalf of the city of Omaha. He noted that the city would lose between \$1.6 million and \$2 million per year in sales tax revenue if the bill were passed. Cheloha further commented that the loss in state revenue would be greater than \$8 million.

Lash Chaffin testified in opposition on behalf of the League of Nebraska Municipalities. He noted that the bill would cut revenue for more than 200 Nebraska cities that impose a local option sales tax. He told the committee the bill would result in increased water rates or in local property taxes to offset the lost revenue.

Neutral

There was no neutral testimony. Five letters in support of the bill and two in opposition were submitted for the record.

During closing, Sen. Wayne commented that this bill is for the people, arguing residents should not be taxed for water, while exempting bottled water from the tax when purchased at a store.

LB 65 - Change contractual conflict of interest provisions under the Nebraska Political Accountability and Disclosure Act. Williams.

The Legislature passed LB 65 on April 20th by a 48-0-1 vote. The bill was presented to the Governor on April 20th and was signed on April 23, 2021. The bill will become law 90 days after the session ends.

Previously, the Legislature advanced LB 65 to Final Reading on April 12th by a voice vote. The bill was advanced to Select File on April 6th by a 41-0 vote.

The Government Committee reported LB 65 to General File on February 16th following an 8-0 vote.

The bill makes minor changes under the conflict of interest statutes for officers to remove the language “a direct pecuniary fee” from the law dealing with contracts. It replaces the term with “a payment or fee”.

The Government Committee accepted testimony on LB 65 on February 10th

During opening, Sen. Williams outlined the bill and noted it only proposes a change that is technical in nature.

Proponents

Frank Daley testified in support on behalf of the Nebraska Accountability and Disclosure Commission. He reiterated that the bill is technical in nature and removes a conflicting section of statute.

A letter of support was submitted by the League of Municipalities.

There was no opposition or neutral testimony and Sen. Williams waived closing.

LB 83e - Change the Open Meetings Act to provide for virtual conferencing. Flood. Government Committee Priority Bill.

Governor Ricketts signed LB 83e into law on April 21st. The bill includes the emergency clause and became law immediately following approval by Governor Ricketts. The Legislature gave final round approval to LB 83e on April 15th following a 43-0-6 vote.

Previously, the Legislature advanced LB 83 to Final Reading on April 6th by a voice vote after adopting AM 750 on a 41-0 vote. AM 750 adds Sanitary Improvement Districts to the list of public bodies able to conduct virtual conferencing during emergencies.

The Legislature advanced LB 83 to Select File on March 15th by a 48-0 vote after adopting AM 127 on a 48-0 vote.

Previously, the Government Committee reported LB 83 to General File with AM 127 on February 16th following an 8-0 vote. The Government Committee declared the bill a priority bill for the session.

The committee amendment (AM 127) adds language to the bill that ratifies actions taken by public bodies in reliance on Governor's executive orders issued during the pandemic. The amendment also adds MUD and regional metropolitan transit authorities to the list of political subdivisions that may utilize virtual conferencing for public meetings. The amendment adds a requirement that when multiple public participation sites are offered that each meeting site be attended by at least one member of the public entity or their designee. The amendment includes a revision clarifying that the documents that must be made available at each meeting site are those documents being considered at the meeting. The amendment requires an emergency declaration by the Governor under section 81-829.39 to trigger emergency meeting procedures under the bill. Lastly, the amendment provides an exception to address a publication requirement in instances where that address requirement may endanger a person's security.

The bill allows for virtual conferencing for the following entities:

- (i) A state agency, state board, state commission, state council, or state committee, or an advisory committee of any such state entity;
- (ii) An organization, including the governing body, created under the Interlocal Cooperation Act, the Joint Public Agency Act, or the Municipal Cooperative Financing Act;
- (iii) The governing body of a public power district having a chartered territory of more than one county in this state;
- (iv) The governing body of a public power and irrigation district having a chartered territory of more than one county in this state;
- (v) An educational service unit;
- (vi) The Educational Service Unit Coordinating Council;
- (vii) An organization, including the governing body, of a risk management pool or its advisory committees organized in accordance with the Intergovernmental Risk Management Act;
- (viii) A community college board of governors;
- (ix) The Nebraska Brand Committee;
- (x) A local public health department;
- (xi) A natural resources district; and
- (xii) The Judicial Resources Commission

To hold such meeting the following criteria must be met:

- (1) Reasonable advance publicized notice is given including providing access to a dial-in number or link to the virtual conference;
- (2) Reasonable arrangements are made to accommodate the public's right to attend at a physical site and participate including seating, in at least one designated site in a building open to the public and identified in the notice, recording of the hearing by audio or visual recording devices, and a reasonable opportunity for input, such as public comment or questions, is provided to at least the same extent as would be provided if virtual conferencing was not used;
- (3) At least one copy of all documents for the meeting is available at any physical site open to the public where individuals may attend the virtual conference. The public body shall also provide links to an electronic copy of the agenda, all documents being considered at the meeting, and the current version of the Open Meetings Act; and
- (4) Except as otherwise provided in this subdivision, no more than one-half of the meetings of the state entities, advisory committees, boards, councils, organizations, or governing bodies are held by virtual conferencing in a calendar year.

The bill also allows for virtual conferencing if an emergency is declared pursuant to the Emergency Management Act. Under this provision, a public body the territorial jurisdiction of which is included in the emergency declaration, in whole or in part, may hold a meeting by virtual conferencing during such emergency if the public body gives reasonable advance publicized notice. The notice shall include information regarding access for the public and news media.

In addition to any formal action taken pertaining to the emergency, the public body may hold such meeting for the purpose of briefing, discussion of public business, formation of tentative policy, or the taking of any action by the public body. The public body shall provide access by providing a dial-in number or a link to the virtual conference.

The public body shall also provide links to an electronic copy of the agenda, all documents being considered at the meeting, and the current version of the Open Meetings Act. Reasonable arrangements shall be made to accommodate the public's right to hear and speak at the meeting and record the meeting.

The nature of the emergency shall be stated in the minutes. Complete minutes of such meeting specifying the nature of the emergency and any formal action taken at the meeting shall be made available for inspection.

The bill also has changes regarding individuals that speak at meetings. The body shall require any member of the public desiring to address the body to identify himself or herself, including an address and the name of any organization represented by such person. Under current law, this is voluntary.

Finally, beginning July 31, 2022, the governing body of a natural resources district, the city council of a city of the metropolitan class, the city council of a city of the primary class, the city council of a city of the first class, the county board of a county with a population greater than twenty-five thousand inhabitants, and the school board of a school district shall make available on such entity's public website the agenda and minutes of the governing body.

The agenda shall be placed on the website at least 24 hours before the meeting of the governing body. Minutes shall be placed on the website at such time as the minutes are available for inspection under existing law. This information shall be available on the public website for at least six months.

The Government Committee accepted testimony on the bill on January 27th.

In his opening, Sen. Flood noted this bill is a step toward modernizing the way meetings are done. He stressed that a lot of people have worked together as a coalition to draft this bill and that testimony would be consolidated. During questioning, Sen. Flood was asked about the right to declare an emergency, and it was noted that this is a point of contention with the bill, but he noted he feels the local individuals are best positioned to determine the best way to address an emergency.

Proponents

Proponents of the bill included Larry Ruth testifying on behalf NARD and the LPSNRD. Ruth demonstrated the practical need for the bill by outlining the struggles and obstacles the LPSNRD board has had to overcome during the pandemic. During questioning, Sen. Halloran raised concern about the issue of rural connectivity and how it could prevent constituents from participating. Sen. Lowe raised questions and spoke to the need to add something in the bill to ensure board members stay actively engaged and away from outside influence.

Other proponents included Shelly Sahling-Zart testifying on behalf of the Nebraska Power Association. She told the committee the bill is not changing how ordinary meetings are conducted, it's about continuing to do public business during moments of extraordinary emergencies. She noted the bill is first and foremost about addressing safety and including transparency.

Mike Rogers of Gilmore and Bell testified on behalf of the city of Lincoln. He spoke about the unclarity in the Governor's pandemic executive order and the potential legal challenges it presents, noting that this bill adds clarity.

Lynn Rex testified in support on behalf of the League of Nebraska Municipalities and the Nebraska Association of School Boards. Rex thanked the Governor for his orders allowing for continuation of virtual conferencing. She outlined how the bill merges two sections of statute for video conferencing and teleconferencing into one section for virtual conferencing.

Sean Kelley testifying on behalf of the Douglas County Board of Commissioners told the committee they have successfully utilized virtual meetings during the pandemic and simply wanted their support for the bill on the record.

Edison McDonald testifying for Arc of Nebraska noted the bill would ensure there is more opportunity for engagement for individuals with disabilities.

Danielle Conrad for the ALCU of Nebraska told the committee this is a good government bill with increased transparency and flexibility. She noted the ALCU is pleased to hear there are amendments to offer additional privacy.

There were eleven written testimonies and nineteen position letters submitted from proponents.

Opponents

Lance Molina of Gretna testified in opposition. He testified that the bill would allow the government body to mute any individual they disagree with. He provided an example of a meeting in Gretna where proponents were unlimited in testimony, but opponents were filtered.

Written testimony in opposition to the bill was submitted from the Governor's Office. No opposition position letters were submitted.

Neutral

Neutral testimony was provided by Tim Texel on behalf of the Nebraska Power Review Board. He testified simply to raise questions about three technicalities. Asking for clarification on what does all documents mean in

contrast to current law of all documents considered at the meeting. He also noted he is not clear on what is meant by sites for copies and how an electronic copy of an agenda needs to be made available.

Neutral written testimony was submitted by Media of Nebraska. One neutral position letter was submitted.

LB 90 - Change fee provisions under the Pesticide Act and the Nebraska Commercial Fertilizer and Soil Conditioner Act. Halloran.

Senators gave final approval to LB 90 by a 42-0-7 vote on May 19th. The bill was presented to the Governor on May 19th and the Governor approved the bill on May 21st. The bill will become law 90 days after the session ends.

Previously, the Legislature advanced LB 90 to Final Reading on May 12th on a voice vote. The bill was advanced to Select File on May 4th following a 37-0 vote. The Agriculture Committee reported LB 90 to General File on February 11th following an 8-0 vote.

The bill makes changes to the pesticide registration fee. Current law sets a minimum base of \$160 per product with a maximum of \$210 per product, which does not change.

The fees are distributed as follows:

- (a) \$30 to the Noxious Weed Cash Fund.
- (b) \$60 to the Buffer Strip Incentive Fund
- (c) \$55 to the Natural Resources Water Quality Fund; and
- (d) The remainder of such fee to the Pesticide Administrative Cash Fund.

The bill proposes to lower the amount going to the Buffer Strip Incentive fund from \$60 to \$50.

The Agriculture Committee accepted testimony on LB 90 on January 26th.

In his opening, Sen. Steve Halloran, noted this was a request of the Nebraska Department of Agriculture to help them manage their agency.

Steve Wellman, Nebraska Department of Agriculture testified in support. He noted there is needs in the Pesticide administration fund for more funds and less demand on the buffer strip program. The change would help manage the programs internally.

There is also a provision to include flexibility to manage the Fertilizer Inspection Fee internally, by allowing them to go up to a maximum 15 cents/per ton, so they could increase the amount when needed, and reduce it when they do not.

Proponents

Scott Merritt, Executive Director of the Nebraska Agribusiness Association, testified in support. He noted that under the current Commercial Fertilizer and Soil Conditioner Act, the Nebraska Department of Agriculture (NDA) collects an inspection fee of \$0.10 a ton to administer the Department's fertilizer inspection program. Funds collected from ag retailers are used to test quality and nutrient levels of the fertilizer being sold in the state.

Their organization supports the flexibility on the annual fertilizer inspection fee to meet the program's budget, not to exceed \$0.15 per ton. The revenue generated could not be more than 107% of the cash fund's annual

appropriation. Additionally, language would limit the allowable rate when year-end cash funds are greater than 107% of annual program expenditures.

Opponents

The Nebraska Wildlife Federation submitted a letter of opposition.

LB 139e - Adopt the COVID-19 Liability Protection Act. Briese. Slama Priority Bill.

Senators gave final approval to LB 139e by a 41-1-7 vote on May 20th. The bill was presented to the Governor on May 20th and was signed on May 25, 2021. The bill included the emergency clause and became law immediately following the Governor's approval.

Previously, on May 18th, senators advanced LB 139 to Final Reading by a voice vote. The Legislature advanced LB 139 to Select File on May 11th on a 39-3 vote after adopting both AM 1293 and 1375 by 36-0 votes.

The Judiciary Committee reported LB 139 to General File on May 10th with committee amendment AM 1293.

The committee amendment (AM 1293) replaced the bill and provides new definitions for Covid-19, Federal public health guidance and person that includes various types of business organizations, the State and political subdivisions, and schools and universities. Person also includes officers and employees as well as agents and volunteers of the covered organizations.

The amendment narrows the safe harbor protections proposed in the original bill to prohibit civil actions, as long as protected individuals or organizations were acting in compliance with federal public health guidelines.

The amendment maintains the provisions of the original proposal that provide that the Act does not create or recognize a cause of action, affect worker's compensation actions, change common law immunities or limitations of liability, or constitute a waiver of sovereign immunity.

AM 1293 also includes an amended version of LB 53 that establishes the Health Care Crisis Protocol Act. The committee amendment requires the Department of Health and Human Services to establish a health care crisis protocol. The amendment also creates an advisory committee under the Department of Health and Human Services to advise and make recommendations on the protocol.

Under the bill as amended, a person may not bring or maintain a civil action seeking recovery for any injuries or damages sustained from exposure or potential exposure to COVID-19 on or after the effective date of this act if the act or omission alleged to violate a duty of care was in substantial compliance with any federal public health guidance that was applicable to the person, place, or activity at issue at the time of the alleged exposure or potential exposure.

Under the proposal, Federal public health guidance means and includes written or oral guidance related to COVID-19 issued by any of the following:

- (a) The Centers for Disease Control and Prevention of the United States Department of Health and Human Services;
- (b) The Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services; or
- (c) The federal Occupational Safety and Health Administration;

Under the proposal, person is defined as:

- (a) any natural person, sole proprietorship, partnership, limited liability partnership, corporation, limited liability company, business trust, estate, trust, unincorporated association, or joint venture,
- (b) the State of Nebraska and any political subdivision of the state;
- (c) any school, college, university, institution of higher education, religious organization, or charitable organization, or;
- (d) any other legal or commercial entity.

Person includes an employee, director, governing board, officer, agent, independent contractor, or volunteer of a person listed above.

The COVID-19 Liability Protection Act shall not be construed to (1) create, recognize, or ratify a claim or cause of action of any kind, (2) eliminate or satisfy a required element of a claim or cause of action of any kind, (3) affect the rights or limits under the Nebraska Workers' Compensation Act, or (4) abrogate, amend, repeal, alter, or affect any statutory or common law immunity or limitation of liability or constitute a waiver of the sovereign immunity of the State of Nebraska. (5) Constitute a waiver of the sovereign immunity of the State of 21 Nebraska or any political subdivision of the state.

The Judiciary Committee accepted testimony on LB 139 and LB 52 jointly on February 18th.

Sen. Briese opened on LB 139 by outlining the need to implement protections and provide confidence for businesses and schools to aid in reopening. He stressed that the bill provides protections only for those that are trying to follow guidance on protections under the pandemic. Those that do not follow guidance would not have protection under the bill.

The bill provides that a plaintiff must prove gross negligence or willful misconduct. He stressed the need to raise the bar to provide protection for businesses, education and healthcare providers. Over 20 states have implemented similar legislation and that similar legislation has been proposed on the federal level. He noted that the bill does not apply retroactively. He stressed the bill will encourage adherence to public health guidance and that it contains a sunset provision.

During questioning committee members asked what would be considered gross negligence? Sen. Breise noted that would be a question of fact and left for the fact finder to determine what constitutes gross negligence.

Sen. Lathrop introduced LB 52 by noting it is a simple bill that offers immunity, and that it was brought solely to allow for conversation about the topic. He noted that he is not aware of any lawsuits or threat of claims. He expressed that he does not see a need for the bill but noted that if there is a problem that needs addressed, he would rather introduce immunity than pass legislation that enacts the elements of LB 139.

Question about retroactivity of bill? Sen. Lathrop noted that past decisions from the Supreme Court have priority and the legislature cannot retroactively negate an individual's right for action.

Proponents

Mark Schorr testified on behalf of the Nebraska Chamber, Greater Omaha Chamber, Lincoln Chamber, League Municipalities, American Property Causality Insurance, Hy-Vee, Nebraska Insurance Association, and more than 60 other statewide organizations in support of LB 139.

Schorr noted the economic burden is placed on business and organizations as they cannot get insurance coverage for this. The insurance companies are placing exclusions in policies now. Further, there has been advertisements in national media outlets to encourage individuals to contact a law firm if they wanted to file action for getting COVID-19.

He noted this is a middle ground approach that allows economy to get moving again. He noted the bill is largely based on Iowa law, but incorporates components of laws passed in several other states. He also reiterated that the bill does not jeopardize worker protections. Schorr stressed that the bill not only provides protections for businesses, but also applies to non-profits, religious organizations, and governmental subdivisions.

Emily Bottorf testified in support of LB 139 on behalf of the Nebraska Defense Council Association. Her testimony noted that the current body of negligence law is not a good fit for these types of lawsuits. Even if burden of proof is hard to overcome, the cost of litigation would be expensive. Bottorf noted that while we're not seeing the claims in Nebraska now, they are occurring in other areas.

Mark Whitehead testified in support on behalf of the Nebraska Petroleum Association and the Nebraska Grocers Association. He noted their industries did not have the luxury of shutting down. He claimed they are doing the best job they can to follow guidelines and continue providing services that customers need and this bill would provide added protection.

Jerry Stilmock testified in support for the Nebraska Federation of Independent Businesses. He claimed small businesses are doing everything they can to stay open, and without the protection from litigation, the cost of litigating claims would be a difficult burden.

Andy Hale testified on behalf of the Nebraska Hospital Association in support of both bills. He noted that while hospitals have provided high quality care despite ongoing challenges, they need to be able to operate with the peace of mind and sense of calm without the worry of being sued.

Heath Boddy testified in support of LB 139 on behalf of the Nebraska Healthcare Association. His testimony outlined the issues healthcare providers are facing regarding liability insurance and the perceived risk of COVID suits driving costs higher.

Colby Coash testified in support of LB 139 on behalf of the Nebraska Association of School Boards, the Nebraska Council of School Administrators, and the Rural Schools Association. He noted the bill would provide targeted liability protection that would help keep schools open. He spoke about the issue of reinsurance companies not providing coverage for COVID claims and noted that it is adding a barrier to keeping schools open.

Dallas Jones testified in support on behalf of LIBA. He noted this is a critical function in providing protection for small businesses. He claimed the cost of just a threat of a suit can be too much for business and could lead to some businesses permanently closing.

Opponents

Johnathon Urbom testified in opposition of LB 52 and LB 139 on behalf of the Nebraska Association of Trial Attorneys. He noted Nebraska has had 26 COVID complaints filed as follows: Ten civil action cases for group gatherings; Six-labor related cases; five contract dispute cases; and one miscellaneous case. He told the committee that nationally COVID exposure litigation is not widespread. He spoke about concern of injecting foreign terms into negligence law that are not there now. He also expressed concern about the minimum injury standard not being seen anywhere else in Nebraska law.

Felicia Hilton testified in opposition on behalf of the Nebraska Labor Unity Council. Her testimony focused on concerns about changing standard of proof. She noted they feel current law does protect businesses from these types of suits and the standard of proof should not have to change.

Todd Stubbendick testified in opposition of LB 139 on behalf of AARP Nebraska. He noted they are opposed to expanded immunity and liability protections for nursing homes and residential care centers.

Shayla Reed, an Attorney for Victims of Nursing Home Neglect testified in opposition on behalf of the Nebraska Association of Trial Attorneys. Her testimony focused on the lack of evidence showing the need for either bill. She noted the bill is especially dangerous for nursing home residents.

Neutral

No Neutral testimony was submitted.

More than 20 letters in support of the legislation were submitted by organizations including letters from NACO, Nebraska Bankers Association, League of Municipalities, DHHS, Pharmacists Association, Community College Association, Enterprise-Rent-A-Car, Relators Association, Pinnacle Bank, Nebraska Credit Union, and University of Nebraska.

A few letters in opposition were submitted including from IBEW and Building Trades, Professional Firefighters Association and NASCA.

Closing on LB 139 Sen. Briese addressed concerns from opponents. He reiterated the bill would not decrease the precautions being taken by organizations. He noted that this is not tort reform and reminded the committee that the bill will sunset.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Proponents

Director Jim Macy testified in support of LB 148 on behalf of NDEE. He highlighted that NDEE has been running the various programs in this bill under a Memorandum of Agreement for the last 3.5 years. This bill will transfer the physical assets and funds from DHHS to NDEE. Macy outlined that NDEE has been able to provide better service to communities across the state and anticipates no changes to the way the programs are run. He also mentioned the Safe Drinking Water Act and the Clean Water Act programs are both delegated to the state from EPA so it makes sense to have them both under the same agency.

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

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

Opponents

No testimony was provided in opposition to the bill.

Neutral

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

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

LB 166 - Provide for Josh the Otter-Be Safe Around Water Plates, create a fund, and provide powers and duties for Game and Parks. Geist.

Senators gave final approval to LB 166 by a 41-0-8 vote on May 19th. The bill was presented to the Governor on May 19th and the Governor approved the bill on May 21st. The bill will become law 90 days after the session ends.

Previously, the Legislature advanced LB 166 to Final Reading on May 10th on a voice vote. The bill was advanced to Select File on May 4th on a 39-0 vote after adopting AM 389 by a 39-0 vote.

The Transportation Committee reported LB 166 to General File on March 2nd with AM 389 following an 8-0 vote. The amendment (AM 389) specifies that if specified criteria is met the DMV may cease to issue the plate after the license plate issuance cycle beginning in 2023. The amendment also adds language to allow the DMV to charge a postage and handling fee for delivery of plates.

The bill proposes to create the Josh the Otter-Be Safe Around Water Cash Fund under the control of the Nebraska Game and Parks Commission for the purpose of providing financial support for the education of persons about water safety in general and specifically for the education of children about staying away from water unless accompanied by an adult.

The commission shall use the Josh the Otter-Be Safe Around Water Cash Fund to award grants to nonprofit organizations that are dedicated to educating children about water safety. The grants shall be used by the recipient organization to support educating persons about water safety in general and specifically for the education of children about water safety.

The program would be funded by Josh the Otter-Be Safe Around Water Plates for motor vehicles.

In addition to all other fees required for registration under the Motor Vehicle Registration Act, each application for initial issuance or renewal of alphanumeric Josh the Otter-Be Safe Around Water Plates shall be accompanied by a fee of five dollars. County treasurers collecting fees pursuant to this subdivision shall remit such fees to the State Treasurer. The State Treasurer shall credit five dollars of the fee to the Josh the Otter-Be Safe Around Water Cash Fund.

In addition to all other fees required for registration under the Motor Vehicle Registration Act, each application for initial issuance or renewal of personalized message Josh the Otter-Be Safe Around Water Plates shall be accompanied by a fee of forty dollars. The State Treasurer shall credit twenty-five percent of the fee for initial issuance and renewal of such plates to the Department of Motor Vehicles Cash Fund and seventy-five percent of the fee to the Josh the Otter-Be Safe Around Water Cash Fund.

The fund may also receive gifts, bequests, grants, or other contributions or donations from public or private entities.

The Transportation Committee accepted testimony on LB 166 on February 23rd.

Sen. Geist opened by noting that drowning is the leading cause of accidental death for children ages 1-4 and that the bill would raise awareness to that issue. She noted the fees raised would go to NGPC to create grant opportunities for non-profits to teach water safety.

Proponents

Blake Collingsworth testified in support of the bill. Collingsworth founded the Josh the Otter program following the accidental drowning death of his son Joshua in 2008. He noted that drowning is the second leading cause of accidental death in children through age 14. This effort is focused on creating awareness and educating children, parents, and caregivers about water safety. He highlighted that the Josh the Otter program introduces the topic in a fun and non-scary way.

Kathy Collingsworth, also a founder of the Josh the Otter Foundation, said they are trying to target and educate children. She told the committee that 18 lives were lost last year to drowning in the state of Nebraska. She provided several examples of the projects funded by the foundation.

There were no opponents and no neutral testifiers.

Written testimony in support of the bill was submitted by NGPC and Nebraska Children's Hospital. The Nebraska DMV submitted a letter in a neutral capacity.

During closing, Sen. Geist addressed the letter from DMV and told the committee it recommends a minor change to harmonize language in the bill. She expressed that there are close to 250 people already interested in the license plate.

LB 209 - Change provisions relating to treatment of deferred compensation by certain political subdivisions, state agencies, and the Public Employees Retirement Board. McDonnell.

Senators gave final approval to LB 209 by a 41-0-8 vote on May 19th. The bill was presented to the Governor on May 19th and the Governor approved the bill on May 21st. The bill will become law 90 days after the session ends.

Previously, the Legislature advanced LB 209 to Final Reading on May 10th on a voice vote. State senators advanced LB 209 to Select File on a 42-0-7 vote after adopting the committee amendment (AM 880) on a 39-0-10 vote.

The Retirement Systems Committee reported LB 209 to General File on April 8th with AM 880 by a 6-0 vote. The amendment (AM 880) strikes the original provisions and becomes the bill.

The amendment clarifies that a plan of deferred compensation offered by a county, municipality, or other political subdivision may provide for the deferral on either a pretax basis or an after-tax Roth contribution basis under a qualified Roth contribution program pursuant to section 402A of the Internal Revenue Code. The bill clarifies that Roth IRA contribution amounts, as part of a deferred compensation package, are to be included in the computation of federal or state taxes withheld on behalf of public employees.

The Retirement Committee accepted testimony on LB 209 on March 3rd.

LB 285e - Change provisions relating to adjusting boundaries for elections and change and eliminate provisions regarding elections for various purposes. Brewer. Government Committee Priority Bill.

Senators gave final approval to LB 285e on May 21st by a 45-0-4 vote. The bill was presented to the Governor on May 21st and was approved by the Governor on May 26th. The bill includes the emergency clause and would become law immediately. Senators advanced LB 285e to Final Reading by a voice vote on May 18th.

The bill makes several changes to election laws. It provides for secure data-sharing with certain third parties by the Secretary of State to facilitate participation in the Electronic Registration Information Center and improve voter file accuracy. The bill also adjusts provisions relating to write-in candidates and modifies certain filing deadlines for candidates and certain political subdivisions. The bill is a Government Committee Priority Bill and was advanced to Select File by a 46-0 vote on March 15th.

Of interest to NRDs, are the changes made with a Select File amendment (AM 1354) that was adopted on a 34-0-15 vote. The amendment is a result of a hearing held May 5, 2021, on AM 1133. At the hearing, some additional information came forth on requirements for cities and villages that was required and the need for a new amendment.

Delays with the 2020 census data will cause delays with redistricting for local political subdivisions to meet election deadlines. The NARD has been working with the Nebraska Secretary of State's office and the Legislative Research Division to address potential problems.

In general, current Nebraska law gives political subdivisions six months after receiving the census data to re-draw subdivisions. Because of the delay in receiving the information, it is possible that candidate filing deadlines could be missed.

As a result of consultation with the Secretary of State and other parties, Senator Brewer introduced AM 1354 to LB 285 to change the deadlines for this current year to December 30, 2021. A hearing for the amendment was held May 5, 2021, a summary of the hearing is included below.

For NRDs, the proposed language reads as follows:

Following the release of the 2020 Census of Population data by the United States Department of Commerce, Bureau of the Census, any board of directors requesting the adjustment of the boundaries of election districts shall provide to the election commissioner or county clerk (a) written notice of the need and necessity of his or her office to perform such adjustments and (b) a revised election district boundary map that has been approved by the board and subjected to all public review and challenge ordinances of the natural resources district by December 30, 2021.

Those involved in the discussion realize that most political subdivisions are going to have to hire consultants or companies to change boundaries on short notices. Thus, we are working with senators and others to add an appropriation to the bill to help offset costs for making the changes on a quick turn-around.

The Government Committee held a hearing on May 5th.

In his opening, Senator Brewer outlined how delay of the 2020 census data is going to create problems for the Legislature on redistricting and political subdivisions to redraw subdistricts. These delays could cause problems for office filing deadlines. He mentioned the Secretary of State's office will follow him to explain the correspondence and deadline changes.

Bob Evnen, Secretary of State, and Wayne Bena, Assistant Secretary of State, followed with more details. They outlined the collection of census data was delayed for four months due to the COVID-19 issue, causing a delay in reporting the information.

The Federal Government is going to delay delivery of the Census Data until September 30, 2021. Legacy Format Data is being provided to the State by August 16, 2021 which is a delay from the normal statutory deadline of March 31, 2021. To accommodate this delay in the release of data, an amendment is needed to LB 285 to extend time frames. Under the amendment, the following timeline would be put into place.

- **By August 16, 2021:** Legacy Format Data delivered to the State of Nebraska.
- **Aug-Sept. 2021:** Special Session of the Legislature can be held.
- **October 2021:** Counties draw precinct boundaries.
- **November 1, 2021:** Deadline for County Election Officials to provide precinct maps to the political subdivisions within their jurisdictions.
- **December 17, 2021:** Deadline for Public Power Districts to submit a charter amendment to the Power review board for conditional approval.
- **December 30, 2021:** Deadline for political subdivisions to provide boundary lines to county election officials. As usual, political subdivisions cannot divide a voting precinct.
- Deadline for the Power Review Board to provide conditional approval of all charter amendments filed by December 17, 2021.
- **January 5, 2022:** Final Deadline for any boundary adjustments to be made to be in effect for the 2022 Primary Election.
- Deadline for Political Subdivisions to certify their 2022 elections.
- Start of the 2022 candidate filing period.
- **March 1, 2022:** Deadline for the Power Review Board to notify the Secretary of State if any Public Power Districts did not have their boundary maps approved.
- **May 10, 2022:** Nebraska Statewide Primary

NARD presented testimony at the hearing. The testimony outlined the following:

- In the past, the Nebraska Department of Natural Resources provided these services to the NRDs. We were informed by them a couple of years ago they will not be providing this service for the 2020 census requirements.

- With the delay in obtaining the census data, this is going to put us in a bind to get this done in a timely fashion and meet filing deadlines. This amendment provides us a little more room to finish the task at hand. Had the census information been provided in a timely fashion as in the past, this would not be such a problem.
- We have reached out to consulting groups that have GIS capabilities to assist the NRDs with the task. We have received a couple of bids to do all 23 NRDs and the prices range between \$154,000 to \$205,000. As of today, we have not engaged in any contracts.
- While some NRDs do have GIS staff and software that can re-draw the boundaries in house, most do not have that capacity and will have to contract to provide the service. We are working through this currently and will be discussing it again at our June meetings. I assume other political subdivisions will find themselves in a similar situation.
- Since this census information delay has been related to the COVID-19 issue, we would also ask that you consider directing some COVID-19 related funds to provide some financial assistance to those political subdivisions that do not have the capacity to do this internally.

Others testifying in support, included: Jon Cannon– NACO, Christy Abraham – League of Municipalities; David J. Shively - Lancaster County Election Commissioner; Colby Coash – Nebraska School Board Association; and Tracy Overstreet – Hall County Election Commissioner.

Testifying neutral was Danielle Conrad – ACLU.

Senator Brewer closed by reminding the committee that LB 285 cleans up other election laws prior to the filing deadlines and the amendment will help the local political subdivisions.

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

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

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

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

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

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

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

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

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

Proponents

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

Opponents

There was no opposition or neutral testimony.

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

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

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

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

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

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

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

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

In her opening Sen. Sanders mentioned the bill was brought to her by the State Auditors office. Provisions of the bill were outlined and she offered a Committee Amendment (AM67) which strikes the portion of the bill outlining that the auditor can audit the political subdivision, noting that under existing law they already have the ability to audit any given subdivision at any time, and that section of the bill is repetitive and unnecessary.

Proponents

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

Opponents

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

State Budget Bills

The state budget bills were signed into law on April 26, 2021, by Governor Ricketts without any vetoes.

The \$9.7 billion budget keeps state spending growth at 1.6% for the two-year biennium. The budget includes \$1.45 billion in direct property tax relief over the biennium. The budget includes \$115 million earmarked to address prison overcrowding, including \$100 million appropriated to the capital construction fund and \$15 million set aside for prison alternatives and programs.

Senators set aside funds to replenish the Cash Reserve Fund by including a \$100 million transfer from the General Fund to replenish the Cash Reserve Fund to a balance of \$763 million. The budget left \$210 million for pending legislation.

Summaries for bills with provisions impacting natural resources programs are included below. A spreadsheet summarizing budget bills follows.

LB 379e - Provide, change, and eliminate provisions relating to appropriations. Speaker Hilgers, at the request of the Governor.

The Legislature passed LB 379e on April 20th by a 47-0-2 vote. The bill was presented to the Governor on April 20th and was signed into law on April 26th. The bill includes the emergency law and becomes law immediately.

Previously, the Legislature advanced LB 379 to Final Reading on April 13th on a voice vote. On April 4th the bill was advanced to Select File by a 38-0 vote after adopting AM 392 on a 38-0 vote.

The Appropriations Committee reported LB 379 to General File on April 1st with AM 392.

The amendment (AM 392) becomes the bill. The bill adjusts the budget for the FY 2020-21. There are no adjustments related to natural resources programs.

LB 380e – Appropriate funds for the expenses of Nebraska State Government for the biennium ending June 30, 2023. Speaker Hilgers, at the request of the Governor.

The Legislature passed LB 380e on April 20th by a 47-0-2 vote. The bill was presented to the Governor on April 20th and was signed into law on April 26th. The bill includes the emergency law and becomes law immediately.

Previously, the Legislature advanced LB 380 to Final Reading on April 13th on a voice vote after adopting a series of amendments on Select File. Related to natural resources programs, AM 946 made an adjustment to increase the appropriation to the Water Sustainability Fund by \$475,000, this removes an earmark to NeDNR that is offset by an equivalent Cash Fund increase of \$475,000 to NeDNR operations.

On April 4th, the Legislature advanced LB 380 to Select File by a 42-0 vote after adopting AM 393 on a 41-0 vote and AM 891 on a 28-12 vote.

The floor amendment (AM 891) increased appropriations for the Nebraska Arts Council from the committee proposal of \$100,000 to \$1,005,346.

Previously, the Appropriations Committee reported LB 380 to General File on April 1st with AM 393. The amendment (AM 393) became the bill.

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

For natural resources programs, the proposal recommends the following:

- **Nebraska Soil and Water Conservation Fund** - Maintains current levels of funding at \$1,806,112 and \$50,000 in Cash Funds for both FY 21-22 and FY 22-23.
- **Water Well Decommissioning** - Appropriates \$70,000 in Cash Funds for both FY 21-22 and FY 22-23.
- **Natural Resources Water Quality Fund** - \$1,187,500 in Cash Funds for both FY 21-22 and FY 22-23.
- **Nebraska Resources Development Fund** - The bill includes no additional appropriations. However unexpended balances existing on June 30, 2021, would be re-appropriated.
- **Nebraska Water Sustainability Fund** – The bill includes an appropriation of \$10,865,033 for both FY 21-22 and FY 22-23. Unexpended balances existing on June 30, 2021, would be re-appropriated
- **Critical Infrastructure Fund** - The bill includes no additional appropriations, however unexpended balances existing on June 30, 2021, would be re-appropriated.
- **Department of Natural Resources operations** - The bill appropriates \$20,134,950 in FY 2021-22 and \$20,108,208 in FY 22-23.
- **Environmental Trust** – The bill includes appropriations of \$20,676,142 for FY 21-22 and \$21,182,946 for FY 22-23.
- **Department of Environment and Energy** - The bill includes appropriations of \$62,487,792 for FY 21-22 and \$62,487,792 for FY 22-23 for Administration, Water Quality, Land Quality and Air Quality programs.
- **Drinking Water Facilities Loan Fund (NDEE)** - Appropriates \$8.5 million for both FY 21-22 and FY 22-23.
- **Nebraska Game and Parks Commission Wildlife Conservation** - Appropriates \$38,105,038 for FY 21-22 and \$38,567,910 for FY 22-23.
- **Nebraska Game and Parks Commission Habitat Development** - Appropriates \$11,482,781 for FY 21-22 and \$11,506,611 for FY 22-23.
- **Nebraska Game and Parks Commission Planning and Trails Coordination** - Appropriates \$1,770,827 for FY 21-22 and \$1,794,710 for FY 22-23.
- **Nebraska Game and Parks Commission Niobrara Council** - Appropriates \$176,000 for both FY 21-22 and FY 22-23. This includes \$125,000 from Federal sources, \$50,000 in General Fund and \$1,000 in Cash Fund for each fiscal year.
- **University of Nebraska Robert B. Daugherty Water for Food Global Institute** - Appropriates \$500,000 in General Funds for both FY 21-22 and FY 22-23.

The bill as amended includes the following transfers impacting natural resources programs:

- Transfers \$11 million from the General Fund to the Water Sustainability Fund in both FY 21-22 and FY 22-23.
- Transfers \$3.3 million from the General Fund to the Water Resources Cash Fund in both FY 21-22 and FY 22-23.

The bill as amended also includes provisions of LB 449 to appropriate funds to NDEE for weatherization and energy efficiency improvements. A summary of LB 449 follows the budget bill summaries.

The Appropriations Committee held hearings for the Nebraska Department of Environment and Energy, Nebraska Department of Natural Resources and Nebraska Game and Parks on February 26th.

Agency 29 – Department of Natural Resources

Director Riley testified in support on behalf of the Department. He noted he fully supports the Governor's recommendation and the committee's preliminary recommendation. He noted that program 334 contains the department's operation budget and that the Governor's recommendation includes a less than 2% increase in each FY - Excluding a one-time appropriation for \$225,000 to support development of the flood mitigation plan.

Director Riley commented that the agency works closely with the Natural Resource Commission on managing cash fund appropriations and he provided an overview of projects funded by the Water Sustainability Fund (WSF). He commented that the department supports the \$475K transfer from the WSF to the cash fund to support maintenance and study of the South Platte River. Director Riley noted that the one-time \$3.8 million appropriation does not need additional funding, but noted it is critical that the existing balance be re-appropriated to support continued work.

Sen. Stinner asked about the fund balance of the \$3.8 million transfer. Director Riley noted that approx. \$2.3 million is unexpended, and that most of the work has been completed and they're working to accelerate the reimbursement process.

Sen. Wishart noted that they have been briefed by the Attorney General's office about water litigation, and asked if the Department works closely with the AG's office, and if so, does the Department have the resources to support that? Director Riley noted that the department works closely with the AG's office and that it is the responsibility of the department to look upstream and protect our resources, further noting that at this point with what is requested the department can support those efforts. Sen. Stinner commented that it is important to monitor and respond to anything Colorado does on the South Platte.

There was no opposition or neutral testimony, and no letters were submitted for the record.

Agency 84 – Department of Environment and Energy

Director Macy testified in support on behalf of the Department. He noted the recommendation includes salary and health insurance increases of less than 1% over the current base appropriation. He commented that he supports the Governor's proposed budget and the committee's proposed budget, with one exception - He noted the committee didn't include health insurance increases for program 106 and encouraged that be included. Sen. Stinner noted that was likely just an oversight.

Sen. Wishart requested that Director Macy provide the committee a brief on the situation with the AltEn plant at Mead. Director Macy referenced the February 25th briefing with the Natural Resources Committee. He commented that they have been on site since the emergency happened, and that they brought in a contractor and EPA to assist. Macy noted that the spill is contained, and active remediation is occurring with progress, mentioning they are toward the end of emergency phase of cleanup, telling the committee he anticipates we're days, or a week or two from seeing the finality on the emergency part of it. He told the committee the facility has March 1st date to clean up the wet-cake.

Sen. Wishart commented that she has heard the leakage went 30 feet down and asked how that was being addressed. Macy noted that's not part of the cleanup going on now and that the emergency situation is different from long standing compliance efforts of the agency in this case. He commented that according to their current groundwater results, one well had an indication of groundwater impacts. He noted that he can't yet report

results of testing going on right now, telling the committee as soon as they get results they'll let them know. He further commented that the one well that showed contamination was not significant, so they're going to go look into it further and report back.

The committee asked further questions about the cost of cleanup and dealing with the situation moving forward. Macy noted there is about 100,000 tons of wet-cake and a lot of water in lagoons that needs mitigated, but noted that's the facilities job, commenting that when the facility gives them a plan he'll know more.

Sen. Wishart asked who is responsible if people's health is impacted, the company or the state? Macy commented that it is the company's responsibility, but commented they're getting into confidentiality and that he can't go further.

The committee further asked Macy if the department has the staff funding to address the situation, or can the committee anticipate a deficit request. Director Macy commented that we're in emergency stage, and he doesn't want to ask for something they haven't evaluated, noting they need to see what tools they have to fit the situation, but at this point there is no additional request for support and that he will be able to talk more about it later on.

A letter in support was submitted for the record by the League of Women Voters. There was no opposition or neutral testimony.

Agency 33 – Nebraska Game and Parks Commission

Director Douglas testified in support on behalf of the Commission. He commented that a majority of budget request was dedicated to state-approved wage and insurance adjustments. He noted there is some increase for increased campground capacity and upgrades, as well as additional staff at Lake McConaughy. He requested the committee give further consideration for agency capital request for program acquisition and management of wildlife areas. The purpose of the request is not for acquisitions, but is focused on capital development for improvements, including fencing projects and construction of a couple of wells.

During questioning, Sen. Erdman had several questions and comments to make about NGPC management. Those comments were not limited to an audit report for tracking of capital improvements, revenue sources and use of program 336, pheasant populations, mountain lion populations, and lengthy discussion over increasing elk populations.

Tanya Storer, Chair of the Niobrara Council, testified in support on behalf of the Council. Storer provided the committee with a detailed overview of the role of the Council and walked through the funding mechanisms for the council. She commented that money received from federal sources is restricted and that the state appropriation is utilized for administrative costs.

There were no additional proponents, and no opposition or neutral testimony was provided.

LB 383e - Appropriate funds for capital construction. Speaker Hilgers, at the request of the Governor.

The Legislature passed LB 383e on April 20th by a 38-2-9 vote. The bill was presented to the Governor on April 20th and was signed into law on April 26th. The bill includes the emergency law and becomes law immediately.

Previously, the Legislature advanced LB 383 to Final Reading on April 13th on a voice vote. The bill was advanced to Select File on April 9th by a 37-3 vote after adoption of AM 395 by a 37-3 vote and AM 911 by a 32-3 vote.

The major appropriations in the bill are for the proposed new prison, University of Nebraska projects and the State Capitol HVAC repair.

Included in the bill are several capital construction projects for the Nebraska Game and Parks Commission as follows:

- **State Park System Facility Improvements** – Appropriates \$775,000 for FY 21-22 and \$925,000 for FY 22-23.
- **State Parks Facilities Deferred Maintenance** - Appropriates \$4,325,000 for FY 21-22 and \$4,175,000 for FY 22-23.
- **Improvements to State Recreation Areas** - Appropriates \$500,000 for both FY 21-22 and FY 22-23.
- **Emergency Repairs** - Appropriates \$750,000 for both FY 21-22 and FY 22-23.
- **Aquatic Habitat Enhancement and Restoration** - Appropriates \$3,000,000 for both FY 21-22 and FY 22-23 in future cash funds.

LB 384e - Provide for transfers of funds and change permitted use of a fund. Speaker Hilgers, at the request of the Governor.

The Legislature passed LB 384e on April 20th by a 41-0-8 vote. The bill was presented to the Governor on April 20th and was signed into law on April 26th. The bill includes the emergency law and becomes law immediately.

Previously, the Legislature advanced LB 384 to Final Reading on April 13th on a voice vote after adopting AM 962 and 937. The amendments included no adjustments to natural resources programs and reflected compromises on funding to address prison overcrowding and behavioral health.

The bill was advanced to Select File on April 4th by a 44-0 vote after adoption of AM 396 on a 44-0 vote.

The Appropriations Committee reported LB 384 to General File on April 1st with AM 396. The amendment (AM 396) became the bill.

The bill provides for transfers of funds for state operations. Original sections relating to transfers from the General Fund to the Property Tax Credit Fund, the Water Sustainability Fund, and the Water Resources Cash Fund, are now contained in the committee amendment to LB 380.

LB 384 as amended transfers \$475,000 from the Water Sustainability Fund to the Department of Natural Resources Cash Fund in both FY 21-22 and FY 22-23. During General File floor debate, Sen. Stinner noted an amendment would be brought on Select File to strike the \$475,000 transfer, as the transfer of funds for the study are no longer required.

		Governor Proposed LB's 380 & 384		Appropriations Committee Proposed Budget AM 393		Committee AM 393 Change From Governors Proposed LB 380		Appropriations AM 393 Change From FY 20-21 Baseline	
		FY 21-22	FY 22-23	FY 21-22	FY 22-23	FY 21-22	FY 22-23	FY 21-22	FY 22-23
Agency 84 - Department Environmental & Energy									
Program 513, 586, 587, 588 - NDEE ¹	General Fund	\$ 3,754,047	\$ 3,778,641	\$ 4,826,993	\$ 4,862,565	\$ 1,072,946	\$ 1,083,924	\$ 1,110,249	\$ 1,145,821
	Cash Fund	\$ 36,918,970	\$ 37,023,644	\$ 38,185,376	\$ 38,345,459	\$ 1,266,406	\$ 1,321,815	\$ 1,434,269	\$ 1,594,352
	Federal Fund est.	\$ 17,304,737	\$ 17,415,411	\$ 19,475,423	\$ 19,635,506	\$ 2,170,686	\$ 2,220,095	\$ 2,338,549	\$ 2,498,632
	Program Total	\$ 57,977,754	\$ 58,223,696	\$ 62,487,792	\$ 62,487,792	\$ 4,510,038	\$ 4,264,096	\$ 4,883,067	\$ 4,883,067
	Salary Limit	\$ 13,769,558	\$ 13,918,726	\$ 16,282,707	\$ 16,519,455	\$ 2,513,149	\$ 2,600,729	\$ 2,775,170	\$ 3,011,918
¹ The increases in the Committees proposal reflect NDEE absorbing water quality programs formally housed at DHHS.									
Program 523 - Wastewater Loan Fund	Cash Fund	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ -	\$ -	\$ -	\$ -
	Federal Fund est.	\$ 6,940,000	\$ 6,940,000	\$ 6,940,000	\$ 6,940,000	\$ -	\$ -	\$ -	\$ -
	Program Total	\$ 7,540,000	\$ 7,540,000	\$ 7,540,000	\$ 7,540,000	\$ -	\$ -	\$ -	\$ -
Program 528 - Drinking Water Facilities Loan Fund	Cash Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Federal Fund est.	\$ 8,500,000	\$ 8,500,000	\$ 8,500,000	\$ 8,500,000	\$ -	\$ -	\$ -	\$ -
	Program Total	\$ 8,500,000	\$ 8,500,000	\$ 8,500,000	\$ 8,500,000	\$ -	\$ -	\$ -	\$ -
Agency 33 - Game & Parks Commission									
Program 162 - Environmental Trust	Cash Fund	\$ 20,675,791	\$ 21,182,401	\$ 20,676,142	\$ 21,182,946	\$ 351	\$ 545	\$ 8,555	\$ 515,359
	Program Total	\$ 20,675,791	\$ 21,182,401	\$ 20,676,142	\$ 21,182,946	\$ 351	\$ 545	\$ 8,555	\$ 515,359
	Salary Limit	\$ 291,891	\$ 295,908	\$ 292,196	\$ 296,460	\$ 305	\$ 552	\$ 5,772	\$ 10,036
Program 330 - Habitat Development	Cash Fund	\$ 7,590,995	\$ 7,625,097	\$ 7,582,108	\$ 7,605,938	\$ (8,887)	\$ (19,159)	\$ (69,341)	\$ (45,511)
	Federal Fund est.	\$ 3,901,998	\$ 3,903,350	\$ 3,900,673	\$ 3,900,673	\$ (1,325)	\$ (2,677)	\$ (3,443)	\$ (3,443)
	Program Total	\$ 11,492,993	\$ 11,528,447	\$ 11,482,781	\$ 11,506,611	\$ (10,212)	\$ (21,836)	\$ (72,784)	\$ (48,954)
	Salary Limit	\$ 1,607,238	\$ 1,628,840	\$ 1,597,748	\$ 1,608,622	\$ (9,490)	\$ (20,218)	\$ 42,011	\$ 52,885
Program 336 - Wildlife Conservation ²	General Fund	\$ 1,817,493	\$ 1,849,409	\$ 1,825,024	\$ 1,867,895	\$ 7,531	\$ 18,486	\$ 399,400	\$ 442,271
	Cash Fund	\$ 27,043,836	\$ 27,430,888	\$ 32,061,087	\$ 32,469,593	\$ 5,017,251	\$ 5,038,705	\$ 6,030,916	\$ 6,439,422
	Federal Fund est.	\$ 4,225,405	\$ 4,243,090	\$ 4,218,927	\$ 4,230,422	\$ (6,478)	\$ (12,668)	\$ 446,774	\$ 458,269
	Program Total	\$ 33,086,734	\$ 33,523,387	\$ 38,105,938	\$ 38,567,910	\$ 5,018,304	\$ 5,044,523	\$ 6,877,090	\$ 7,339,962
	Salary Limit	\$ 16,025,594	\$ 16,295,845	\$ 16,056,219	\$ 16,370,045	\$ 30,625	\$ 74,200	\$ 1,104,923	\$ 1,418,749
² \$5,000,000 Cash Fund increase is included in Committee proposal for wildlife damage reimbursement, which shall only be used for such purpose.									
Program 338 - Niobrara Council	General Fund	\$ 42,011	\$ 42,011	\$ 50,000	\$ 50,000	\$ 7,989	\$ 7,989	\$ 7,989	\$ 7,989
	Cash Fund	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ -	\$ -
	Federal Fund est.	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ -	\$ -	\$ -	\$ -
	Program Total	\$ 168,011	\$ 168,011	\$ 176,000	\$ 176,000	\$ 7,989	\$ 7,989	\$ 7,989	\$ 7,989
The unexpended Cash Fund appropriation balance existing on June 30, 2021, is reappropriated.									
Program 550 - Planning & Trails Coordination	General Fund	\$ 494,211	\$ 502,047	\$ 493,544	\$ 500,230	\$ (667)	\$ (1,817)	\$ 4,128	\$ 10,814
	Cash Fund	\$ 1,166,192	\$ 1,181,201	\$ 1,167,922	\$ 1,183,924	\$ 1,730	\$ 2,723	\$ 24,198	\$ 40,200
	Federal Fund est.	\$ 109,414	\$ 110,298	\$ 109,361	\$ 110,556	\$ (53)	\$ 258	\$ 1,450	\$ 2,645
	Program Total	\$ 1,769,817	\$ 1,793,546	\$ 1,770,827	\$ 1,794,710	\$ 1,010	\$ 1,164	\$ 29,776	\$ 53,659
	Salary Limit	\$ 969,998	\$ 983,382	\$ 970,827	\$ 984,299	\$ 829	\$ 917	\$ 24,980	\$ 38,452
Amount expended for development & maintenance of boundary fences along Cowboy Trail limited to \$64,000 CF each FY									
Agency 29 - Department of Natural Resources									
Program 303 - Small Watersheds	Cash Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Program Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Program 304 - Nebraska Soil & Water Conservation Fund	General Fund	\$ 1,806,112	\$ 1,806,112	\$ 1,806,112	\$ 1,806,112	\$ -	\$ -	\$ -	\$ -
	Cash Fund	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -
	Program Total	\$ 1,856,112	\$ 1,856,112	\$ 1,856,112	\$ 1,856,112	\$ -	\$ -	\$ -	\$ -
The unexpended General Fund appropriation balance existing on June 30, 2021, is reappropriated.									
*Program 306 - Water Well Decommissioning	Cash Fund	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ -	\$ -	\$ -	\$ -
	Program Total	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ -	\$ -	\$ -	\$ -
The unexpended Cash Fund appropriation balance existing on June 30, 2021, is reappropriated.									
Program 307 - Nebraska Resources Development Fund - The unexpended General Fund & Cash Fund appropriation balances existing on June 30, 2021, are reappropriated.									
Program 309 - Natural Resources Water Quality Fund	Cash Fund	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ -	\$ -	\$ -	\$ -
	Program Total	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ -	\$ -	\$ -	\$ -
The unexpended Cash Fund appropriation balance existing on June 30, 2021, is reappropriated.									
Program 313 - Water Sustainability Fund	Cash Fund	\$ 10,865,033	\$ 10,865,033	\$ 10,865,033	\$ 10,865,033	\$ -	\$ -	\$ -	\$ -
	General FundTransfe	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ -	\$ -	\$ -	\$ -
The unexpended Cash Fund appropriation balance existing on June 30, 2021, is reappropriated.									
Program 314 - Critical Infrastructure Facilities -- The unexpended Cash Fund appropriation balance existing on June 30, 2021, is reappropriated									
Water Resources Cash Fund	LB 298 Transfer in	\$ 3,300,000	\$ 3,300,000	\$ 3,300,000	\$ 3,300,000	\$ -	\$ -	\$ -	\$ -
**Program 334 - Soil & Water Conservation (General Operations)	General Fund	\$ 11,017,548	\$ 10,971,400	\$ 11,020,779	\$ 10,972,796	\$ 3,231	\$ 1,396	\$ 484,329	\$ 436,346
	Cash Fund	\$ 7,784,340	\$ 7,788,195	\$ 8,259,150	\$ 8,263,380	\$ 474,810	\$ 475,185	\$ 833,406	\$ 837,636
	Federal Fund est.	\$ 839,193	\$ 845,188	\$ 855,021	\$ 872,032	\$ 15,828	\$ 26,844	\$ 51,950	\$ 68,961
	Program Total	\$ 19,641,081	\$ 19,604,783	\$ 20,134,950	\$ 20,108,208	\$ 493,869	\$ 503,425	\$ 1,369,685	\$ 1,342,943
	Salary Limit	\$ 7,066,469	\$ 7,162,623	\$ 7,086,478	\$ 7,194,701	\$ 20,009	\$ 32,078	\$ 230,338	\$ 338,561
Agency 51 - University of Nebraska									
Robert B. Daugherty Water for Food Global Institute	General Fund	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -
			\$ -					\$ -	\$ -

¹The increases in the Committees proposal reflect NDEE absorbing water quality programs formally housed at DHHS.

²\$5,000,000 Cash Fund increase is included in Committee proposal for wildlife damage reimbursement, which shall only be used for such purpose.

LB 406e - Create the Lower Platte River Infrastructure Task Force and provide funding. McDonnell. Speaker Priority.

Senators gave final approval to LB 406e by a 41-0-8 vote on May 19th. The bill was presented to the Governor on May 20th and was signed by the Governor on May 26, 2021. The bill included the emergency clause and became law immediately.

The Executive Board of the Legislature announced appointments to the Statewide Tourism and Recreational Water Access and Resource Sustainability Special Committee that was created by the passage of the bill.

Appointed to the committee are:

Plymouth Senator Tom Brandt;
Elmwood Senator Robert Clements;
Norfolk Senator Michael Flood;
Creighton Senator Tim Gragert;
Venango Senator Dan Hughes;
Omaha Senator John McCollister;
Omaha Senator Mike McDonnell; and
Lincoln Senator Anna Wishart.

The committee also includes Speaker Mike Hilgers of Lincoln as chairperson and Brainard Senator Bruce Bostelman, chairperson of the Natural Resources Committee.

The Legislature advanced LB 406 to Final Reading on May 12th on a voice vote after adopting AM 1424 on a 35-0 vote and AM 1386 on a 34-0 vote.

AM 1386 adds language that the special committee shall terminate on December 31, 2022. AM 1424 adds that contracts for the study be based on competitive bids.

Previously, state senators advanced LB 406 to Select File on a 42-2-5 vote after adopting the committee amendment (AM 1092) and a floor amendment (FA 38). The floor amendment (FA 38) changes the name of the special committee to The Statewide Tourism and Recreational Water Access and Resource Sustainability (STAR WARS) Committee of the Legislature.

The Natural Resources Committee held a hearing on a proposed amendment (AM 848) to LB 406 on Tuesday, April 20th. After the hearing, the committee advanced AM 1092 which replaces the bill.

The amendment (AM 1092) creates the Statewide Tourism and Recreational Water Access and Resource Sustainability Special Committee of the Legislature. It was adopted on a 43-2-4 vote. The floor amendment adopted on a 40-2-7 vote incorporates the acronym “STAR WARS” for the “Statewide Tourism and Recreational Water Access and Resource Sustainability” committee.

The committee shall consist of the Speaker of the Legislature, who shall serve as chairperson. Other members include the chairperson of the Natural Resources Committee, one member of the Appropriations Committee, and at least four other members of the Legislature appointed by the executive board. The appointed members of the special legislative committee shall be members who represent legislative districts comprising portions of the areas under study or who otherwise have knowledge of such areas.

The Executive Board of the Legislative Council shall provide staff as required by the committee from existing legislative staff. In addition, the committee may hire additional staff, make expenditures for travel, and enter into contracts for consulting, engineering, and development studies.

It is the intent of the Legislature to appropriate two million dollars for fiscal year 2021-22 to carry out the purposes of the committee.

Studies shall be conducted on:

- The need to protect public and private property, enhance economic development, and promote private investment and the creation of jobs along the Platte River and its tributaries from Columbus, Nebraska, to Plattsmouth, Nebraska. The study of the Lower Platte River shall not include a study of any dam on a Platte River channel but may include infrastructure options that maintain the integrity of the main channel of the Platte River. The committee may study dams relating to tributaries of the Platte River and levees in such area.
- The need to provide for public safety, public infrastructure, land-use planning, and economic development in the Lake McConaughy region of Keith County, Nebraska.
- The socioeconomic conditions, recreational and tourism opportunities, and public investment necessary to enhance economic development and to catalyze private investment in the region in Knox County, Nebraska, that lies north of State Highway 12 and extends to the South Dakota border and includes Lewis and Clark Lake and Niobrara State Park.
- The studies for Lake McConaughy in Keith County and Lewis and Clark Lake and Niobrara State Park in Knox County shall evaluate the outcomes and the economic benefits of proposed development and improvements to residents, the local region, and state tourism.

The committee shall hold hearings and request and receive reports from state, county, and city agencies regarding matters pertaining to its studies. The committee may hold one or more closed sessions for the receipt of confidential information if at least one-half of the members of the committee vote in open session to hold a closed session. The committee may appoint a subcommittee for the purpose of receiving public input as it relates to protection from flooding along the Platte River from Columbus, Nebraska, to Plattsmouth, Nebraska.

The special legislative committee shall endeavor to complete each study on or before December 31, 2021, but such studies shall be completed no later than December 31, 2022.

The Natural Resources Committee accepted testimony on the Amendment 848 to LB 406 on April 20th.

Opening on the amendment to the bill, Sen. McDonnell provided the committee with an overview of the negotiations and discussions that led to a compromise amendment to the issue. He noted the language in the bill specifically outlines the study of the Lower Platte River shall not include a study of any dam on a Platte River channel but may include infrastructure options that maintain the integrity of the main channel of the Platte River. The committee may study dams relating to tributaries of the Platte River and levees in such area. The potential for a dam on the mainstream of the Platte River was the center-point of opposition to the original bill and that has now been alleviated.

Proponents

John Winkler, General Manager of the Papio-Missouri River NRD, testified on behalf of NARD.

Winkler offered the NRDs assistance to formulate proactive options to mitigate the devastating impacts of flooding and drought, create recreational opportunities, foster economic and community development, create jobs and investment, as well as improve the natural environment. The historic flood of 2019 was all about

the uncontrolled tributaries of the state like the Platte, Elkhorn, and Loup Rivers. Preliminary analysis illustrates that if a significant reservoir or several reservoirs were in place in the Lower Platte Basin during the March 2019 flood event the certified levee systems south of the mouth of the Platte and Missouri River in Iowa, Nebraska, Kansas, and Missouri would have been within their design capacities and potentially would not have been overtopped or failed.

At a minimum over two and a half billion dollars in damages to critical public and private infrastructure and property could have been prevented. This figure does not include damages to agricultural land, homes, businesses, lost income, entire communities destroyed and the future productivity of thousands of acres of farm ground compromised; all from one single event.

In stark contrast to the impacts of flooding, it is estimated that the duration and intensity of droughts will increase, flash droughts like the one in 2021 may become more frequent. Throughout the state's history there has always been stresses on our drinkable and irrigated water supplies that test their resiliency and sustainability. Several significant reservoirs that could provide enough surface water augmentation on demand and enhance aquifer recharge all year round would be a tremendous boost to the resiliency of the lower Platte corridor where nearly 70% of the state's population resides.

In fact, the most recent statewide groundwater report published by the University of Nebraska at Lincoln's School of Natural Resources highlighted that groundwater wells near reservoirs and canals continue to show increases as they benefit from seepage or groundwater recharge. Groundwater levels have risen as much as 60 feet near Lake McConaughy due to recharge from the lake. In south-central, central, and western Nebraska, groundwater has risen by more than 100 feet due to the influence of canals and reservoirs. This type of sustainable water supply would be especially beneficial to the City of Lincoln who relies solely on the Platte River Basin for its water needs.

Winkler noted that reservoirs would add a tremendous number of recreational benefits both land and water based to the Omaha/Lincoln metropolitan area. It is consistently reported that the urban areas of our state and country lack sufficient outdoor recreational opportunities. With addition acres of flat-water recreation, that would also provide flood control benefits, it is reasonable to conservatively expect several hundred million dollars in economic impact to the state's economy.

Others testifying in support had a common theme of flood control, recreation, and economic development. Testifiers in support included: Speaker Mike Hilgers; Mark Simpson, Knox County; Deb Schilz, Keith County Visitors Committee; Kelly Hanvey, Knox County Development Agency; Jessop Adams, Keith County Planning and Zoning; Corey Crandall, Keith County Commissioner; Lane Anderson, Keith County Commissioner; Karla Scott, Keith County Chamber; Jeff Davis, BNSF Railway; Patrick Liska, Knox County Supervisor; Kevin Barta, Knox County Road Department; Kristal Stoner, Audubon Society.

Written testimony in support was submitted by Angela Janda-Craig, Nebraska Game and Parks;

Written testimony in a neutral capacity included: Jeff Buettner, Central Nebraska Public Power and Irrigation District; and Jay Ferris, Nebraska Farm Bureau.

LB 414 - Change provisions of the Political Subdivisions Construction Alternatives Act. Wishart.

The Legislature passed LB 414 on April 20th by a 47-0-2 vote. The bill was presented to the Governor on April 20th and was signed into law on April 23, 2021. The bill will become law 90 days after the session ends.

Previously, the Legislature advanced LB 414 to Final Reading on April 12th on a voice vote. The bill was advanced to Select File on April 6th by a 41-0 vote. The Government Committee reported LB 414 to General File on February 16th following a 7-0-1 vote.

The bill adds natural resources districts to the list of political subdivisions that could use design-build contracts or construction management at risk contracts.

The bill outlines that political subdivisions may use such for a project, in whole or in part, for water, wastewater, utility, or sewer construction.

To use the contract, the governing body of the political subdivision shall adopt a resolution selecting the design-build contract or construction management at risk contract delivery system by an affirmative vote of at least two-thirds of the governing body of the political subdivision. The resolution shall include a statement that the political subdivision has made a determination that the contract is in the public interest based, at a minimum, on one of the following criteria: (a) Savings in cost or time or (b) requirement of specialized or complex construction methods suitable for the design-build contract or construction management at risk contract delivery system.

The Government, Military & Veterans Affairs Committee accepted testimony on LB 414 on February 4th.

Opening on the bill, Sen. Wishart commented that she was carrying the bill for Sen. Hilgers, noting this is building off of LB 890 from last session. She commented that the goal is to save time and money by allowing for a more efficient process. The bill would authorize the use of design build for water infrastructure projects. This is a compromise with the only stakeholders who were in opposition last year. She noted that NPPD would like to be added to the list of political subdivisions authorized for design-build, and requested the committee consider that as an amendment.

Proponents

Christy Abraham testified in support on behalf of the League of Nebraska Municipalities. Abraham noted that the use of design-build continues to expand and grow. She suggested that there have been many communities that would like to use design-build for water and wastewater projects.

Elizabeth Elliott testified in support on behalf of the City of Lincoln. Elliott commented that this would offer flexibility and provide cost and time savings. She noted that the City of Lincoln has successfully used design-build for other projects and would like to have the same option for water and wastewater utility projects.

Written testimony was submitted in support by NACO.

The NARD worked with Sen. Wishart and submitted written testimony on the bill. The testimony outlined that Nebraska's NRDs operate and provide safe drinking water for 15 rural water systems in Nebraska. This includes more than 2,300 miles of buried water lines, serving over 19,300 people across the state. Primarily, these serve smaller communities that cannot afford to operate systems independently. They also serve many rural customers in between the communities that do not have access to drinking water.

An example would be the Logan East Rural Water & Wau-Col Rural Water system operated by the Lower Elkhorn NRD. This system has 800 miles of buried water lines, serving six communities of Belden, Magnet, McLean, Uehling, Winslow & Herman. There are also rural customers that hook on to the system in between the communities. The total population served is over 6,000.

During the floods of 2019, several rural water systems had breaks in lines and needed emergency repairs. The NRDs were able to hook on to other systems to provide temporary service while the system was repaired. The design-build process proposed in LB 414 could allow NRDs to use a design system that would expedite construction, save money and ultimately provide cost savings for the users. This process could be used in the future to add customers and communities to existing systems and/or new systems.

There was no opposition or neutral testimony and Sen. Wishart waived closing. Position letters in support of the bill were submitted by the Association of General Contractors, and MUD.

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

State senators gave final approval to LB 501 on April 29th by a 48-0-1 vote. The bill was presented to the Governor on April 29th and the Governor approved the bill on May 5th. The bill will become law 90 days after the session ends.

The Legislature advanced LB 501 to Final Reading on April 14th on a voice vote.

Previously, the Legislature advanced LB 501 to Select File on April 1st by a 40-0 vote after adopting AM 526, 671, and 794.

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

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

The bill proposed a process to modify easement relocation.

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

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

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

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

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

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

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

Proponents

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

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

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

Opposition

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

LB 507e - Prohibit the use of treated seed corn in the production of agricultural ethyl alcohol in certain circumstances. Bostelman. Natural Resources Committee Priority Bill.

Governor Ricketts signed LB 507e into law on May 5th. The bill includes the emergency law and becomes law immediately. State senators gave final approval to LB 507e on April 29th by a 48-0-1 vote.

Senators advanced LB 507, including provisions of LB 190 as amended into the bill via AM 256, to Final Reading on April 14th.

Previously, the Legislature advanced LB 507 to Select File on March 25th by a 43-0-4 vote after adopting AM 256, 567, & 365. Provisions of LB 190 were incorporated into LB 507 with AM 256, which was adopted by a 42-0-5 vote a summary of LB 190 can be found on page 53 of this report.

LB 507, was reported to General File with the amendment AM 256 on February 23rd. LB 507 was introduced by Natural Resources Committee Chair Bostelman to address contamination concerns at the AltEn ethanol plant near Mead by prohibiting the use of treated seed corn in the production of agricultural ethyl alcohol if the byproduct generated is deemed unsafe for livestock consumption or land application. The Natural Resources Committee declared the bill a priority bill for the session.

LB 644 – Adopt the Property Tax Request Act. Hansen, B. Hansen, B. Priority Bill.

Senators gave final approval to LB 644 by a 42-0-7 vote on May 19th. The bill was presented to the Governor on May 19th and was signed by the Governor on May 24, 2021. The bill will become law 90 days after the session ends.

Previously, the legislature advanced LB 644 to Final Reading on a voice vote after adopting several amendments to clarify the bill on Select File.

After lengthy debate, Sen. Hansen introduced an amendment on Select File (AM 1019) that he said was the result of a compromise with other senators and representatives of the affected political subdivisions. The amendment eliminated other provisions previously adopted and becomes the bill.

To accommodate growing communities the amendment will require those political subdivisions to hold the joint public hearing only if they seek to increase their property tax request by more than an allowable growth percentage, equal to two percent plus the political subdivision's real growth percentage. This is limited to counties, cities, school districts and community colleges.

Senators voted 36-0 to adopt Hansen's amendment.

Omaha Sen. Robert Hilkemann introduced an amendment, adopted 41-0, that would require publication of notice of the hearing in a newspaper of general circulation in the relevant county.

On general file, provisions of LB 189 were incorporated into LB 644 which would require a political subdivision's governing body to make provisions in its next budget to pay a refund of real or personal property taxes. An amendment on Select File, offered by Sen. John Cavanaugh, includes a provision that interest on refunds would accrue at a rate of nine percent on the unpaid balance beginning 30 days after the entry of the final non-appealable order or other action approving the refund. A summary of LB 189 can be found on page 39 of this report.

After adopting the Cavanaugh amendment 40-0, lawmakers advanced LB644 to final reading by voice vote.

The Revenue Committee previously reported LB 644 to General File with AM 755 following a 7-0-1 vote.

The bill as amended proposes the following for cities, counties, schools and ESU's if they exceed allowable growth on tax requests:

- Allowable growth percentage is defined in the bill as a percentage equal to the sum of (a) two percent plus (b) the political subdivision's real growth percentage.
- Real growth percentage is defined in the bill as percentage obtained by dividing (a) the political subdivision's real growth value by (b) the political subdivision's total real property valuation from the prior year.
- Real growth value means and includes:
 - 1) The increase in a political subdivision's real property valuation from the prior year to the current year due to (i) improvements to real property as a result of new construction and additions to existing buildings, (ii) any other improvements to real property which increase the value of such property, (iii) annexation of real property by the political subdivision, and (iv) a change in the use of real property; and
 - 2) The annual increase in the excess value for any tax increment financing project located in the political subdivision.
- For any county, city, school district, or community college, that seeks to increase its property tax request by more than the allowable growth percentage, such political subdivision may do so if:
 - A joint public hearing is held, and notice of such hearing is provided. Notice of the joint public hearing shall be provided by:
 - 1) Sending a postcard to all affected property taxpayers. The postcard shall be sent to the name and address to which the property tax statement is mailed; and
 - 2) By posting notice of the hearing on the home page of the relevant county's web site, except that this requirement shall only apply if the county has a population of more than twenty-five thousand inhabitants.
 - 3) The postcard and the notice posted on the county's web site shall include the date, time, and location for the joint public hearing, a listing of and telephone number for each political subdivision that will be participating in the joint public hearing, and the amount of each participating political subdivision's property tax request.

- 4) The postcard shall also contain the following words in capitalized type at the top of the postcard: NOTICE OF PROPOSED TAX INCREASE
 - 5) The county assessor shall mail the postcards at least seven calendar days before the joint public hearing.
 - 6) The cost of creating and mailing the postcards, including staff time, materials, and postage, shall be divided among the political subdivisions participating in the joint public hearing.
- The joint public hearing shall be held on or after September 17 and prior to September 29 and before any of the participating political subdivisions file their adopted budget statement.
 - 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 governing body of such political subdivision passes a resolution or an ordinance that outlines the political subdivision is increasing its property tax request in excess of allowable growth.
 - Any levy which is not in compliance with the Property Tax Request Act shall be construed as an unauthorized levy.

The resolution/ordinance process for budgeting that was adopted in 2019 remains in place for other political subdivisions that have a property tax request greater than the previous year. This includes NRDs.

The Revenue Committee accepted testimony on LB 644 on February 10th

Sen. Hansen opened by providing an overview of the truth in taxation initiative. This model was first enacted in Utah in 1985. He noted this is an informed consent bill that provides taxpayers information about what taxes are going up, by how much, who is raising them, and provides a mechanism to make elected officials more accountable for decisions. Hansen said current law does not require political subdivisions to send taxpayers direct notification of a property tax request hearing and that a postcard showing the amount that an individual's taxes would increase would be more effective at getting their attention than the currently required newspaper advertisement.

Proponents

Jessica Shelburn with Americans for Prosperity-Nebraska testified in support. She commented that Nebraska has excessive taxation, noting that the state ranks in bottom for property taxes. She testified that the Utah model would strengthen the impact of LB 103, which was passed during the previous session.

Sarah Curry testified in support on behalf of The Platte Institute. She commented that this is an extension of LB 103 and puts teeth in current law. She provided results from an institute poll that said 77% of respondents supported mailed notification of property tax hearing. She commented that there is no mechanism to check if all tax entities are complying with law and holding hearings. She noted that other states including IL, MN, TX and AZ have implemented measures similar to the Utah model.

Written testimony in support of the bill was provided by the Nebraska Chamber of Commerce and the Nebraska Bankers Association

Opponents

Lynn Rex testified in opposition on behalf of the League of Municipalities. She outlined a number of unworkable issues with the bill. The first being related to the timeline and the issues the bill would create with meeting the filing deadline. She expressed concern over the hearing process, providing an example for Polk County, where there are 29 Political Subdivisions that would all have to come together at 1 hearing. She raised the issue of how political subdivisions with jurisdiction in multiple counties would determine where to hold a hearing.

Jon Cannon testified in opposition on behalf of NACO and raised the same concerns outlined by Lynn Rex.

Colby Coash testified in opposition on behalf of the Nebraska Association of School Boards. He noted that provisions of LB 148 just passed last session, already require separate hearings to be noticed and conducted for budgets.

Written testimony in opposition was submitted by the Nebraska Community College Association and Lancaster County.

Neutral

No neutral testimony was provided and a letter in the neutral position was submitted by Open Sky.

In closing, Sen. Hansen noted that the postcard is key and what gets people interested. He addressed some questions raised by opponents and noted that the bill allows for an extra week by pushing the filing deadline to September 27th. He also noted that hearings would not be too large to manage because the bill lists that only specific subdivisions are required to participate, so not all would be at the hearings. He also noted that the postcards would be shared cost only of those subdivisions raising taxes.

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

Senators gave final approval to LB 650 by a 48-1-0 vote on May 19th. The bill was presented to the Governor on May 19th and was signed by the Governor on May 24, 2021. The bill will become law 90 days after the session ends.

Previously, the Legislature advanced LB 650 to Final Reading on April 15th by a voice vote after adopting AM 976 on a 40-0 vote. The amendment (AM 976) adds language to the bill to require the storage operation to complete a comprehensive geologic study that includes a seismic risk assessment.

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

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

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

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

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

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

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

Before issuing a permit, the commission shall find:

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

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

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

Sen. Flood noted this is a unique opportunity where all sides can come to together to create a win-win scenario. He noted that the bill would allow ethanol producers to capture CO₂ that would otherwise be emitted and safely

inject it 3-10K feet underground. It was discussed that EPA currently has regulatory measures in place and the bill does not diminish existing EPA standards, rather it supplements and builds a state framework around existing EPA regulations.

Sen. Flood noted that groundwater protection is an important priority, and it has been demonstrated that underground injection can be done to ensure groundwater is protected. Storage is intended to be safe and stable in perpetuity, but there were questions from the committee on who is responsible as companies come and go. He noted that financial assurances are in place for the state to address any potential issues, he also reiterated that the EPA regulatory measures have the state's best interest in mind.

Proponents

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

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

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

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

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

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

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

Opponents

There was no opposition testimony.

Neutral

John Rundel, Chair of the Nebraska Oil and Gas Conservation Commission testified in a neutral position. He spoke to the advantages of injection wells and told the committee the Commission is best equipped to provide oversight for this process. He noted they are a cash funded agency funded through mill levy's assessed on oil

and gas production. He noted that the bill has funding mechanisms in place to make this a self-funded program, however there may need to be some appropriations made to bridge a funding shortage during startup of the program. He outlined the rules and hearing process that would begin once the bill is passed. He noted that primacy would stay with EPA for now, but in the future if directed the state and commission could apply for primacy. He noted that currently the state has primacy over class II wells – with 110 active wells in the state.

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

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

Section Two – Bills that have been Indefinitely Postponed or Withdrawn

LB 189 - Change provisions relating to property tax refunds. Halloran

On General File, provisions of LB 189 were incorporated into LB 644 via AM 854 by a 35-1 vote. Senators gave final approval to LB 644 on May 19th and the Governor signed the bill on May 24th. A summary of LB 644 can be found beginning on page 33 of this report.

Following the passage of LB 644 a motion was made and successfully passed to indefinitely postpone LB 189.

Previously, the Revenue Committee reported LB 189 to General File on March 12th following a 7-0-1 vote.

The bill proposes to change procedures for making a property tax refund. Under the bill, if sufficient funds are not available, the county treasurer shall register the refund which remains unpaid as a claim against each political subdivision and shall issue the person entitled to the refund a receipt for the registration of the claim.

The bill eliminates existing language regarding the political subdivision certifying to the county treasurer that a hardship would result and create a serious interference with its governmental functions if the refund is paid. It adds language to require the political subdivision to make provisions in its next budget for the refund claim amount. The bill also eliminates the five-year allowance for refund.

The Revenue Committee accepted testimony on LB 189 on February 10th

During his opening remarks, Sen. Halloran mentioned the Mid-America Agri Products-Wheatland (MAP-W) ethanol plant in Madrid, Nebraska, protested their taxes and found that they were being charged double what they should have owed. Perkins County owed the MAP-W ethanol plant a repayment of nearly \$110,000. Per statute, political subdivisions can declare a hardship and not have to make the repayment. This bill would require them to include the repayment in their next budget to ensure the taxpayer, who was overcharged receives their money. He noted that the MAP-W ethanol plant is just one example of a taxpayer not being repaid and we need to hold political subdivisions to repayments.

Proponents

David Bracht, attorney at Kutak Rock representing MAP-W ethanol plant, testified in support. Bracht noted that MAP-W employs 30-35 employees in Madrid and has some of the highest salaries in Madrid and Perkins

County. He said the hardship clause in statute, doesn't have a specific meaning other than the repayment would interfere with the government operation. The political subdivision also doesn't have to pay interest on that repayment unless it is still unpaid after five years. Bracht asked the committee to contrast that with the taxpayer, who pays 14 percent interest if they don't pay their taxes in first year and could lose their property if they don't eventually pay.

Frederick Stehlik, attorney with Gross and Welch and represented MAP-W on various tax appeals, testified in support. Frederick noted that it can take some time for the clock to even start on repayment. In MAP-W's case, they appealed the 2017 tax valuation and three years later the Nebraska Supreme Court heard the case and made a judgement, which then started the five-year clock for the county to make repayment. Frederick noted there is no way for the taxpayer to enforce repayment of the taxes and they can't ask the political subdivision to take the repayment off the next year's taxes. He said it's essentially an interest-free loan for the political subdivision and there is no rule that says the political subdivision can't come back the next year and raise the taxes back up. He noted when the ethanol plant or another manufacturer is the largest employer, this can happen.

Robert Lundeen, CEO of MAP-W and Mid-America Bio Energy, testified in support. Lundeen noted that in the early 2000s they built two ethanol plants – one in Cambridge and one in Madrid. They have a board member who serves on both ethanol plant boards, and they discovered that the Cambridge plant was valued at 50 percent less than the Madrid plant even though they were identical. Lundeen noted the board tried to be respectful as a member of the community and employer in Perkins County, but the fact that they were being charged twice than an identical plant 80 miles away was not OK. Lundeen said his board directed him to take action and they started litigation and exhausted their means, and now they are before the legislature pleading for fairness. We buy 16 million bushels of corn in the area and we help increase the value of the corn basis. Lundeen noted that if it's happening to them, it's happening to others but since their revenue is larger, they went through the extra cost to litigate it. He said counties are indebted to various taxpayers.

Don Kain, representing himself and the Independent Cattlemen of Nebraska, testified in support. He noted that he just raises cows and is not a CEO of anything, but his ranch in Custer County had a 250% tax increase in one year. He noted he has two Nebraska Supreme Court decisions in his favor and has only received one partial payment (\$12,000 of \$18,000) for being overtaxed. He noted he is concerned the county will use the hardship clause to hurt him financially and get out of repaying him. He said it's such a ludicrous situation in Custer County and it's happening across the state, not only to the big guy but also the little guy. He said he often gets phone calls from people who are going through this same situation and would try to provide a list for the committee.

Opponents

Jon Cannon, NACO, testified in opposition. He noted that in some cases the hardship clause is certainly needed as in case of MAP-W the village of Madrid's repayment would have been 1/3 of their budget. He said, the clause is for the benefit of all taxpayers, because the levy would have to be increased for everyone to offset the repayment. The reason the hardships are in statute is because the burden would be shifted onto every other taxpayer. Cannon noted that Perkins County repaid the settlement, however the ESU, NRD and smaller subdivisions still have the judgment outstanding.

Lynn Rex, League of Municipalities, testified in opposition. Repayment might become a levy issue and come down to issuing a bond, vote of the people, etc. Rex noted that the hardship line is critically important as in the case of the village of Madrid with it being 1/3 of the budget. Rex note if there is budget capacity, the political subdivision would get it paid because they don't want that repayment sitting on their books. Rex said she didn't believe this bill is ready to pass, because there is more information that is needed like how many refunds are pending and how widespread of an issue this is.

Neutral

There was no neutral testimony, and no letters were submitted for the record.

In closing, Sen. Halloran said that Sen. Flood hit it on the head, “it’s not their money.” He said it’s about equity and fairness for the taxpayer, and it’s essentially an interest-free business loan for the political subdivision.

Section Three – Bills that will be carried over for the 2022 60-day Session

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

Senators debated LR 11 CA on General File on May 5th. After several hours of debate, the measure failed to advance following a 23-19 vote, two votes short of the number required to advance to the next round of debate. On a side note, a proposed constitutional amendment requires a three-fifths Final Reading vote of the elected members (30) to place it on the general election ballot and a four-fifths vote (40) to place it on a primary or special election ballot. The proposal will not be debated further this session.

During debate, proponents outlined the need for a complete overhaul of Nebraska’s dated taxing system. Proponents said the new system would be a tax benefit to everyone, would promote saving and investments, and would generate the same amount of revenue as the current tax system.

Opponents expressed concern over the impact the new tax would have on several Nebraska industries. Opponents also raised concern over how the measure could change taxpayer behavior and it was highlighted that a majority of Nebraskans would pay more in taxes under the proposed consumption tax system.

Sen. Blood introduced an amendment on the floor that would have replaced the proposal and required the state to fully fund the unfunded and underfunded mandates it has imposed on political subdivisions. The amendment failed on a vote of 4-30.

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

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

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

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

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

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

During opening Sen. Erdman commented that the problem is not just property tax, and that income tax and inheritance tax are also problems. He commented that legislation just continues to be a band-aid, only

decreasing the increase. He stressed that consumption tax is catching fire and that there is a lot of support and that everyone would want to move to Nebraska because of all the tax savings.

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

LR 22CA - Constitutional amendment to limit the total amount of property tax revenue that may be raised by political subdivisions. Linehan, at the request of the Governor.

A proposed Constitutional Amendment to limit the amount of total amount of property tax revenue raised by a political subdivision in any fiscal year to not exceed three percent greater than the amount raised in the prior fiscal year.

The total amount of property tax revenue raised by a political subdivision in a fiscal year may exceed the limitation in an amount approved by a majority of legal voters. All costs of the election shall be paid by the political subdivision seeking to exceed such limitation.

The limitation would not apply to the amount of property tax revenue needed to pay the principal and interest on bonded indebtedness.

Further, it would not apply to the amount of property tax revenue raised by a political subdivision in any fiscal year on any real growth value within the political subdivision. Real growth value is defined in the proposal as the increase in real property valuation due to (i) improvements to real property as a result of new construction and additions to existing buildings, (ii) any other improvements to real property which increase the value of such property, and (iii) annexation of property by the political subdivision.

(See LB 408 for the companion legislation)

The Revenue Committee accepted testimony on LR 22CA on January 27th.

In her opening, Sen. Lou Ann Linehan expressed concerns about ever-increasing property taxes and that property tax is the No. 1 issue on Nebraskans' minds. She believes this is the next step in the process to get control of escalating property taxes, because the only limit that will work is a limit to a tax taken.

Proponents

Gov. Pete Ricketts testified in support. He said Nebraskans are angry because property taxes continue to rise, and we need to control property taxes before the citizens take this in their own hands and start a different petition that is unworkable. Gov. Ricketts stressed that some school districts do a fantastic job, but others are not. He noted some community colleges have increased their taxes by up to 80 percent, but Metro Community College has kept it at about 3 percent. He noted that during the last 10 years in general the Legislature has kept the growth rate at about 3 percent.

Tony Fullton, Nebraska's Tax Commissioner, testified in support. Fullton provided charts about tax growth, specifically comparing what it is currently vs. what it would have been with a 3 percent cap.

Doug Kagen, Nebraska Taxpayers for Freedom, testified in support. Noted that Nebraska has the 9th highest property tax in the nation and citizens are leaving because of taxes. Nebraska property taxes per capita are \$340 higher than the national average and that on average, Nebraska farmers pay \$16,200 in property tax.

Shane Greckel, farmer, testified in support. He believes that farmers need some property tax stability because of all the volatility they face in the market. Farmers experience a 7.45 percent increase in property taxes in some

years while income is going down. He believes that 3 percent is more than enough to keep up with inflation and offers stability for farmers. He noted that property taxes are one of the top line items for farms/ranches and in the last several years, taxes exceed profit/per acre.

Dennis Schleis, from Omaha and a member of Nebraska Taxpayers for Freedom, testified in support. He noted that his property taxes have decreased his family's living standard and that they can't achieve the American dream because of high taxes.

Sarah Curry, Platte Institute, testified in support. She noted that this is only one option to slow the growth of property taxes especially if paired with other tax cuts, but it should not be the only option.

Mark McHargue, Nebraska Farm Bureau President, testified in support on behalf of the ag groups including corn growers association, soybean association, Nebraska cattlemen, dairy and pork associations. He believes it is necessary to reduce taxes if we want to compete on national and international levels and attract growth. He said that agriculture wants to help raise the tide for all ships, but that depends on a balanced tax. He noted that limiting the tax growth is a start but lowering taxes should be the goal. He noted the need to grow Nebraska to increase the tax base with more manufacturers and value-added agriculture without having to significantly cut services. He noted that property tax from an anger/angst level impacts everyone differently – for an ag producer it's a No. 1 input so balancing the income, property and sales tax is important.

Doug Oertwich, farmer, testified in support. He noted that there is no way to see property tax savings unless there are limits and controlled spending. He said we need to slow down local spending, and that he is in favor of supporting schools, but Nebraska spends more per/student than surrounding states.

Jessica Shelburn, Americans for Prosperity, testified in support. We have many political subdivisions that can levy taxes, and this is a step we can take. It's not a solution, but a step. She noted when voters are given the question, they'll approve it if they feel it is necessary. She claimed that some political subdivisions will say this will hamstring them, but they need to budget and prioritize like the rest of Nebraskans. This is just asking them to do the same thing Nebraska citizens are doing.

Trent Loos, Sherman County rancher, testified in support. He told the committee this is his fifth year testifying about over burdening property tax. He noted his property taxes went from \$4,800 in 2010 to \$9,800 in 2020. He noted that the first \$115 every cattleman puts into a calf is for property tax. He testified that he has looked at how the school is spending the money and believes that the teachers are not adequately paid to inspire students, and that the administration is top heavy and that needs to be fixed.

Bud Synhorst, Lincoln Independent Business Association (LIBA), testified in support. He noted that businesses are frustrated over all the government tax payments and the state is turning away from a business-friendly place. He said taxes hurt small business owners, who struggle to make ends meet. He believes limiting the growth could give businesses a sense of stability in these uncertain times. He noted that LIBA has been advocating a similar growth plus inflation proposal for more than a decade.

Kent Thompson, Commercial Real Estate Investor, testified in support. He noted that the rents they get are the same rents as 20 years ago because taxes have gone up 125 percent. He noted they are investing in other states, because the tax burdens are slamming them in Nebraska. He said real wages are only going up 1.45 percent while taxes are going up 4+ percent and that's not sustainable.

Matt Schulte, former Lincoln Public Schools board member, testified in support. He encourages boards to act responsibility and invite taxpayers to participate in the process.

Opponents

Joey Adler, Holland Children’s Movement, testified in opposition. He noted concerns with taking away control from local schools to decide what they need is irresponsible, and that voters can express how they feel about taxes with their local boards.

Dennis Meyer, Budget and Fiscal Office for Lancaster County, testified in opposition. He noted that the county already works with a lot of limits on the ability to raise funds. Lancaster County tries to make decisions on an annual basis, but what drives the budget annually are one-time projects like building a new jail or infrastructure improvements. He noted it is tough to stay within 3 percent on payroll because of health insurance, which has increased up to 15-20% annually.

Lynn Rex, League of Nebraska Municipalities, testified in opposition. She noted since this would be in the constitution, there would be no flexibility. She said it is not uncommon for inflation to grow more than 3 percent in some years and that gives no flexibility.

Don Wesley, Greater Nebraska Cities, testified in opposition. He noted the pressure on the local level is tremendous and everyone is trying to figure out how to best accomplish the goal without raising levies. He noted that cities shouldn’t be hamstrung so they can address community needs. He noted the constitutional amendment is too restrictive, and if there is a mistake it’s very difficult to correct once it’s in the constitution. Wesley stressed that local control has worked in Nebraska and we need to continue local control.

Neutral

There was no neutral testimony.

Several position letters in support and opposition were submitted. The committee reported no action on the measure.

LB 29 - Replace Arbor Day with Juneteenth as a state holiday. Wayne.

The bill eliminates Arbor Day, the last Friday in April as a state holiday and replaces it with a new state holiday called “Juneteenth” which is also known as Freedom Day, Jubilee Day, Liberation Day, and Emancipation Day, on June 19th.

The Government Committee accepted testimony on LB 29 on March 3rd.

Sen. Wayne opened on the bill by expressing the need for the state to honor the sacrifices that were made to this country. He noted it was June 19th where slavery and the Confederacy ended. He expressed that replacing Arbor Day would avoid the expense of adding a state holiday.

Proponents

Karen Bell-Dancy, executive director of the YWCA of Lincoln, testified in support of the bill. She noted establishing Juneteenth as a state holiday would signal its importance to all people, further highlighting that the holiday would not only demonstrate recognition of the past but would also be an affirmation that Black lives matter.

Annette Harris of Omaha also testified in support. She reiterated that making Juneteenth a holiday would open doors to make everyone aware of why the day is celebrated.

There was no opposition or neutral testimony. The committee reported no action on the bill.

LB 52 - Provide for immunity for injury or death resulting from COVID-19 exposure. Lathrop.

Under the proposal, no person shall be liable in any civil action for any injury or death resulting from an alleged exposure to COVID-19 if such exposure occurred after the effective date of this act.

For purposes of the bill, (a) COVID-19 means the novel coronavirus identified as SARS-CoV-2, the disease caused by the novel coronavirus SARS-CoV-2 or a virus mutating therefrom, and the health conditions or threats associated with the disease caused by the novel coronavirus SARS-CoV-2 or a virus mutating therefrom; and (b) Person means (a) any natural person, sole proprietorship, partnership, limited liability partnership, corporation, limited liability company, business trust, estate, trust, unincorporated association, or joint venture, (b) the State of Nebraska and any political subdivision of the state, (c) any public or private school, college, university, institution of higher education, religious organization, or charitable organization, or (d) any other legal or commercial entity.

*The Judiciary Committee accepted testimony on LB 52 and LB 139 jointly on February 18th.
Summary of the hearing is included with LB 139 on page 11.*

LB 54 - Change immunity for intentional torts under the Political Subdivisions Tort Claims Act and the State Tort Claims Act. Lathrop. Lathrop Priority Bill.

The Legislature advanced LB 54 to Select File on May 11th on a 25-13 vote after adopting AM 1268 by a 33-1 vote.

The Judiciary Committee reported the bill to General File on May 10th with committee amendment AM 1268. The amendment (AM 1268) narrows the scope of the proposed exception in LB 54 by replacing the original proposed language with new language that allows claims for intentional torts where the political subdivision (or state agency) failed to use reasonable care to control someone under their charge or protect a person in their care or custody from intentional torts by non-employees.

The bill proposes that the Political Subdivisions Tort Claims Act does not apply to claims arising from such an act that is the direct result of the negligent failure of a political subdivision or an employee of a political subdivision to protect a person to whom the political subdivision or employee owes a duty of care.

The Judiciary Committee accepted testimony on LB 54 and LB 71 at a joint hearing on February 18th.

Sen. Lathrop opened on LB 54 by providing a background on a recent court case in Nebraska. The case involved two inmates that were placed in a cell together. The inmates got into a dispute and one strangled the other. The court concluded there was no liability as there was no intentional action by the state that caused the death. Sen. Lathrop believes the prison personnel and the state should be responsible as they should have suspected the inmates did not get along.

The effect of the decision goes over to all others - example in schools where they don't do anything to stop bullying; nursing homes that have a worker that abuses patients. He reiterated the provisions in the bill would make government responsible for injury between two parties under their control.

In his opening on LB 71, Sen. Wayne cited a situation where Omaha Police failed to arrest and jail an individual that was a threat to his girlfriend. The police did not have a cause of action to arrest but should have incarcerated him anyway, so he did not cause harm. The police detained and questioned him but later released him. The individual later went to his girlfriend's house and shot her.

He noted the difference between his and Lathrop's approach is his bill provides a five-year look-back.

Proponents

Lorrie Woods testified as an individual. Her special needs daughter was sexually assaulted at school. The class was under-staffed, and four students were left alone. Another special needs student sexually assaulted her daughter. The court ruled the school was not responsible.

Eric Brown, Injury and Workers Comp Lawyer. He had a similar case that ended up being an negotiated settlement. He expressed the need for a law change to protect individuals from being placed in similar situations.

Opponents

Ryan Wiesen testified in opposition on both bills on behalf of the city of Omaha, City of Lincoln and the League of Municipalities. He noted the intent of sovereign immunity is to protect taxpayers from criminal acts of people they have no control over.

Wiesen noted there needs to be protection for police officers. Law enforcement officers cannot arrest and incarcerate individuals that have not committed a crime. Nor can police officers read the minds of individuals that may later commit a crime.

James Smith testified in opposition of both LB 54 and LB 71 on behalf of the Nebraska Attorney General's Office. He noted there is no cap on monetary damages for state tort claims and spoke about the adverse impact on Nebraska taxpayers. He claimed the bill would make taxpayers responsible for crimes committed by criminals. He noted that duty of care is not defined and claimed the bill should precisely define duty of care.

Numerous letters in opposition of the bills were submitted for the record and for the hearing.

Neutral

No Neutral testimony was provided.

During closing Sen. Lathrop claimed that state and local government need to be responsible for individuals they have under their control. He also noted he only introduced the bill to be a part of the conversation. He claimed that while everybody in the state was represented, not one person came in and said there has been a claim, noting not one testifier could even reference a letter or threat from a lawyer. He commented that Government should only be involved when there is a problem. He closed by noting if this is an insurance issue, then maybe supporters should be at the banking committee.

Sen. Wayne closed on LB 71 by admitting there is a case that he is involved in that the bill may be involved in and under the rules, he does not have to file a conflict unless the bill reaches the floor. He mentioned that he was going after any bill the Attorney General has.

LB 71 - Change provisions relating to intentional tort claims under the Political Subdivisions Tort Claims Act and State Tort Claims Act. Wayne.

The bill would allow claims based on acts committed by a third party as a result of negligence by a political subdivision or an employee of a political subdivision. Allows for the refiling of certain claims that had already been dismissed.

The Judiciary Committee accepted testimony on LB 54 and LB 71 at a joint hearing on February 18th.

Sen. Lathrop opened on LB 54 by providing a background on a recent court case in Nebraska. The case involved two inmates that were placed in a cell together. The inmates got into a dispute and one strangled the other. The court concluded there was no liability as there was no intentional action by the state that caused the death. Sen. Lathrop believes the prison personnel and the state should be responsible as they should have suspected the inmates did not get along.

The effect of the decision goes over to all others - example in schools where they don't do anything to stop bullying; nursing homes that have a worker that abuses patients. He reiterated the provisions in the bill would make government responsible for injury between two parties under their control.

In his opening on LB 71, Sen. Wayne cited a situation where Omaha Police failed to arrest and jail an individual that was a threat to his girlfriend. The police did not have a cause of action to arrest but should have incarcerated him anyway, so he did not cause harm. The police detained and questioned him but later released him. The individual later went to his girlfriend's house and shot her.

He noted the difference between his and Lathrop's approach is his bill provides a five-year look-back.

Proponents

Lorrie Woods testified as an individual. Her special needs daughter was sexually assaulted at school. The class was under-staffed, and four students were left alone. Another special needs student sexually assaulted her daughter. The court ruled the school was not responsible.

Eric Brown, Injury and Workers Comp Lawyer. He had another similar case that ended up being a negotiated settlement as the previous court case ruled in favor of the school. Need a law change to protect individual from being placed in similar situations.

Opponents

Ryan Wiesen testified in opposition on both bills on behalf of the city of Omaha, City of Lincoln and the League of Municipalities. He noted the intent of sovereign immunity is to protect taxpayers from criminal acts of people they have no control over.

Wiesen noted there needs to be protection for police officers. Law enforcement officers cannot arrest and incarcerate individuals that have not committed a crime. Nor can police officers read the minds of individuals that may later commit a crime.

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Numerous letters in opposition of the bills were submitted for the record.

Neutral

No Neutral testimony was provided.

During closing Sen. Lathrop claimed the state and local government need to be responsible for individuals they have under their control.

Sen. Wayne closed by admitting there is a case that he is involved in that the bill may be involved in and under the rules, he does not have to file a conflict unless the bill reaches the floor. He mentioned that he was going after any bill the Attorney General has. The Committee reported no action on the bill.

LB 91 - Change germination seed testing provisions under the Nebraska Seed Law. Brandt.

The Agriculture Committee advanced LB 91 to General File with AM 96 on February 11th by an 8-0 vote.

The amendment (AM 96) makes several changes, first it strikes the proposed revision to the definition of "agricultural seed" and revises the definitions of native and non-native plant species to include plant species indigenous to North America prior to European settlement. It strikes the inclusion of yellow bluestem in Section 2 of the bill. It adds language that reduces the allowable period after germination or viability (TZ) testing native seeds may be offered for sale without being mislabeled from 15 months to 12 months and removes the option for viability (TZ) testing of hermetically sealed seeds of non-native seeds.

The bill makes several technical changes to regulation of native and nonnative plant species.

With AM 96, the two new proposed definitions for regulation of plant species read as follows:

- Native plant species means any grass, sedge, rush, or forb indigenous to North America prior to European settlement.
- Nonnative plant species means any grass, sedge, rush, or forb not indigenous to North America prior to European settlement.

It also adds the term "habitat restoration or maintenance" to the list of agriculture seeds to be regulated.

The Agriculture Committee accepted testimony on LB 91 on January 26th.

In his opening, Sen. Brandt noted he brought the bill to assist some wild native seed dealers with some issues that affect their business.

Dr. Kay Kottas, representing Prairielegacy, Inc, Wittsend Homestead LLC and the Nebraska Native Seed & Plant Producers, testified in support of the bill. She noted that current law limits some of their native wildflower seeds to nine-month limit after testing before they can be planted. She believes this should be expanded to fifteen months as the seed is still fine.

Scott Merritt, executive Director of the Nebraska Agribusiness Association Testified in opposition. He noted the bill creates an opportunity for inconsistency in product quality for Nebraska consumers. Under current statute, commercial seed must have a germination test performed, and be labeled with a germination rate, every nine months. He noted a limited number of grasses are allowed to be tested every twelve months. The bill changes this to allows for a new category, titled, "native plant species," to be stored and sold without retesting for 15 months.

Merritt noted their first concern is the difficulty in determining what plant species are categorized as native and non-native. This change has the potential to create confusion as classification may be open to interpretation for some plant species. He noted their second concern is with the length of time seed may go without verifying the germination rate. Consumers rely on the accurate labeling to make growing decisions. There are multiple factors that affect seed viability rate, including processing, handling and storage conditions. Guaranteeing an accurate or consistent germination rate beyond the current 12 months could be difficult. The result would be a loss of consumer confidence in the stated seed label germination rates.

LB 112 - Require members of the public to be allowed to speak at each meeting subject to the Open Meetings Act. Albrecht.

The bill would require, except for closed sessions, a public body to allow members of the public an opportunity to speak at each meeting.

The Government Committee accepted testimony on LB 112 on January 27th.

In her opening Sen. Albrecht noted she brought this bill after hearing numerous times from individuals that they're not being allowed the opportunity to be heard at public meetings. She told the committee that the change is simple, and the goal is clear, when government is spending the people's money, they deserve to be heard. She told the committee that it's not too much to ask that 10 minutes be carved out at the beginning of a meeting to allow people to be heard, rather if it's for 1 minute or 2 minutes, further noting that it doesn't even have to be about what's on the agenda.

Proponents

Proponents of the bill included Lance Molina, an individual from Gretna. He testified that he has not been allowed the opportunity to speak in front of the Gretna city council and the Gretna Public school board meetings regarding masks.

Doug Kagan testifying in support on behalf of the Nebraska taxpayers for freedom noted members frequently speak at local meetings. However, they hear from some members that there are burdensome obstacles that prevent public comments at some meetings across the state.

Daniel Conrad testifying on behalf of ALCU of Nebraska told the committee this is a good low-cost opportunity to allow expansion for public participation and transparency in open meetings.

No written testimony in support was submitted. Six position letters in support were submitted.

Opponents

Opponents of the bill included Lynn Rex, testifying on behalf of the League of Municipalities. She told the committee open mic at meetings is unproductive. She provided many examples of how political subdivisions successfully allow for public input on all matters brought before the public bodies. She utilized the example of how testimony is handled and kept germane at the legislature.

Beth Bazyn Ferrell testifying on behalf of the Nebraska Association of County Officials (NACO), echoed the same concerns raised by Lynn Rex.

Written testimony in opposition was submitted by the Lancaster County Board of Commissioners. Two position letters in opposition were submitted.

Neutral

There was no neutral testimony. One position letter in the neutral capacity was submitted.

In her closing Sen. Albrecht noted the bill is not about allowing the public to speak on any subject, it's just about opening it up for 10 minutes to hear from the public. She told the committee she doesn't think there are that many people that are going to be rude and ugly, noting if they are, maybe there's a reason. She asked the committee not to over complicate it, reiterating it's just about letting the public come and speak their mind for 10 minutes.

The committee reported no action on the bill.

LB 133 - Adopt the Nebraska EPIC Consumption Tax Act and eliminate certain other taxes. Erdman. Co-sponsored by Albrecht, Brewer, Briese, Clements, Halloran, Lowe, McDonnell and Murman.

The bill eliminates all state income, sales and use taxes, property taxes and inheritance taxes. Refer to LR 11 CA on page 41 for the related Constitutional Amendment.

Beginning January 1, 2024, there is hereby imposed a tax on the use or consumption in the State of Nebraska of taxable property or services. The rate of the consumption tax shall be ten and sixty-four hundredths percent (10.64%). The person purchasing taxable property or services in the State of Nebraska shall be liable for the tax.

The bill creates numerous exemptions for purchases such as fuel, used property, property or service purchased for a business purpose in a trade or business, property or service used for educational purposes, etc.

Funding for schools would be through a collective request through the Department of Education.

Funding for other political subdivision would go through the local county. All local political subdivisions would have to work with the county within their jurisdiction to have the county submit a total budget request to the Legislature.

State agencies and other state-funded entities would have to go to the Legislature for funding.

The Revenue Committee accepted testimony on LB 133 on February 3rd.

During his opening, Sen. Erdman provided the committee with an overview of Nebraska tax history. He claimed that property tax is too high, income tax is too high, and that corporate tax is a sham, noting he feels the whole system needs fixed and that this bill should be viewed at the taxpayer's bill of rights. He discussed that he feels the fiscal note has major issues. He told the committee that if nothing is done, voters will take it into their own hands and produce something that the committee is not going to like.

It was requested by Chair Linehan that testifiers limit their testimony to 3 minutes, and when possible combine testimony for LB 133 and LR 11CA.

Proponents

There were several individuals that provided testimony in support. Common themes were that taxes are too high and that a consumption tax would lower their taxes and improve their quality of life.

Opponents

Roma Amundson testified in opposition on behalf of the Lancaster County Board of Commissioners. She testified that losing the inheritance tax revenue would result in a loss of services provided by the county.

John Hansen testified in opposition on behalf of the Nebraska Farmers Union. He noted that the fair tax has been modeled and evaluated by Farmers Union in the past, and that there's never been a model or analysis completed that doesn't negatively impact ag.

Robert Bell testified in opposition on behalf of the Nebraska Insurance Federation. He expressed concern over the bill and noted that all Nebraska insurance products would be taxed at 10%, meanwhile the next highest state is only at a 4% tax rate. He stressed that this would drive all Nebraska based insurance companies out of the state. He provided an example of how consumption tax on insurance premiums alone could rival that of the total property tax bill for a typical household. He told the committee our current tax code is competitive for insurance businesses and provides an opportunity for growth.

Jon Cannon testified on behalf of the Nebraska Association of County Officials. He said the tax issue boils down to what services constituents need and how they want to pay for them. He provided examples of how election equipment, asphalt, bridge repair and other provided services are not always tied to CPI. He suggested the committee not advance the measure and instead look at recommendations from the tax modernization study.

Written testimony in opposition was provided by the Nebraska Bankers Association, Nebraska Chamber of Commerce, Open Sky Institute, and the Association of Beverage Distributors.

Neutral

Troy Uhlr, a Madison County Commissioner and Norfolk Business owner, testified in a neutral capacity. He noted that it's schools that are primarily driving concern over property tax. He outlined some positives he sees with the consumption tax, including that tourists pay as they travel through the state, the tax rate would be controlled by revenue committee, and that there would be potential for retirees to influx to the state due to stability in taxes. He also outlined several cons and obstacles that the consumption tax would create.

Eric Miller, an individual from Omaha, testified in a neutral capacity, commenting that sales tax would be a more consistent and more recession proof revenue source.

Sarah Curry, testified in a neutral capacity on behalf of The Platte Institute. She commented that Nebraska's economic competitiveness would improve if the state relied more on consumption tax. She commented that states funded by sales taxes fair better than those relying on income tax. She provided an example from SD where there is no income tax and higher sales tax, noting that SD state revenues are ranked as some of the most stable. She noted that where they differ on the measure is on relying on what would be the highest consumption rate tax rate in the nation. She suggested that GDP be used as an alternative to CPI.

In closing, Sen. Erdman stressed that not one opponent contacted him and commented about how he's amazed how the educated people paid to testify can't understand the bill.

Position letters were submitted by 56 proponents and 14 opponents. The committee reported no action on the bill.

LB 176 - Provide an income tax credit for certain agricultural producers. Lindstrom.

The bill proposes a \$2,500 non-refundable state income tax credit for agricultural producers who qualify for the Conservation Stewardship Program or the Environmental Quality Incentives Program of the United States Department of Agriculture during the taxable year.

If the agricultural producer cannot fully utilize the credit for such taxable year, the credit may be carried forward to subsequent taxable years until fully utilized.

Agricultural producer is defined under the bill as any individual, corporation, partnership, limited liability company, trust, estate, or other entity that (i) is subject to the Nebraska income tax and (ii) is an owner of agricultural land and horticultural land in this state.

The Revenue Committee accepted testimony on LB 176 on February 4th.

In his opening, Sen. Lindstrom said that the bill would encourage data-driven, sustainable practices for farmers already using CSP and EQIP. He noted this would help maximize yields through sustainable practices using precision ag. He mentioned the state is already a leader in groundwater sustainability thanks to the NRDs specifically mentioning Twin Platte's water data program (GiSC).

Proponents

Julie Bushell, President of Page Wireless, testified in support. She noted that Page provides wiring for Lindsey and Valmont irrigation and they provide a low-cost network option to take advantage of the connectivity for irrigation, water quality and soil health data. She noted the producers own the data and can leverage the data in the market. She gave the example of a rancher using data to show his emissions and make deals based on his efficiencies and carbon score.

Lukas Fricke, ag producer from Butler County, testified in support. He noted this is an opportunity for a new generation to make a difference. He said data that is producer-created and producer-owned is imperative and farmers can be paid a premium for transparent products domestically and globally. He noted this rewards producers for being environmentally conscience and brings in new producers to use these sustainable practices. He mentioned specifically using lagoon technology on his farm and water quality data to control runoff on livestock yards.

Roric Paulman, ag producer in southwest Nebraska, testified in support. He noted that as his son and grandson are actively involved in the farm, it's important for them to connect and run the farm with data to share what they're doing. He noted that there are many young farmers taking over that can adopt and use the data if the connectivity is available, and this tax credit could help them get started.

There was no opposition and no neutral testimony.

Submitted letters included two proponents, one opponent and one neutral.

In closing, Sen. Lindstrom noted that the credits are about innovation and as Nebraska moves forward in this very global, competitive agriculture market. He noted the bill would allow producers the data to show their carbon footprint to prove carbon neutrality. He noted these are the things we can do in Nebraska to put us on the map. He said he was open to other funding mechanisms and would be willing to tweak the bill.

The Committee reported no action on the bill.

LB 178 - Adopt the Infrastructure Improvement and Replacement Assistance Act and provide for a turnback of state sales tax revenue. Lindstrom.

The Revenue Committee reported LB 178 to General File on March 2nd with AM 387 following a 6-1-1 vote. The amendment (AM 387) reduces the percentage of the turnback from 36.36%, 54.54%, 72.72% over the first three years to 36.36% the first year and 50% every year thereafter.

The bill proposes to return a portion of the state sales tax collected on water and sewage service to political subdivisions or water utility that operate such systems to assist in repairs and improvements to such systems.

Under the committee amendment, sales tax proceeds returned would be on the following schedules:

- For sales taxes imposed from July 1, 2021, through June 30, 2022: 36.36 percent;
- For sales taxes imposed from on or after July 1, 2022: 50.00 percent.

The original provision to return up to 72% after July 1, 2024 was eliminated.

Funds received under this section shall be used exclusively to assist in: (a) Paying for infrastructure improvements relating to constructing, upgrading, redeveloping, or replacing sewer and water infrastructure facilities; (b) Paying for the redevelopment and replacement of obsolete water or sewer facilities; or (c) Repaying bonds issued and pledged for such work.

It is the intent that funds received under the section be used to defer increases in sewer and water rates. Each political subdivision receiving funds under this section shall include, in its budget statement, the amount of funds received under this section and the percentage by which its sewer and water rates would have increased if not for the receipt of such funds.

The Revenue Committee accepted testimony on LB 178 on February 19th.

In his opening, Sen. Lindstrom, noted the funding Nebraska has placed in other infrastructure such as roads and bridges. He stressed we need to do more to help with our water infrastructure.

Proponents

Donna Garden, Assistant Director of Utilities for the City of Lincoln, testified in support noting it is important to keep their water and sewer systems operating and upgraded. To stay ahead of maintenance, the city upgrades seven miles of water lines every year. They spend over \$9 million a year in water service improvements, and \$5 million on sewer improvements. Everything is paid for by ratepayers.

Jim Theiler, Public Works Omaha, outlined the need to keep up with maintenance and growth to provide water to existing and new residents. The greater Omaha area has over 300 square miles of service area that needs to be maintained and improved.

Rick Kubat, Metropolitan Utilities District (MUD), pointed out they provide water to 600,000 people in the greater Omaha area. His testimony included data that shows only 3.7 percent of the water use in Nebraska is for domestic and industrial use and it is the only water use that is subject to sales and use tax. He also pointed out that the inputs purchased by MUD, such as new pipelines, are subject to sales tax.

The new federal rules that require upgrades of old pipelines were highlighted. There is over 300 miles of water main in the MUD service area and it costs over \$1 million to replace one mile of water line.

Lash Chaffin, League of Municipalities, mentioned that just over 500 cities/villages operate water systems, and over 450 operate sewer systems. The financial needs for cities and villages operating these systems are increasing. Twenty years ago, they had to test for about a dozen chemicals. Now water is tested for over 200 chemicals and it is not cheap.

NARD submitted a letter in support of the bill. In addition to protecting water quality and quantity, Nebraska's NRDs operate and provide safe drinking water for 15 rural water systems in Nebraska. This includes more than 2,300 miles of buried water lines, serving over 19,300 people across the state. Primarily, these serve smaller communities that cannot afford to operate systems independently. They also serve many rural customers in between the communities that do not have access to drinking water.

There was no testimony in opposition or neutral on the bill. Over a dozen letters of support were submitted in support for the measure.

In his closing, Sen. Lindstrom mentioned a similar bill came out of committee last year on a 7-0 vote. He did acknowledge that the fiscal note seems high but is willing to work with the interested parties to figure out a way to help communities in Nebraska to provide safe, affordable water for residents.

LB 190 - Change provisions relating to use of the Water Sustainability Fund. Hughes.

Provisions of LB 190 were amended into LB 507e with AM 256. Senators gave final approval to LB 507e on April 29th and the Governor signed the bill on May 5th. A summary of LB 507e can be found beginning on page 33 of this report.

Following the passage of LB 507e a motion was made and successfully passed to indefinitely postpone LB 190.

The bill prohibits the Legislature from appropriating or transferring money from the Water Sustainability Fund for any purpose other than to further the goals of the Water Sustainability Fund except upon a finding that the goals of the fund are not being accomplished by the fund.

The Natural Resources Committee accepted testimony on LB 190 on January 27th.

Senator Hughes opened by noting the bill would prevent the legislature from sweeping the WSF fund when looking to balance future budget shortfalls, or when someone is looking for funds to achieve another purpose. During questioning, Senator Moser asked if sweeping of the WSF has happened before. Senator Hughes noted that it has been discussed that the opportunity to sweep the interest has been enticing for some during past budget shortfalls and that he felt that was an inappropriate use and would like to prevent that in the future. Senator Hughes addressed a concern about NeDNR accessing those funds, noting that as long as the use of funds is related to WSF he's okay with it, noting the intent is not to impact how NeDNR is using the funds for WSF at all.

Proponents

Scott Smathers testified in support on behalf of the Natural Resources Commission. Smathers distributed a handout showing the funding history of the fund. He provided examples of past attempts to pull dollars from the fund.

Written testimony in support was submitted by Nebraska State Irrigation Association. Position letters in support were submitted by NPPD, MUD and CNPPID.

Opponents

There was no opponent testimony.

Neutral

There was no neutral testimony. A neutral letter was submitted by NeDNR.

In closing, Senator Hughes noted there would be a minor technical amendment to address any confusion on language in the bill.

LB 212 - Prohibit charging members of the Legislature fees for public record requests. Cavanaugh, M.

The bill proposes that no fee shall be charged for public records requests for a request made by a member of the Legislature in the member's official capacity.

If the request was made by a member of the Legislature in the member's official capacity, the entire request shall be fulfilled within 15 business days after the member's response to the custodian's written explanation unless the member negotiates with the custodian to narrow or simplify the request, withdraws the request, or agrees to a longer period of time.

The existing 10 business-day time frame would remain for other requests.

The Executive Board accepted testimony on LB 212 on February 25th.

Opening on the bill, Sen. Cavanaugh noted it's hard for legislators to do their job while being charged these fees. She offered an amendment and told the committee that the bill has bipartisan support.

Proponents

There was no proponent testimony.

Opponents

There was no opposition testimony, however three position letters in opposition were submitted for the record by the Nebraska County Attorneys, Nebraska Public Power District and OPPD.

Neutral

Amara Block, General Counsel for Dept. of Admin Services, testified in a neutral capacity. Block provided an overview of how timing for public records requests work currently, she expressed concern over the 15-day time requirement and provided an example of how a 3,000-page record requests can take much more than 15 days. She also addressed the language requiring legislators not be charged for their request, noting they've never charged a senator or other individual for a public record request.

A letter in the neutral capacity was submitted by NACO.

During closing, Sen. Cavanaugh noted that she felt the proposed amendment would address the opposition letters. She commented that while she has not been charged fees, she wants to ensure that fees aren't ever charged.

LB 213 - Provide for an efficiency review of state agencies. Breise.

The bill proposes a review of 191 state agencies, boards, commissions and advisory councils including, but not limited to, the following: Department of Natural Resources; Department of Environment and Energy; Department of Agriculture; Game and Parks Commission; Environmental Quality Council; Nebraska Environmental Trust Board; Geographic Information Systems Council; Nebraska Community Forestry Council; Nebraska Natural Resources Commission; Board of Geologists; Climate Assessment Response Committee; Nebraska Invasive Species Council; Missouri Basin Natural Resources Council; and the Niobrara Council.

The bill requires the Department of Administrative Services to contract for an efficiency review of state agencies by an independent source to provide an outside study of such state agencies to make the delivery of services more cost effective, identify outdated delivery practices that can be eliminated, identify increased efficiencies in service delivery, identify potential new sources of funding for services other than taxation, and make government more accountable to residents of the state.

A final report would be required no later than January 1, 2023.

The Government Committee accepted testimony on LB 213 on January 28th.

In his opening Sen. Briese Briese said Nebraska currently has the 14th highest state spending rate in the country. He told the committee the goal isn't to cut costs by eliminating programs or reducing the services that government in Nebraska is providing but the core goal of the legislation is to make sure programs and services are offering taxpayers the most bang for their buck.

Proponents

David Nabity an individual from Elkhorn testified in support. Written testimony in support was submitted by the Nebraska Federation of Independent Business and the Platte Institute.

Opponents

Justin Hubly testified in opposition on behalf of the Nebraska Association of Public Employees. He told the committee that cutting costs often doesn't translate to efficiency and in fact often results in significantly higher costs

Jason Jackson testified in opposition on behalf of the Department of Administrative Services. He testified that state government efficiency has greatly improved under the current administration and that the bill would be redundant and unlikely to find significant savings. He outlined ongoing efforts of improving training of state employees. He said existing efforts have been effective noting Nebraska is recognized as a national leader in six sigma training and operational excellence.

Neutral

Russ Karpisek testified in neutral capacity on behalf of the auditor of public accounts. He noted the auditor's office likes the idea, but with additional funds, the auditor could greatly expand their current scope of services and effectively do the same thing.

Written testimony in the neutral capacity was submitted by the Nebraska Bar Association.

In his closing Sen. Briese noted that the auditor's job is to ensure that laws are followed, but one of the points of this is to bring in an outside agency and expand beyond what the auditor office does. He stressed that this is not just about cutting, but also about trying to free up revenue and find better use of taxpayers' dollars if they're available. He discussed that it has cost \$1.5-\$4 million to do similar studies in other states and while acknowledging you get what you pay for, based on his conversations he estimates it would cost Nebraska closer to \$1.5 million.

No position letters were noted, and the committee reported no action on the bill.

LB 242 - Provide for county bridges under the Political Subdivisions Construction Alternatives Act. Brandt.

The Government Committee reported LB 242 to General File on February 17th with AM 242 following a 7-0-1 vote. The Committee Amendment (AM 233) removes provisions relating to the County Bridge Match Program and the proposed new County Bridge Incentive Program from the bill.

With the amendment, the bill proposes to allow counties to use a design-build contract or construction management at risk contract under the Political Subdivisions Construction Alternatives Act for a project, in whole or in part, to repair, retrofit, reconstruct, or replace any bridge.

The original bill referencing to the County Bridge Incentive Program and County Bridge Match Program will be eliminated upon adoption of the committee amendment.

The Government, Military & Veterans Affairs Committee accepted testimony on LB 242 on February 4th.

Sen. Brandt opened by offering AM 63, which replaces the bill. He noted the amendment addresses concerns raised by NDOT and eliminates the reference to the County Bridge Match Program. The amendment allows the county to use design-build and adopt a resolution which provides for project payment on a set schedule over a period of time that extends beyond the completion of construction.

He commented that this allows the construction to start sooner rather than saving funds over a period of years to pay for the bridge at one time. He also stressed that inflation costs on bridges exceed the average rate of inflation. He outlined the need for the bill by noting that 2% of all county bridges across the state are closed due to necessary repairs or replacement.

Proponents

Rick Vest testified in support on behalf of the Lancaster County Board of Commissioners. He commented that this bill provides counties a tool to address closed and damaged bridges without raising property taxes. He noted that the bill grants counties use of the same authority that was used for financing the south Lincoln beltway.

Jon Cannon testified in support on behalf of NACO. He commented that the bill benefits all counties across Nebraska. He provided a committee with an example cost for county bridge repair, noting shorter bridges average \$250K and longer bridges average \$750K in cost.

Todd Wiltgen testified in support on behalf of the Lincoln Chamber of Commerce. He noted that this would allow counties to better address repairs during emergency situations.

Matthew Manning owner of a construction company offering design-build services testified in support of the bill. He told the committee there are 20 to 30 bridge contractors that actively work in Nebraska and that most of them can support financing county bridge projects. He commented that contractors can offer and provide services that will help counties get projects done quickly and more economically.

The Nebraska Corn Growers Association submitted written testimony in support. The Nebraska Cooperative Council submitted a letter in support.

Opponents

There was no opposition testimony.

Neutral

Dallas Jones testified in a neutral capacity on behalf of the Lincoln Independent Business Association. He commented that LIBA fully supports investment in infrastructure, but they have concerns over potential unintended consequences. He expressed concern that the bill would effectively allow political subdivisions to bond without a vote of the people. He also expressed concern that the interest rates provided by contractors could be higher than standard bonding rates.

During closing, Sen. Brandt commented that this is not just a bill to benefit Lancaster County, and that it would potentially benefit all 93 counties. He also noted that the bill would allow for additional savings by allowing counties to contract for multiple bridges at a time.

LB 314 - Change provisions related to insurance coverage of telehealth. Pahls.

The bill proposes that health insurance coverages provide a reimbursement rate for a telehealth consultation, at a minimum, be the same as for a comparable in-person consultation.

The Banking, Commerce & Insurance Committee accepted testimony on LB 314 on February 1st.

Sen. Pahls opened by noting there will be a lot of the same comments made during LB 487 hearing, which focuses on behavioral health parity, but this bill goes a step further and offers full parity for all utilization of telehealth. He told the committee everything would fall under this as they need to look at telehealth as a full spectrum.

Proponents

Ann Buettner, testified in support on behalf of the Nebraska Association for Marriage and Family Therapy. She testified that similar to an earlier bill (LB 487) this would provide parity for behavioral health visits. She

addressed questions about concern over telehealth replacing in person visits, telling the committee one can't replace the other, rather they supplement each other.

A physician representing Nebraska Medical Center testified in support. She testified that care should not be based on where you live, and that telehealth provides expanded care to rural Nebraskans. She told the committee it takes multiple steps to provide good telehealth care and that the misconceptions that telehealth is easier and saves providers time are inaccurate. She offered that there is large evidence that managing diabetes can be better accomplished via telehealth and that patient surveys show that telehealth patients are more likely to recommend it over in-person visits. She told the committee that telehealth will not continue to expand if there is not payment parity.

Scott Jansen testified on behalf of the Nebraska Medical Association. He stressed that private practice physicians need to have telehealth as a tool to provide service to patients, especially those in rural areas. He noted that 30% of visits at Children's Medicine in 2020 were via telehealth. He expressed that telehealth services through existing physicians with physical office capabilities can result in patients receiving a higher level of care and can prevent duplication of services when compared to strictly remote telehealth providers.

Brian Bossard, a practicing physician and hospital administrator, noted that there are profound gaps in life-saving services and stressed that clinical care needs to be delivered differently and better.

Pat Connell testified on behalf of the Nebraska Association of Behavioral Health Organizations. He told the committee they wanted to be on the record as supporting parity for behavioral health services.

Several physician and provider associations including the Nebraska Association of Regional Administrators, Nebraska Academy of Physicians, and the Nebraska Pharmacists Association submitted written testimony in support.

Opponents

Jay McLaren, Medica Insurance, testified in opposition. He told the committee that Medica insures approximately 100,000 lives in Nebraska. He outlined expansion of covered services and parity the company has provided during the pandemic and noted they will continue to provide that parity through the pandemic. He outlined that telehealth services have a lower cost associated with them, and if the bill requires to pay a higher cost, it will be the insured that will have to pay more for those services. He stressed that the market has not had an opportunity to respond. Noting that telehealth is here to stay, but we should not just enact a bill that automatically requires more be paid for those services. He again reiterated that telehealth is not the same level of care as in person and the private sector should be able to negotiate a lower cost for that service.

Robert Bell testified on behalf of the Nebraska Insurance Federation. He requested that the committee allow the market time to adjust once the pandemic passes. He provided an example of the different levels of service during appointments for a similar medical need, noting the virtual appointment lasted 15 minutes, vs 2 hours for the in-person visit.

Eric Dunning testified in opposition on behalf of Blue Cross Blue Shield of Nebraska. He noted that the company has worked to advance telehealth options and that it is an important component of health care delivery. He noted that during the pandemic telehealth claims are up as much as 1,900% and much of that is here to stay, noting that is driven by patient demand, not by parity pay.

Position letters were submitted by 30 proponents and 1 opponent.

In a brief closing, Sen. Pahls said that he was encouraged by the testifier's willingness to negotiate on the bill and would encourage meetings with them to alleviate concerns.

The committee reported no action on the bill.

LB 370 - Adopt the Personal Privacy Protection Act. Sanders.

The bill would prohibit any state or local government unit from: (a) Requiring any individual to provide personal information or otherwise compelling the release of personal information; (b) Requiring any nonprofit organization holding a certificate of exemption under section 501(c) of the Internal Revenue Code to provide such public agency with personal information or otherwise compelling the release of personal information; (c) If in the possession of personal information, releasing, publicizing, or otherwise publicly disclosing such personal information; or (d) Requesting or requiring a current or prospective contractor or grantee to provide such public agency with a list of nonprofit organizations holding certificates of exemption under section 501(c) of the Internal Revenue Code to which such contractor or grantee has provided financial or nonfinancial support.

Under the bill, personal information means any list, record, register, registry, roll, roster, or other compilation of data that directly or indirectly identifies a person as a member, supporter, or volunteer of, or donor of financial or nonfinancial support to, any nonprofit organization holding a certificate of exemption under section 501(c) of the Internal Revenue Code;

This bill does not prohibit: (a) Any report or disclosure required by the Nebraska Political Accountability and Disclosure Act; (b) Any report or disclosure by a public agency regarding testimony received at a public hearing conducted by such public agency; (c) Any lawful warrant, subpoena, or order issued by a court of competent jurisdiction for the production of personal information; (d) Any lawful request for discovery of personal information in litigation if both of the following conditions are met: (i) The requestor demonstrates a compelling need for such personal information by clear and convincing evidence; and (ii) The requestor obtains an order barring disclosure of such personal information to any person not named in the litigation; and (e) Admission of personal information as relevant evidence before a court of competent jurisdiction.

A person alleging a violation under the bill may be entitled to appropriate injunctive relief and damages, including a reasonable attorney's fee.

The Judiciary Committee accepted testimony on LB 370 on March 11th.

Sen. Sanders opened by noting there has been a recent push for laws that ask for disclosure of names donating to non-profits, and that activists want to target individuals based on their beliefs. She commented that non-profits encourage free speech and the free exchange of ideas and the privacy of individuals expressing that right should be protected. She stressed that the bill does not alter campaign finance. Sen. Sanders also offered an amendment that addresses concerns brought by UNL, Secretary of State, and the State Auditor.

Proponents

Doug Kellogg testified in support on behalf of Americans For Tax Reform. He expressed that the intent of the bill is to ensure personal information is not collected and exposed. The bill protects individual's ability to exercise free speech without fear for repercussions. He outlined examples of efforts from congress and in other states to undermine free speech by targeting donor information. He reiterated that the bill would not change campaign finance laws.

Spike Eickholt testified in support on behalf of ALCU of Nebraska. He provided the committee an overview of past Supreme Court cases that protect the right for individuals to associate in privacy. He noted that the bill is an affirmation of privacy, but still upholds that government can compel for financial disclosures in campaigns.

Karen Bowling testified in support on behalf of the Nebraska Family Alliance. She stressed the need for the privacy protection and provided multiple examples of harassment and attacks targeted against supporters of the NFA.

Americans for Prosperity and the Non-Profit Association of the Midlands both submitted written testimony in support of the bill.

Opponents

Korby Gilbertson testified in opposition on behalf of Media of Nebraska. She commented that 501(C)(3) and (4)'s blur the lines between education and political action. She told the committee there are organizations operating as political organizations under the guise of charities and expressed concern that this bill would broaden those efforts.

Neutral

Russ Karpisek testified in a neutral capacity on behalf of the State Auditor. He testified that the auditor's office can currently audit non-profits that receive public monies but expressed concern that the bill as written would eliminate that ability. He noted that the proposed amendment works to address those concerns.

Position letters were submitted by 5 proponents, 1 opponent, and 1 neutral.

The Committee reported no action on the bill.

LB 399 - Change provisions relating to rural water districts. Bostelman. Natural Resources Committee Priority Bill.

The bill proposes to spell out the "Nebraska Safe Drinking Water Act" rather than cite the same section of statute for compliance of plans and specifications of public water systems. This is a placeholder bill. The bill was declared the Natural Resources Committee priority bill for the session.

The Natural Resources Committee accepted testimony on LB 399 on January 28th.

Cyndi Lamm, Natural Resources Legal Counsel, introduced the bill noting it is simply a shell bill. There was no testimony provided and the committee reported no action on the bill.

LB 408 – Adopt the Property Tax Request Act. Briese. Geist Priority Bill.

Senators debated LB 408 on General File the week of April 22nd. Following 8 hours of debate and 21 amendments being filed on the bill, proponents of the bill fell short of the 33 votes needed for Cloture, effectively ending any additional action on the bill for the session. The vote on Cloture was 29 Yes, 8 No, 11 Present and not voting, 1 Excused and not voting.

During floor debate, opponents of the bill voiced concern over the usurping of local control and several senators referenced the fiscal responsibility being demonstrated by locally elected officials. Opponents of the bill also referred to the \$1.45 billion in property tax relief being provided in the budget.

Proponents of the bill repeatedly referenced large increases in property taxes levied by some political subdivisions, in particular community colleges. Some proponents of the bill suggested removing school districts and certain cities and communities and targeting budget restraints to specific regional taxing districts as a compromise, though a deal could not be reached and the bill failed to advance.

Previously, the Revenue Committee reported LB 408 to General File on March 2nd with AM 371 following a 7-1 committee vote. Sen. Geist declared the bill as her priority bill for the session. The Committee Amendment (AM 371) becomes the bill to adopt the Property Tax Request Act. Other changes originally proposed in LB

408 are included in the Committee Amendment. The changes from LB 408 with the amendment are outlined below.

- A political subdivision's property tax request in any year shall not exceed its request authority. Request authority shall be equal to the political subdivision's tax request from the prior year multiplied by 103%.
- By a majority vote of a political subdivision's governing board, the political subdivision may exceed the 3% limit for no more than 2 consecutive years. If this situation occurs, the property tax request of the political subdivision shall be reduced to ensure the increase in the property tax request does not exceed 9% over a 3-year period.
- The 3-year period will be measured using the year when the political subdivision exceeds the 3% limit as the first year. If the vote to exceed the 3% limit is for 2 consecutive years, the 3-year period shall be measured twice using each of the 2 consecutive years as the first year of the applicable 3-year period.
- The 3% limit shall not apply to a political subdivision's property tax request that will be derived from the real growth value of the political subdivision.
- A political subdivision that chooses not to increase its property tax request by the full 3% may carry forward one-half of its unused request authority to future years as carryover request authority. Carryover request authority may be used in future years to increase the political subdivision's tax request above the 3% limit.
- The 3% limit shall apply to property tax requests set in 2022 through 2027. The 3% limit shall no longer apply to property tax request set in 2028 and thereafter.
- The presentation required at a budget hearing shall also include information showing the political subdivision is in compliance with the Property Tax Request Act.
- Political subdivision is defined under the proposal as any county, city, village, school district, learning community, sanitary and improvement district, natural resources district, educational service unit, or community college.
- The total amount of property tax revenue raised by a political subdivision in a fiscal year may exceed the limitation in an amount approved by a majority of legal voters. All costs of the election shall be paid by the political subdivision seeking to exceed such limitation.
- The governing body of the political subdivision shall call for the submission of the issue to the voters by passing a resolution, by majority vote of the governing body, calling for exceeding the limit and delivering a copy of the resolution to the county clerk or election commissioner of every county which contains all or part of the political subdivision. The resolution shall include the amount which would be requested in excess of the limit.
- The limitation would not apply to the amount of property tax revenue needed to pay the principal and interest on bonded indebtedness.
- Further, it would not apply to the amount of property tax revenue raised by a political subdivision in any fiscal year on any real growth value within the political subdivision. Real growth value is defined in the proposal as the increase in real property valuation due to (i) improvements to real property as a result of new construction and additions to existing buildings, (ii) any other improvements to real property which increase the value of such property, and (iii) annexation of property by the political subdivision.

(Companion legislation to LR 22 CA)

The Revenue Committee accepted testimony on LB 408 on January 27th.

In his opening remarks, Sen. Briese noted that Nebraskans are angry and that high taxes are choking off growth in rural communities. It is difficult to recruit people to the state and keep them to grow the state because of high taxes. There needs to be an all of the above approach and limiting the growth of taxes is one way to start that. Pertaining to LR 22CA, he trusts Nebraskans to do the right thing and make the right decision, but this statutory version allows adjustments for ups and downs in budgets and accommodates concerns.

Proponents

Bud Synhorst, LIBA, testified in support. He noted this bill makes political subdivisions work within their means, which is what businesses have to do. Political subdivisions are building up war chests to pad their budgets and claiming it as theirs, but really, it's the taxpayer's money. He said that political subdivisions claim that the taxes haven't gone up, but it isn't true because property values have increased, and political subdivisions are getting more if the levy is the same. Political subdivisions aren't dropping their ask even though they get more money because land values have increased.

Robert Holstrom, National Federation of Independent Businesses, testified in support. He mentioned that the state's ability to control spending was a benefit in the pandemic and it's important to have that same budget control on the local level, too. He felt the statutory version of this idea is better due to flexibility, but feels the constitutional version (LR22CA) would get passed by voters, because citizens are upset and would make their own change.

Sarah Curry, Platte Institute, testified in support. She noted that the statutory version would advance quicker so Nebraskans can have immediate relief and the constitutional version (LR22CA) would require more time. She suggested waiting for a larger election year to get more participation.

Opponents

Dennis Meyer, Lancaster Co Budget/Fiscal Officer, testified in opposition. He said that the county is open to discussion but worries this legislation is a quick and easy fix without looking at the whole process. There were years the county took less to drive the levies down and not all political subdivisions are raising taxes for no reason. He noted that infrastructure issues are huge, and 3 percent would make projects slower or even nonexistent.

Greg Adams, Nebraska Community College Association, testified in opposition. He mentioned that the five colleges biggest expense is personnel – collective bargaining and health insurance is about 80 percent of the budget. Additionally, over the last few years the community colleges have faced huge increases in property/liability insurances. There are times when the colleges can be within 3 percent, but they lose flexibility.

Sen. Flood during questioning asked why within 10 years, community colleges went from \$22 million to \$49 million in property taxes. He said that is unconscionable and willful, reckless driving at community colleges.

Adams said he wouldn't go so far as to say it was unconscionable, because it was within the law, but agreed that it was a big increase. He said that Northeast Community College has a new president that is reducing administrative staff and trying to bring things more in line with fiscal conservatism. Southeast Community College prided themselves for years on having a low levy but to do that they neglected things and now they are playing catch up to meet requirements. He said SCC is now increasing their tax request to catch up on deferred expenses.

Robert Post, Banner County Commissioner, NACO, and on National County Board, testified in opposition. He highlighted that the public could make their wishes known during county board meetings and every two years during elections if money wasn't spent properly. If the county's other costs go up, they need flexibility to cover those expenses. He noted Banner County keeps inheritance tax money as a reserve and works hard to maintain a reserve to cover costs.

John Spatz, Nebraska Association of School Boards, testified in opposition. He said this legislation takes away a local board's ability to manage their own budget, and local board members already have a vested interest to keep the budget in check, pointing out that 75 percent of Nebraska school board members have some dependency on the ag industry. Since 2011, on average collectively the schools have spent slightly less than the state. Nebraska ranks 49th in the nation for state school support and is the 2nd highest in the nation for the resources being invested in the classroom, where you see the highest rate of return.

Spencer Head, Omaha Public Schools Board Member, testified in opposition. He mentioned this was an intrusion on the local control that schools have with their board. The board should be determining whether they increase or decrease the budget, and there are already caps in place for these budgets.

Renee Fry, Open Sky Policy Institute, testified in opposition. She noted this legislation limits local control and we shouldn't punish all local subdivisions because some have had a high increase. Not all political subdivisions are the same and they take care of different needs for our communities, so we shouldn't treat them all the same. Political subdivisions have a spending limit, there are limits on levies and this bill could lead to unintended consequences. She gave the example of responding to natural disasters if political subdivisions can't adjust their own local budgets.

Kyle Fairbairn, Greater Nebraska Schools Association, testified in opposition. He indicated this could cause major problems with budget evaluation for schools because they can't offset the loss from TEEOSA. If the school has a special education student move into a rural school district and that student costs \$100,000 to educate then that school is over the 3 percent because of this one student.

Christy Abraham, League of Nebraska Municipalities, testified in opposition. She noted cities need the flexibility to deal with emergencies – sewer break, natural disaster, etc.

Don Wesley, Greater Nebraska Cities, testified in opposition. Wesley said direct borrowing is not the same as a voter-approved bond issue. Direct borrowing can be quicker and less expensive than voter-approved bond issue. For local control using direct borrowing might be advantageous to the budget for that local subdivision.

John Cannon, NACO, testified in opposition, noting that counties don't spend money on anything that is not approved, and they don't spend lavishly getting the most expensive snowplows. People are not complaining about the services the county offers, but rather they want more and better services from the county.

Several organizations and individuals submitted written testimony in opposition. Six position letters in opposition were submitted.

Neutral

There was no neutral testimony.

Sen. Briese noted in his closing that this is an incremental step that can be made to try and make a difference on property taxes. He said they can make adjustments as problems arise with the local areas.

LB 449 - Appropriate funds to the Department of Environment and Energy. Wishart.

Provisions of LB 449 were incorporated into LB 380e, the mainline appropriation bill and was passed and signed into law by Governor Ricketts. A summary of LB 380e is included on page 22 of this report.

The bill appropriates \$100,000 annually from the General Fund for FY2021-22 and FY2022-23, to the Department of Environment and Energy, for the Low-Income Weatherization Assistance Program, to aid in carrying out energy efficiency audits and weatherization improvements.

The Appropriations Committee accepted testimony on LB 449 on February 26th.

Sen. Wishart opened by noting the bill would assist households below 200% of federal poverty level to increase energy savings by implementing weatherizing improvements.

Proponents

Britton Gable testified in support on behalf of OPPD and the Nebraska Power Association. He noted OPPD offers cost-assistance programs, but those programs don't address long-term problem. He commented that weatherization improvements can decrease energy costs by up to 25%. He provided an example of a pilot program in partnership with Habitat for Humanity that was completed on 62 homes providing an average annual savings of \$232 per home. He noted that 356 other properties have been done with other funding sources, but there is a long waiting list for projects. He clarified that the OPPD program is for owner-occupied homes, NDEE program can serve some renter occupied homes, but there are federal regulations that NDEE must deal with.

Gable pointed out the \$100,000 in state funds under the proposal would be added to the \$2.6 million in Federal funding provided to NDEE for the weatherization program.

Tracie McPherson testified in support on behalf of Habitat for Humanity of Omaha. She told the committee Habitat for Humanity for Omaha weatherizes on average 116 homes in Douglas county each year. Weatherization of homes helps reduce the energy burden on families by roughly 18%. She commented that weatherization also mitigates deterioration of homes. Tracie provided an example of a current client that has been heating her house with a wood burning stove, noting that in two weeks she will have an energy efficient furnace.

Ashley Frevert testified in support on behalf of Community Action of Nebraska. She noted they use advanced computer software to determine most efficient projects to implement to improve weatherization. She noted they weatherized 356 homes for \$134,000 in annual savings. With the average cost of \$7,500 per home. During questioning, Sen. Hilkeman commented that at an average cost of \$7,500, they're looking at nearly 50-year return on investment.

Letters of support were provided by Nebraska Interfaith Power and Light, Nebraska Sierra Club, and Audubon Society.

There was no opposition or neutral testimony. A letter was submitted by one individual in a neutral capacity.

During closing, Sen. Wishart noted that federal funds are exhausted and there is a waiting list to get funded. She addressed Sen. Hilkeman comments and noted that while there may not be a lot of short-term financial return on investment, it is an investment to improve the lives of people of the state.

LB 483 – Require the University of Nebraska to develop a Climate Action Plan. Cavanaugh, J.

The bill proposes that the University of Nebraska shall develop an evidence based, data-driven, strategic action plan to provide methods for adapting to and mitigating the impacts of extreme weather events or climate change. The action plan would include the following:

- (a) A baseline measurement of greenhouse gas emissions, also called a carbon footprint, of the state;
- (b) Measurable benchmarks and goals, including actions needed to meet the goals and benchmarks;
- (c) Assessment of risks and vulnerabilities from negative impacts of climate change;
- (d) Opportunities presented by strategies for adaptation and mitigation of the impacts of climate change;
- (e) Opportunities to improve and increase resilience to the impacts of climate change;
- (f) Potential economic impacts of climate change, both positive and negative;
- (g) Examination of impacts of climate change upon the following sectors:
 - Agriculture;
 - Water resources;
 - Health care and public health;
 - Transportation; and
 - Commerce and industry;
- (h) Recommendations for new policies and changes to policies and programs that support the goals based on the information and data collected and generated, including funding needs and recommendations for legislation.

The process for developing the action plan shall include:

- (a) Extensive opportunities for public comment and engagement, including, but not limited to, online input, public hearings, and public and private sector engagement;
- (b) Input from entomological, climate, water, agricultural, and natural resource experts in Nebraska;
- (c) Examination of comparable strategic action plans from other states; and
- (d) Such other activities as may be deemed necessary.

The cost for developing the action plan would come from a transfer of \$250,000 from the Petroleum Release Remedial Action Collection Fund to the University of Nebraska.

The action plan would have to be submitted to the Governor and the Executive Board of the Legislature on or before December 15, 2022.

The Natural Resources Committee accepted testimony on LB 483 on February 11th

Opening on the bill, Sen. Cavanaugh noted this is a continuation from efforts in 2016. He distributed handouts that portrayed the continuous increase in temperature, noting UNL predicts a 5-9-degree temperature increase in coming years, and stressed that it must be addressed. He told the committee it's not the intent to have another study, but rather have a real road map to bring up an evidence-based, data-driven strategic plan to provide methods for adapting to and mitigating the impacts of extreme weather events. He stressed that changes in weather are affecting our economy.

Proponents

Al Davis testified in support on behalf of the Nebraska Sierra Club. He referenced a 2013 study completed by UNL that demonstrated grim results due to climate change, he referenced projections in that study that say by 2075 North Platte will have climate like that of Lubbock Texas. He stressed that natural disasters and economic collapse are a real threat if we do nothing.

John Hansen testified on behalf of Nebraska Farmers Union. He noted that UNL is a leader in drought and climate planning and have a lot of expertise and that should be utilized to minimize adverse impacts and take advantage of opportunities that come with it.

Ken Winston testified in support for Nebraska Interfaith Power and Light. He told the committee that climate change is the most important moral issue today and that we have faith and spiritual obligation to address it since its greatest impact on low income and vulnerable populations. University resources could be utilized and could help people of the state adapt to changes and help prepare for severe weather events. He noted they also support similar efforts like the healthy soil task force.

Jesse Starita testified in support on behalf of himself. He told the committee we are already on a dangerous path and spoke to the dire implications of not taking action. He noted that the bill contains no mention of regulations but focuses on the opportunities.

Written testimony in support of the bill was provided by St. Paul Climate Justice Team, City of Lincoln, the Nature Conservancy and a couple of individuals.

Opponents

Mark Whitehead testified in opposition on behalf of the Nebraska Petroleum Marketers Association. He noted that they're not testifying to offer an opinion or to debate climate, rather their opposition is due to the funding mechanism in the bill. He provided the committee with the history and structure of the Petroleum Release Remedial Action Collection Fund and stressed their opposition to using the fund as a funding source for other purposes.

During closing Sen. Cavanaugh noted he was pleased to see everyone in agreement and see that the only opposition was on how to pay for it. He further referenced previous studies and how their projections have already been proven conservative. He stressed that it's not a question of whether climate change is happening, rather it's a question of if we are going to do anything about it. He also noted that he is actively exploring other funding mechanisms.

There were a number of position letters submitted for the record. The Committee reported no action on the bill.

LB 576 - Appropriate funds to the University of Nebraska. Bostar.

The bill appropriates \$50,000 annually from the General Fund for FY2021-22 and FY2022-23 to the Institute of Agriculture and Natural Resources and the Cooperative Extension Program for research on climate change and produce an updated version of the Assessing Climate Change report released in 2014. The Legislature intends for such report to be delivered electronically to the Governor and the Legislature by December 1, 2022.

The Appropriations Committee accepted testimony on LB 576 on February 16th.

The Appropriations Committee accepted testimony on LB 576 on the day that rolling blackouts were occurring in Nebraska and other mid-western states do to the shortage of power throughout the Southwest Power Pool service area. Many wind and solar generation systems failed during the cold snap and that shifted much of the discussion during the hearing about policies on power generation.

Sen. Bostar opened with claims that there are updated climate models and Nebraska needs to take the new data into account. He outlined that the biggest impacts are going to be industries, and in Nebraska the biggest impact is to agriculture. He noted that the updated report will not include a plan but will update the data specific to Nebraska so local and state policy makers can make decisions. He stated that Nebraska is behind other states that update the reports annually.

Sen. Hilkelman asked what we could have done to prepare for the cold streak, specifically would we have stopped building wind generation that doesn't work in the cold?

Sen. Erdman asked if we get this updated report, would we be able to predict the cold weather that happened this week? Sen. Bostar acknowledged that the data can't predict specific events.

Proponents

Martha Shulski, State Climatologist for UNL, testified in support of the bill. She testified that we have more severe climate problems in Nebraska, noting the floods of 2019 as an example. She stressed the need to keep up on current climate trends for earlier warning systems and managing risk. She noted the Climate Science department is assisting the City of Lincoln, so they do not run out of water. She claimed to be working with the Department of Natural Resources and NRDs to develop plans to mitigate the impacts of climate change.

Shulski further claimed that the current cold streak is a pattern from climate change, outlining that due to climate change, events are now magnified from the events in the past. She told the committee that the February weather is 5 degrees colder than it was 30 years ago. The arctic is warming so the change in the jet stream is causing the cold to shift over the last 30 years.

Sen. Erdman commented that there used to be an ice cap in Nebraska and asked what human activity changed that? Shulski noted it was a shift in the axis of the earth.

Sen. Stinner asked if we would have acted on the report in 2014, would we have put \$6 million in the emergency fund rather than \$4 million? Are we really talking about putting more funds into risk management? Noting he's not really interested in updating a study as he is doing disaster planning. Shulski noted additional funds are needed for disaster planning, but the report would show other programs that need to be funded and other policy changes.

Stonie Cooper, Mesonet Manager for the Climate office, testified in support and noted that the new data needs to be incorporated into the report.

Ken Winston, Nebraska Interfaith Power and Light, testified in support and claimed new information would help us be prepared for floods and drought. It would help farmers plant different crops that fit our new climate. He also noted the new data would show there is a lot of low-income people in Nebraska that could use assistance for housing and nutrition.

In his closing, Sen. Bostar claimed is it imperative as state lawmakers to get all the important information needed for making policy decisions.

There were two letters of support and two letters of opposition submitted for the record. The Committee reported no action on the bill.

LB 589 - Change requirements for integrated management plans by natural resources districts. Groene.

The bill proposes to separate the right to use water from the overlying land for augmentation projects for depletion offset water.

The bill outlines that a public augmentation project that is not attempting to guarantee that a certain quantity of water is used for a beneficial use or reaches a certain point downstream for a particular use, but rather, the purpose of the augmentation project is simply to add water to a natural stream in order to offset water depletion,

shall be without regard to beneficial use on the overlying land or dependent on the amount of land owned, rented, or leased by the natural resources district or districts involved in operating the augmentation project.

The Natural Resources Committee accepted testimony on LB 589 on February 4th.

In his opening, Sen. Groene told the Committee he is here to fix an injustice. He distributed a packet with past court cases, and noted he had a dissertation on water law prepared but that he would spare the committee, though much of his testimony included multiple loose references to past court cases, including multiple references to the difference between common law and statutory law. He also made claims (later disputed) that NCORPE is exempt from common law and the inaccurate claim that the supreme court has ruled when for a public purpose the right to use water isn't tied to the overlying land. He referenced other augmentation projects, such as Tri-Basin NRD and noted they don't own the overlying land, though it was noted they do lease the land.

His testimony was similar to previous hearings on the subject and several inaccurate comments were made about the management of NCORPE, claiming they're seeking to purchase additional land and the repeated claim it's a mining operation burdening Lincoln County. He commented that the bill does not force any NRD to sell land, rather it provides clarity that they can sell the land. He ended his opening comments by saying this is about the people of Lincoln county that have land off of tax rolls for the benefit of others and that the legislature needs to make clarity for the people so farmers and housewives on the NRD can say no we don't need to own this land. They don't have the backing to say no, and this statute would give them a backbone.

During questioning Sen. Cavanaugh asked if it's accurate that the NRDs don't want to sell it, but you think the citizens of Lincoln county want to sell it? Groene responded by saying in the past there was a majority of the board members that would try to get to the point of where they could sell the land. Cavanaugh followed up with the question of if we were to pass this it wouldn't force the sell, it would just give them the opportunity, but they wouldn't want to? Groene commented that 2 of them would, and through process of elections we could get something done. Cavanaugh responded with the question of couldn't an election remedy this now if existing law allows it? Groene responded with, no they can't, because it's not clear and they can't read lawsuits like I do, further commenting that the average citizen can't ascertain case law like he can.

Sen. Bostleman asked if NCORPE is paying in lieu of taxes and how that would change. Groene commented that taxes started out over \$1 million, and now he claimed it's \$180k for wasted grassland. Sen. Moser commented that it can't be watered anymore so it can't be on the tax rolls for more.

Proponents

There were no proponents. A position letter in support was submitted by Lincoln County Assessor.

Opponents

Don Blankenau testified in opposition on behalf of the Nebraska Association of Resources Districts. He noted Nebraska's NRDs oppose LB 589 for a variety of reasons but fundamentally, its language and context create confusion that may result in needless litigation. The content of his testimony follows:

“Obviously, the language of any legislation is at the heart of what this body does. The Nebraska Supreme Court has repeatedly noted that to interpret the meaning of a statute created by the Unicameral, requires that the words of the statute be given their plain and ordinary meaning within the context of where that law is found. So, let's start with context.

The operative language of LB 589, which is only one sentence long, is placed in Neb. Rev. Stat. § 46-715(3) which concerns the process within integrated management plans (“IMP”s) to track depletions and gains to streamflow. To refresh the Committee, IMPs are management planning documents that are jointly developed between NRDs and the Nebraska Department of Natural Resources with the assistance and input from surface

water users, municipal users, industrial users, environmental interests and other stakeholders. These take years to develop.

Under the existing statute, the depletions and gains to stream flows created by augmentation projects of all kinds are already addressed. And keep in mind that augmentation projects are not limited to use of groundwater as the source nor are they limited to offsets to depletions. They take many other forms, including, but not limited to, surface water storage that can be released when it is needed, diverting off-season excess stream flows to irrigation canals to provide recharge to groundwater that works its way back to the stream at a later time.

Because augmentation impacts are already addressed by the existing law, the additional language of LB 589 doesn't address any deficiency in the law. To the extent the intent is to do more than deal with tracking within the integrated management process, the language confuses the existing meaning of the statute and causes uncertainty for all Nebraska water users. Simply put, the added sentence just doesn't make sense. As veteran members of this Committee know, confusion opens the door to litigation when it comes to water.

This is particularly concerning when future augmentation projects may be needed to provide flow support for municipal users like Omaha, Lincoln, Kearney, and Grand Island. The State of Nebraska is working with NRDs, municipal users in the Lower Platte basin to look at options. The water users in Nebraska need to have certainty to protect the economic viability of the local river basins, not uncertainty and confusion.

The State and its natural resources districts have waged many legal battles in recent years – battles at taxpayer expense – both state and property taxpayers. The augmentation projects in the Republican Basin have already been litigated to the Nebraska Supreme Court multiple times. The Court has ruled on these cases and the law is settled, which provides that important certainty to all water users.

For reasons outlined above, Nebraska's NRDs think it unwise to advance any legislation unless it has been developed with all stakeholders in agreement that there is a problem that needs fixing, and what that fix should be. That has not happened with this bill and that problem is apparent to the many people who manage water to protect the economic viability and availability for all users in Nebraska".

Sen. Gragert asked with exemptions out there due to public purpose, would this project be considered public purpose and if so why can't it be considered the same? Blankenau responded by respectfully noting that Sen. Groene is wrong on the law and that the use of water is tied to how much land you own or lease. This is in fact public purpose, but to use and have access to the water you must have the land. Sen. Gragert followed up by asking why in the Sorenson case they don't own the land? Blankenau noted that municipalities are exempt because the legislature changed common law, but only for municipalities.

Sen. Hughes asked for clarification of court cases that got us to this point. Blankenau provided an extensive overview of history of Republican River Compact, the litigation, supreme court rulings and the steps that led to the creation of the NCORPE project which has successfully addressed Nebraska's requirements and kept Nebraska in compliance. Hughes noted that Kansas could bring litigation.

Sen. Bostleman asked about the impact if there was no project. Blankenau noted that the management options become draconian and that the State of Nebraska and perhaps the NRDs would be in a position they would need to condemn water rights to stay in compliance. He stressed that NCORPE provides the flexibility for everyone to maintain status quo.

Dr. Jasper Fanning testified in opposition on behalf of Upper Republican NRD. He noted the need to correct an injustice of misinformation – no districts have ever voted on selling the land. He also noted NCORPE is not in the market for new land, noting they sold more land than what has been acquired, and that both the bonds and Twin Platte NRDs management required a couple of parcels be acquired to consolidate the project.

Dr. Fanning noted that Kansas' consent is dicey and any changes in law would jeopardize current agreements. He provided the committee with an example of Colorado's augmentation project, which cost the state nearly the same in management costs as NCORPE, is half the size and cost Colorado 50% more per acre foot of water. He also noted that the land is horribly mismanaged and a disaster under corporate private ownership.

Dr. Fanning noted that land rental income at NCORPE is now more than offsetting management costs which only continue to decrease. He also noted that NCORPE is paying equivalent in lieu of taxes. He provided the committee with an overview of the financing for NCORPE, noting it is paid for by the occupation tax from irrigators in the 4 NRDs, and also revenue received from rental and leases, it was noted that the per acre assessment for occupation tax can and has gone down.

It was asked by the committee if NCORPE doesn't exist who pays? Dr. Fanning noted that it would be irrigators who would be cut back by 60%, destroying the local economy and having statewide impacts. Further, even with those measures the state would still likely be out of compliance which could result in a financial penalty the State of Nebraska would have to pay.

Following committee questions, Dr. Fanning provided additional overview of the current agreement between Nebraska and Kansas. Noting that Nebraska is currently getting 1:1 credit for water pumped, and also as part of the agreement Kansas is getting added flexibility. He noted that Kansas has had some changes in leadership and have indicated that they would maybe want to renegotiate the way we're operating now, and anything jeopardizing the augmentation projects adds further uncertainty.

Written testimony in opposition was provided by the Nebraska Farm Bureau and Lower Platte South NRD.

Neutral

Tom Riley, Director of the Department of Natural Resources testified in a neutral capacity. He reiterated the importance of the NCORPE project and that the water use is tied to ownership of overlying land. He noted that the implications of changes and unintended consequences will continue to be evaluated.

During closing Sen. Groene called the testifiers liars. He told the committee that the truth is the irrigators in Nebraska have abused and over-used groundwater.

LB 591 - Require a permit for any natural resources district water augmentation project. Groene.

The bill would require permits for augmentation projects operated by natural resources districts.

Under the proposal, before any natural resources district may create an augmentation project to add water to a natural stream or channel of the state to offset water depletion, the natural resources district shall first obtain a permit from the department. Application for the permit shall be made on a form provided by the department.

The application shall include plans and specifications detailing the intended times, amounts, stream-entry locations, stream-reach locations, and such other information as required by the department. The water subject to such permit shall be deemed appropriated for streamflow enhancement. Permitholders shall be liable for any damages resulting from the overflow of such stream or channel when water so conducted contributed to such overflow.

The Natural Resources Committee accepted testimony on LB 591 on February 10th

During his opening Sen. Groene expressed his desire to get the state involved in the permitting process for augmentation.

Proponents

There were no proponents for the bill.

Opponents

Don Blankenau testified in opposition on behalf of NARD. He outlined four primary reasons NRDs oppose the bill. First, the bill is both anti-agriculture and anti-municipality. Under 591, augmentation water discharged to a stream - either from surface or ground water sources - would be "appropriated" and protected from being used by irrigators and municipalities. The word "appropriation" or "appropriated" has specific meaning under Nebraska law that gives the holder of the appropriation exclusive rights to the water subject to the prior appropriation doctrine.

The point and goal of many augmentation projects is the opposite. Those projects allow farmers and cities to withdraw and use water at times when they would otherwise be prohibited from so doing. In other words, augmentation projects help existing appropriators by providing water during times of need. For example, NCORPE provides augmentation water during certain years to the Republican River Basin expressly to allow both surface and ground water users to take water when they would otherwise be shutdown. Had NCORPE been required to operate under this bill, thousands of water users would have been shut off and the State of Nebraska would likely have been subject to yet another suit by Kansas. Kansas might have been happy with this bill but the costs to Nebraska's water users and taxpayers would have been enormous.

Second, to the extent NRDs develop augmentation projects to protect and deliver water from the point of discharge to a specific location using natural streams, the law already requires NRDs to obtain a permit from the Department of Natural Resources ("DNR"). Under Neb. Rev. Stat. § 46-252, any person, including an NRD, who wishes to convey water from one point to another using a natural stream and have that water protected from use along the way, needs a permit from DNR. Simply put, that permitting requirement is already in place and treats NRDs just like any other water user.

Third, from a water management perspective, the "permit" required by 591 is unnecessary. If the source of the augmentation water is ground water, the regulatory body is the NRD. If an NRD develops the augmentation project, they would do so within the scope of their Integrated Management Plan ("IMP"), which, as we discussed last week at the hearing on 589, is a planning document, jointly developed with the Department of Natural Resources - the state authority for the administration of surface water rights. Under this bill, a permit would be required by the NRD to use the groundwater it regulates within the scope of its State approved IMP.

By contrast, if the NRD wished to develop an augmentation project using surface water as the source of water, the law already requires the NRD to obtain a permit from DNR - just like any other surface water user. In fact, there is a pending application before DNR right now for an augmentation project that uses excess surface water for its source. So, whether the source of water is ground water or surface water, the management implications are already carefully vetted by the appropriate regulatory bodies.

The fourth reason NRDs oppose this legislation: Pointless bureaucracy. This bill, without identifying any actual management reason for a permit or any criteria by which it may be granted or denied, simply requires the applicant to blindly jump through a permitting hoop. Projects that may cost many millions of dollars and years to plan could be trapped for many more years in an utterly undefined permitting labyrinth without any criteria as to what state regulators are to review. It is truly a case of government for the sake of government at the expense of the taxpayers.

In sum, this bill represents a fatal misunderstanding of what augmentation projects are and what they seek to accomplish. It is anti-farmer, anti-municipality, and wraps potentially urgent water augmentation projects in government red tape without any purpose. As testified last week, NARD believes that any legislation impacting augmentation projects should be developed with all stakeholders first agreeing that there is a problem that needs

to be fixed, and next, what that fix needs to be. This legislation simply seeks to fix a non-existent problem with a destructive non-solution.

During questioning, Sen. Gragert asked about impacts to the surrounding aquifer, Blankenau noted that the NRDs worked with DNR to complete modeling to ensure pumping from the location wouldn't have long term consequences and only proceeded after concluding it would be beneficial, he also pointed out that water levels and potential impacts are continuously monitored.

Sen. Bostelman addressed the history of decreasing streamflow in the Republican River. Blankenau outlined that prior to the NRDs managing the groundwater, it was the position of every governor and the federal government to encourage wells to be drilled, he also pointed out the impact terraces have had.

Tom Riley, Director of the Department of Natural Resources, also testified in opposition. He noted the bill would limit the use of down-stream appropriators. He mentioned the process outlined in the bill is vague and very different from the current permitting processes. He told the committee it would be better to study a process over the interim.

Letters in opposition were submitted by NWRA and the URNRD.

There was no neutral testimony, and the Committee reported no action on the bill.

LB 605 - Create the Outdoor Recreation and Education Study Committee of the Legislature. Wishart.

The bill proposes to create the Outdoor Recreation and Education Study Committee of the Legislature to conduct an evaluation of outdoor recreational and educational opportunities in Nebraska.

The purpose of the committee would be to complete an appraisal of the state's outdoor recreation and education potential and prioritize the following goals:

- (a) Supporting the outdoor recreation economy of Nebraska and working toward equitable and inclusive access to the outdoors,
- (b) creating and developing an inventory of existing public and private resources promoting outdoor recreation and education,
- (c) coordinating outdoor recreation and education policy and management among federal, state, and local governmental entities,
- (d) assisting in promoting and marketing opportunities and events for outdoor recreation and education,
- (e) developing strategies to recruit and grow outdoor recreation businesses, to promote tourism, and to enhance recreation-related employment in Nebraska,
- (f) supporting outdoor and 14 community-based learning opportunities as a standard feature of education,
- (g) promoting education and the use of outdoor recreational assets to enhance public health,
- (i) collecting data on the impact of outdoor recreation and education in the state and the accessibility of natural resources for underserved populations, and
- (j) recommending initiatives to increase access to outdoor recreational amenities and experiences as well as to increase youth time spent outdoors during the school day, before and after school, and during the summer.

The committee should utilize research conducted by the Department of Natural Resources, the State Department of Education, the Nebraska Tourism Commission, the state's natural resources districts, Nebraska postsecondary educational institutions, the Department of Economic Development, additional public and private sector entities experienced in outdoor recreation and education, and any other entity whose research the committee deems useful.

Weighting criteria should first be established in order to identify research needed as well as to establish statewide policy recommendations and identify projects, activities, and programs. To facilitate the creation of criteria to establish priorities, a collaborative effort of experts representing outdoor recreation and education in the state is necessary to ensure a fair and balanced outdoor recreation and education evaluation.

The nine Legislative members would include:

- Two members appointed by the chairperson of the Appropriations Committee.
- Two members appointed by the chairperson of the Education Committee.
- One member appointed by the chairperson of the Health and Human Services Committee.
- Two members appointed by the chairperson of the Natural Resources Committee.
- One member appointed by the chairperson of the Agriculture Committee.
- One member appointed by the chairperson of the Urban Affairs Committee.

The members shall be appointed within thirty days after the effective date of this act and shall begin serving immediately following notice of appointment. Members shall elect a chairperson and vice chairperson. The Director of Research shall assign an employee of the office of Legislative Research to assist the committee to fulfill its duties. The committee may utilize legal counsel and other staff from existing legislative staff and request additional advisory support from appropriate federal or state agencies and from private entities.

The committee may accept grants, donations, gifts, or contributions from public or private sources to carry out its duties and purpose. The committee may convene in person or virtually to conduct its business as deemed necessary.

The committee shall bring together a diverse group of outdoor recreation and education stakeholders and interests in Nebraska to identify short term and long-term statewide goals to improve outdoor recreation and education in the state.

On or before January 31, 2022, the committee shall develop and provide a report electronically to the Legislature which contains the following: (1) A listing of policies, programs, projects, and activities to meet the goals described in act, (2) research, data, and modeling needed to assist the state in meeting such goals, and (3) recommendations for the prioritization of policies, programs, projects, and activities to be funded.

The Executive Board accepted testimony on LB 605 on February 24th.

Opening on the bill, Sen. Wishart outlined the bill and addressed the need to expand opportunities for all residents to have access to the outdoors. One issue she emphasized is kayaking and public access points to the river. She also mentioned a potential amendment that would add NGPC to the list the committee should utilize for research.

Proponents

Dustin Allemann testified in support on behalf of the Nebraska Sportsmen Association. His testimony noted they want more access to private lands. He commented that the bill provides an opportunity to connect landowners with hunters.

NARD provided testimony in support of the bill. All 23 natural resources districts are involved with a variety of projects and programs to educate both youth and adults about conservation and natural resources. Many districts

sponsor or participate in natural resources festivals, teacher workshops, classroom presentations, and more. Here are some highlights:

- More than 80 recreational sites across the state. These incorporate recreational opportunities with our multi-purpose flood control structures, such as camping, fishing and hiking. There are also over 200 miles of recreational trails operated and maintained by NRDs.
- Environmental education programs for youth including, but not limited to, Outdoor Education Days coordinated with local schools, range and land judging competitions, and FFA environmental sciences programs.
- Several districts have incorporated outdoor education facilities at, or adjacent to, their local offices. These include the Lower Loup, Lower Platte South, Lower Platte North, Lower Republican, Middle Niobrara, North Platte and Papio Missouri River NRDs. These are open to the public and are used by local schools, civic groups and the general public.
- We also work with communities to improve recreational and outdoor education opportunities for residents. This helps retain and recruit work forces to communities. A recent example is the Lower Elkhorn NRD partnering with the City of Norfolk to redevelop the downtown area and incorporate outdoor recreation and education components into the project.

We are willing to work with the Legislature on a comprehensive study to identify short-term and long-term statewide goals to improve outdoor recreation and education in the state.

Bill Haikins testified as an individual outdoorsman. He commented on the need to educate urban youth about the outdoors and how to interact and engage with rural landowners.

Letters of support were submitted by the Nebraska Travel Association, Sierra Club, Nebraska Golf Association, Lincoln Parks and Recreation.

There was no neutral or opposition testimony. The Executive Board reported no action on the bill.

LB 622 - Limit the growth of real property valuations and provide for adjustments to assessed values. Friesen.

The bill proposes to limit the growth of real property values to not exceed three percent per year.

For nonagricultural real property for any year shall not be more than three percent greater than the total assessed value of all such property in the prior year, excluding any new growth occurring since the prior year's assessment. If the rate of growth exceeds three percent, the Tax Commissioner shall calculate an adjustment ratio to uniformly and proportionately adjust the assessed value of all such property so that the limit is not exceeded.

For agriculture lands, the limit is a three percent increase in values. If the rate of growth exceeds three percent, the Tax Commissioner shall calculate an adjustment ratio to uniformly and proportionately adjust the assessed value of all such property so that the limit is not exceeded.

The Revenue Committee accepted testimony on LB 622 on February 17th.

In his opening, Sen. Friesen noted that his goal was to limit growth in property valuations. He gave an example of Hall county where commercial properties increased 150-200% in value in one year – The owners were not

arguing the value, but the rapid increase in the value in one year rather than spreading the increase over time. It makes it difficult for the property owners to make the adjustment all in one year.

Proponents

There were no proponents. Written testimony in support of the bill was submitted by the Nebraska Federation of Independent Business and the Nebraska Bankers Association.

Opponents

Jon Cannon, NACO, testified in opposition outlining the unintended consequences of the bill. He noted when you ratchet down values artificially, it magnifies the problem as not all commercial properties are changed every year. This would result in some commercial properties that would go down artificially every year.

Connie Knoche, Open Sky Institute, testified that the bill would reduce revenue for schools and other government. For example, 192 school districts would have seen reductions in value if the bill were in effect in 2019. She also noted Ag values went down in 2019 and commercial went up. The bill would lower values for commercial and shift the taxes back to ag.

Craig Keebler, NACO, noted there are some properties that have doubled in value because they have not been reviewed in a while.

Kyle Fairbairn testified in opposition on behalf of the Greater Nebraska School Association, Nebraska Council of School Administrators and the Nebraska School Board Association. He outlined concern that the bill would force 155 school districts to increase their levy.

Lynn Rex testified on behalf of the League of Municipalities. She expressed concern over unintended consequences and the risk of lost revenue for local governments.

Neutral

There was no neutral testimony.

In his closing, Sen. Friesen noted that it was not intended to be a property tax relief bill, as there are other ways to do that. The issue is trying to address the under-valuing of commercial property. If they are under by 150-200%, the problem may be bigger than some think.

Two position letters in support of the bill and two letters in opposition of the bill were submitted for the record. The Committee reported no action on the bill.

Section Four – Resolutions

LR 5 - Accept the findings and recommendations of the Healthy Soils Task Force submitted to the Governor and the Agriculture Committee. Gragert.

On May 21st, Senators approved a resolution dealing with healthy soils after adopting the Agriculture Committee amendment (AM 197).

The amendment removes the term “accepts the report” and replaced it with the term “acknowledges the report”.

As approved, the resolution reads that the Legislature acknowledges the report, findings, and recommendations that the Healthy Soils Task Force submitted to the Governor and the Agriculture Committee of the Legislature. It further resolves that the Legislature supports and encourages a voluntary grassroots effort to accelerate means to protect and enhance Nebraska's soil and receive the benefits described in the report from the Healthy Soils Task Force.

Finally, it resolves that the Legislature encourages the Department of Agriculture, the Department of Natural Resources, and other state agencies to assist in the voluntary grassroots effort.

The Agriculture Committee accepted testimony on LR 5 on February 2nd.

Sen. Gragert opened the hearing by outlining the requirements of LB 243 and actions taken by the task force. He told the committee he introduced the resolution so the legislature can send a message that they support soil health and continued action. He said the legislature supporting the report sends a message to state agencies to assist with the voluntary effort. He noted that the task force held 25 meetings, listening sessions with 31 groups, and received 28 letters of support. He told the committee the report lays out a blueprint to enhance existing efforts and that findings and recommendations don't take away from existing programs but builds on them and pulls them together.

Proponents

Keith Burns, Farmer and Agribusiness, testified on behalf of the task force. He distributed copies of the report and noted that 31 different organizations had input into the idea of Soil Health for Nebraska Wealth. He reviewed the process followed by the task force and outlined the action plan created. He told the committee 35-40 other states they explored have varying levels of similar soil health programs. He noted that Nebraska has many soil health programs underway by UNL, NRCS and the NRDs, but stressed what kept coming up over and over again is that even though there is a lot of work going on, everyone agrees that more needs to be done, and there is a need for further collaboration. He gave the example that an NRD may be holding a meeting, but someone down the road may not even know about it, saying there is a need for better communication. Economics was a constant theme and economic data is included in the report.

Burns outlined the task force's proposed five action steps: noting that it first calls for the creation of a Nebraska state soil health hub. He noted that would be the center of everything, made up of all groups currently doing soil health work. He also outlined how the report recommends six additional regional grounds within the hub to split up varying landscapes across the state. He said the second action item is to setup a producer learning network. Third he spoke about developing and training soil practitioners. He testified that the fourth item is to bring in \$50 million in additional funding, noting they're not looking for tax money, but looking for outside corporate money, providing The Nature Conservancy working with NRDs as an example. He told the committee the fifth action item is to get a handle on where we are in the state by developing a standard of soil health benchmarks.

During questioning, Sen. Cavanaugh asked who would undertake these objectives? Burns responded that it would have to be a grassroots effort and that they really don't know, noting that if LR 5 passes they'd have to bring 31 entities back together and identify the leadership.

Sen. Brandt, raised questions over the benefits of carbon sequestration. Burns noted that there is a lot of money being put into carbon, and probably even more now with the new administration. He noted he feels we need a hub to help evaluate some of the information about carbon programs.

Sen. Groene raised questions about why additional programs are needed if producers are already doing no-till and soil health practices for economic reasons? Sen. Groene also noted that Extension service is already providing these services.

Tim Kalkowski, past chairman of Nebraska Grazing Lands Coalition, agriculture banker, member of NRCS state technical committee, and ranch owner, testified in support of the bill. He spoke about the importance of protecting the environment and economy for future generations.

Tom Hoegemeyer testified in support, noting that soils are exceedingly important. He noted that previously everyone always thought about soils from a physical standpoint but we're learning that biology is key to a lot of properties. He testified that according to Dr. Ray Ward approximately 90% of soils in Nebraska are degraded. He told the committee it's key as leaders to understand that there is serious demand-driven changes coming from Millennials and Gen Z, noting that they expect healthy foods that are traceable back to farms and ranches that have sustainable soils. He also reiterated that companies are making promises to be carbon neutral and sequestration in soil is a mechanism they will use to achieve it.

During questioning Sen. Brewer brought up the constant struggle in the Sandhills to address blowouts and the inability to recapture the land.

John Hansen testified in support on behalf of the Nebraska Farmers Union. He noted they strongly encourage the committee to accept the report and allow the groups to continue focusing on improving soil.

Greg Licktig, Iowa landowner and land manager, testified in support. He noted that there are organic practices that are applicable to production ag. He noted that financial success in the current subsidized market is the biggest impediment to change.

Mike McDonald testified in support of the bill. He requested the committee consider the idea of the Nebraska Ag business consumer act. He noted that 3 out of 17 members on the task force were from NRDs. He reiterated that the task force purposely did not ask for money or submit a bill this year. He told the committee they do not want mandates, instead they want this to be a grassroots effort.

Opponents

There was no opposition testimony.

Neutral

Steve Ebke, farmer from Daykin, testified in a neutral capacity on behalf of the Ag Leaders Working Group (including Nebraska Cattleman, Corn Growers Association, Farm Bureau, Soybean Association, Dairy Association and Wheat Association). He noted that Nebraska producers will continue to work to support and enhance soil health. He noted there is no need for a new layer of salaries and overhead to achieve the goals and noted instead it would be better to ask Nebraska Extension to work with assistance from partners. He also addressed a lingering concern that developing and working to meet metrics could result in mandates and regulations. He testified that they take the report at its intent, but there are examples from other states of similar efforts leading to mandates. He noted that the groups he was representing at the hearing endorse voluntary incentives and look forward to improving soil health.

Written testimony was submitted by nine supporters. No written opposition letters were submitted. One neutral letter was submitted by Nebraska Department of Agriculture.

During closing, Sen. Gragert noted the report isn't perfect, but it contains excellent recommendations. He said it's understood that a lot is already being done, but the suggested hub becomes a one stop shop and will help individuals know what's going on and how to get involved. He noted there is no silver bullet to fix these issues, but this resolution shows a commitment for moving us in the right direction.

2021 Interim Study List

Below is a list of interim studies that are of interest to natural resources districts. A full list of interim studies can be found at: <https://nebraskalegislature.gov/session/interim.php>

LEGISLATIVE RESOLUTION 23 - Introduced by Erdman, 47; Briese, 41.

PURPOSE: The purpose of this resolution is to study the progress of natural resources districts in fulfilling their originally intended purpose relating to flood control, soil erosion, irrigation run-off, and ground water quantity and quality.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SEVENTH 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.

LEGISLATIVE RESOLUTION 34 - Introduced by Slama, 1.

PURPOSE: The purpose of this resolution is to examine the structure and funding of the Nebraska Environmental Trust.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SEVENTH 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.

LEGISLATIVE RESOLUTION 83 - Introduced by Hansen, M., 26; Cavanaugh, J., 9; Cavanaugh, M., 6; Hunt, 8; Wayne, 13.

PURPOSE: The purpose of this resolution is to examine the appointment process by which members of boards, commissions, and similar entities created by law are filled. Nebraska has more than two hundred such entities which provide oversight of governmental programs, regulate licensed professionals, carry out studies, oversee implementation of new programs, advocate for certain constituencies, and advise state agencies.

The Legislature plays a pivotal role in the establishment, administration, and operation of boards, commissions, and similar entities created by law, including the responsibility to conduct hearings and determine whether to approve or disapprove of certain gubernatorial appointments as part of the appointment process.

This study shall include, but not be limited to:

1. An examination of the process by which individuals are appointed by the Governor, including the recruitment process, how the public learns of opportunities to serve, the application process, and the review and vetting process by the executive branch;
2. An examination of the process by which appointments are confirmed by the Legislature;
3. Identification of any potential barriers that may exist to the process of filling vacancies;
4. An analysis of potential changes that could be made to the process to more efficiently fill vacancies; and
5. An exploration of procedural changes that could result in more diversity within such entities.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SEVENTH 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 Executive Board of the Legislative Council shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

LEGISLATIVE RESOLUTION 117 - Introduced by Bostelman, 23.

PURPOSE: The purpose of this interim study is to examine the extent of surface water irrigation in the state, examine the condition of surface water irrigation projects and infrastructure, understand the status and projected costs of infrastructure rehabilitation projects, and evaluate the anticipated effects relating to completion or delay of those projects. The study may also examine the economic, social, recreational, environmental, and other benefits of water supply infrastructure rehabilitation.

The issues addressed by this interim study may include, but not be limited to:

- (1) Identifying the location of current projects in irrigation districts, reclamation districts, public power districts, canal companies, and other surface water projects and the effect of such projects on local and statewide water resources;
- (2) Identifying the intentional and incidental acres served by surface water projects and the number of surface water irrigators served by such projects;
- (3) Computing the number of miles of canals, laterals, pipelines, and drains operated and maintained by the districts for purposes of operating and maintaining surface water irrigation;
- (4) Identifying the number, location, size, and purpose of dams, reservoirs, lakes, and other impoundments owned or operated by the districts;
- (5) Evaluating information about the age, condition, operation, and maintenance of all surface water facilities owned or operated by the districts;
- (6) Ascertaining amounts paid by the State of Nebraska and the federal government as a result of an operating agreement between those entities relating to the operation and maintenance of surface water projects identified by this study;

(7) Ascertaining the source of funds paid by the State of Nebraska to the federal government as a result of an operating agreement between those entities relating to the operation and maintenance of surface water projects identified by this study;

(8) Determining the benefits to agriculture, recreation, fish and wildlife management, municipalities, industry, the public water supply, and ground water recharge;

(9) Identifying the location of aging surface water infrastructure in Nebraska and compiling an estimate of future funding needed to address such infrastructure; and

(10) Reviewing potential sources for securing such funding, including, but not limited to, project owner financial inputs, local funding options, state funding options, federal funding options from project facility owners, and federal funding options from past development organizations.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SEVENTH 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 may upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

LEGISLATIVE RESOLUTION 147 - Introduced by Cavanaugh, J., 9.

PURPOSE: The purpose of this interim study is to examine the transfer of state-owned property to local political subdivisions.

The issues addressed by this interim study shall include, but not be limited to:

(1) A review of the applicable laws, regulations, and policies regarding the sale or transfer of a state-owned right-of-way to a local political subdivision;

(2) A review of policies and exceptions regarding the sale or transfer of real property purchased by the state using federal funds;

(3) An examination of whether a transfer of real property from the state to a local political subdivision at a price below the market value would contribute to economic development and transportation system design; and

(4) Input from stakeholders, including, but not limited to, the Department of Transportation, economic development organizations, and local political subdivisions.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SEVENTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Transportation and Telecommunications 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.

LEGISLATIVE RESOLUTION 152 - Introduced by Bostelman, 23.

PURPOSE: The purpose of this interim study is to evaluate the need for laws that would allow the Department of Environment and Energy to expeditiously respond to emergency situations that threaten the health of agricultural land, water and air quality, livestock, and other plant and animal life from toxic or harmful products that are a part of or created by pesticide-treated seed or grain.

The study may include, but is not limited to:

- (1) Gathering of information about various uses of pesticide-treated seed or grain throughout Nebraska;
- (2) Identification of the current state of regulatory and statutory environmental emergency response and enforcement options available to the Department of Environment and Energy to protect against harmful materials or byproducts resulting from use of pesticide-treated seed or grain; and
- (3) Acquisition and review of information about potential additional options that would enable the state to order, enforce, and facilitate expedited cleanup or removal of pesticide-treated seed or grain and material or byproducts resulting from the use of such seed or grain.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SEVENTH 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.

LEGISLATIVE RESOLUTION 188 - Introduced by Cavanaugh, J., 9.

PURPOSE: The purpose of this interim study is to examine issues related to adopting reward-based conservation programs that provide incentives to landowners and operators to adopt conservation practices.

This study shall include, but not be limited to, an examination of the following:

- (1) Mechanisms to provide property tax relief for those individuals who voluntarily implement conservation practices that provide soil, water, and habitat conservation benefits;
- (2) The benefits provided by such mechanisms, including increased irrigation efficiency, reduced regulatory oversight, and improved groundwater and surface water quality; and
- (3) How to best structure a reward-based conservation program that recognizes and builds on the important role played by counties and the natural resources districts in setting local priorities.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SEVENTH 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.

LEGISLATIVE RESOLUTION 192 - Introduced by Groene, 42.

PURPOSE: The purpose of this interim study is to review methods of water augmentation for preserving or enhancing stream flows, redirecting excess water, recharging ground water aquifers, or complying with compact and interstate agreements with an intent to develop statutory definitions and determine how water augmentation relates to section 46-252 of the Nebraska Revised Statutes and other permitting processes.

This interim study shall include, but not be limited to:

- (1) Development of a method to integrate water augmentation projects into the existing permitting process;
- (2) Determination of unique features of natural resources district water augmentation projects that need to be addressed in the permitting process;
- (3) Determination of the best procedures to ensure that water augmentation projects are correctly planned to best fit into Nebraska's overall water management plan;
- (4) Preparation of a cost-benefit analysis for implementation of a permitting system designed to integrate water augmentation projects into the existing process and the potential effect on taxpayers;
- (5) Evaluation of whether natural resources districts should be exempt from liability for damage resulting from stream overflow caused by a water augmentation project;
- (6) Identification of the number of current and potential water augmentation projects;
- (7) Analysis of the role played by the Department of Natural Resources in enforcement, reporting, and oversight of water augmentation projects; and
- (8) Development of statutory definitions applicable to water augmentation

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SEVENTH 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.

LEGISLATIVE RESOLUTION 196 - Introduced by Blood, 3; Brandt, 32; Cavanaugh, J., 9; Day, 49; DeBoer, 10; Flood, 19; Friesen, 34; Halloran, 33; Hansen, B., 16; Morfeld, 46.

PURPOSE: The purpose of this resolution is to study the potential applications for blockchain technology in agricultural operations.

The study should include, but is not limited to, an examination of:

- (1) How blockchain technology can be used to trace the origin of products from farm to shelf;
- (2) How blockchain can be used for inventory control;

- (3) The potential use of blockchain to monitor farm conditions, including, but not limited to, weather, soil quality, and the functioning of irrigation equipment;
- (4) The potential use of blockchain technology for maintenance records of production and transportation equipment;
- (5) Implementing the use of blockchain for data verification and certification for organic products;
- (6) The potential use of blockchain for tracking and ordering supplies such as fertilizer and seeds; and
- (7) The potential use of blockchain as a tool for asset exchange, including payments for sales and storage of products and equipment.

The study shall be conducted by a select committee of the Legislature appointed by the Executive Board of the Legislative Council. The select committee shall consist of: The chairperson of the Agriculture Committee or another member of the committee designated by the chairperson, the chairperson of the Natural Resources Committee or another member of the committee designated by the chairperson, the chairperson of the Transportation and Telecommunications Committee or another member of the committee designated by the chairperson, and three additional members of the Legislature appointed by the executive board to carry out the purposes of this resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SEVENTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That a select committee of the Legislature shall be appointed by the Executive Board of the Legislative Council as provided in this resolution to conduct an interim study to carry out the purposes of this resolution.
2. That the select committee shall upon conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

LEGISLATIVE RESOLUTION 223 - Introduced by Wishart, 27.

PURPOSE: The purpose of this interim study is to examine how to slow or stop the spread of the emerald ash borer.

This study shall include, but not be limited to, an examination of the following:

- (1) The effect of the emerald ash borer on the ecological environment;
- (2) Economic costs associated with the spread of the emerald ash borer; and
- (3) Ways to reduce the spread of the emerald ash borer.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SEVENTH 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.

LEGISLATIVE RESOLUTION 226 - Introduced by Cavanaugh, M., 6.

PURPOSE: The purpose of this interim study is to examine ways in which the Legislature provides oversight to hold state agencies accountable in the implementation of laws, and if legislation should be enacted to improve that oversight process.

As a co-equal branch of government, it is the constitutional role of the Legislature to monitor state agencies as such agencies implement laws. Conducting oversight is every bit as important as passing legislation. A strong record of oversight will help maintain public confidence in the Legislature, and, more importantly, it will help the Legislature better serve Nebraska constituents and improve the quality of life for all Nebraskans.

The issues to be studied include but are not limited to:

- (1) The role of the Legislature and legislative committees in providing oversight of state agencies in the implementation of law; and
- (2) Identification of resources and tools that might be needed to improve oversight functions.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SEVENTH 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 committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

LEGISLATIVE RESOLUTION 230 - Introduced by Murman, 38.

PURPOSE: The purpose of this resolution is to study whether an amendment to the Constitution of Nebraska should be submitted to the electors of the State of Nebraska for approval or rejection that would limit the application of property tax levies to support free instruction in the common schools to residential real property and not on agricultural land, horticultural land, or commercial property.

In order to carry out the purpose of this resolution, the committee shall consider the input of interested individuals, public officials, and such entities as the committee deems necessary and beneficial.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SEVENTH 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.

LEGISLATIVE RESOLUTION 233 - Introduced by Friesen, 34; Albrecht, 17; Bostelman, 23; DeBoer, 10; Geist, 25; Hughes, 44.

PURPOSE: The purpose of this interim study is to review issues relating to the collection of agricultural data in precision farming.

The issues addressed by this study shall include, but not be limited to:

- (1) A review of precision agriculture technologies;
- (2) An examination of the importance and value of precision farming data and the collection of such data;
- (3) A review of issues relating to data ownership and the relationship between producers, manufacturers, landowners, retailers, and third-party purchasers in the collection, storage, use, and marketing of agricultural data;
- (4) An examination of data utilization, access, privacy, storage, and security for agricultural data;
- (5) An examination of data value;
- (6) An examination of data transfer;
- (7) An analysis of the potential for monetization of agricultural data, both individually and in aggregate;
- (8) The identification of concerns relating to the ownership and control of precision farming data, including privacy, security, and market manipulation;
- (9) An analysis of telecommunications connectivity needs for the transmission and utilization of agricultural data, including through cellular, wireless, and satellite means; and
- (10) The need, if any, for legislative action relating to agricultural data.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SEVENTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Transportation and Telecommunications 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.

LEGISLATIVE RESOLUTION 246 - Introduced by Natural Resources Committee: Bostelman, 23, Chairperson; Aguilar, 35; Cavanaugh, J., 9; Gragert, 40; Groene, 42; Hughes, 44; Moser, 22; Wayne, 13.

PURPOSE: The purpose of this interim study is to examine any issues within the jurisdiction of the Natural Resources Committee of the Legislature that may arise during the interim.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SEVENTH 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.