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TO: NARD Board of Directors, NRD Managers and Conservation Partners
FROM: Dean E. Edson, NARD Executive Director
RE: April 18th NARD Sine Die Update

The 108th Legislature, 2nd Session, ends Sine Die -- The Nebraska Legislature adjourned Sine Die April 18, 2024, on day 60 of a 60-day session. The next regular session is scheduled to begin January 8, 2025. 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 2023-24 Legislative Bills of interest to natural resources districts.

Almost 360 bills were passed this session. In addition, several other bills were incorporated by amendment to the bills that passed. No bills are carried forward to the 2025 session, so all bills that did not receive final approval by the Legislature, or postponed by committee, were indefinitely postponed on the last day of the session.

There were 80 bills and three constitutional amendments on the NARD Watch List. The breakdown of those are as follows: support and passed – 15; oppose and passed – 0; support and died – 10; opposed and died – 13; monitor and passed – 18; and monitor and died – 27. Thanks goes out to the lobbying team of Zulkoski and Weber!

Tax Package Fails on Final Day – Senators did not take a Final Reading vote on LB 388, which was the bill to provide property tax relief. It became apparent during debate that there were not 33 votes for cloture, so the bill was passed over. That action effectively killed the bill for the session. A summary of LB 388 can be found on Page 56.

In his closing remarks to the Legislature on Thursday, Governor Pillen pledged to call as many special sessions as it takes to finish solving the property tax crisis. However, several senators and opponents to the proposed measures have expressed that they are not interested in returning for a special session.

Fifteen Senators Leaving – Fifteen state senators finished their last session. Thirteen are departing due to term limits, and two chose not to seek re-election.

Those term limited include Joni Albrecht, Carol Blood, Bruce Bostelman, Tom Brewer, Steve Erdman, Steve Halloran, Lou Ann Linehan, John Lowe, Mike McDonnell, Tony Vargas, Lynne Walz, Justin Wayne and Anna Wishart.

Those not seeking election include Fred Meyer and Julie Slama. Senator Meyer was appointed to fill the vacancy for Tom Briese who resigned after being appointed as State Treasurer. Meyer pledged to only fill the remaining term and not seek election.

Ten Current Senators Facing Re-election – Ten more incumbent senators are up for election. These include John Cavanaugh, Terrel McKinney, Robert Dover, Beau Ballard, Carolyn Bosn, Kathleen Kauth, Ray Aguilar, Rita Saunders, Jenn Day and Eliot Bostar. Senator Bostar is the only incumbent that does not have an opponent. The index for this report follows on the next four pages.

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Section One – Bills Passed by the Legislature and Pending Action by Governor Pillen

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

A bill to provide tax credits for caregivers has become a bill for other tax credit bills was given final approval on April 18, 2024, by a 45-0-4 vote. The bill now awaits action by Governor Pillen.

The previous week, senators advanced it to Final Reading, by a voice vote.

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

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

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

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

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

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

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

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

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

Below are the hearing notes on LB 1184.

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

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

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

Proponents

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

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

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

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

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

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

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

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

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

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

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

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

Al Davis testified in support on behalf of the Nebraska Sierra Club and Nebraska Independent Cattlemen. He discussed research articles pointing toward high pediatric cancer rates and other health impacts to Nebraskans who

have impacted drinking water. He noted this is a great first step but also a very large Band-Aid and that eventually the State will be forced to address the real problem citing CAFOs that are causing environmental harm.

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

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

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

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

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

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

Senators gave final approval to LB 1317 on April 18, 2024, by a 49-0-0 vote. The bill now awaits action by Governor Pillen.

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

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

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

Of interest to NRDs, it incorporates a modified version of LB 1184 provide the intent of the Legislature to appropriate \$1 million for fiscal year 2024-2025 from the General Fund to the Department of Environment and Energy to fund the installation of real-time nitrate sensors in monitoring wells statewide to prioritize nitrate management and reduction.

The other bills included are:

- LB 863 to remove Federal Employment Retirement System retirement benefits from deductions allowed from Nebraska state income tax.
- LB 1043 creates requirements for nonprofit economic development corporations regarding developing properties in high-poverty areas. A modified version of AM 3026 modifies LB 1043 to reduce penalties for violations and includes a provision to allow the greater of the penalty or property taxes on the property.
- LB 1093 amends the definition of law enforcement officer within the Nebraska Revised Statutes, and amends the First Responder and Recruitment Retention Act to redefine and expand the definition of law enforcement officer under the Act, and to further define individuals in the firefighting field of employment who are eligible for tuition reimbursement under the Act, as well as further define requirements for those applying for tuition assistance. A modified version removes the federal provisions within the bill, and removes limited certified officers from those qualified.

- LB 1134 changes the period that interest starts on both refunds and additional taxes due as a result of a Tax Equalization and Review Commission decision on valuation on a property to start such interest thirty (30) days after the decision is issued. A modified version allows two commissioners from the Tax Equalization and Review Commission to constitute a quorum for purposes of hearing and determining appeals and hearings.
- LB 1217 adds property tax exemptions for nursing and assisted living facilities, as well student housing owned by a charitable organization, and require an annual renewal of such.
- LB 1218 adds definitions connected to electric and hybrid vehicles. The bill would also establish an excise tax that would begin on January 1, 2028, of three cents per kilowatt hour on the electric energy used to charge the battery of a motor vehicle at a commercial electric vehicle charging station. The bill would add to provisions and definitions connected to the Nebraska Power Review Board regarding electric vehicles and the installation requirements of commercial electric vehicle charging stations. The bill would add a right of refusal process for constructing direct-current, fast-charging stations. The bill was amended to set the registration fee for plug-in hybrid electric vehicles at \$75.00.
- LB 1295 creates the Financial Institution Data Match Act, creating a system for matching tax debtors with their financial institutions to provide information to pursue recompense for those debts.
- LB 1374 creates the Good Life District Economic Development Act, creating a mechanism to allow municipalities to assist with Good Life Districts.
- LB 1389 adds a personal property tax exemption for broadband equipment.
- LB 1397 adds a separate definition that excludes land used for commercial purposes from the definition of agricultural and horticultural land for purposes of valuing land by county assessors.

Other amendments added to the bill before advancing included:

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

Section Two – Bills Passed by the Legislature and Approved by Governor Pillen

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.

LB 43e - Adopt the First Freedom Act and the Personal Privacy Protection Act, authorize tribal regalia to be worn by students, change provisions relating to withholding records from the public, provide requirements for

interpretation of statutes, rules, and regulations, and prohibit state agencies from imposing certain requirements on charitable organizations. Sanders. Government Committee Priority.

Governor Pillen approved LB 43e on March 27, 2024. The bill includes the emergency clause, so it becomes law immediately.

Previously, senators gave final approval to LB 43 on March 21, 2024, by a 39-0-10 vote.

Senators debated LB 43 on March 4, and added provisions of LB 637 that would require public bodies to allow members to speak at each public meeting.

During Select File debate, AM 2812, offered by Senator Brewer added language that eliminated the language that gave public bodies discretion to allow for citizens to speak at public meeting and replaced it with language to “shall allow members of the public an opportunity to speak at each meeting”. The exception would be at closed sessions.

The amendment was adopted by a 41-0-8 vote and the bill was advanced to Final Reading by a voice vote.

Current law allows for any public body to make and enforce reasonable rules and regulations regarding the conduct of persons attending, speaking at, videotaping, televising, photographing, broadcasting, or recording its meetings, including meetings held by virtual conferencing.

The bill, as originally drafted, would offer the Legislature's guidance to hearing officers and judges about the use of deference in cases regarding statutory or regulatory language.

The bill became the Government Committee Priority Bill and included the following additional bills into the Committee Amendment (AM 2076):

- LB 41 - Prohibit state agencies from imposing annual filing and reporting requirements on charitable organizations. (Hansen)
- LB 277 - Adopt the First Freedom Act and authorize the wearing of tribal regalia by students. (Brewer)
- LB 297 - Adopt the Personal Privacy Protection Act (Sanders). The bill would prohibit state and local government agencies from requiring disclosure or disclosing information in their possession relating to supporters, volunteers or contributors to 501(c) nonprofit organizations.
- LB 366 - Change provisions relating to public records (Conrad). The provisions included apply to public records requests generally and remove references to "citizens" and replace them with "residents." This section of the bill would also create a bifurcated fee structure for obtaining public records, with residents receiving more favorable treatment than nonresidents, though all news media requesters would be considered as "residents" for this purpose.

The bill also includes language that specifically says that fees for records shall not include any charge for the services of an attorney or other person to review the public record seeking a legal basis to withhold them. This gets to the heart of the \$44,000 fee to Flatwater Free Press imposed by the Nebraska Department of Environment and Energy and would eliminate such for future requests. Recently, the Nebraska Supreme Court ruled in favor of NDEE as the language in current law did not prohibit such.

- LB 650 - Allow certain cybersecurity records to be withheld from the public. This bill would amend the statute relating to public records that may be withheld from the public to include records relating to "the nature, location, or function of cybersecurity by the State of Nebraska or any of its political subdivisions."

The Government Committee accepted testimony on LB 637 on February 24th, 2023.

In her opening on the bill, Senator Albrecht expressed that she's heard from numerous individuals who have voiced concern over not being heard by representatives who are spending their tax dollars. She mentioned that the change is simple, and the goal is clear -- if officials can decide how to spend the people's money, then they need to listen to them. She provided an example of how she listened to lengthy testimony as a council member from those opposed to a Wal-Mart in the community, but listening to that opposition was worth it because now they have the nicest Wal-Mart in the state.

Proponents

Proponents of the bill included representatives from the ALCU, Nebraska Taxpayers for Freedom and Nebraskans Against Government Overreach, along with more than a dozen individuals. Proponent testimony addressed concerns over the inconsistency in how public bodies are allowing public comment during open meetings. Several testifiers suggested that public comment should be allowed on every item at every meeting.

Opponents

Lynn Rex, testified in opposition on behalf of the League of Municipalities and NACO. Rex provided the example that there are currently individuals outside the hearing room that want to talk about issues before the legislature - should they be allowed to come in and talk about that at this hearing?

Advance notice of meetings includes the ability to view the agenda items that will be discussed. The League supports allowing individuals to speak on agenda items, however, they oppose open mic sessions.

Representatives of the Rural Community Schools Association and the Nebraska Association of School Boards also testified in opposition. The testimony expressed that the vast majority of school boards allow public comment at each of their meetings and the remainder have public comment period regularly. They also reiterated that public comments periods are appropriate for agenda items.

Neutral

Bill Hawkins, testified as an individual in the neutral capacity. He testified that government needs to listen to the people, and all should have the right to speak, but public hearings should not be disrupted.

There were 129 proponents, 6 opponents, and 1 neutral letter submitted.

LB 147 - Change procedures for property tax refunds. Kauth.

The Legislature gave final approval to LB 147 on February 29th on a 41-0-8 vote. The bill was approved by Governor Pillen on March 5, 2024.

Previously, The Legislature advanced LB 147 to Final Reading on a voice vote on February 14th.

On February 6th, the Legislature advanced LB 147 to Select File on a 31-2-12 vote.

The Revenue Committee reported the bill to General File on February 7, 2023, following an 8-0 committee vote. The bill proposes to change notice requirements with political subdivisions when refunds are due to property taxpayers.

Current law allows the county to waive notice to political subdivisions if their share of the refund is less than \$200. Under the proposal, any political subdivision whose share of the refund is \$1,000 or less, the governing body of the political subdivision may waive this notice requirement by notifying the county treasurer.

The bill also allows electronic communication of such notices.

The Revenue Committee accepted testimony on the bill on February 1st, 2023.

Sen. Kauth opened outlining the bill that modernizes the notice process by allowing political subdivisions to waive notice of refunds of \$1,000 or less and allows county treasurers to provide notice electronically. Currently, when an entry of a non-appealable order, an unprotested determination of a county assessor, an un-appealed decision of a county board of equalization or other final action requires a political subdivision to refund taxes to a taxpayer, the county treasurer must give notice of the refund to the political subdivision of its respective share of the refund. If the refund is less than \$200, the county board can waive the notice.

Proponents

Proponents included representatives from the Nebraska Association of County Officials.

There was no opposition or neutral testimony. Sen. Kauth waived closing.

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

A bill to make changes to the Inland Port Authority Act and other projects was approved on Final Reading by a 37-6-6 vote on April 11, 2024. The bill was signed into law by Governor Pillen on April 16, 2024.

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

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

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

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

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

- 1) To the Economic Recovery Contingency Fund by October 1, 2024, and on or before June 30 of each year through June 30, 2026, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.
 - (a) The first \$13 million of any interest earned on or after July 1, 2024, and on or before June 30, 2026, on federal funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund;
 - (b) The first \$12 million of any interest earned on or after July 1, 2024, and on or before June 30, 2026, from the investment of money in the Perkins County Canal Project Fund; and
 - (c) The \$5 million of any interest earned on or after July 1, 2024, and on or before June 30, 2026, from the investment of money in the Nebraska Capital Construction Fund from transfers credited to such fund that are designated for the construction of a new state prison.

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

Existing law that stays in place

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

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

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

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

Senators gave final approval to LB 287e by a 46-0-3 vote on April 11, 2024. The bill was signed into law by Governor Pillen on April 16, 2024.

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

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

The Legislature advanced LB 287 to Select File on February 5, 2024, by a 44-0-2 vote after adopting the committee amendment AM 2060 on a 44-0-2 vote. AM 2060 removes all original sections from LB 287 and inserts provisions

from six other bills LBs 47, 269, 302, 313, 513, and 514. LBs 302 and 513 are bills tracked by NARD and summaries of each are included below.

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

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

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

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

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

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

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

Proponents

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

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

Neutral

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

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

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

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

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

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

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

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

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

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

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

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

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

Proponents

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

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

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

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

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

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

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

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

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

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

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

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

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

Opponents – There were no opponents.

Neutral

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

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

LB 304 - Require political subdivisions to disclose membership dues and lobbying fees. Linehan.

The Legislature gave final approval to LB 304 on March 15, 2024, by a 48-0-1 vote. Governor Pillen signed the bill into law on March 18, 2024.

Previously, the Legislature advanced the LB 304 to Final Reading on March 4, 2024, by a voice vote.

It was advanced to Select File on February 8, 2024, by a 35-0-9 vote. The Government Committee advanced LB 304 to General File on April 17, 2023, with no committee amendments.

The bill would require that political subdivisions or any other unit of local government to disclose on its website the following:

- (a) Membership dues paid annually to any association or organization, identifying each such association or organization and the dues amounts paid; and
- (b) Fees paid to any individual lobbyist or lobbying firm other than any fees paid for lobbying services that may be included in the membership dues.

For any political subdivision that does not have a website, the information shall be made available upon request to any member of the public at the office of such political subdivision.

The Government Committee accepted testimony on the bill on February 9th, 2023.

In her opening, Senator Linehan noted that she wants to know who pays the dues for the education lobbyists. She also raised concerns about the national education associations and the stances they take on issues. She feels it would be important to know what Nebraska schools are funding various national policy issues.

Proponents

Laura Ebke, senior fellow at the Platte Institute, testified in support. All public entities need to be transparent about the dues they are paying, and to what entities, which instill confidence in the public on where local tax dollars are going. This information can be found with the Accountability and Disclosure Office, but you have to dig to find it and putting it on individual websites makes the information easier to find for the public.

Opponents

There was no opposition testimony.

Neutral

Frank Daley, executive director with the Accountability and Disclosure Office, testified in the neutral. He noted his office was unsure where this would land in statute – the Accountability and Disclosure Act or somewhere else in statute? The term “lobbying” in the Accountability and Disclosure Act only applies to lobbying in the legislature, so if the public wanted a broader sense of dues payments the language would need changed. The lobbyist registration is part of the Clerk of Legislature’s Office and not the Accountability and Disclosure Office. He recommended the committee may want to clarify what they want so it goes to the correct entity.

Three proponent letters were filed and no opponent letters.

Closing on the bill, Sen. Linehan noted she would work with the Accountability and Disclosure Office to clean up the language on the bill.

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

On April 11, 2024, senators gave final approval to LB 867e by a 47-0-2 vote. The bill was signed by Governor Pillen on April 15, 2024.

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

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

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

Other bills included are:

- LB 1001 was introduced by Senator Conrad and amends the Nebraska Game Law to direct the commission to prescribe a migratory waterfowl hunting season for members of the armed forces.
- LB 971 was introduced by Senator Lippencott, joined by 19 other senators as co-sponsors. The bill amends the Nebraska Game Law to create an opportunity for permits to be issued to Nebraska veterans for no fee to hunt on Veterans Day in the year it is obtained.
- LB 1406 was introduced by Senator Sanders and provides for creation of an annual motor vehicle park entry permit that can be purchased by any active-duty military member who is stationed in Nebraska for five dollars, with proper documents of service and proof that such the individual is stationed at a military base located in Nebraska for active-duty military service.
- LB 866, brought by Senator Bostelman, outlines the composition, duties, and compensation of the Power Review Board (PRB) and increases the number of terms a member of the PRB may serve from two terms to three terms, and updates composition of the board, and increases per diem compensation.

Below are the hearing notes for LB 868.

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

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

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

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

Proponents

Nebraska Petroleum Marketers and Convenience Store Association testified in support of the bill. Their testimony noted the fund serves as a better and cheaper alternative for everyone than trying to secure insurance. They addressed questions from the committee about prior efforts to raid the fund, noting that while they strongly oppose such efforts, in the past the fund has been raided. The testimony highlighted that there are 617 known leaking sites being addressed, 390 active investigation, 48 long term monitoring,

179 no responsible party sites, and it is estimated in the future that an additional 50-60 sites per year will be added. To date, 7,523 sites have been closed since the funds were established in 1983.

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

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

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

On April 11, 2024, senators gave final approval to LB 880 by a 47-0-2 vote. The bill was signed by Governor Pillen on April 15, 2024.

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

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

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

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

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

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

Proponents

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

Opponents – There was no opposition and no neutral testimony.

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

On April 11, 2024, Senators gave final approval to LB 1074 by a 47-0-2 vote. The bill was signed by Governor Pillen on April 17, 2024.

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

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

- **LB 1075 (Slama)** – The bill was introduced at the request of the Nebraska Department of Banking and Finance to update existing requirements for background checks of consumer finance licensees and to provide a requirement for those licensees to notify the Department of data security breaches.
- **LB 1122 (Ballard)** – The bill changes enforcement provisions relating to written solicitations for financial products or services address a person’s ability to use the name, trade name, logo, or symbol of a financial institution. Generally, under those laws, a person is restricted from such activity unless they have permission from the financial institution or have abided by stringent written solicitation notices to the individual being solicited. These laws are designed to prevent customers of financial institutions from being misled by solicitations that they mistakenly assume have come from the financial institution.
- **LB 1294 (Bostar)** The bill adopts the Data Privacy Act, change provisions relating to certain certificates and information relating to vital records, and provide for certain records to be exempt from public disclosure The Act provides for robust and comprehensive consumer data protections and gives exclusive authority of enforcement of the Act to the Nebraska Attorney General. This bill also provides businesses with clear rules and guardrails for complying with the Act while giving Nebraskans meaningful privacy protections and control over their sensitive personal data.
- **LB 872 - Prohibit acceptance of central bank digital currency by state and local governments. Clements.**

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

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

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

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

Proponents

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

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

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

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

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

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

Opponents – There was no opposition or neutral testimony.

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

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

On April 11, 2024, senators gave final approval to LB 1300 by a 46-0-3 vote. The bill was signed by Governor Pillen on April 16, 2024.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Hearing notes for LB 1243 and LB 1358 follow.

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

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

Proponents

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

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

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

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

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

Steve Oseka, Platte Valley Twin Loups Task Force, testified in support noting his task force team is a resource that can be called in by WIRAT. Their task force team consists of 17 departments combining to operate six trucks. WIRAT has knowledge and resources to support local resources and assist with incident command centers.

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

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

Opponents – There was no opposition testimony.

Neutral

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

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

Position comments were submitted for the record by seven proponents.

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

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

Proponents

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

Opponents

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

Neutral

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

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

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

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

On April 11, 2024, Senators gave final approval to LB 1335 by a 36-3-10 vote. The bill was signed by Governor Pillen on April 16, 2024.

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

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

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

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

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

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

Transportation infrastructure includes any:

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

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

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

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

Proponents

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

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

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

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

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

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

Opponents

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

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

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

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

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

Neutral

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

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

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

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

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

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

On April 11, 2024, senators gave final approval to LB 1368 by a 42-0-7 vote. The bill was signed by Governor Pillen on April 16, 2024.

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

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

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

The major change to the bill under AM 3281 is a reduction in funding for the bill. The original amendments adopted included \$5 million from the General Fund. The new amendment eliminates that funding and replaces it with a transfer of \$1 million from the Water Resources Cash Fund to the Nitrogen Reduction Incentive Cash Fund as soon as administratively possible after the effective date of this act, but before June 30, 2025, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

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

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

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

The changes from the original version are the following:

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

The rest of the bill remains the same.

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

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

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

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

The department shall:

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

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

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

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

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

- (1) For filing, recording, and examining each application for a storage reservoir, for the first 5,000 acre-feet or fraction thereof, \$25, and for each additional 5,000 acre-feet or fraction thereof, \$10;
- (2) For filing, recording, and examining each application for, or application for modification of permits to include, intentional or incidental underground water storage and recovery, \$500;

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

These fees are currently remitted to the General Fund.

Hearing summaries for LB 1368 and LB 1199 follow.

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

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

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

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

Proponents

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Opponents – There was no opposition testimony.

Neutral

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

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

Sen. Hansen asked if the is goal reduction in nitrogen in groundwater and if Sen. Ibach would be in favor of regulating nitrogen use? Sen. Ibach responded that the goal has to be to reduce nitrogen, and this is a proactive step to a long-term solution. Sen. Ibach also noted she doesn't ever want to have to monitor how farmers and ranchers

manage their operation, rather we become successful by giving them the ability to manage with best practices. Products and innovation will become the norm and farmers will use it.

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

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

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

Proponents

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

Opponents - There was no opponent and no neutral testimony.

One position comment in support was submitted for the record by NARD. Position comments submitted for the record included 10 proponents and two opponents.

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

On April 11, 2024, senators gave final approval to LB 1370 by a 40-0-9 vote. The bill was signed by Governor Pillen on April 15, 2024.

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

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

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

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

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

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

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

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

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

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

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

The bill proposes a director of a public power and irrigation district may have an interest in a residential lease agreement or a water service agreement with such district. Such director may participate in any discussion or vote on such agreements. No agreement of such public power and irrigation district shall be void or voidable by reason of such interest by such director.

Below are the hearing notes on LB 1260.

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

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

Proponents

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

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

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

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

critical to our ongoing efforts to capture excess flows from the Platte and divert that water for aquifer storage, rather than allowing it to flow unused to the Gulf of Mexico.

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

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

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

Opponents – There was no opposition testimony provided.

Neutral

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

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

Position comments submitted for the record included 4 proponents.

LB 1412e & LB 1413e - On April 1, 2024, Governor Pillen signed the budget bills into law without any vetoes. The legislature gave final round approval to the budget bills on March 26th after successful cloture votes on both measures that ended filibusters. Senators voted 42-6 to pass LB 1412 and 37-8 on LB 1413. The bills reflect a 3.1% increase in state spending and leave approximately \$20 million to fund legislative proposals this year. Additionally, the measures included the transfer of about \$230 million from various cash funds to support property tax relief efforts.

Both measures contain the emergency clause and became effective immediately following action by the Governor to sign them into law.

Previously, on Select File, senators adopted an amendment offered by Senator Clements that made several changes to LB 1413. Relating to natural resources, it made a change to the scoring for the Water Sustainability Fund. Under the amendment, the commission shall, when ranking and scoring applications for funding, prioritize projects for drinking water improvements for any federally recognized Indian tribe whose drinking water is under a no-drink order from the United States Environmental Protection Agency.

The amendment was adopted by a 35-0-14 vote and the bill was advanced to Final Reading by a 42-3-4 vote.

When senators started debate on the budget bills on General File the filibusters began. Over 20 amendments and/or motions were filed to LB 1412, the first bill in the debate queue. On March 13, 2024, after eight hours of debate, Senators voted for cloture by a 38-4-4 vote. Following procedure, only the pending Committee Amendment (AM 2566) was considered and adopted on a 39-3-4 vote. The bill was then advanced to Select File by a 39-4-3 vote. All other amendments and motions were either filed before cloture or were not considered after the cloture vote.

Senators began debate on LB 1413 late afternoon on March 13 and advanced the bill on March 14 by a 36-5-6 vote. Prior to advancement, Senator Jacobson was successful with an amendment to restore \$5 million to the State

Visitors Fund that was slated to go to property tax relief efforts. After that, senators adopted the Committee Amendment (AM 2698) with the committee amendment on a 36-5-6 vote.

On March 7, 2024, the Appropriation Committee advanced the budget bills for General File.

The Appropriations Committee's final recommendation contains several changes from the preliminary budget, which have a net effect of increasing the amount of General Funds available above the minimum reserve for the biennium. The projected status went from a positive \$442.4 million per the Appropriations Committee preliminary budget to the current positive \$574.9 million per the Appropriations Committee recommendation.

Additionally, the Nebraska Economic Forecasting Board met on Feb. 29, 2024, and revised the estimate of net receipts for FY 2023-24 and FY 2024-25, which resulted in a net gain of \$50 million over the biennium.

The largest Appropriations Committee adjustments from the preliminary recommendation, which increase General Funds available above the minimum reserve, include:

- Lapsing \$10 million in additional General Funds reappropriated from FY 2022-23;
- New transfers into the General Fund from Cash Funds of \$198 million in FY 2023-24 and \$46.8 million in FY 2024-25; and
- A transfer of \$3 million from the Cash Reserve Fund to the General Fund.

The largest Appropriations Committee adjustments from the preliminary recommendation, which decrease General Funds available include:

- \$94.1 million increase in TEEOSA state aid in FY 2024-25 pursuant to the January recalculation; and
- \$14.7 million increase in appropriation in FY 2023-24 and \$15.4 million increase in appropriation in FY 2024-25 for the homestead exemption program.

A copy off the proposal can be found at:

https://nebraskalegislature.gov/pdf/reports/fiscal/2024_Committee_Recommendation_Report.pdf

Related to natural resources, refer to the following:

LB 1412e - Provide, change, and eliminate appropriations for operation of state government, postsecondary education, state aid, capital construction, and federal funds allocated to the State of Nebraska from the federal American Rescue Plan Act of 2021. Speaker Arch, At the request of the Governor.

The bill includes several changes to appropriations for FY 2023-24 and FY 2024-25 that were adopted last year. A spreadsheet is on the last page of this update with a summary of LB 1412 and LB 1413.

Related to natural resources, the following changes were included:

DEPARTMENT OF NATURAL RESOURCES

Program No. 334 - Soil and Water Conservation – The bill proposes a General Fund decrease of \$127,396 in FY 2023-24 and a \$2,445 decrease in FY 2024-25.

Program No. 319 – Water Projects - The bill decreased JEDI Cash Funds by \$1,000,000 in FY 2023-24 and \$20,000,000 in FY 2024-25.

Water Sustainability Fund - The bill decreased the General Fund transfer by \$8,481,000 in FY 2024-2025. Additionally, the reappropriation of the unexpended Cash Fund appropriation balance existing on June 30, 2023, is decreased by \$8,481,000. The bill specifies that none of the Cash Funds appropriated to this program shall be used for a rural drinking water project that serves rural water connections and at least four communities in two contiguous counties in order to convert to ground water sources and to provide for water system infrastructure and distribution.

DEPARTMENT OF ENVIRONMENT & ENERGY

Program 513 – Environmental Quality - The bill includes a General Fund decrease of \$804,136 in FY 2023-24 and a \$1,590,254 decrease in FY 2024-25.

Program No. 528 - Drinking Water Facilities Loan Fund - The unexpended reappropriation balance of the federal Coronavirus State Fiscal Recovery Fund pursuant to the federal American Rescue Plan Act of 2021, existing on June 30, 2023, less \$7,000,000 is reappropriated.

Nebraska Environmental Trust

Added \$5 million for FY 2024-25 due to increase lottery sales.

University of Nebraska

Added provisions of LB 1242 to appropriate \$350,000 from the General Fund for FY 2024-25 to the Board of Regents of the University of Nebraska for a study on the viability of using roof collected rainwater as a safe and sustainable source of drinking water.

A table summarizing proposed appropriation changes follows this summary.

LB 1413e - Transfer and provide for the transfer of funds and create and change the use and distribution of funds. Speaker Arch, At the request of the Governor.

The bill provides for transfers of funds for state operations and changes the uses of funds. The bill authorizes many of the provisions proposed in LB 1412. Related to Natural Resources the bill proposes the following changes.

The Jobs and Economic Development Initiative (JEDI) Fund language is changed allowing transfers from the fund to the Cash Reserve Fund or the Critical Infrastructure Facilities Fund at the direction of the Legislature.

Section Three – Bills that have been Indefinitely Postponed

All bills not passed by the end of the session, including carry-over bills and those with provisions amended into other bills, were indefinitely postponed at the end the 2024 Legislative Session. Some bills were indefinitely postponed before the session ended. Bills indefinitely postponed of interest to natural resources districts included the following:

LR 1CA - Constitutional amendment to require the Legislature to reimburse political subdivisions as prescribed. Blood.

The Government Committee reported LR 1CA to General File on March 3, 2023, with committee amendment (AM 591) following an 8-0 committee vote. The amendment, AM 591, delays the effective date of the CA to January 1, 2025. The amendment also rewords the substance of the bill to reframe it as a conditional requirement on the Legislature rather than as a prohibition on the Legislature with an exception.

The original proposal would require that the Legislature shall not impose responsibility for a program created after the year 2024 or an increased level of service required under an existing program after the year 2024 on any political subdivision of the state unless the subdivision is fully reimbursed by the state for the cost of such program or increase in level of service.

Under AM 591, the proposal would require that beginning on January 1, 2025, if the Legislature by general law imposes a program upon any political subdivision of the state, or increased level of expenditure required under an existing program upon any political subdivision of the state, as those terms are defined by the Legislature, the costs of such programs or increased level of service shall be reimbursed by the state in such manner as the Legislature may prescribe.

The Natural Resources Committee accepted testimony on the bill on February 24th.

Sen. Blood opened by providing a summary of the measure. She noted that Nebraska is a Dillon's Rule state, leaving counties few options to pay for new mandates passed on by the state. She provided an overview of prior studies and resolutions that have studied solutions to unfunded mandates, noting that the legislature has yet to take sustainable action on any studies. She provided that NACO completed a survey that included just half of the counties in Nebraska and it demonstrated more than \$53 million in unfunded mandates.

Sen. Blood mentioned a similar measure was passed out of committee unanimously last session and was progressing on floor but did not receive final approval due to the body running out of time.

Proponents

Doug Kagan, representing Nebraska Taxpayers for Freedom, testified in support. He provided examples of unfunded and underfunded mandates that require counties to pay court staff and to house state prisoners. He also provided examples of mandates from the department of education that result in increased property taxes.

Jon Cannon, testified in support on behalf of NACO. He expressed that this is a property tax bill. Property tax is primarily the counties only option for revenue, and while counties are conservative in how they use funds, state mandates place additional burden on property taxes. NACO's hope is that the measure would require future legislators to decide if a measure is right to force on to locals. He expressed the importance of putting the measure into the constitution versus putting it in statute – noting that what the legislature can give, they can also take away.

Several county commissioners followed NACO's testimony and reiterated the burden of unfunded mandates. Several examples of mandates were provided, including housing state prisoners, housing DHHS, mailing postcards, among others. Testimony also included examples of prior legislative action that promised reimbursement for mandates but was later unpaid or taken away.

Lynn Rex, testified in support on behalf of the League of Nebraska Municipalities. Rex provided examples of two of the largest unfunded mandates in the state, including subtitle D requirements for landfills and defined benefits for Cities of the first class. Rex also provided the committee with a lengthy history of legislative actions that resulted in reductions in state aid and levy limits or lids on restricted funds.

Jack Moles, testified in support on behalf of the Nebraska Rural Community Association. Moles provided examples of mandates on schools and ESU's that are often un or underfunded. He noted that 2/3 of school districts don't receive equalization aid, and rural schools are disproportionately impacted.

Sarah Centineo, testified in support on behalf of the Nebraska Association of School Boards. The trend has been for increasing mandates from the state for personal accounting and additional computer requirements. These unfunded mandates adversely impact student opportunities.

Allie French, testified in support on behalf of Nebraskans Against Government Overreach. French's testimony expressed that the legislature should at least allow Nebraskans to vote on the measure.

Al Davis, testified in support on behalf of the Independent Cattle of Nebraska, Nebraska Sierra Club, and the Nebraska Farmers Union. Davis's testimony was limited to suggesting that it should be left to the voters to decide.

Opponents

There was no opposition or neutral testimony.

Letters submitted included 12 proponents, no opponent, and 2 neutral letters.

Sen. Blood closed by suggesting the bill should be considered for a committee priority.

LR 6CA - Constitutional amendment to prohibit governmental entities from imposing any taxes other than retail consumption taxes and excise taxes. Erdman. Co-sponsored by Brewer, Clements, Halloran, McDonnell and Murman.

The Revenue Committee accepted joint testimony on the CA and related measures (LR 6 & 7 CA & LB 79) on March 3, 2023

- **LB 79 - Adopt the Nebraska EPIC Option Consumption Tax Act. Erdman. Erdman 2023 Priority.**

Establishes the Nebraska EPIC Consumption Tax Act, where EPIC stands for the elimination of property, income, and corporate taxes. Repeals such taxes on Dec. 31, 2025. Beginning Jan. 1, 2026, imposes a flat tax on the use or consumption in Nebraska of taxable property or services (including health care) at the rate of 7.5% (down from 10.64% in the 2022 proposal). No consumption tax shall be imposed on the purchase of fuel or for property or service purchased for a business purpose in a trade or business.

- **LR 6CA - Constitutional amendment to prohibit governmental entities from imposing any taxes other than retail consumption taxes and excise taxes. Erdman. Co-sponsored by Brewer, Clements, Halloran, McDonnell and Murman.**

A proposed constitutional amendment, effective January 1, 2026, that no governmental entity in the State of Nebraska may impose taxes other than retail consumption taxes or excise taxes.

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 79).

- **LR 7CA - Constitutional amendment to require the state to impose a consumption tax or an excise tax on all new goods and services and to provide a tax exemption for grocery items. Erdman. Co-sponsored by Brewer, Clements, Halloran, McDonnell and Murman.**

A proposed constitutional amendment, effective January 1, 2026, the State of Nebraska shall impose a retail consumption tax or an excise tax on all new goods and services, and the Legislature may authorize political subdivisions to do the same. There shall be no exemption from such taxes except for grocery items purchased for off-premises consumption. (See LB 79)

The committee held the hearing for LB 79, LR 6CA, and LR 7CA collectively and asked that testifiers combine their testimony.

During his opening, Sen. Erdman provided the committee with an overview of Nebraska tax history. When the idea of a consumption tax was presented to Senator Erdman, he was sure this is the solution to our property tax situation. This bill would fix the whole tax system and not just the property tax situation. When a consumption tax is implemented, everyone is on an even playing field because everyone pays. Senator Erdman provided an overview of how the distribution of consumption taxes would be made and how schools funding would be handled.

Proponents

There were several individuals that provided testimony in support. Common themes were that taxes are too complicated, too high and that 40% of Nebraskans don't pay taxes. Implementing a consumption tax would expand the tax base to those not paying taxes currently and even the playing field.

Opponents

Individual testimony was provided by representatives of the Chambers of Commerce, Nebraska New Car & Truck Dealers Association, NACO, Nebraska Realtors Association, NE Broadcasters Association, Grocers & Nebraska Beverage Association, NE Bankers & NFIB, NIF, Nebraska Society of CPAs, Open Sky, Nebraska Retail

Federation, Nebraska League of Municipalities, Nebraska Economic Development Association, NHA, NMA & Nebraska Dental Association.

The NARD joined a coalition of the following organizations in testimony against the proposals: Associated General Contractors, Nebraska Chapter, ACEC NE, AIA Nebraska, APCIA, Eastern Nebraska Development Council, HBAL/MOBA Coalition, Independent Insurance Agents of Nebraska, Nebraska Association of School Boards, Nebraska Association of Commercial Property Owners, Nebraska Auctioneers Association, Nebraska Council of School Administrators, Nebraska Golf Alliance, Nebraska Health Care Association, Nebraska Independent Auto Dealers Association, Nebraska Land Title Association, Nebraska Petroleum Marketers and Convenience Store Association, Nebraska Press Association, Nebraska Rural Community Schools Association, Nebraska State Bar Association, Professional Engineers Coalition, and United Cities of Sarpy County.

Testimony captured the general theme that this proposal increased taxes on many individuals and creates a confusing budgeting process for political subdivisions.

The state income tax is tied to the federal income tax, which makes it easy to comply with the tax code. This new system would require the Department of Revenue to significantly increase their audit department to make sure the proper items are taxed.

The proposal also takes away the ability of local people to be involved in the budgeting and funding process and puts the final decision in the hands of a small group of individuals. It also places rural Nebraska at a disadvantage for request of funding for services such as school funding, roads, infrastructure needs, resources management, etc. The majority of senators are from three counties in Nebraska. The majority of the Legislature will decide what is in the best interest of the needs for rural Nebraska.

It is best to let the local people decide what funding is needed locally, rather than leave it up to the majority vote of the Legislature what needs funded.

For example, the proposals lay out these restrictions on budgeting:

- State agencies submit annual budget requests to the Governor and to the chair of the Appropriations Committee by Sept. 15 (includes University & State Colleges). Annual budget request may exceed prior year by the percentage change in the CPI if in an emergency, agencies may petition the Legislature for an increase of no more than 2.5%. If natural disaster, agencies may petition the Legislature for an increase of no more than 5%.
- Counties and other political subdivision funding will be decided by a seven member Budget Equalization and Review Board. The Board makeup would be five members from regional areas, a secretary appointed by the Governor, and the Auditor of Public Accounts. Local counties would gather information on budgets for the political subdivisions and submit them to the Budget Equalization and Review Board for consideration.
- School Funding will be managed by the School Equalization and Review Board. They will make the final decisions on funding for operations, construction, and maintenance of schools in Nebraska.

Neutral

One individual testified in the neutral position wanting clarification on the consumption tax and how it would work.

Letters submitted online included:

LB 79 had 127 proponent, 6 opponent, 3 neutral letters for the record.

LR 6CA had 40 proponent, and 4 opponent letters for the record.

LR 7CA had 32 proponent, 6 opponent and 1 neutral letters for the record.

During closing, Sen. Erdman stressed that not one opponent contacted him about concerns with the bill. He noted that these organizations are all paid to be there and all complain that the EPIC tax won't work, but he can address all the concerns in some way with the consumption tax. He urged the committee to represent the people and not the registered lobbyist.

The committee reported no action on the measure.

LR 7CA - Constitutional amendment to require the state to impose a consumption tax or an excise tax on all new goods and services and to provide a tax exemption for grocery items. Erdman. Co-sponsored by Brewer, Clements, Halloran, McDonnell and Murman.

A proposed constitutional amendment, effective January 1, 2026, the State of Nebraska shall impose a retail consumption tax or an excise tax on all new goods and services, and the Legislature may authorize political subdivisions to do the same. There shall be no exemption from such taxes except for grocery items purchased for off-premises consumption.

(See LR 6CA and LB 79 for the companion legislation and joint hearing summary)

LB 7 - Provide a statute of limitations for exposure to hazardous or toxic chemicals. Blood.

The bill proposes to add to the product liability actions that can be brought against manufacturers and sellers of products that cause damages. Under the proposal, an action to recover damages based on injury or death that is caused by exposure to a hazardous or toxic chemical shall be commenced within ten years after the cause of action accrues.

The cause of action accrues upon the earlier of the date on which the plaintiff (i) Is informed by competent medical authority that the injury or death is related to the exposure to such chemical; or (ii) by the exercise of reasonable diligence, should have known that the injury or death is related to the exposure to such chemical.

The Judiciary Committee accepted testimony on the bill on January 25th.

Sen. Carol Blood noted in her opening the change is necessary because many victims of toxic chemicals don't start experiencing symptoms until after four years. She noted the bill was drafted in response to the AltEn leak in 2021, which released wastewater from an Ethanol Plant. She claimed that even before the leak and the plant's shutdown, nearby residents complained of foul odors and negative health effects resulting from the plant.

Proponents

Vince Powers, a trial attorney from Lincoln, testified in support of the bill noting "This is the key to the courthouse for people."

Eleanor Rogan, a professor at the University of Nebraska Medical Center, testified in support noting this is a reasonable extension to the statute of limitations.

Trevor Towey, president of the Omaha Professional Firefighters, said the bill would also benefit local firefighters, who are often exposed to dangerous toxins as part of their job. He said sometimes their exposure to toxins is long-term, as some chemicals sink into their gear.

Opponents

Attorney Emily Motto testified in opposition, arguing that Nebraska's current four-year statute of limitations is long enough because it is measured from when the "death, injury or damage" occurs, rather than when the victim is first exposed.

The Committee reported no action on the bill.

LB 40 - Adopt the Riparian and Water Quality Practices Act. Blood.

The bill establishes the Riparian Protection and Water Quality Practices Act. The Act would require the Department of Agriculture to consult with local water management authorities to develop a summary of watercourses for inclusion in a comprehensive local watershed management plan and to create buffer-protection maps. Water management authorities are defined under the bill as natural resources district, metropolitan utilities district, county, city, or village operating separately or jointly in its role as a local water management authority.

In consultation with local water management authorities, the department shall develop, adopt, and submit to each local water management authority in the state a summary of watercourses for inclusion in the local water management authority's plan. A local water management authority shall include such summary of watercourses identified under this section as an addendum to its comprehensive local water management plan or comprehensive watershed management plan.

The bill requires riparian buffers and water quality practices to: (a) protect state water resources from erosion and runoff pollution, (b) stabilize soils, shores, and banks, and (c) protect or provide riparian corridors.

- Buffers for all public waters of this state, the would be the more restrictive of: 1) A 50-foot-average width, a 30-foot-minimum width, a continuous buffer of perennially rooted vegetation; or 2) The state standards and criteria set by the department pursuant to rules and regulations authorized, adopted and promulgated in the act.
- Buffers for public drainage systems, a 16.5-foot-minimum width continuous buffer. The buffer vegetation shall not impede future maintenance of the ditch.

There is an exception to the minimum buffer strip requirements. A landowner whose property is used for cultivation farming may meet the minimum requirements under the act by adopting an alternative riparian water quality practice, or a combination of structural, vegetative, and management practices.

These practices would have to be based on common alternative practices adopted and published by the department, other practices approved by the department, or practices based on local conditions approved by the local water management authority that are consistent with the practices adopted and published or approved by the department. The practices would have to provide water quality protection comparable to the buffer protection for the water body that the property abuts. Such practices include retention ponds and alternative measures that prevent overland flow to the water resource.

The bill requires landowners with property adjacent to a water source identified on a buffer-protection map to maintain buffers in accordance with the act. It also requires local water management authorities, with resources provided from the department, to assist landowners with riparian protection requirements including planning, technical assistance, implementation of approved alternative practices, and tracking progress toward compliance.

A local management authority would be required to notify the department if a landowner is not in compliance. The department would be authorized to enforce the act with administrative penalties not to exceed \$1000 per violation.

The bill exempts land that is enrolled in the federal Conservation Reserve Program, used as a public or private water access or recreational use, covered by road or other structure, regulated by a national pollutant discharge elimination system, part of a water-inundation cropping system, or in a temporary non-vegetated condition.

The Natural Resources Committee accepted testimony on the bill on February 23rd.

Sen. Blood opened on the bill by expressing that the state is not committed to addressing water quality, noting multiple calls for research, but mentioning rarely do we address the topic. She noted this bill was modeled off an example from Minnesota and that it is just intended to be a canvas.

She introduced an amendment (AM 469) which replaces the bill. The amendment maintains some provisions of the original bill; however it includes many significant changes. The amendment grants the Department of Natural Resources the authorities to administer the act.

The amendment changes the act to make it voluntary for landowners owning property adjacent to a water body to apply for grants and exempts landowners in counties that fall in bottom 1/3 of nitrate levels as measured by NDEE. The amendment also excludes land utilized for grazing, pasture, or grassland. Additionally, the amendment includes language that provisions of the act are funded through the existing water quality fund. The amendment includes intent language to transfer an undetermined amount of general fund dollars to the water quality fund for purposes of the program.

Sen. Blood faced several questions from Senators. Sen. Jacobson suggested that NRDs are doing an effective job and why not leave this up to NRDs. Sen. Blood responded that if they are doing an effective job, why does Nebraska have a nitrate problem. Sen. Jacobson followed up by noting the improvements that have been made in farming practices. Sen. Moser reiterated similar comments during his questioning of Sen. Blood.

Sen. Slama engaged in questioning with Sen. Blood that expressed concern the bill would lead to mandates. Sen. Slama also expressed concern over the enforcement mechanisms.

Proponents

Elanor Rogan, a Doctor at the University of Nebraska Medical Center, testified on behalf of herself in support of the bill. Dr. Rogan provided an overview of research and the association of nitrates with higher incidents of pediatric cancers. Studies show adverse health effects of nitrates and make strong case for using buffers to reduce chemicals in waterways. Dr. Rogan was asked how long it would take for these buffers to reduce levels to a point where we would notice health benefits – she noted we would need significant changes in farming practices to impact groundwater, but quicker impacts could be made to surface water. Dr. Rogan noted that 10 mg/l is a high level and she assumes the EPA will make a reduction in safe drinking water levels.

Edison McDonald testified in support on behalf of GC Resolve. He expressed support for LB 40 to help address soil loss and nutrient loss. The focus should be on incentivizing instead of mandating. Analyses show that waterways are under threat from rising contaminants and improved soil health practices can help to mitigate a number of the issues. They would like to see high nitrate areas targeted. He noted they would suggest looking at broader pathways, up to ¼ mile.

Al Davis, Nebraska Sierra Club, testified in support. His testimony noted that farming has changed with consolidation and increased degradation. The best way to introduce protection is in cooperation with landowners. He expressed that nitrate and atrazine ties to pediatric cancer should force regulatory actions. While they support this bill, it is just one small step.

Kenneth Winston testified in support on behalf of Nebraska Interfaith Power and Light. He claimed Nebraska has the highest nitrate groundwater contamination rates in the county and the rates have doubled since 1978, according to a UNL study. He reiterated that more is needed, but this is a much-needed tool.

Opponents

NARD provided testimony in opposition to LB 40. While we appreciate Senator Blood for her steadfast commitment to protect natural resources in Nebraska, we feel this bill is over-reach with the mandates on landowners included in the proposal. Since the bill was introduced, we have visited with her staff about some existing programs that may help address concerns on a voluntary enrollment basis, rather than mandating such. NARD shared these with the committee.

First, years ago the Legislature passed the Nebraska Buffer Strip Program which is administered by the Nebraska Department of Agriculture. Cropland adjacent to perennial and seasonal streams, ponds, and wetlands can be enrolled in buffer strips, which are designed to filter agrichemicals such as fertilizers and pesticides. Two kinds of

buffer strips are eligible - filter strips, which are narrow strips of grass; and riparian forest buffer strips containing trees and grass. The minimum widths are 20 and 55 feet, respectively; the maximum widths are 120 and 180 feet, respectively.

The program is designed to be used in conjunction with the U.S. Department of Agriculture (USDA) Conservation Reserve Program (CRP), Conservation Reserve Enhancement Program (CREP), or other programs, however it can be used by itself, as well. In addition to offering rental rates for both irrigated and non-irrigated cropland, and incentives for partnering with other government programs, there are incidental haying and grazing allowances in the Nebraska Buffer Strip Program. Adding more funding to this program may be an alternative to the original proposal in LB 40.

Secondly, the USDA has several federal conservation programs that target similar conservation goals as included in LB 40.

On February 13, 2023, Agriculture Secretary Tom Vilsack announced the USDA is making funding available for agricultural producers and forest landowners nationwide to participate in voluntary conservation programs and adopt climate-smart practices. The Inflation Reduction Act (IRA) provided an additional \$19.5 billion over five years for climate smart agriculture through several of the conservation programs that USDA's Natural Resources Conservation Service (NRCS) implements.

NRCS is making available \$850 million in fiscal year 2023 for its oversubscribed conservation programs: the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), Agricultural Conservation Easement Program (ACEP) and Regional Conservation Partnership Program (RCPP).

The IRA funding includes an additional \$8.45 billion for EQIP, \$4.95 billion for RCPP, \$3.25 billion for CSP, and \$1.4 billion for ACEP. The increased funding levels begin in fiscal year 2023 and rapidly build over four years. These additional investments are estimated to help hundreds of thousands of farmers and ranchers apply conservation to millions of acres of land.

All the state and federal programs listed are voluntary and serve conservation efforts well.

Bruce Rieker, Nebraska Farm Bureau, testified in opposition on behalf of Farm Bureau, Nebraska Corn Growers Association, Nebraska Pork Producers, Nebraska Soybean Association, and Nebraska Cattlemen. He expressed that Nebraska needs proper assessment of what the problem is before just throwing money at it. Lots of data exists, but nothing is being shared between entities. He suggested the committee should take a deliberate approach to get an accurate assessment. During questioning, he was asked what additional data is needed.

Scott Dicke, Central Nebraska Public Power and Irrigation District, testified in opposition. It's not clear that buffer strips would not be required along Centrals canals and waterways. He noted vegetation along waterways can counter efforts to maintain waterways, including for environmental reasons.

Merlyn Bartels, an individual from South Central Nebraska, testified in opposition. His testimony expressed concern over what would be considered a waterway under the bill.

Neutral

John Hansen, Nebraska Farmers Union, testified in a neutral capacity. He expressed the primary methods for conservation are education and incentivizing. He mentioned that a majority of people want to do the right thing if you can provide the economic incentives. He also pointed out the NRDs do a good job of working with landowners and additional funding would help. He also noted there's not a coherent and comprehensive effort collecting data and putting it into a central system.

David Hutchison, an organic farmer from Brown County, testified in a neutral capacity. He noted we need to rotate crops to eliminate the need for artificial fertilizers. Drainage tiles just puts pollutants on your neighbors. He also mentioned that NRDs need to follow mission statement and stop NPPD from building power supply line.

Beth Bazyn Ferrell, NACO, testified in neutral capacity. Appreciate language of bill that would keep noxious weed seeds out of waterways.

There were 21 proponent letters, 8 opponent letters and 2 neutral letters submitted for the record.

During closing Sen. Blood noted that indigenous plants should be used along waterways to eliminate weeds. She mentioned she agrees research is needed, but that her prior efforts to do research have been blown off. She reiterated that the measure was intended as a starting point and would be voluntary and not mandatory with the amendment. She closed by noting that blockchain technology could help address nitrates and help farmers. She did not take any questions from the committee.

The Committee reported no action on the bill.

LB 79 - Adopt the Nebraska EPIC Option Consumption Tax Act. Erdman.

Establishes the Nebraska EPIC Consumption Tax Act, where EPIC stands for the elimination of property, income, and corporate taxes. Repeals such taxes on Dec. 31, 2025. Beginning Jan. 1, 2026, imposes a flat tax on the use or consumption in Nebraska of taxable property or services (including health care) at the rate of 7.5% (down from 10.64% in the 2022 proposal). No consumption tax shall be imposed on the purchase of fuel or for property or service purchased for a business purpose in a trade or business.

(See LR 6CA and LR 7CA for the companion legislation and joint hearing summary)

LB 121 - Repeal the Trail Development Assistance Act. Bostelman.

The bill eliminates references to the Trail Development Assistance Act, which sunset in 2010, and provides another source of funding. Under the bill any revenue collected from leases under the fund shall be remitted to the State Treasurer for credit to the Cowboy Trail Fund.

The Natural Resources Committee held the hearing for LB 121 on February 16th. The Committee reported no action on the bill.

LB 125 - Change provisions relating to the Surface Water Irrigation Infrastructure Fund. Bostelman.

The bill proposes that investment earnings from investment of money in the Surface Water Irrigation Infrastructure fund shall be credited back to the fund. Provisions of the bill were incorporated into LB 818 and approved by the Governor on May 24, 2023.

The Appropriations Committee accepted testimony on the bill on March 14th.

Opening on the bill, Sen. Bostelman noted this is a simple cleanup bill. Currently interest from the fund is being credited to General Fund, which last year included \$829,000 according to the fiscal note. Language in the original bill authorizing the fund included crediting interest to the fund, however it got left off in the budget.

Proponents

Scott Snell, Nebraska State Irrigation Association, testified in support of the bill. Snell provided the committee with examples of projects where the fund is currently being utilized, including the Millburn Irrigation Dam.

There were no opponents and no neutral testimony. Sen. Bostelman waived closing. No letters were submitted for the record.

LB 205 - Adopt the Government Neutrality in Contracting Act. von Gillern.

The Government Committee advanced the bill to General File on February 16, 2023, following a 5-3 committee vote.

The bill proposes the Government Neutrality in Contracting Act to provide for the efficient procurement of goods and services by governmental units. The bill intends to promote the economical, nondiscriminatory, and efficient administration and completion of construction projects funded, assisted, or awarded by a governmental unit.

Under the bill, unless otherwise required by federal law, a governmental unit shall ensure that any requests for proposals or bid specifications for a public contract or the procurement procedures for a public contract do not contain:

- (a) A term that requires, prohibits, encourages, or discourages bidders, public contractors, or subcontractors from entering into or adhering to a collective-bargaining agreement relating to construction under the public contract;
- (b) A term that discriminates against bidders, public contractors, or subcontractors based on status as a party or nonparty to, or the willingness or refusal to enter into, a collective-bargaining agreement relating to construction under the public contract; or
- (c) Contract award pass or fail scoring criteria regarding a bidder's hiring requirements, labor assignments, local headquarters, political affiliation, political activity, or demographic makeup.

Definitions under the proposal follows:

Construction is defined as the business of construction, alteration, repairing, dismantling, or demolition of airports, bridges, buildings, canals, dams, disposal plants, levees, pipelines, power lines, roads, sewers, streets, transmission lines, viaducts, water and gas mains, water filters, water tanks, water towers, water wells, and every other type of structure, project, development, or improvement coming within the definition of real property or personal property, whether such property is to be occupied by the owner or held either for sale or rental.

Governmental unit is defined as the State of Nebraska or any agency or political subdivision of the state.

The Government Committee accepted testimony on the bill on February 10th.

Opening on the bill, Senator von Gillern said he is bringing the bill to increase efficiency and reduce construction costs as good stewards of taxpayers' dollars. He noted that 20 other states have restrictions for Project Labor Agreements (PLA) and he encourages Nebraska to do the same. He said he respects our union employees, and it does not ban contracting with union employees, but allows a wider net to reach more workers.

Proponents

Katie Wilson, executive director for the Nebraska Association of General Contractors, testified in support. Their primary concern is the workforce shortage, and they invest in community colleges and programs to get more employees. She noted that governments that offer special contracts for a particular buyer leads to fewer bidders and a larger expense to the taxpayer. She believes that Project Labor Agreements (PLA) limit local workforce participation. With the new federal infrastructure bill, they want everyone to be able to bid on those contracts and the federal bill has language favoring PLA and the goal should be to protect competition.

Sheila O'Connor, executive director of the Association of General Contractors Building Chapter, testified in support. She noted that this will protect and allow for many people to bid. She said that PLAs can limit competition and drive-up costs.

Toni Watts-McDonald, co-owner and president of Watts Electric Company, testified in support. She noted she is chair of the South Dakota Contractors Builder Association and during the last 2-3 years, PLAs have been

increasingly present in bidding projects in the Lincoln & Omaha markets. She added that projects receiving government funding should prohibit PLA language in their bid process, because PLAs put a strain on construction projects. This bill would maintain fair and open competition in the bidding process.

Anne Kulte, executive director of the Association of General Contractors Nebraska-South Dakota Chapter, testified in support. PLAs can force contractors to pay into retirement and most workers won't see that return because the project won't last long enough for the person to be vested. She noted the bill is not a negative for union or non-union companies, and the groups regularly work together despite labor affiliation. She noted that other states have witnessed an increase in PLA language and the bill is being proactive.

Brandon Ray, Associated Builders and Contractors national office, testified in support. PLAs decrease competition and increase the cost by up to 20 percent. He noted that President Biden recently stated that federal projects over \$35 million require PLAs, and Associated Builders and Contractors expect to see more encouragement for PLAs. This law will not preclude contractors from bidding on federal projects, but it protects the state's right to choose their own workforce.

Opponents

Jon Nebel, Nebraska State Council of Electrical Workers, testified in opposition. Nebraska is a right-to-work state, so union employees aren't required. He noted that a PLA can be anything that the local community/agency wants, like only using local workers or only using veterans. He noted not all projects have to apply with the Davis-Bacon wage act.

Susan Martin, NE State AFL/CIO, testified in opposition. PLAs are a project management tool to ensure on-time, on-budget projects. PLAs have been used for generations and non-union workers are regularly found on PLA projects. Nothing in state law encourages or discourages the use of PLA or collective bargaining. This bill might overlook benefits from PLAs like increased productivity, better pay and drug testing. She noted that PLAs ensure greater efficiency and a steady flow of safe, productive employees. The use of PLAs in Nebraska has been very minimal, and noted the closest thing she can remember is the building out of west Haymarket and Pinnacle Bank, which included an agreement to hire local subcontractors.

Ed Black, BAC Local 15 (bricklayers), testified in opposition. He noted that PLAs encourage that everyone gets a fair wage.

Felicia Hilton, North Central States Regional Council of Carpenters, testified in opposition. She noted that there is language in the fiscal note that the state does not comment on collective bargaining agreements. She said that the PLA process is not typically used to qualify for a bid and if you receive the bid, you get into the details of the agreement later.

Ron Kaminski, Nebraska Building, Construction Trades Council, testified in opposition. He noted that in his 25-year career, PLAs have never been used, and PLAs ensure that local employees are used first.

In his closing, Senator von Gillern noted that PLAs have been used in Nebraska and he has seen it at Offutt AFB, Metro Community College and with the City of Omaha. He noted that PLAs can be written in a way that selects only collective bargaining groups based on certain benefits or training. He noted that the country is moving in the direction of Project Labor Agreements and want to ensure Nebraska is protected. He also noted that the fiscal note states you cannot coerce someone to join a collective bargaining agreement.

There were nine proponent and three opponent letters submitted.

LB 218 - Change provisions relating to intent to appropriate money for management of vegetation within the banks or flood plain of a natural stream. Ibach.

The Legislature advanced LB 218 to Final Reading on a voice vote on February 14th. Senators also advanced the associated appropriation bill LB 218A on a voice vote after adopting AM 2505 on a 28-0 vote. The amendment,

AM 2505, reduces the appropriation in FY2024-25 from \$5,294,000 to \$3 million. Sen. Ibach requested the amendment that reduces the appropriation due to ongoing budget constraints.

Previously, on February 7th the Legislature advanced LB 218 to Select File on a 33-0-3 vote after adopting AM 2195 on a 34-0 vote. The amendment updates the date of the appropriation from FY23-24 to FY24-25. Senators also advanced the associated appropriation bill, LB 218A, on a 31-0-5 vote.

The Natural Resources Committee reported the bill to General File on March 2, 2023, following an 8-0 committee vote. The bill originally proposed to increase the annual funding from \$3 million to \$6 million per year for management of vegetation within the banks or flood plain of a natural stream. Such funds shall only be used to pay for activities and equipment as part of vegetation management programs that have as their primary objective improving conveyance of streamflow in natural streams.

Current law also requires that priority shall be given to grant applicants whose proposed programs are consistent with vegetation management goals, priorities, plans and policies of the Riparian Vegetation Management Task Force.

The Agriculture Committee accepted testimony on the bill on February 7th, 2023.

Sen. Ibach opened by providing the Committee with an overview of past riparian vegetation management efforts by the legislature, including the change LB 805 (2022) made in expanding management efforts to include the floodplain. She outlined how funding for vegetation management was cut in lean years and now remains underfunded, especially given the expansion of efforts to include the floodplain.

Proponents

John Thorburn, General Manager Tri-Basin NRD, testified in support on behalf of NARD. John also serves as the NRD representative on the Nebraska Invasive Species Council and the secretary for the Platte River Resilience Fund.

Thorburn provided background to the committee on the history of the program. Fifteen years ago, Tom Carlson, introduced LB 458 that created a structure for riparian weed management areas and provided state funds to help us fight invasive phragmites and other plants that, if left unchecked, would have clogged the channels of our state's rivers.

Nebraska's proactive stance toward controlling invasive riparian plants has paid many dividends over the years since LB 458 was enacted. The most tangible and economically valuable benefit of our work has been to increase the capacity of river channels to convey water. This was evident in several flooding events, most notably in 2019 when, in spite of extreme storms that caused sustained high flows, there was little substantial damage due to flooding along the main channels of the upper Platte and Republican Rivers.

This stood in stark contrast to floods in 2010 and 2011, when much lower flows caused the Platte to leave its banks in South-Central Nebraska for several days. It is clear to me after these events that riparian vegetation management not only benefits wildlife and natural ecosystems, it protects lives and property.

The funding provided under LB 218 will help NRDs and our weed management partners in the Platte and Republican River basins sustain our long-term efforts to protect and improve the health of our riparian ecosystems for the benefit of all Nebraskans.

Thorburn addressed committee questions about safety of chemicals, noting that chemicals are special use for aquatic habitat, and that the label is the law. He also addressed committee questions about landowner access, noting that publication and notification is always provided to landowners in advance.

Katy Torpy testified in support on behalf of the Nature Conservancy and Platte Valley Weed Council. Torpy outlined the habitat advantages of riparian vegetation management.

Jon Cannon testified in support on behalf of NACO. His testimony highlighted the partnerships that are in place between the counties and multiple local partners to leverage resources.

Todd Boller testified in support on behalf of Filmore County Weed Control. Boller highlighted the partnerships and support from local NRDs. He provided the committee with examples of success from prior efforts, noting that in past years state funding of \$5 million was leveraged to secure an additional \$25 million. Prior efforts have increased conveyance of the Republican River from 300 cfs a decade ago to 1100 cfs today.

Mike Reed testified in support on behalf of the Nebraska Weed Control Association. Reed echoed stories of success, but expressed to the committee that we need to maintain a state of management to stay ahead of the war on weeds.

Andrew Dunkley, Nebraska Farm Bureau, testified in support on behalf of the Ag Leaders Working Group. His testimony reiterated that provided by prior proponents.

John Hansen testified in support on behalf of Nebraska Farmers Union and too reiterated support provided by prior proponents.

Opponents

There were no opponents and no neutral testimony.

LB 241 - Change provisions relating to transfers of water to another state. Briese.

The bill adds criteria to the water transfer permit process for any person, firm, city, village, municipal corporation, or other entity intending to withdraw groundwater from any water well located in the State of Nebraska and transport it for use in another state.

The additional criteria would require the director to deny any permit under this section that would allow ground water to be transported more than ten miles outside of this state unless such transportation of ground water is necessary to comply with an interstate compact or decree.

The Natural Resources Committee accepted testimony on the bill on January 26th.

Sen. Briese opened by outlining the purpose of the bill, noting that Nebraska needs to ensure we're protecting our aquifer as ongoing drought and population growth along Colorado's Front Range increase the feasibility of those areas looking to the Ogallala Aquifer. He noted that the 10-mile distance was arbitrarily picked but thought that it seemed like a reasonable distance that would not prohibit Nebraska producers who may be looking to irrigate across state lines.

Proponents

Eric Hansen testified in support on behalf of the Nebraska Cattlemen, noting that Nebraska's groundwater supplies are vital to agricultural operations across the state, and they need to be protected.

A few individuals testified in support expressing opposition to Nebraska water being used out of state when there are extensive restrictions and efforts ongoing within Nebraska to conserve and protect the resource.

Opponents

Bruce Rieker testified in opposition on behalf of the Nebraska Farm Bureau. He said their policy is clear that they oppose any transfer of Nebraska's groundwater regardless of the distance.

Neutral

Chris Peterson testified in a neutral capacity on behalf of the Nebraska Petroleum Producers Association. They want to make sure any attempts to limit transfers would not impact petroleum producers. He noted that wastewater from wells in Nebraska could be transferred to wastewater injection wells out of state.

During his closing, Sen. Briese noted that the bill is straight forward but he wants to be weary of unintended consequences and look for solutions to any constitutionality questions.

The Committee reported no action on the bill.

LB 281 - Require the Department of Economic Development to provide grants for youth outdoor education camp facilities. Jacobson.

The bill proposed grants to qualifying 501(c)(3) nonprofit organizations from the Department of Economic Development for the purpose of building or renovating youth outdoor education camp facilities, including physical structures, equipment, and necessary infrastructure to ensure accessibility to the public. Provisions of the bill were incorporated into LBs 814 and 818 which were passed and signed by Gov. Pillen on May 24, 2023.

A grant awarded shall require a minimum of a twenty-five percent match in private or other money from the applicant. No applicant could receive one or more grants totaling more than \$30 million.

When awarding grants, the Department of Economic Development shall give preference to any applicant that intends to use the grant to rebuild a youth outdoor education camp facility that was damaged due to a natural or manmade disaster.

Intent language is added in the proposal to appropriate \$50 million from the General Fund for FY 2023-24 to the Department of Economic Development for the purposes described in the bill. The bill also includes the emergency clause.

The Natural Resources Committee accepted testimony on the bill on February 15th.

Opening on the bill, Sen. Jacobson noted that the BOVEE Fire destroyed forests, grasslands, and also the Nebraska 4-H Camp. The camp's insurance will not cover total replacement of the structures due to the age of the buildings. Dark sky and eco-tourism is booming and the right investment means this area could be booming. Halsey hosts 12,000 visitors per year and that could grow with investment.

With the right services and design, we could continue to grow the area to be a gateway destination for the Sandhills. He noted the goal is to build 21st century facilities that can be used year-round. It could generate \$4 million in new economic activity for the area and with an estimated design cost of \$37 million have a payback of about 9 years. He noted the camp received \$2,260,000 in insurance pay out.

During questioning Sen. Jacobson was asked why the bill requests \$50 million if the cost is \$37 million. He noted that the intent was to broaden the scope to allow other camps to potentially utilize funds. During questioning, Senators also questioned the rationality of the fiscal note for the Department of Economic Development.

Proponents

Alexa Spurlin, Information and Education Coordinator, Upper Loup NRD, testified in support on behalf of NARD.

In 2010, the State's Natural Resources Districts developed an outdoor educational youth camp called Adventure Camp About the Environment – Better known as ACE Camp. All 23 NRDs have been committed to ACE Camp by providing speakers, funding and camper scholarships so that all Nebraska youth wanting to attend may, regardless of their financial status.

The camp's main goal is to engage and teach our youth about their environment and Nebraska's natural resources. While there, students also gain a sense of self-awareness, have many opportunities to connect with their peers, environmental professionals, as well as grow in their appreciation for the natural world.

When deciding where to host the camp, several locations were discussed. The ACE Camp Committee wanted a camp that was centrally located, making it more accessible to Nebraska youth and our educational presenters. We also needed access to environmental teaching tools such as trees, rivers, range land, and wildlife. We require facilities with large enough areas for indoor instruction, dining and enough cabins to accommodate at least 50 campers overnight. Only one camp met all of these needs – the State 4-H Camp in Halsey.

In our 12 years of hosting ACE Camp, youth from every corner of the state have attended. From Syracuse to Hartington, from Benkelman to Harrison and many places in between, the camp has been accessible to individuals statewide.

Unfortunately, in 2022 the BOVEE Fire destroyed the 4-H Camp lodge and all its cabins. The State 4-H Camp provided a location with facilities that cannot be found at any other camps in Nebraska. Rebuilding of a youth outdoor education camp facility at the Bessey National Forest is supported by all 23 NRDs.

Jeff Yost, Nebraska Community Foundation (NCF), testified in support. He noted the opportunity for eco-tourism in Halsey is a game changer. NCF commissioned a study on ecotourism for the area and investments in a combination of facilities could generate \$4 million in new economic activity. It could be a gathering space for local events, a variety of lodging options, a conference and events facility, a restaurant for on-site dining. The goal would be to raise a \$10 million endowment privately to ensure ongoing funding for the facility. NCF is optimistic this will be a wise investment of public dollars and it would create several full-time jobs and also additional part-time seasonal jobs. He noted it will be a destination, not just a place you add on to your trip.

Susan Littlefield testified in support on behalf of the Nebraska 4-H Foundation. She noted the insurance settlement won't cover the full cost of clean-up, design and a rebuild. The Foundation is committed to reserve the insurance proceeds for this project. The Foundation will work with the U.S. Forest Service on clean up. Clean up costs/demolition are \$180,000-\$200,000.

James Dukesherer, Nebraska Rural Electric Association (NREA), testified in support. NREA hosts a youth energy leadership camp at the 4-H camp. Campers learn about the public power system along with all the other fun camp activities. Their campers also have the opportunity to win a trip to Washington, D.C. NREA takes 20-30 students to DC in the summer to go to Gettysburg, visit delegates and more. NREA would be interested in donating to help rebuild the camp.

Shawn Pollock, Nebraska Cooperative Extension Association (NCEA), testified in support. They would appreciate the investment in 4-H youth development to support rural education efforts. NCEA provides programming and 4-H is one of the programs.

Al Davis, Nebraska Sierra Club, testified in support. He noted that his father helped raise the funds to build the original camp. The camp is just as relevant today as it was 60 years ago. The camp also served as a resource hosting other camps and as an off-season resource for family reunions, weddings, school/community events, etc.

Jason Smith, executive director of the YMCA Camp Kataki in Lincoln, testified in support on behalf of Nebraska YMCAs. YMCA believes that funding could help them build a new facility at Camp Kataki.

Jamie Biodrowski, testified in support on behalf of Easter Seals Nebraska Camp. She noted that they have a camp for individuals with disabilities. Their camp was destroyed in 1999 when a train derailed and spilled diesel fuel. They purchased 64 acres from the former Dana College and have funds from the train derailment settlement, but they need additional funding to build their facilities. Their goal is to build a barrier-free camp, so all campers have access to the facilities.

Aaron Barrow, assistant city administrator for the city of Blair, testified in support. He noted that Blair is committed to working with the Nebraska Easter Seals Camp to build a barrier-free camp on the former Dana College campus.

Additionally, more than a dozen camp alumni, former camp directors, local landowners, educators, and area residents testified in support. Their testimony reiterated the importance of the camp for Nebraska's residents and the local area.

There were no opponents and no neutral testimony. 42 proponents submitted letters for the record.

In closing, Sen. Jacobson noted that there are people in the Sandhills who are underemployed and could fill these newly created jobs and it also would allow for people to return to the area. He noted the 25% match is because it is a replacement of something that was lost. He noted he is not concerned about raising money for the match, because there are people committed to rebuilding the facilities.

**LB 292 - Prohibit the use of eminent domain under the Jobs and Economic Development Initiative Act (JEDI).
Cavanaugh, M.**

The bill proposes that no land within the Lake Development District, as designated by the Department of Natural Resources under the JEDI bill passed last year shall be acquired by the state or any political subdivision of the state through the use of eminent domain.

The Natural Resources Committee accepted testimony on the bill on February 8th.

Margaret Buck, Legislative Aid for Sen. M. Cavanaugh introduced this bill. She provided the committee with a summary of the JEDI bill from last year and noted that during debate it was stated there would be no use of eminent domain. She noted this was a pending amendment to the bill last year, but time ran out before it could be added to the bill.

Proponents

Melissa Keirlber testified in support on behalf of her family farm near Gretna. She testified that 600 acres of their family farm would be impacted. She mentioned prior experiences with eminent domain and noted the price paid for bottom ground is never just or fair. She highlighted that flood control was the primary purpose for the start of this effort, but it has turned into a recreation effort without any flood control benefit. It has been mentioned the project would have less than 5% flood control benefit, but she has seen HDR say it's actually less than 1%. She closed by noting the project is far from its original goal and has turned into the state doing the work of private developers.

Gerald Vindskua, a landowner in the Platte Valley downstream of proposed lake area testified in support. Eminent domain is used and abused and should not be transferred over to recreation use. He proposed that the state buy land and lease it to gravel companies. He told the committee the project is opposite of flood control, with no storage and filling the flood plain where water is stored would cause net rise in flood impacts downstream.

Jodi Obrien testified in support on behalf of her family who owns property where lake is being proposed. She asked the committee how they would feel if their land was taken so real estate developers could come in and sell it for profit. She expressed that landowners have received no notification that they may be impacted – yet real estate developers are being provided presentations on the project.

Al Davis, Nebraska Chapter of Sierra Club testified in support. He noted that removing soil and dumping it in a flood plain would exacerbate flooding elsewhere. He doesn't buy the argument that recreation keeps young people in Nebraska. He also noted there are a lot of good habitat situations in that area and it should not be tore up to build more mansions and roads.

John Hansen testified in support on behalf of the Nebraska Farmers Union. He noted that NGPC used to have power of eminent domain, but they used and abused it prior to losing it. NRDs were then given eminent domain control for flood control projects. He outlined opposition to any entity's use of eminent domain on this project.

Kenneth Winston testified in support on behalf of Bold Alliance. He focused on support for private property rights and against use of eminent domain for private gain.

Opponents

There was no opposition testimony.

Neutral

NARD provided testimony in a neutral capacity. To begin testimony, it was specified that NARD is not taking any position on the proposed lake development included in this bill as passed last year.

Instead, we wanted to narrow our testimony to simply dispel rumors and highlight that NRDs do not have authority to use eminent domain for a state project, including the lake project referenced in the bill. This came up last year during debate on the bill and was pointed out. However, the rumors still run. The NRD authority to use eminent domain is only for projects that fall under their control, and the lake project is not one of them as it is a state project.

Simply put, the proposed language in the bill is attempting to prohibit an authority that NRDs don't have.

The Committee reported no action on the bill.

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

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

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

LB 312 - Change provisions relating to withholding money due to noncompliance with budget limits and annual audits for certain political subdivisions. Lowe.

The Government Committee advanced the bill to General File on February 16, 2023, following a 6-0-2 committee vote.

The bill proposes changes to withheld state aid under current law for those that have received notice from the Auditor of Public Accounts that they are out of compliance.

Current law allows for the state aid to be returned to the other recipients of the state aid or, in the case of a homestead exemption reimbursement, returned to the General Fund, if they do not get into compliance within six months.

The bill would allow the withheld state aid to be distributed to the other recipients of the state aid in the county where such noncompliant governmental unit is located or returned to the Highway Allocation Fund.

Also, the governmental unit shall continue to forfeit state aid until the governmental unit reaches compliance and the State Treasurer has received notification of such compliance from the Auditor of Public Accounts. All state aid that was forfeited shall remain forfeited and redistributed according to the proposal outlined above.

If any governmental unit fails to reach compliance within 12 months from the time of the order and notice of delinquency given by the Auditor of Public Accounts to the State Treasurer, such governmental unit shall be ineligible for future distributions of state aid until they get in compliance.

The Government Committee accepted testimony on the bill on February 9th.

In his opening, Senator Lowe noted the bill was introduced on behalf of the State Treasurer and State Auditor's office. The goal of the bill is to clarify and coordinate language that was passed in previous years with both agencies.

Proponents

Heidi Wallace, Deputy Director with the State Treasurer's Office, testified in support of the bill. The bill coordinates statutes between the two agencies and allows them to remedy situations more efficiently and in a timely fashion. There have been a couple of smaller political subdivisions that got caught up on this and had repayments delayed. This bill will correct the issues.

There were no opponent or neutral letters submitted on the legislation.

LB 322 - Prohibit creation of new joint public agencies with power or authority relating to tax. Linehan.

The bill would prohibit a joint public agency created on or after October 1, 2023, from exercising any power or authority relating to tax.

The Revenue Committee accepted testimony on the bill on March 9th.

Opening on the bill, Sen. Linehan said it is a simple bill to eliminate Joint Public Agencies (JPAs) from being able to levy taxes.

Proponents

Doug Kagan, Nebraska Taxpayers for Freedom, testified in support. He noted that groups are joining forces to levy taxes in some instances ignoring the popular vote. He said these joint public agencies circumvent citizen input.

Jessica Shelbourn, Americans for Prosperity, testified in support. She noted to reign in property tax issues, we need to reign in those that can levy a tax. There are approximately 20 agencies that can levy taxes and that only grows when they join together to form JPAs.

Katie Bohlmeier, LIBA, testified in support. A typical Lincoln homeowner pays property taxes to a dozen entities, and they don't get a choice when JPAs are involved. They deserve a chance to vote on what they want to pay for.

Opponents

Jon Cannon, NACO, testified in opposition. He noted there are levy rates and levy limits in the constitution for counties. Counties have a further statutory cap on levies. Counties have the 50 cents, but really, it's only 45 cents because those 5 cents are for collaborative efforts. Joint public agency efforts are more efficient and encourage collaborative partnerships.

Ted Deturk, ESU #2 in Fremont, testified in opposition. He asked the committee to look beyond the single issue of property taxes, because JPAs work collaboratively among multiple agencies. The P2T (Pathway to Tomorrow) JPA with eight public schools and the ESU as fiscal agent offers career pathways for 120 students in five pathways. Individually these schools could not support this program, but together we use a ½ cent of our levy from each school to support this program. Without creative, flexible funding opportunities these programs cannot be built.

Colby Coash, Nebraska Association of School Boards, testified in opposition. He noted there are several successful JPA partnerships with private businesses and the cities. There was a school that partnered with the city to keep the city pool open allowing both the school and city to use it and support it. There have been JPAs that have been disagreeable to taxpayers and that was addressed in the very next election. He noted that interlocal agreements are statutorily different than joint public agencies.

Chris Connolly, Chief Assistant City Attorney for City of Lincoln, testified in opposition on behalf of City of Lincoln and Lancaster County. He testified that the Pinnacle Bank Arena partnership has worked very well and believes that taxpayers do have an opportunity to voice their concerns. West Haymarket JPA facilitated building Pinnacle Bank Arena. It is the owner of Pinnacle Bank Arena, but it does not directly operate it.

Lynn Rex, League of Nebraska Municipalities, testified in opposition. She noted that Sen. Jerome Warner's previous goal was to incentivize working together, so everyone didn't have to build a library, but they could go together and share a library. A great example of a JPA is the Exeter School District, which built a school that is used during the day and at night the school is used for fitness for community members and the elderly. There is taxing authority limitations no matter what and JPAs have a lot of transparency built into them – they're under open meetings act and they're audited.

There was no neutral testimony. There were five proponent letters, two opponent letters and no neutral letters submitted for the record.

In closing, Sen. Linehan noted that no one testified how these JPAs are more efficient. She said Lincoln wants a convention center, and she doesn't want UNL building a convention center for Lincoln. It's great to keep a city pool open, but it's not OK to use school funding for that. She noted the legislature is about to commit another billion dollars to education and we shouldn't be using it on swimming pools. She said there needs to be some tightening up on JPAs.

LB 332 - Prohibit creation of new joint public agencies with power or authority relating to education. Linehan.

The bill would prohibit a joint public agency created on or after October 1, 2023, from exercising any power or authority relating to education.

The Education Committee accepted testimony on the bill on March 21, 2023.

In her opening, Senator Linehan acknowledged the bill is not perfect, but the use of JPA laws needs to be reviewed. There are some good things that communities are doing under the authority, but also some questionable projects funded. She plans to do an Interim Study on the issue and not pursue the bill this year.

Proponents

Katie Bohlmeier, Lincoln Independent Business Association, spoke in favor arguing the point that taxes need to go down. Taxpayers are faced with increased housing costs, inflation and other increased expenses. This bill would help keep taxes in check.

Opponents

Steve Blocher, spoke on opposition on behalf of the Nebraska School Boards Association. He mentioned that enrollment in 4-year colleges is trending down, while 2-year degrees and enrollment in the workforce right out of high school is up.

Blocher mentioned a JPA was formed with seven area high schools, ESU #2, Wayne State University and Northeast Community College in Norfolk to provide training for skilled workers in Northeast Nebraska. None of these entities could do it on their own, but through joining the JPA they can provide training to all in the greater area. The joint levy has dropped to ½ cent to fund the program, which has been a great success for the area.

In questioning, Senator Wayne asked why the entities could not just use an interlocal agreement and all chip in ½ cent rather than having the JPA do the levy separately. Blocher responded that the legal counsel for the group recommended they use the JPA.

Eric Brockman also spoke in opposition to the bill noting that the program is developing skilled workers for Northeast Nebraska. He gave an example of a local company hiring students that graduate through the welding program.

Senator Linehan waived closing. There were 5 proponent letters and 3 opponent letters submitted. The Committee reported no action on the measure.

LB 361 - State legislative intent to appropriate funds for the Precision Agriculture Infrastructure Grant Program. Dorn.

The bill proposes \$2 million for each of FY 2023-24 and FY 2024-25 to carry out the Precision Agriculture Infrastructure Grant Program created in 2021. The purposes of the program are to:

- (a) Propel Nebraska agricultural producers to lead the nation in precision agriculture connectivity, sustainability, traceability, and autonomy to accelerate rural economic development; and
- (b) Provide high-speed Internet service to farm sites in unserved areas of the state.

Provisions of LB 361 were incorporated into LB 814 which was passed and signed by the Governor on May 24, 2023.

The Appropriations Committee accepted testimony on the bill on March 1st.

Opening on the bill, Sen. Dorn provided a summary of the Precision Agriculture Infrastructure Act passed last year. Funds through the BEAD program which the legislature intended to be a funding mechanism for the act did not come through, this stalled progress that the legislature intended. The bill is a stop gap measure to perfect provisions of the act passed in 2022.

Proponents

Julie Buschell, President of Ethos Connected, testified in support of the bill. Buschell outlined benefits the passage of the bill will bring, which include on-farm water management efficiencies. BEAD will not fund the on-farm precision agriculture technologies portion of the act, and this bill addresses that. The bill can be an economic development tool to drive premiums back to Nebraska producers.

Lukas Fricke, Farmer from Ulysses, Nebraska, testified in support of the bill. Adoption of technology is expensive and risky. Funding this bill will give producers an opportunity to try technology without assuming initial risk. Provides producers opportunity to be better economic stewards.

Melisa Konecky, Farmer from Wahoo, Nebraska, testified in support of the bill. She noted the bill will enable precision ag technology that allows producers to push economic and environmental resiliency on their farms.

Jay Ferris, Director of Political Engagement Nebraska Farm Bureau, testified in support on behalf of Farm Bureau, Nebraska Pork Producers, Nebraska Soybean Association, Nebraska Dairy Association, Renewal Fuels Association, Nebraska Cattlemen, and the Nebraska Corn Growers Association. Technology would allow producers to continue to focus on soil and water health to improve efficiencies and reduce footprints.

Opponents- There were no opponents to the bill.

Neutral

There was no one testifying in the neutral capacity.

In closing, Sen. Dorn distributed a letter noting the Public Service Commission supports the bill and outlined why provisions of the act were not eligible for BEAD funds.

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

On April 18, 2024, during final reading, opponents filed motions that led to a filibuster of LB 388, a scaled back compromise on Governor Pillen's property tax relief proposal. Prior to two hours of debate, the amount of time required for a motion of cloture, the speaker asked that the measure be skipped over prior to a vote. That action effectively killed the bill for the session.

Previously, the legislature advanced LB 388 to Final Reading on a 28-14-7 vote after adopting AM 3468 on a 28-13-8 vote.

The Final Reading version would have decreased property tax bills by an estimated 22%, rather than the 40% reduction that Governor Pillen was seeking. The final reading version did not include increasing the sales tax rate, which brought a few more to support the bill.

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

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

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

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

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

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

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

Property Tax Credits

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

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

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

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

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

Property Tax Limits

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

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

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

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

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

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

- 1) The greater of three percent or the percentage change in the consumer price index over the most recently completed calendar year.
- 2) The amount of property taxes budgeted for approved bonds.
- 3) The amount of property taxes needed to respond to an emergency declared in the preceding year, as certified to the auditor.
- 4) The amount of unused property tax request authority, subject to the limitation provided in this act.
- 5) The amount of property taxes budgeted in support of a service relating to an imminent and significant threat to public safety or public health that (a) was not previously provided by the political subdivision and (b) is

the subject of an agreement or a modification of an existing agreement executed after the operative date of this act.

- 6) An amount equal to a six percent increase in compensation for law enforcement officers, firefighters, or corrections officers, except that this subdivision shall not apply unless the political subdivision determines that it is understaffed with respect to law enforcement officers, firefighters, or corrections officers.
- 7) A political subdivision may increase its property tax request authority over the amount determined if such increase is approved by a majority of legal voters voting on the issue at an election.

Unused Budget Authority

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

Sales Tax Changes

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

Broadening the Sales Tax Base

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

The amendment also increases taxes on:

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

LB 394 - Change provisions relating to the determination of damages as a result of eminent domain. Edrman.

The bill proposes changes to the calculation of fair market value and severance damages when an entity uses eminent domain. Current law allows for fair market value and all compensable damages suffered by the condemnee including, but not limited to, reasonable severance damages and condemnee's abstracting expenses.

Under the bill, the proposal divides out compensation for ag land and all other property.

For property other than agricultural land, the damages shall include: (i) The fair market value of the condemned property; (ii) Reasonable severance damages; and (iii) The condemnee's abstracting expenses.

For agricultural land, the damages shall include: (i) Two times the fair market value of the condemned property; (ii) Reasonable severance damages; and (iii) The condemnee's abstracting expenses.

The bill further defines severance damage for agricultural land to include the replacement cost for dwellings, garages, sheds, barns, wells, septic systems, fences, and any other permanent structures.

The Judiciary Committee accepted testimony on the bill on February 23rd.

Opening on the bill Sen. Erdman, shared a story about his first experience with eminent domain. The railroad decided to build a new spur and used eminent domain. The new track would go through his property and take out a pivot worth thousands of dollars. It's a difficult situation to ask someone to sell you something that they don't want to sell. There should be compensation above the appraised value of the property.

Sen. Erdman passed out a number of documents and gave two examples of how eminent domain impacts people. The first document was of a center pivot system near the highway. The highway used eminent domain to acquire 100 feet along the side of the highway. As a result, the pivot next to the highway needed to be shortened by 100 feet, reducing the irrigated acres from 125 to 102 acres. This cost the landowner approximately \$15,000 to retrofit his pivot and he lost out on 23 acres of income in the future. That's why producers should be paid double.

Second image was a 2,500 square foot brick home with outbuilding behind it that contained their seed business. The highway used eminent domain to acquire 100 feet which removed the house from their property but not their business. This displaced the family, and they are paid the appraisal value of their home. Now they don't have the convenience of their business directly behind their house and the replacement of their house is going to cost them significantly more. Sen. Erdman used this example as why eminent domain should pay replacement costs and not appraised value, noting the point is to treat people fairly and compensate them for what they have.

Proponents - There were no proponents for the bill.

Opponents

Kyle Hauschild, General Manager, Nemaha NRD, testified in opposition on behalf of NARD. The Nemaha NRD operates and maintains over 460 watershed structures that make up the biggest stormwater infrastructure in southeast Nebraska. In the 1950's and 1960's the SCS, now the NRCS, worked on watershed plans that are some of the oldest in the country, with Brownell Creek that is located to the east and south of Syracuse being the third oldest nationwide.

The Nemaha NRD's 460 structures are the most dams that are maintained by any NRD in the state. As these structures start to age and get to the end of their design life, we are tasked with rehabbing or totally rebuilding these structures. The standard design life of a dam is 50 years. We have some dams that are approaching 70 years old, which is good that they have outlived their design life. The time has come for the Nemaha NRD to start to put more work into these structures to make sure that they can make it another 70 years.

When we start to look at doing this new work, land rights are always a part of what is needed to complete the work. The dams that were built 40, 50 and 60+ years ago were designed to the standards and the precipitation needs of that time. Advancements in engineering and modeling will likely change the footprint or the size of some structures to make them as effective as they were when they were first built.

Nemaha NRD is asking for help from the Judiciary Committee and the State Legislature to help keep district infrastructure in place as cost effective as possible. The NRDs operate mostly on tax funding and grant opportunities. We are tasked with keeping our tax requests as low as possible while trying to provide the public with the highest level of safety and flood protection.

If LB 394 is passed it will make it almost impossible to continue to provide this protection because it will make doing these projects unaffordable and non-cost effective to continue to rehab or reconstruct most of the structures. If these structures get to be too expensive to construct and past the point of repair, they will have to be decommissioned and all of the flood control benefits will be lost.

The Nemaha NRD is currently working on multiple Watershed and Flood Prevention Operations (WFPO) (formally PL-566) plans with NRCS to bring these structures up to today's standards. One part of the plans is to make sure that the cost benefit is worth doing these projects. If the land values are doubled with this bill, it will make it unachievable to complete any of these structures because they will never check the box of being "cost effective". If this bill is passed it will take the negotiation power away from the NRD's and will force every project to go to

eminent domain and will drive the cost of the project up and do a complete disservice to all the taxpayers of the NRD.

The reason that this area was one of the first areas of the country for a watershed plan. In the 1950's there was a severe storm that hit Otoe County, that caused widespread flooding. Water ran over Highway 2 and swept a charter bus off the road and into a creek. That is the benefit of these structures, and why we do what we do. Public safety is our most important job. As these structures age more and more, and can't be fixed or replaced, the risk to the public increases.

Chris Elliott, Senior Staff Attorney, NPPD, testified in opposition on behalf of the Nebraska Power Association. Utilities which provide service to the public utilizes eminent domain. Easements for transmissions of distribution lines are obtained at a rate of 98%. Electric utilities locate lines on section and half section lines to minimize the impact to landowners. Producers can still use property for production and don't lose out on future income. This bill would require NPPD to pay 100% of appraisal. We fairly compensate all landowners regardless of if it's ag land or residence. Willing to work with Senator Erdman to make sure eminent domain is fair for all parties.

Pam Dingman, Lancaster County Engineer, representing several organizations. When culverts and bridges are upgraded the redesign typically requires additional land. Additionally, safer, and wider right away projects take additional land that is typically farm ground. Each tract going through eminent domain. If this passes nearly all our money would go to eminent domain tracts. We currently have \$162,000 budgeted for eminent domain tracts. Passage of LB 394 would increase that budget to \$1.7M. This bill would create an unprecedented burden on county construction projects.

Eliane Menzel, testified in opposition on behalf of NACO and NASB. She noted they oppose the bill for the same reasons as prior testimony. She expressed that they would volunteer to work with Sen. Erdman and the committee to address any concerns.

Vicki Kramer, Director of NDOT, testified in opposition. Kramer summarized comments that were made by previous testifiers. Intent is to protect the landowners and protect the right of way. We typically spend \$15M in acquisition each year, we doubled that to account for this bill. There will be a significant cost to the state and this bill will impact how the state can implement its programs.

Christy Abraham, League of Municipalities. We agree with many of the previous testifiers. Municipalities will sometimes utilize eminent domain and are concerned how we will pay for the increased ag land values.

Neutral

Kenneth Winston, testified in a neutral capacity on behalf of the Bold Alliance. He noted they strongly support just compensation, however, they are concerned about the double compensation. This could be subject to legal issues and is subject to abuse.

Melissa Kelierber, a Sarpy County landowner, testified in a neutral capacity. She expressed that her family would be impacted by the lake proposed by Ashland. She noted the flood control component is being overlooked and that there is less than 1% flood control with the proposed lake. She expressed concern that the state is looking to acquire 6,000 acres for recreation.

In closing, Senator Erdman expressed that he was surprised he didn't get more opposition. He expressed that everyone who testified in opposition was representing a government agency. And that the people impacted couldn't be there because they are at home working trying to make a living to pay their property taxes.

He asked so what if it costs the state or county more money, noting it's time to put the taxpayers first for a change.

There were two letters in support and five letters in opposition submitted for the record.

The Committee reported no action on the bill.

LB 396 - Provide for streamflow augmentation projects and retention of water rights. Erdman.

The bill would require each natural resource district that has an augmentation project to sell the overlying land acquired after development of the project but retain and reserve the right to the groundwater located beneath such land.

The bill proposes that the quantity of such ground water available to the augmentation project would be the same as if the overlying surface interest had been retained by the owner or owners of the augmentation project.

The Nebraska Attorney General released Opinion 23-006 on May 31, 2023, on the bill that raised multiple legal issues with the bill. Below is the conclusion and additional questions raised by the Attorney General.

CONCLUSION

“At common law, the ability to use ground water has always been tied to ownership of the overlying land and so would not allow N-CORPE or other similarly situated augmentation projects to sell the land and retain the ability to pump ground water as if they still owned the land. The Legislature has the authority to abrogate the common law by statute but must do so with clear and express language. We conclude that the language of LB396 is not sufficiently clear and express so as to abrogate the common law.”

The opinion also noted follow on questions:

“We note that there are additional follow-on questions that are not addressed in LB396 and therefore outside the scope of this analysis. For instance:

- If both the landowner and the NRDs have equal entitlement to use ground water from the same parcel, how would the correlative rights doctrine be applied?*
- Would the augmentation project be prohibited or limited from the use of ground water, or owe damages, due to its effect on the use by the landowner?*
- If the right to use ground water is severed from the land and only the NRDs retain the right to use, what happens if the NRD abandons the augmentation project?*
- Is that right then held by the NRD for another purpose? Can it be transferred further? Does it revert to the purchasers of the overlying acres?*
- If LB396 legally severs the ability to use ground water on those acres, by what mechanism could that right be granted again?*

The Natural Resources Committee accepted testimony on the bill on March 1st.

Opening on the bill, Sen. Erdman noted this matter has been heard by the committee on several occasions. He put on record that he has not spoken with former Sen. Groene on the bill. Sen. Erdman expressed that he introduced the bill because it affects irrigators in his district. He testified that two years ago, LR 23 led to several conclusions that multiple things needed to happen with NRDs and that it’s very peculiar what NCORPE does. He claimed that in 2012, NeDNR contacted four NRDs and suggested that they purchase 19,500 acres of land and it is strange how they purchased land so quickly. He referenced his former legislative resolution (LR 23) and what he considered strange conclusions relating to NCORPE.

Sen. Erdman attempted to lay out an explanation for why he feels the land can be sold and water rights retained. He distributed a document showing the purchase of water by an ethanol plant, mentioning this proves water can be separated from land. He also referenced examples of NCORPE was selling off small parcels already.

Concluding his opening, Sen. Erdman told the committee that numerous people will come and testify that you can't sell the land, but none of those things are true. He noted that NRDs are charged with clean water but claimed that nitrate contamination is going out of sight.

During opening questioning, Sen. Jacobson expressed that he's a huge fan of NRDs and their mission is important, however he views NCORPE as mission creep and a distraction. He reiterated the examples of the ethanol plant and NCORPE selling parcels as to why the water can be separated from the land. Jacobson noted there was an opinion from Stephen Mossman [attorney with Mattson Ricketts], there's no restriction on selling the land and separating the water rights. Sen. Erdman, acknowledged the opinion exists and also expressed that he's reached out to Attorney General Hilgers, but he's been busy and unable to respond yet. However, he fully anticipates the Attorney General will come to the same conclusion.

Sen. Hughes outlined her appreciation for the positive impact of NCORPE and then asked if the constitution says land and water are joined? Sen. Erdman claimed again that NCORPE has already sold land. Sen. Hughes responded with concern over the precedent that would be set if this bill were to separate the water from the land.

Sen. Bostelman proposed the concept and question of whether funding the bonding indebtedness would alleviate concerns about the occupation tax. Sen. Erdman responded that it would not solve the problem, because NCORPE still wouldn't pay \$900K in taxes annually as irrigated land. Sen. Bostelman raised the point that the property will not be irrigated, and the valuation would not generate \$900K, even if it were in private hands.

Proponents

There were no proponents for the bill.

Opponents

Tom Riley, Director NeDNR, provided testimony in opposition to the bill. LB 396 appears to seek the creation of an additional exception to our common law's usual relationship of groundwater to overlying land. Usually, any rights for beneficial use of the state's groundwater are dependent upon ownership of the overlying land. The Department is concerned about possible unintended consequences from such a deviation.

LB 396 modifications would require the natural resources districts to "sell the overlying surface interest...after an augmentation project has been developed." This exception runs counter to our common law's usual relationship of groundwater to the overlying land ownership which is foundational to protecting future access to our groundwater resources for Nebraskans. These concepts have been proposed in prior Legislatures and the Department has consistently expressed concern that this change in law may impact the states strategies and abilities for compliance with the Republican River Compact and potentially create other unintended consequences.

Nebraska's water laws are a complex, interrelated system that beg for stability and legislative caution. Any modification to the state's water law structure may create a potential impact that is not readily apparent in the moment. In this case, such changes to fundamental provisions of our water laws may affect our future Compact obligations and the protections our groundwater users currently enjoy.

During questioning, Sen. Jacobson asked if the Attorney General opinion were to come back saying this could be done, would that satisfy your concerns? Dir. Riley mentioned it could go a long way – but concerns around the ability to maintain compliance with the compact would remain. He also expressed that with bills that so significantly impact water law, we need to not think about the past, but also think about what it might do for the future. These steps could potentially lead to additional future steps that might include efforts to take water out of the state.

Don Batie, Dawson County irrigator, testified in opposition on behalf of Nebraska Farm Bureau, Nebraska Cattleman, Nebraska Corn Growers Association, and Nebraska Soybean Association. Batie expressed they support common law procedures and oppose any efforts to separate groundwater from the overlying land – and this bill

would be dangerous precedent. Batie provided the committee with a summary of clear Supreme Court rulings tying the water to the overlying land. Batie also outlined how augmentation projects have multiple purposes and this bill may impact additional projects across the state now, or into the future. Augmentation projects are essential for compliance. Batie also expressed that they feel it would be disingenuous to not leave it up to locally elected NRDs to manage projects.

Batie closed his testimony by expressing that there are a lot of areas of the state that have land off of the tax rolls, he further noted in this case they're fortunate to be receiving in lieu of payments.

Sen. Jacobson asked Batie a similar question of if the Attorney General opinion were to come back that there was nothing was wrong with this, would it change the opinion? Batie responded it would not – the precedent would be dangerous, even if the AG would say it's permissible. The Supreme Court has ruled over and over tying the land and access to water together.

Don Blankenau provided testimony on behalf of NARD. He provided the committee with a historical perspective regarding the bill. When NRDs first developed augmentation projects to ensure state compliance with interstate agreements, a previous senator from North Platte objected arguing that the land acquired for the project would be tax exempt and thereby diminish the property tax base of Lincoln County. The NRDs responded by drafting legislation, carried by Senator Dan Hughes, which allowed for the payment of in lieu property tax. That legislation passed and the NRDs have since made the in lieu of payments. But resolving that key issue did not stop future attempts to undermine the stability of these projects. LB 396 is now the sixth iteration of the same legislation that attempts to sever the legal connection between land ownership and the volume of water allowed to be used for augmentation. If passed, LB 396 will inject significant legal instability to the continued operation of the augmentation projects and Nebraska's ability to comply with its interstate agreements.

It is worth noting that in *Upper Republican NRD v. Dundy County Bd. Of Equalization*, 912 N.W.2d 796 (2018), the Nebraska Supreme Court explained: "The right to use groundwater does not float in a vacuum of abstraction but exists only in reference to and results from ownership of the overlying land." Id. In other words, the amount of water an augmentation project can use is directly related to the amount of land that the project owns. While LB 396 would eliminate this requirement, the bill creates a minefield of uncertainty.

Just some of the unresolved questions created by this bill include: How is the right to access and use groundwater to be determined? Who makes that determination? Must a project sponsor buy the proportional amount of land to acquire the right to groundwater and then sell? How much land must be retained around each well? By what legal mechanism is the restriction to use groundwater on the sold lands to be recorded? Who will enforce any such restriction? And most importantly, is the state willing to deal with noncompliance of its interstate agreements if augmentation projects are prevented from future operations as a result of LB 396? None of these questions are answered by this bill and all of these questions are important.

Ultimately LB 396 does not address any issue of statewide concern. Neither the State nor any water manager is calling for this change. To the contrary, LB 396 creates legal instability to an established process for the development and continued operation of water augmentation projects and actually increases risks to taxpayers across Nebraska.

Accordingly, the Association asks the Committee to keep the lid on this Pandora's Box tightly closed and request that LB 396 be indefinitely postponed.

Sen. Jacobson raised the question about selling a 99-year lease? Blankenau responded that a lease would have to be just for dryland uses – he further outlined that Lincoln County wouldn't receive any more in taxes with a lease. He outlined legislative action to pay in lieu of taxes. He expressed to the committee the purpose of that legislative action was to make Lincoln County whole. Blankenau concluded his response by noting that much of the land is already leased out for a variety of private purposes.

Steve Fack, a Lincoln County landowner and neighbor of NCORPE testified in opposition to the bill. He provided the committee with an overview of his leasing experience with NCORPE. He started leasing via bid deal and that

has turned into a long-term bid deal. He summarized that NCORPE has been good neighbors. He expressed to the committee he was concerned about the precedent of selling the property and noted that if the property was sold it would likely sell to one outfit that would buy the whole thing.

Jeremy Martin, a Lincoln County landowner and NCORPE neighbor, testified in opposition to the bill. He reiterated the comments from Mr. Fack that NCOPRE has been a good neighbor and their leasing processes are excellent with a responsive and helpful grazing management team. Martin also expressed that the in-lieu of tax payments are appropriate.

Jeff Wallin, a Southwest Nebraska landowner, testified in opposition of the bill. Wallin provided the committee with some historical context and noted local landowners and NRDs were faced with the problem of compact compliance and NRDs worked with local landowners to solve the problem for the state. These augmentation projects have been used and have kept the state in compliance, so why would leaders question projects that are protecting the irrigators and all the people of Nebraska.

Dr. Jasper Fanning, General Manager of Upper Republican NRD, testified in opposition of the bill. Dr. Fanning used his time to address some questions the committee raised. He noted that what NCORPE pays for in lieu of taxes is what the assessor determines the value would be if the land were in private hands. NCORPE has made about \$2.34 million in lieu of tax payments to Lincoln County. Dr. Fanning noted the project happened quickly because it needed to, as the state was in a position that it needed to immediately operate a project for compliance. He also noted that engineering studies had already been completed for very similar sites.

Dr. Fanning addressed concerns over the need for employees and money saving, noting that even if the land was in private hands, there would need to be employees to monitor and maintain augmentation equipment. He also provided the committee with examples of augmentation projects in Colorado that have 1/3 the pumping capacity of NCORPE, yet have larger budgets. Dr. Fanning also provided the committee with a summary of leasing activities at NCORPE, noting leases are 5-year contracts with the option to renew for 5 years. They are working on long-term leases to provide landowners with stability. Dr. Fanning also addressed Sen. Bostelman's question on the indebtedness, noting that NCORPE owes \$94.2M and has made \$51M in payments.

Sen. Jacobson asked about additional future uses? Dr. Fanning noted that the NCORPE board looked into wind and solar options, however that would be driven by demand, and it would be other neighboring landowners and the local counties that would have any final say.

Al Davis, testified in opposition on behalf of the Nebraska Sierra Club and Nebraska Farms Union.

Neutral - There was no neutral testimony.

During closing, Sen. Erdman reiterated comments made during his opening remarks.

The committee reported no action on the bill.

LB 400 - Adopt the Nebraska Pheasant Restoration Act. Brewer.

The bill proposes the Nebraska Pheasant Restoration Act to help increase the pheasant population.

Under the proposal, a nest predator bounty program would be created within the Nebraska Game and Parks. Nest predators are defined as badger, coyote, opossum, raccoon, red fox, and striped skunk. The nest predator bounty season would run from March 1 to July 1 each year. Portions of the bill were amended into LB 565 via AM 1314 which was adopted and approved by Governor Pillen on May 26th, 2023.

The NGPC would have to pay a bounty of \$10 for each nest predator harvested during the bounty season up to 50,000 predators which totals \$500,000 a year.

The Natural Resources Committee accepted testimony on the bill on February 8th.

Opening on the bill, Sen. Brewer spoke about the pastime of pheasant hunting. He outlined how populations in Nebraska are dwindling and not sufficient to provide Nebraska youth with a rewarding experience. He also outlined the economic impact hunting plays in rural areas. This bill is a way to reduce the predator population to get the population of the birds up. He acknowledged that some pheasant issues are due to farming fence row to fence row. He mentioned that the bill is like what other states have done and has incorporated some of their language.

The source of funding was raised during questioning and Sen. Brewer noted that it would probably first come from General Funds and eventually be transferred to the Game and Parks.

Proponents

Michael Herring of rural Fremont testified in support. He has been a trapper and hunter most of his life and believes the bird population has been devastated. Landowners reach out to him to kill coyotes because they are after their dogs, cats, calves, etc. In the past year one landowner near Valley lost 10 calves, and he has killed 200 coyotes in just a 20 square mile area. He noted that the furs of predators used to have value, but now they're not worth anything.

John Ross, testified in support. He has hunted and farmed for 60+ years and populations of pheasants were great up until the 1970s, but as farming changed, habitat began to change. During the late 1970s and 1980s fur prices were high and there was predator control, but prices dropped, and now with more predators, the pheasant population has dropped. Despite adding habitat, the birds have not returned.

Ken Lamb of Otoe County testified in support. He has been involved in CRP programs and Pheasants Forever and \$7 corn was one of the big factors in reducing CRP. He used to see 30 pheasants in a trip, but last fall he only saw one despite having 70 acres of CRP. He noted the predator population is large and a bounty could be an opportunity to get youth involved in trapping/hunting.

Opponents

Alicia Hardin of the Nebraska Game and Parks Commission testified in opposition. The most important factor for pheasant survival is habitat and weather conditions during brood and nesting. She cited several studies that predator removal is rarely successful, hard to sustain, and doesn't account for all predators out there. If NGPC funds are targeted, it would be a diversion of funds and they would need additional appropriations to sustain the program.

When asked by the committee what the legislature could do to help restore the pheasant population and if predator control and habitat restoration can exist together?

Hardin responded that habitat is the main thing, so incentivizing more CRP land would be helpful. She noted that NGPC also provides benefits for landowners to conserve their land and match against federal dollars, so additional funding for that program would be helpful. Hardin noted there have been a lot of nesting studies with predators, and habitat should be first and then maybe some predator removal. She noted you can't take all of one animal and not expect it to impact everything else.

Drew Larsen with Pheasants Forever testified in opposition. While they appreciate the goal is to increase pheasant populations, the bill doesn't address habitat and weather, which are the two main factors in low pheasant numbers. He noted they don't support taking money from existing successful programs to divert it to predator bounty.

Laura Stastny with Nebraska Wildlife Rehab testified in opposition. Pheasants need large suitable, uninterrupted habitat. She noted that animals are resourceful and will respond to bounty numbers, and that a bounty during March-July will kill the predators when they should be rearing their young leaving orphans to die in dens, which is cruel and immoral. We should rely on NGPC wildlife biologists to implement their science-based conservation plans.

Scott Smathers with Nebraska Sportsman Foundation testified in opposition. Their primary objection to the bill is the lack of a funding source. He said it could divert funding from NGPC programming or be passed onto sportsmen as fees. He mentioned South Dakota is in transition with their pheasant program and they have \$500,000 program to restore habitat that has been lost, and their bounty program has not had the impact they were hoping.

Katie Torpy with the Nature Conservancy testified in opposition. Land use change is the biggest cause to pheasant population, and eastern red cedar encroachment is also taking away grassland habitat, so more resources should be allocated to habitat programs.

Al Davis with the Sierra Club testified in opposition. He noted habitat has changed and farming leaves fewer grains on the ground for birds.

John Hansen, Nebraska Farmers Union, testified in opposition. He noted that more habitat is needed for the birds.

Joel Sartore, Nebraska landowner and National Geographic photographer, testified in opposition. He noted that farmers use insecticides that kill off insects that birds feed their chicks. There needs to be large tracts of habitats without chemical spraying and that blaming the predator is common, but it is a tiny part of the problem. He also mentioned delaying mowing on state grounds and ditches could help pheasants establish nests.

Additional individuals testified in opposition echoing that habitat restoration should be the focus of any funding.

Neutral

Bill Hawkins, a rural Lancaster County resident testified in the neutral. He noted concerns about using traps and suggested clear signage. He also suggested releasing more pheasants.

Michael Ryan testified in the neutral. He noted that he raises pheasants, and they can be purchased for \$0.50/each. He questioned the Pheasants Forever business model and suggested they focus less on raising money and more on raising pheasants.

Sen. Brewer closed on the bill by expressing displeasure with NGPC testimony, noting they should talk in advance and not ambush hearings. He echoed that the mission of Pheasants Forever should be looked into further and questioned why we are not releasing more pheasants. He expressed that hunting predators is only a piece of the solution, but not a piece that we should forget.

There were 8 proponent letters submitted and 11 opponent letters.

The Committee reported no action on the bill.

LB 401 - State intent regarding appropriations to the Department of Natural Resources. Dorn.

The bill proposes to appropriate an additional \$550,000 from the General Fund for FY2023-24 and \$550,000 from the General Fund for FY2024-25 to the Department of Natural Resources for costs associated with operating the Nebraska Mesonet system.

The Appropriations Committee accepted testimony on the bill on March 14th.

Sen. Dorn opened noting that it's not acceptable that Nebraska has fallen behind other states. He provided an example of the MESONET system in Oklahoma and the services it provides users. Sen. Dorn discussed that after introducing the bill, many partners came together and agreed that the best way forward is to conduct an interim study targeted at making Nebraska a leader with our Mesonet system.

Proponents

Lyndon Vogt, General Manager CPNRD, provided testimony in support on behalf of CPNRD. The CPNRD currently provides partial financial support for six Mesonet sites. We are concerned with the continued operations

for these sites as they are used by numerous entities to support on-going studies, groundwater management plans, and flood risk reductions projects. With climate change concerns and its effect on rainfall and future cropping systems, now is the time to secure funding to continue collecting the data that many decisions are based on when looking to the past and future.

Our financial support for Mesonet sites comes from local property tax. I know local property taxes were not the intended funds to support these sites when they were established. We felt if we did not provide the local financial support when we were asked, operations of the sites would be discontinued. We look forward to securing a stable source of funds to continue the Mesonet program.

Ken Herz, Nebraska Cattleman, testified in support on behalf of the Nebraska Ag Leaders working group. Ag producers rely on data collected from Mesonet systems, several other industries, including insurance companies also use information. Nebraska's system is underfunded, used to be premier network and now we've fallen severely behind. Neighboring states fund it at a state level. They look forward to discussions with all parties to develop and obtain a robust Nebraska Mesonet system.

Tom Hoegmeyer, testified in support on behalf of Nebraska Climate Elder Legacy group. He noted they support holding over and studying further. He expressed concern over environmental variability and increasing natural disasters. He noted that the Mesonet system had up to 65 stations at one point, Oklahoma was so impressed by Nebraska's Mesonet system they created their own system. Now Oklahoma has far surpassed Nebraska's system. Funding has been piecemeal and unstable and data quality is in danger.

Moni Usasz testified in support on behalf of the Nebraska Citizens Climate Lobby. Decisions are only as good as the data available. Nebraska has the technology but not the funding to support the data collection. Currently there are 55 active stations and Nebraska should have 130 stations for accurate data collection and use across Nebraska.

A representative of the Climate Action Team, testified in support and reiterated prior testimony.

Opponents

There was no opposition or neutral testimony. Sen. Dorn waived closing.

Letters were submitted for the record by 32 proponents and no opponents or neutral positions.

The committee reported no action on the bill.

LB 506 - State intent to appropriate federal funds to the Department of Natural Resources and the Department of Environment and Energy. Bostar.

The bill provides intent language for the Legislature to appropriate:

- \$200 million from Federal Funds for FY2023-24 to the Department of Natural Resources for a grant to a city of the primary class for water supplies. Eligible expenses for the funding from this grant shall include, but not be limited to, costs for a water treatment plant, water treatment, transmission, and distribution in furtherance of additional water, land acquisition, permitting, a wellfield, pumping, and transportation of water over twenty-five miles for the purpose of providing potable water to the municipality.
- \$20 Million from Federal Funds for FY2023-24 to the Department of Environment and Energy for grants for small and rural communities to install reverse osmosis systems in community water systems where drinking water test levels are above ten parts per million of nitrate and, if appropriate, provide grant funds for use to install reverse osmosis systems if test levels for nitrate in drinking water pumped from private wells are above ten parts per million.

The Federal Funds to be appropriated are from the funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund pursuant to the federal American Rescue Plan Act of 2021.

Provisions of the bill appropriating money for a grant to city of primary class for water supplies were incorporated into LB 814 which was passed and signed by Gov. Pillen on May 24, 2023.

The Appropriations Committee accepted testimony on the bill on March 14th.

Opening on the bill, Sen. Bostar noted this proposal is ideally suited for ARPA funds. Securing a second water source for Lincoln is one of the most pressing objectives. A growing population and unforeseen circumstances jeopardize Lincoln's water supplies. The Mayor's Water Source Advisory Council has completed a survey and design with task force research that has generated official recommendation of a Missouri River wellfield and treatment facility with direct transfer to Lincoln. Sen. Bostar highlighted how a second source would aid in avoiding conflict with the Agriculture community along the Platte River, as current water uses could be diverted for residential use. He also discussed the regional benefit that this project could address by offering regional opportunities across southeast Nebraska and neighboring small communities.

Proponents

Elizabeth Elliott, Director of Lincoln Transportation and Utilities, testified in support. Water is our backbone and sustainable resources are important. Water reliability is vulnerable coming from just one source, 2019 flood highlighted vulnerability of wells in Platte River. In May 2022 Lincoln established a 27-member council to review all second source options, 14 alternatives were considered, well field and treatment along MO river with direct transport of treated water direct to Lincoln became the recommended option. She noted the task force recommendation was to also explore impacts of the proposed reservoir. Elliott noted the project would also provide opportunity for southeast NE communities to connect to water supply.

Elliott discussed this would protect Nebraska farmers by preventing a call on river. The second source would lessen the chance Lincoln would exercise its water right and provides assurance farmers will have water for their crops. She noted thanks to the extensive planning, the city is poised to strategically expend these funds by the end of 2026.

Sen. Erdman raised questions on the date of Lincoln's water right and their ability to make a call? Elliott noted that municipality rights are unique, and not necessarily based on the date.

Sen. Wishart asked for a history of water sources? Elliott noted that the first source was in Lincoln, but it was too salty, so 99 years ago the plant in Ashland was constructed, it has been expanded over time to continue operations. Based on water modeling and growth, wells and treatment are able to meet demand until 2048.

Elliott was asked about cost and longevity of new source. Planning would ensure its use is 100 years and beyond. The bill is asking for \$200 million, but expect second source to cost \$1.39 Billion, 15-20 years to build. City is setting aside money in current rate model and continue to leverage state and federal dollars.

Bruce Boherr, testified in support on behalf of the Lincoln Chamber, LIBA and the Nebraska Chamber of Commerce. The second source would allow growth opportunities for the future. The bill also benefits other small communities with \$20 million for RO systems. Water will continue to play a central role in Nebraska's development.

Dave Landis, Chair of Lower Platte South NRD board, testified in support on behalf of LPSNRD and NARD. Landis thanked the committee for the support the state of Nebraska has already provided to begin the planning process to develop a second source of water for Lincoln and the surrounding areas of southeast Nebraska.

Water is our state's most precious resource. The project before you in LB506 will be the largest and potentially most important project for the state's second largest city and southeast Nebraska for generations to come. Securing

a second source of water is necessary to ensure the economic and environmental resilience of southeast Nebraska is secure.

Without this support for a water treatment plant, transmission pipes, right-of-way, wellfields and related activities the city of Lincoln may have to draw more water from the already limited Platte River which could further impact endangered species and upstream users. This investment will provide assurances for Lincoln and southeast Nebraska water resources through 2075.

Sen. Dorn asked if the wells would need permits from the LPSNRD or a different NRD? Landis noted that the exact location of the wells has not been identified.

Stephanie Fischer, City of Waverly, testified in support of the bill. Waverly is facing obstacles to clean and safe drinking water due to rising nitrate levels. The city has been receiving technical assistance from LPSNRD, NDEE and UNL. They have wells that have exceeded the MCL, and other wells show increasing levels. So far, they've been able to blend water, but if levels continue to rise the city will be forced to do costly treatment. They're working with the NRD to reduce nitrate loading and public education and outreach in a volunteer approach are being implemented. Concern if these efforts may not be enough, but opportunities in this bill may help address challenges, either through RO funding or potentially even connecting or purchasing water from City of Lincoln.

Lynn Rex, League of Nebraska Municipalities, testified in support of the bill. Rex noted she served on the Mayor's Water Source Advisory Council and it was the most extensive civic engagement process she's been involved in. Will provide opportunity for city of Hickman and other surrounding areas and regions to partner and collaborate with City of Lincoln.

Opponents

There was no opposition testimony.

Neutral

Andrew Dunkley, Nebraska Farm Bureau, testified in a neutral capacity. He noted the neutral position stems from the funding provided for city of Lincoln. Appreciate the process that evaluated options, recommendation was best option for Ag and would also benefit communities in southeast Nebraska. They support \$20 million for RO funding as addressing nitrate will require both short and long-term solutions. RO is just a band aid, but a necessary one. Long-term solutions are not one-size-fits-all and we support \$1 million for NDEE to study and research the problem.

Sen. Bostar closed by outlining Nebraska water rights structure, mentioning it's only first-in-time, first-in-right with like uses, but when it's municipal/residential it's superior to Agriculture, but likewise Agriculture is superior to industrial. Recapped importance of project and scope. He noted that all money requested with the bill would be federal funds. During questioning the committee engaged in dialogue over water rights.

There were 19 proponent letters submitted for the record, no opponents and one neutral.

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

Provisions of LB 513 were incorporated into LB 287 via AM 2060, which passed and was approved by Governor Pillen.

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

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

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

LB 534 - Appropriate federal funds to the Department of Environment and Energy for community water systems. Slama.

The bill proposes to appropriate \$150 million from Federal Funds for FY2023-24 to the Department of Environment and Energy for grants for small and rural communities to construct drinking water infrastructure projects that are eligible under the Drinking Water State Revolving Fund in community water systems where drinking water test levels are above 10 parts per million of nitrate and, if appropriate, provide grant funds for use to construct drinking water infrastructure projects that are eligible under the Drinking Water State Revolving Fund if test levels for nitrate in drinking water pumped from public wells are above 10 parts per million.

The Federal Funds appropriated in this section are from the funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund pursuant to the federal American Rescue Plan Act of 2021.

The Appropriations Committee accepted testimony on the bill on March 13th.

Sen. Slama opened on the bill by noting rural communities face unique challenges. The flood of 2019 was a reminder of how important clean drinking water is. Clean water is not a luxury, it's a human right, yet many communities struggle to provide clean drinking water to their people. Sen. Slama presented an amendment noting it would further define the communities that would be eligible for these grants. This bill would make sure quality rural drinking water is addressed.

During questioning, Sen. Slama was asked if she would be interested in partnering with NDEE on a comprehensive study? She noted she would be happy to partner with a study, but the need is now for clean drinking water not down the road.

There was no testimony on the bill. Senator Slama waived closing.

Letters submitted for the record included 5 proponents, 0 opponents, and 2 neutral.

The committee reported no action on the bill.

LB 540 - Change provisions relating to public lettings. Vargas.

The bill proposes changes for any request for bids in pursuance of any statutes of the State of Nebraska, on any road contract work or any public improvements work, or for supplies, construction, repairs, and improvements, and in all other cases where bids for supplies or work, of any character whatsoever, are received for the various departments and agencies of the state, and other subdivisions and agencies.

It would require that such public entity shall inform bidders with contract bids exceeding \$500,000 that such bidders are required, upon request by the public entity, to (i) submit proof of workers' compensation insurance from all contractors and subcontractors, at every tier of subcontracting, (ii) submit a list of subcontractors, at every tier of subcontracting, performing work under such contract, and (iii) provide for direct deposit or check with record of payments for all workers employed, and all independent contractors performing work, on the project.

This requirement would not apply to the State Park System Construction Alternatives Act or Design Build statutes.

The Government Committee accepted testimony on the bill on March 24th.

Sen. Vargas opened by outlining provisions of the bill. He noted the issue is labor brokers are not issuing payroll and are excluding unemployment and workers compensations taxes. He wants to work with the committee on the measure over the interim and develop apprenticeships.

Proponents

Several individuals testified in support of the bill. They all testified to the need to eliminate payroll fraud in the construction industry. Some contractors are currently using subs or labor brokers on projects that are employing individuals working without payroll, excluding them from unemployment and workers compensation taxes. This is allowing them to lower bids by 30-40% below what legitimate contractors with employees on payroll offer.

Opponents

There was no opposition testimony.

Neutral

John Nabel, testified in a neutral capacity on behalf of the Nebraska Trade Council. He noted the neutral testimony was based on timing, as they did not have time to review the amendment and they anticipate being supportive of the bill with amendment. They support the amendment that will create incentive for contractors to use established apprenticeships.

In closing, Senator Vargas noted he wants to develop more apprentice programs and ensure contractors are following labor laws. Again, he noted that he would work with the interested parties over the interim. He noted there is no shortage of projects and demand for trade labor is high so time for this is now.

Position letters were submitted for the record by 1 proponent, 3 opponents, and 1 neutral.

The Committee reported no action on the measure.

LB 560 - State intent to seek federal funds under Inflation Reduction Act of 2022. Blood.

The bill proposes it is the intent of the Legislature to seek all funds made available to the state through the federal Department of Energy, the federal Environmental Protection Agency, the federal Department of the Interior, the federal Department of Transportation, or the federal Department of Agriculture from the Inflation Reduction Act of 2022 for the purposes of:

1. Increasing energy efficiency in homes and businesses;
2. Supporting electric vehicle infrastructure;
3. Upgrading utility infrastructure;
4. Assisting in transition to cleaner energy;
5. Supporting agricultural practices that are more drought resistant and decrease the use of water and fertilizer; and
6. Create jobs and stimulate the economy.

The Appropriations Committee accepted testimony on the bill on March 6th.

Opening on the bill, Sen. Blood focused her testimony on aspects of the bill that would require an emphasis on two areas of the Inflation Reduction Act (IRA), including the high efficiency electric home rebate program and the high energy whole house rebate program. She noted that \$91 million is available to Nebraska through these two programs for electrifying homes. Funds would enable 100,000 households to reduce energy costs in homes, would generate income for businesses and contractors, and would be good for the environment and reduce greenhouse gas emissions.

Lastly, the IRA would allow farmers to invest in soil conservation and measures that reduce greenhouse gas emissions. Sen. Blood noted the IRA is a large, complicated bill, but she focused just on those two areas of the bill with the intent to ensure the state receives all funds entitled to it under the IRA. She closed by pointing out the

deadline for filing notice of intent for climate action planning money is March 31st – so it’s too late to pass legislation in time, but intent is to start discussion and encourage Department to file intent.

Proponents

David Corbin, Public Health Professor UNO and Creighton, Center For Climate Healthy and Equity, testified in support. He doesn’t want to see Nebraska miss out on this money, which would reduce air pollution and help public health.

Al Davis, testified in support on behalf of the Sierra Club and Nebraska Farmers Union. He stressed the importance that Nebraska focuses on bringing these dollars to our state. Davis mentioned red states have the most to gain from this act and there are subsidies available for installation of solar panels.

Terry Langan, Engineer and Consultant, testified in support. Nebraska public power sectors have made commitment to become fully renewable. Lower energy electric appliances can be funded 50-100% under the IRA depending on income. Opportunity to expand the 18,800 clean energy jobs in Nebraska. Langan mentioned the IRA will provide farmers rewards for stewardship and provide a consistent source of funding over 10 years regardless of commodity prices. During questioning, Sen. Dorn expressed concern over the agriculture portion of IRA not paying those already utilizing practices and only paying for those doing practices for the first time.

Kenneth Winston, Nebraska Interfaith Power and Light, testified in support. They support caring for people and the earth and this would do both by reducing energy bills and reducing the energy environmental footprint.

David Holtzaw testified in support of the bill. Little to no requirements for these funds, the funds are just incentives that create clean energy jobs. The IRA requires each state’s energy office to apply for what would be \$91 million for Nebraska in renewable funds. Other states have set up programs to administer these IRA funds, and he has emailed and sent NDEE multiple inquires and questions about plans for how Nebraska will utilize the funds.

Edison McDonald, GC Resolve, testified in support. Ensures that Nebraska gets tax funds back. Focused on pursuing funds for tribes and battery development.

Eric Moyer, Lincoln resident, testified in support. Installs solar panel systems and sees the energy improvements provided by the IRA funds as critical to energy savings.

Shirley Neimeyer, testified in support. Need to buy time with solar and wind until we can get to newer technologies to prevent climate change crisis.

Opponents

There were no opponents and no one testifying in a neutral capacity. Letters submitted for the record included 72 proponent letters, 2 opponent letters, and 1 neutral letter.

Sen. Blood closed by apologizing for how many people testified. She expressed this is an opportunity to utilize funds for struggling Nebraskans and to help create jobs. We don’t need to utilize all aspects and can cherry pick what pieces of IRA we want to use.

LB 571 - Appropriate funds to the Department of Environment and Energy to carry out the Water Well Standards and Contractors' Practice Act. Lippincott.

The bill proposes to appropriate \$750,000 from the General Fund for each FY2023-24 and FY2024-25 to the Department of Environment and Energy, to aid in carrying out the provisions of the Water Well Standards and Contractors' Practice Act.

The Appropriations Committee accepted testimony on the bill on March 13th.

Sen. Lippincott opened on the bill by summarizing the activities of the Water Well Standards and Contractors Act. While this program does collect licensing fees, there are less than 1,000 licenses across the state and the fees do not maintain the funds needed for the program. He noted that Gov. Pillen's budget does include an appropriation of \$630,000 each year for this program, but this funding would be for the maintenance of current staffing levels of 1 PT Supervisor, 3 FT field staff inspectors, and 1 office support staff. The appropriation of \$750,000 is an additional \$115,000 over the governor's budget. Those funds would be used to look at issues across the state.

Proponents

Tonny Beck, Chair of the Board of Directors of Water Well Standards, testified in support of the bill. The program does not have the ability to do the work it was created to do without additional fundings. The fees fall short of what is needed to support the program. In 2021, the legislature shifted the program from DHHS to NDEE and as a result the program lost a significant source of funding. The \$630,000 per year is a minimum funding level, the higher requested amount is because the program can't keep up with needs. Historically, we have done more to protect our groundwater resources than we can do today. There are many aspects of protecting our groundwater resources and our state faces many challenges in protecting that vital resource.

Beck was asked how many inspections are completed annually? He noted they inspect every municipal well, 25-30% of irrigation wells and 30% of stock wells. We do not have the resources to inspect all the wells.

The committee asked what percent of the board's operating budget is supported by fees? Beck noted that approximately 15% of total budget is covered by registration and licensing fees.

The committee asked if they have had discussions to collaborate with NDEE on the proposed statewide comprehensive study? Beck responded that information will be vital to everyone. The reality is we don't have a good snapshot of what the problems are with nitrate in the private drinking water wells. It would be helpful to have a study of some sort and have that information available to all of us.

Lynn Webster, Assistant Manager Upper Niobrara White NRD, and Water Well Standards and Contractors Licensing Board representative, provided testimony in support of the bill on behalf of UNWNRD and NARD. Water quality is very important to the State of Nebraska; groundwater quality is especially valuable. The majority of Nebraskan's drink groundwater every day, provided by their community water supply or their private domestic well. Groundwater is also utilized for the majority of the state's agricultural activities.

The Water Well Standards and Contractor's Practice Act (Act) and the Water Well Standards and Contractor's Licensing Board (Board) was established in 1986 with the approval of LB310. The purpose of the Act is to provide for the protection of groundwater through the education, licensing and regulation of the various categories of water well contractors/managers in the State of Nebraska. The Act is supported by the water well industry and the Natural Resource Districts as there is a need for established standards for the construction and decommissioning of water wells across the state for continued water quality protection. Along with the standards that are currently in place, continued work is needed to study, revise and improve practices as new information pertinent to this industry is gathered.

The Act is funded by receiving a portion of water well registration fees and the licensing fees for all license holders under the Act. There are statutory limits to the fee amount that can be charged for water well registrations and the reasonable fee that shall be set for licensing fees. With the transition of the Water Well Standards Program from the Department of Health and Human Services to the Nebraska Department of Environment and Energy, the historic funding source through Unified Credentialing is no longer available. The Board has been reviewing possible funding options with existing fee structures.

The proposed bill, LB571, provides for the necessary funding to carry out the important water quality protection purposes of the Act.

During questioning, Webster was asked about NRD sampling for Nitrates? He responded that NRDs have a water sampling plan and program, but he can't speak on behalf of all NRDs just to UNWNRD. He noted they have ~2,000 active irrigation wells, 1,600 of those systems are set up for chemigation, with inspections every other year,

they collect samples at this time, so approximately 800-900 water samples ever year. The district goal is to take a sample out of every active irrigation well a minimum of 1 time every 4 years. He also noted they do domestic well sampling, and each year and it ranges from 180-225 well samples.

Andrew Dunkley, Nebraska Farm Bureau, testified in support on behalf of the Nebraska Pork Producers and Farm Bureau. Ag is not only the state's largest industry, but we are also home to center pivot irrigation and it is dependent on our water resource for Nebraska's success. This is a small investment that would generate a huge return on investment.

Opponents

There was no opposition and no neutral testimony.

In closing, Sen. Lippincott noted when the program was with the Department of Health and Human services the budget was \$1 million, substantially more than what is being requested now.

Letters submitted for the record included 1 proponent and no opposition or neutral.

The committee reported no action on the bill.

LB 576 - Provide limitations on liability and nuisance related to land-management burning. Cavanaugh, J.

The bill proposes that anyone that has obtained a permit for controlled burns and is in compliance with all terms of the permit and plan, would have an affirmative defense for any negligence and nuisance action.

The Judiciary Committee accepted testimony on the bill on March 3rd.

Legislative Aide Dave Sund introduced the bill on behalf of Sen. J. Cavanaugh. A few years ago, Sen. J. Cavanaugh did a prescribed burn tour with Sen. Gragert and landowners and learned the importance of land management practices. He introduced a similar bill last year, but it didn't make it through, and this bill is a result of compromises.

Proponents

Bill Hiatt, Resources Conservationist with the Central Platte NRD, testified in support on behalf of CPNRD and NARD. The Central Platte NRD Fire Program began in 2004. It assists landowners in planning, preparing, and implementing prescribed burns through different means: education and training, cost-share, advice, or contracting. Through contracting, our staff will write the plan, work with the landowner on what preparation needs to be done, and our burn crew will implement the burn plan with help from the landowner.

The ultimate goal of our fire program is to give landowners the knowledge and means to use prescribed fire safely, using the best science, information, and techniques available.

This proposed amendment will be a tremendous benefit to prescribed burners in Nebraska. Liability has been a constant concern to landowners and professionals alike. The amendment would provide reassurance that if you have done your due diligence throughout the process that you are offered reasonable protection under the law.

There is a great need for the expansion of the use of prescribed fire for many reasons, the main being woody species encroachment, Eastern redcedar in particular. As has been seen throughout the Great Plains, grassland conversion to woodland has extremely detrimental effects on rangeland productivity, and the loss of suitable wildlife habitat for endemic prairie species, such as grassland birds. Fire is the most effective tool we have against this conversion, and with Nebraska being 97% privately-owned, landowners are the ones that will be and are leading the effort. As a fire professional, my part is to provide those landowners with expertise and advice to accomplish their goals in a safe and effective manner.

Sen. Deboer asked questions about weather conditions for prescribed burns and who runs the prescribed burns?

Hiatt indicated the plans include relative humidity, wind speed/direction, and temperature. He noted there is someone known as the “Burn Boss,” who leads the effort. A Burn Boss is selected based on experience and comfort with fire. There are no specific credentials to be a burn boss; however, burn associations have organized processes in place to establish burn bosses.

Sen. DeKay asked the average size of burn in the district.

Hiatt noted in the Central Platte NRD, the average burn size on the eastern side of the district is 70 acres and on the west side of the district is 850 acres.

Kristal Stoner testified in support of Audubon Nebraska. She noted that maintaining grasslands and preventing woody encroachment is essential for ranchers and grassland birds. Prescribed fires is the most cost-effective and efficient conservation tool. Some landowners may be hesitant on prescribed burning due to liability concerns.

Katie Torpy testified in support of the Nature Conservancy. Nature Conservancy owns and manages more than 66,000 acres and they also work with private landowners to keep range lands productive by using prescribed burns. She noted this bill provides needed clarity, which could lead to a greater uptick in use of this essential tool.

Mark Goes, cattle producer, testified in support on behalf of Nebraska Cattlemen, Nebraska Corn Growers, Nebraska Soybean Growers, Farm Bureau and Nebraska Pork Producers. He explained what is included on prescribed burn plan. He noted that prescribed fire is a critical tool in protecting grasslands and landowners regularly show that it can be done safely.

Opponents

Dan Thayer testified in opposition on behalf of Nebraska Trial Attorneys. He shared photos of cedar trees on fire describing that flames can reach 30 feet and these fires are dangerous. He noted that current Nebraska law works and Jurys can determine and make controlled decisions on cases. He explained the legal changes this bill would make vs. what is currently in place. He cited an Oklahoma State study stating that 99.3% success rate on prescribed fires is not getting out of control, so the status quo is working.

Neutral

Jerry Stilmock testified in the neutral for the Nebraska Volunteer Firefighters Association and Nebraska Fire Chiefs. He listed various fires recently and said that firefighting is dangerous. However, he noted that none of the fires he mentioned were initiated from prescribed burns. This is a big issue and deaths happen, so it is important to use caution.

There were 2 letters of support and 1 neutral letter submitted for the record.

In closing, Sen. J. Cavanaugh noted the need for prescribed burns and the goal of the bill is to try and help people be able to do this easier. Prescribed fire plans are very detailed and onerous, so the burn teams are doing their due diligence.

LB 614 - Appropriate funds to the Department of Agriculture. McDonnell.

The bill proposes to appropriate \$1.5 million from the General Fund for FY2023-24 to the Department of Agriculture, for the purpose of providing a dollar-for-dollar private sector match to fund a pilot program to test emerging technologies for sustainable irrigation.

Intent language is added for the department to work with experts in water research at the University of Nebraska to design the pilot program and include Nebraska-based businesses that specialize in advancing agricultural productivity.

The bill includes the emergency clause.

The Appropriations Committee accepted testimony on the bill on February 22nd.

Opening on the bill, Sen. McDonnell expressed the immense economic value water has for the state. He noted that Nebraska currently has \$8.4 billion in existing water efforts on the books. He expressed that the bill would assist in developing a new public private partnership that could move forward with testing and developing new irrigation technologies being used in Israel. The funding would require a dollar for dollar match from the private sector and project completion could be as quick as 1-year.

Proponents

Sara Cohen, a resident of Omaha, testified in support of the bill. She expressed that during a recent trip to Israel she saw the success they've had in irrigation innovation. This bill presents an opportunity to help businesses develop new technologies in Nebraska. During questioning Sen. Erdman asked what Israel is currently doing better than Nebraska – she mentioned they used drip irrigation but did not elaborate on what specific technology or techniques they're doing.

Opponents

There was no opponent or neutral testimony provided.

During closing Sen. McDonnell reiterated the value of a public private partnership and noted that we should use this opportunity to build on the ideas being utilized in Israel by Dr. Clive Lipchin.

The Committee reported no action on the bill.

LB 637 - Require members of the public to be allowed to speak at each meeting subject to the Open Meetings Act. Albrecht.

Provisions of the bill were incorporated into LB 43 which passed and was approved by Governor Pillen. The Government Committee reported the bill to General File on March 22, 2023, following a 7-1 committee vote.

The bill requires that members of the public have an opportunity to speak at each meeting, except for closed sessions.

Prior law provided that a body may not be required to allow citizens to speak at each meeting, but it may not forbid public participation at all meetings.

LB 651 - Provide for appropriations relating to cybersecurity improvements for state agencies and political subdivisions. McDonnell.

The bill proposes to provide funding and direction to the office of Chief Information Officer in Nebraska to develop cybersecurity preparedness activities in Nebraska for state agencies and political subdivisions.

Political subdivision would include villages, cities, counties, school districts, educational service units, and natural resource districts.

The office shall work to:

- Support cybersecurity preparedness activities;
- Procure tools, hardware, software, or services, which enhance or expand the cybersecurity defense and response capabilities of the state;
- Strengthen and expand cyber risk management activities for the state;
- Expand vulnerability monitoring, identification, and management;
- Increase and maintain cyber incident response capabilities.

- Promote cybersecurity training and awareness within the state; and
- Support cybersecurity workforce development within the state.

The bill outlines the intent of the Legislature to appropriate \$20 million of General Funds annually beginning in FY2023-24 to the Department of Administrative Services, Information Management Services Division, for the purposes of cybersecurity activities described in this section.

The Appropriations Committee accepted testimony on the bill on March 16th.

Senator McDonnell opened by outlining provisions of the bill. The average data breach costs \$2.1 million and can result in loss of personal information. Public entities are far behind private sector in cyber security and ransom attacks are common in the public sector, with 50-60% of public sector entities facing ransom attack in 2021. It's critical that the state invest to prevent attacks for both the state and political subdivisions, without requiring political subdivisions to raise property taxes.

Proponents

Craig Lofquist, testified in support on behalf of Nebraska ESU and Council of Nebraska School Administrators. No public subdivisions are exempt and it's not a matter of if, but when there will be ransom attack. He provided several examples of Nebraska schools that have experienced cyber security attacks. It was also noted that Insurance companies are requiring extensive measures be implemented before offering coverage.

Elaine Menzel, NACO, testified in support. Cyber security has been critical for counties and this measure would assist counties in combatting security vulnerabilities. She outlined some concern that the will bill would require technology services, noting that some counties have established a cooperative security network.

Chad Daley testified in support of the bill representing himself. Information security approach should be altered from what is proposed in the bill. Cyber security tools should incorporate human resources.

Dana Turner, Chief Information Security Office Union Bank, testified in support. Cyber security is becoming worse, cost of inaction is only going to increase. Should ensure that security data is only housed in the United States. Insurance companies are auditing claims to ensure required protections were in place.

Opponents

There were no opponents or neutral testimony,

Letters were submitted for the record by 4 proponents, 0 opponents and 0 neutral. Senator McDonald waived closing.

The committee reported no action on the bill.

LB 656 - Change provisions relating to the Small Watersheds Flood Control Fund. McDonnell.

The bill expresses the intent of the Legislature to transfer \$40 million dollars each fiscal year from the General Fund to the Small Watersheds Flood Control Fund until the total local cost-share is met for all Nebraska Watershed and Flood Prevention Operation (WFPO) projects active on December 31, 2022.

The Natural Resources Committee accepted testimony on the bill on March 1st.

Opening on the bill, Sen. McDonnell distributed a map of active WFPO projects noting the measure could impact projects covering 5.5 million acres and 43 legislative districts. The bill would provide access to federal funding that will reduce floods and guard communities through variety of projects. Sen. McDonnell noted the combined cost of local cost share is \$404 million to secure available federal funds.

During questioning, Sen. Brandt noted the fiscal note mentioned the fund can only be used for land rights. Sen. McDonnell acknowledged this and noted the need and willingness to expand the use.

Proponents

John Winkler, General Manager of Papio-Missouri River NRD, testified in support on behalf of NARD. The Small Watershed Fund was originally created in the 1960s to serve as a local match for federal funds for the PL-566 program. The fund largely went dormant after the federal funds dried up. However, this fund is set up to do exactly what we in Nebraska need to do to access and bring home hundreds of millions of dollars in federal funding through the USDA-NRCS Watershed and Flood Prevention Operations Program (WFPO).

The WFPO program provides technical and financial assistance to states, local governments and tribal organizations to help plan and implement authorized watershed projects for the purpose of: 1. Flood damage reduction; 2. Watershed protection; 3. Public recreation; 4. Public fish and wildlife; 5. Agriculture water management; 6. Water supply and management; and 7. Water Quality and stream restoration.

Currently, NRDs have applied to the Water Sustainability Fund (WSF) for local cost share funding assistance for three WFPO Plans (Wahoo Creek, Papio Creek, Long Pine Creek) and have thus far been successful on all three application requests. However, if all the NRD and local sponsors begin trying to tap the WSF for every eligible WFPO project, the fund will not be sufficient or other valuable water sustainability projects will not get funding.

Winkler attached a map that identifies all the potential WFPO projects throughout the state. The potential exists for \$400 million in required local cost share if all the plans identified are implemented. There are thirty-three (33) current WFPO projects in Nebraska. In addition, 43 out of 49 legislative districts have active watershed plans and could be eligible for federal WFPO project funding.

Nebraska's NRDs spend a tremendous amount of time and effort to apply for outside funding sources to assist in implementing projects and programs for the protection of life and property and to wisely manage our states most valuable natural resources. For example, the Papio NRD has recently been awarded more than \$5.3 million in federal FEMA funding for the construction of a flood control reservoir in Sarpy County and last month was authorized for more \$91 million in federal funds through the 2022 Water Resources Development Act (WRDA) for construction of flood control reservoirs, levee improvements and a floodwall in Douglas and Sarpy Counties. However, most if not all these outside funding sources including federal funding, requires a local match of varying percentages in order to access the program funds. Therefore, to bring more outside funding sources to the State of Nebraska and further reduce our reliance on property taxes to get vital projects constructed we need the ability to match those funds with local resources.

Following his testimony, Winkler addressed several questions from the committee. Sen. Bostelman asked if these projects are completed by cooperating with landowners? Winkler noted that most projects are working in partnership with landowners on conservation programs, often these projects are not the larger dams that are seen in metro areas.

Sen. Hughes asked how the state funding would be prioritized? Winkler outlined the lengthy federal process for first receiving approval, noting projects don't all get approved at once, so there would be time to fund them out over time. Winkler further noted he anticipates it would be NeDNR that would administer how the funds are distributed to NRDs.

Sen. Jacobson followed up asking if it would become first-come, first-serve or if a basis of dividing funds via congressional districts would make sense? Winkler responded that it's unlikely any district would have the capacity to use the entire \$40 million. He further noted that NRDs work very well together, and we would be comfortable working on a plan for distribution with Sen. McDonnell.

Sen. Moser asked how often these projects use eminent domain? Winkler responded that the federal funds require the applicant to have eminent domain authority; however, it's rarely used with no examples he knows of and that NRDs work closely with landowners to implement these projects.

Winkler also noted that the bill is not asking to cover all the local share, this would just assist and alleviate the need to capture funds from property taxes. Mentioning that even with their larger tax base Papio NRD struggles to come up with the match for these projects, in the case of rural districts, they may have to forgo tens of millions of federal dollars simply because they can't generate the required match.

Winkler also addressed Sen. Brandt's question and noted while the fund was originally limited to land rights, we are willing to work with the committee and legislature to include other purposes.

Mike Murphy, General Manager of the Middle Niobrara NRD, testified in support of the bill. Murphy provided the committee with the following prepared testimony and then utilized time to outline MNNRD's experience in applying for WFPO projects for the Long Pine Creek watershed.

The MNNRD supports Nebraska Legislative Bill 656 and strongly urges the Legislature to adopt LB 656 because this bill will:

- Assist NRDs across Nebraska implementing watershed and flood prevention operations projects. There are thirty-three (33) current watershed and flood preventions operations program (WFPO) planning efforts in Nebraska, and some ready for implementing projects. Sponsors of those WFPOs are looking for additional funding to supplement the USDA-NRCS funding to construct projects through their respective WFPO Plans and -Environmental Assessment (EA). Various funding sources are available, but most are limited in funding or tied to certain match requirements. The MNNRD currently has 4 WFPO planning efforts throughout our District with another WFPO Preliminary Investigation Feasibility Report (PIFR) recently approved. One planning effort is associated with the Long Pine Creek Watershed (LPCW) in Brown County, Nebraska and three, soon to be four, in Cherry County, Nebraska. The LPCW WFPO Plan-EA is at the final stages of approval with final design, permitting, and construction of thirty-six (36) projects expected to occur in the next five (5) years. Total estimated project costs of the LPCW WFPO projects are \$7,144,400.00. The Sponsor (MNNRD) portion would be approximately \$1,786,000 (25%). If the MNNRD utilized 10% of our tax request (\$90,000), it would take twenty (20) years to pay 25% just for the LPCW WFPO projects at today's cost estimates.
- Projects will aid in local and state revenues. Contractors hired will provide monies into local communities. They will stay in local town hotels, eat at local dining establishments, get fuel at local stations, and get project supplies and materials locally, if possible.
- Provide watershed protection and flood prevention to local constituents and districts. The WFPO Program establishes measures through planning and project implementation to protect, conserve, and mitigate flooding, erosion and sedimentation, public recreation, fish and wildlife, water quality, municipal and industrial water supply, agricultural water management, property owners, and county lifelines.

Impacts from the flooding and 2019 Bomb Cyclone continue to wreak havoc across the state. The MNNRD requests support of this important legislation to provide NRDs and the State of Nebraska the chance at large-scale conservation success by utilizing USDA-NRCS WFPO project funding which will allow implementation.

Kyle Hauschild, General Manager of the Nemaha NRD, provided testimony in support of the bill. The Nemaha NRD operates and maintains over 460 watershed structures that make up the biggest stormwater infrastructure in southeast Nebraska. In the 1950' sand 1960's the SCS, now the NRCS, worked on watershed plans that are some of the oldest in the country with Brownell Creek that is located to the east and south of Syracuse being the third oldest nationwide. The Nemaha NRD's 460 structures are the most dams that are maintained by any NRD in the state.

As these structures start to age and near the end of their design life, they are tasked with rehabbing or rebuilding them. The standard design life of a dam is 50 years. They have some dams that are approaching 70 years old, which have outlived their design life. The time has come for the Nemaha NRD to invest in the rehabilitation or rebuilding of these structures to ensure that they can continue to perform their intended purpose. The dams that were built 40, 50, and 60+ years ago were designed to the standards and the precipitation needs of that time. Advancements in

engineering and modeling will likely change the footprint or the size of some structures to make them as effective as they were when they were first built.

The Nemaha NRD is currently working on multiple Watershed and Flood Prevention Operations (WFPO) (formally PL-566) plans with NRCS to bring these structures up to today's standards and on a new plan to bring watershed protection and improved water quality to my District. One part of the plans are to make sure that the cost benefit is worth doing these projects. In the area of the 3 WFPO's that we are currently working on, there are 137 structures in the Brownell, Wilson and Ziegler watersheds. The influx of Federal funds to Nebraska through the WFPO program will help to implement these projects but the need for local funding remains.

With the help of LB 656, the Nemaha NRD will be able to continue to improve their watersheds and provide vital stormwater protection to the District that was intended 60+ years ago when PL-566 plans were put in place for flood and grade control structures.

Lyndon Vogt, General Manager of the Central Platte NRD, submitted testimony in support of the bill. When many of our current flood control structures were built, the Nebraska Small Watershed Fund was well funded and available to match federal grants to address flood damage reduction in the state. With the federal funds being directed elsewhere the state fund was no longer in demand or well-funded the last few years. Through the Federal Watershed and Flood Prevention Operations (WFPO) fund millions of dollars in federal funds are again available to address: Flood damage reduction, Watershed reduction, Public recreation, Public fish and wildlife, Ag water management, Water supply and demand and Water quality and Stream restoration.

Current state programs available to assist with the local share of these projects are insufficient to meet the demand, which could result in the loss of millions of federal funds and flood risk not being addressed in many areas of the state.

The Central Platte NRD currently has three WFPO grants that are considering flood risk reduction projects for the communities of Kearney, Gibbon, Shelton, Wood River, Lexington and Alda as well as thousands of acres of productive crop ground. These are all communities that sustained substantial flood damage in 2019, as well numerous times before, but cannot afford to address these issues on their own. Estimated cost to reduce flooding risk in the areas mentioned is well over \$100 million. This just addresses three of the 33 current projects in the state.

The act of pursuing outside funding to address these projects is very time consuming for the sponsoring agencies, which is usually an NRD. After we have been successfully granted federal funds, we are almost always required to come up with a local match of some percentage to move forward with a project. If we cannot find a local grant to match these funds, we are forced to rely on local tax dollars. LB 656 gives us the opportunity to reduce our reliance on local property tax when constructing vital projects that are in the best interest of the State of Nebraska.

Opponents

Al Davis, testified in opposition on behalf of the Nebraska Sierra Club. He mentioned that dams are the wrong approach to reducing flood reduction. No land management process can control flooding, they can only do flood risk reduction. He claimed that dams have negative environmental impacts and flood control is antiquated thinking. Funds should be used on covenants and other management in the floodplain.

Neutral

Don Batie, Dawson County Farmer and Chair of the Natural Resources Commission, testified on his own behalf. Water Sustainability Fund has been appropriated \$11 million a year and there has been no shortage of applicants for funds. Small watersheds fund is still there but has not been funded in recent years. While the fund can currently only be used for land rights, the commission would change that if directed by legislature.

There were 3 letters submitted in support of the bill.

In closing, Sen. McDonnell noted he'd be willing to work to ensure the question about fair distribution across the state is addressed. He reiterated that this is our taxpayers' money at the federal level, but we need the cost share locally to capture it.

The committee reported no action on the bill.

LB 672 - Appropriate funds to the Department of Environment and Energy. Hansen, B.

The bill appropriates \$30 million from the Drinking Water Facilities Loan Fund for FY2023-24 to the Department of Environment and Energy to provide grants that allow up to fifty-percent loan forgiveness in order to expand municipal drinking water treatment plants and all related appurtenances, settling basins, pumps, storage tanks, and water distribution facilities, including costs for the acquisition of land needed for the purpose of locating eligible project components and to support the additional demand for processing agricultural products, enhanced water quality, creation of new capital investment, and creation of new jobs.

The Appropriations Committee accepted testimony on the bill on March 13th.

This bill expands funding for program 513. Asking for funds because Blair is no longer using water for the city, but they are serving the whole state of Nebraska by supporting Cargill. They are trucking large amounts of water to Cargill Bio Campus.

Cargill process 320,000 bushels of corn per day. Blair provides water for this facility at 15.5 million gallons per day of their 20 million per day capacity. Blair is under NDEE and EPA mandate to lower lime discharges.

Cities like Blair cannot continue to do this alone. Blair is a town of 8,000 people and with the increase in trucks on the highways they are needing to construct a bypass.

Proponents

Aaron Barrow, Assistant City Administrator City of Blair, testified in support. When industrial development came to Blair, they took advantage of the campus. The city of Blair doesn't have any annex authority or property taxes to use for funding. To address the question of "why isn't Cargill paying for much of this?" If we aren't competitive these companies will go somewhere else. We have a really robust pipeline of ag companies that want to move to Blair but it's all based on water. If we can't produce this amount of water, we are going to lose out on this opportunity. These bring jobs to the area and with the closing for Fort Calhoun and Dana College we are a losing population. Blair's sole source of water is from the river.

What is the income off the 15.5 million gallons? \$550,000/month. Cargill pays property tax to Washington county, not the city of Blair.

Current expansion is \$44 million. Commitment currently is \$24 million right now and we are looking for an additional \$18 million.

Al Shoemaker, Public works City of Blair, testified in support. Clarified an earlier question on sales tax: 7% sales tax is charged to the water, 1.5% goes to the city of Blair and the rest goes to the state.

20.5 million gallons will be appropriated to Cargill Campus and the remainder 6.5 million gallons to residential use and Washington county. We can't get water from wells because the water is low quality with iron and manganese. \$15 million just for a new water intake. The US Army Corp of Engineers decrease their releases from Gavin's Point Dam making them drop their intake level.

This problem was first identified in 2012. All water intake users needed to make plans for future drought situations.

With the current expansion project, we have an SRF loan with 1% interest and 35% forgiveness. Inflation has had a big impact on this project as well.

\$4 million mandate from EPA to meet Clean Water Act and reduce lime discharges.

Opponents

There were no opponents and no neutral testimony.

In closing, Sen. Hansen noted it's a very competitive industry and water is so important to attract and retain these industries.

Letters submitted for the record included 1 proponent and no opposition or neutral.

The committee reported no action on the bill.

LB 723 - Adopt the Public Water and Natural Resources Project Contracting Act. Bostelman, at the request of the Governor.

The bill proposes to create the Public Water and Natural Resources Project Contracting Act under the Department of Natural Resources. Provisions of the bill were incorporated into LB 565e which was passed and signed by Gov. Pillen on May 26, 2023.

Design-build contract is defined under the proposal as a contract between the department and a design-builder which is subject to a best value-based selection process to furnish (a) architectural, engineering, and related design and (b) labor, materials, supplies, equipment, and construction services.

The purpose of the Public Water and Natural Resources Project Contracting Act is to provide the department alternative methods of contracting for public water and natural resources projects. The alternative methods of contracting shall be available to the department for use on any project regardless of the funding source. Notwithstanding any other provision of state law to the contrary, the Public Water and Natural Resources Project Contracting Act shall govern the design-build, progressive design-build, and construction manager-general contractor procurement processes.

The department may hire an engineering or architectural consultant to assist the department with the development of project performance criteria and requests for proposals, with evaluation of proposals, with evaluation of the construction to determine adherence to the project performance criteria, and with any additional services requested by the department to represent its interests in relation to a project.

The department shall prepare a request for qualifications for design-build and progressive design-build proposals and shall prequalify design-builders and progressive design-builders. The request for qualifications shall describe the project in sufficient detail to permit a design-builder or a progressive design-builder to respond. The request for qualifications shall identify the maximum number of design-builders or progressive design-builders the department will place on a short list as qualified and eligible to receive a request for proposals.

The bill would also allow the department to enter into agreements under the Public Water and Natural Resources Project Contracting Act to let, design, and construct projects for political subdivisions when any of the funding for such projects is provided by or through the department.

On or before July 1, 2024, the Director-State Engineer shall adopt and promulgate rules and regulations setting forth criteria to be used in determining when a public-private partnership is to be used for a particular project. The rules and regulations shall reflect the intent of the Legislature to promote and encourage the use of public-private partnerships in the State of Nebraska.

The Natural Resources Committee accepted testimony on the bill on February 2nd.

Sen. Bostelman opened by providing a summary of provisions of the bill. He noted the measure would grant NeDNR the same authority that has been authorized for NDOT, NGPC and other political subdivisions. He outlined how utilizing these innovative methods will create efficiencies in contracting.

Proponents

Director Tom Riley testified in support on behalf of NeDNR. He noted Gov. Pillen asked that the bill be introduced to meet the need of facilitating large projects enacted by the legislature with the passing of LB 1023 and LB 1015 last session. He noted that the legislation was modeled off the Transportation Innovation Act and those same contracting provisions are a good match for NeDNR projects. He provided the committee with a detailed summary of each of the design build processes authorized by the bill.

Sen. Cavanaugh asked why the public private partnership components were added and Director Riley noted that they wanted provisions of LB 1023 to be captured in this bill.

Kent Miller, General Manager, Twin Platte NRD testified in support on behalf of NARD. He noted that LB 723 will help expedite building the Perkins County Canal and that he's been promoting that Nebraska utilize the provisions of Article VI of the South Platte River Compact and to build the Perkins County Canal for 40 years.

Miller testified the Twin Platte NRD has been observing the developments occurring in the Front Range of Colorado and their desperate need for water. Enthusiastically applaud and thank Governor Pillen for supporting, and funding in his Budget, the Perkins County Canal Project. This is the right time and Nebraska cannot wait any longer. It is essential to the economic prosperity, health, and welfare of the people of Nebraska, and to the environmental health of the entire Platte River Basin across Nebraska to protect Nebraska's full entitlement to the flows of the South Platte River as provided for in the South Platte River Compact.

The Twin Platte Natural Resources District has extensive requirements in their Integrated Management Plan required by the Legislature in 2004 for conjunctive management of ground water and surface water for the Over Appropriated Upper Platte River Basin in Nebraska. These regulatory burdens will increase if South Platte River flows continue to decrease.

Nebraska must protect the flows we are now receiving in the South Platte River.

Miller summarized provisions of the bill and noted he is a licensed Professional Engineer in Nebraska and he's observed the benefits of a design-build contract used by several Natural Resources Districts and knows the benefits of a design-build contract.

Miller ended his testimony by noting that LB 723 will be very beneficial to expedite the building of the Perkins County Canal which needs to happen as soon as possible.

Alex Linden, CNPPID Government and Public Relations Manager, testified in support of the bill. He noted that the practice of contracting has advanced over the years. NeDNR should have the same access as CNPPID to these practices to allow for efficient and cost-effective completion of projects.

Opponents - There were no opponents and no neutral testimony was provided.

Sen. Bostelman utilized closing to address questions addressing qualifications and noted that it would allow for qualification short listing and enable preapproving those that are qualified and appropriate to complete the work. He also reiterated that design build techniques allow adjustments to be made without entering a new contract as design obstacles arise during construction.

LB 729 - Change provisions relating to the Jobs and Economic Development Initiative (JEDI) Fund. McDonnell.

The bill adds that funds available under provisions of the JEDI fund can also be used for economic impact studies. Existing law allows funds for site selection costs, feasibility and public water supply studies, and flood mitigation costs.

There was up to \$20 million set aside last year for such studies.

The Natural Resources Committee accepted testimony on the bill on February 23rd.

Sen. McDonnell opened by explaining the need for the bill and noted the bill has zero negative impact.

Proponents - There was no proponent testimony.

Opponents

Opponents included two Sarpy County landowners, Al Davis, Nebraska Sierra Club, and John Hansen, Nebraska Farmers Union. Their testimony didn't necessarily address the bill, but instead offered opposition to the lake project proposed by the JEDI act. They also expressed concern over what is a perceived threat of use of eminent domain by the NRDs for the project.

The committee reported no action on the measure.

LB 766 - Appropriate Federal Funds to the Department of Environment and Energy for reverse osmosis systems. DeKay.

The bill proposes to appropriate \$3.25 million for each FY2023-24 and FY2024-25 from Federal Funds to the Department of Environment and Energy for reverse osmosis systems, which shall only be used for such purpose. The Federal Funds appropriated in this section are from the funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund pursuant to the federal American Rescue Plan Act of 2021.

The Appropriations Committee accepted testimony on the bill on March 13th.

Sen. DeKay opened noting he brought this bill on behalf of Nebraska Farm Bureau and for Nebraskan's wanting clean drinking water. This bill would provide a short-term solution to clean drinking water. Would like LB 766 to be considered to add to existing RO funding if there are unused ARPA appropriations.

Proponents

Andrew Dunkley, testified in support for Nebraska Farm Bureau and on behalf of the Nebraska Cattleman, Soybean Association, Pork Producers, Dairy Producers, and Corn Growers Association.

Water is an important issue. This is the only statewide mechanism to offer a short-term solution to nitrate in groundwater while we work on a longer-term solution. Many rural homes have elevated nitrate in their drinking water wells and a reverse osmosis system is the only way to address that issue. Based on soil composition water and nitrate moves differently through the soil profile. Producers have changed their farming practices, but this is not a one-size-fits-all approach.

Sen. Erdman asked why in the Fiscal Note NDEE is asking for two more FTE for an existing program. Dunkley was unsure why it would require additional FTE.

Opponents - There was no opposition or neutral testimony.

In closing, Sen, DeKay discussed that the cost of RO systems ranges from \$500-\$4,000 for a point-of-use system, and the upkeep would be the responsibility of the homeowner.

There were no proponent or neutral letters submitted for the record, 1 letter in opposition was submitted.

The committee reported no action on the bill.

LB 768 - Transfer money from the Cash Reserve Fund to the Critical Infrastructure Facilities Cash Fund. DeKay.

The bill proposes that the State Treasurer shall transfer \$30 Million from the Cash Reserve Fund to the Critical Infrastructure Facilities Cash Fund on or after July 1, 2023, but before January 1, 2024, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services. Senator DeKay declared LB 768 as his personal priority bill for the session. There was \$7 million added to the appropriations bill for the Cedar/Knox Rural Water project, but it was vetoed by Governor Pillen. There was no override attempt made on the veto.

The Appropriations Committee accepted testimony on the bill on March 14th.

Senator DeKay opened on the bill by outlining the need, noting that due to sedimentation and aging infrastructure, there is growing concern for access to safe and drinkable water. There is an increase in population and no ability to expand the existing system to meet demand. He noted there was a similar request from Sen. Gragert last year and while they were grateful to receive \$7 million, due to competing interests they didn't receive the \$32 million that was requested. It was noted that the rate payers of the rural water district already have some of the highest rates in the state. Sen. DeKay offered an amendment that would address fiscal office concerns about usage of the critical infrastructure fund.

Proponents

Annette Sudbeck, General Manager LCNRD, provided testimony on behalf of LCNRD and NARD, to allocate \$30 million from the Cash Reserve Fund to the Critical Infrastructure Facilities Cash Fund in support of the Cedar Knox Rural Water Project (CNRWP) and much needed changes to update the system including changing the source water and completing system upgrades to allow continued service for the current and future customers. Thank you also to Senator DeKay for his dedication to District 40 and his understanding of the critical need of this project in northeast Nebraska.

Sudbeck thanked the committee for the support of the project through the generous appropriation of \$7 million in ARPA dollars last year. Those funds are being put to use in getting the project rolling. Test wells are planned for this spring and summer in the identified well locations. Engineering is being completed for system upgrades including line upsizing and tank replacement. The engineering to change water sources will enter the final design phase once final determination of the well site is made. Also remaining on the table is an option to connect to the City of Yankton, South Dakota across the Missouri river to supply drinking water.

We have been able to secure additional funds for the project, including \$8.4 million in Water Sustainability Funding from the Department of Natural Resources which requires \$5.6 million in local match. In the last year the cost of the planned project has increased dramatically due to the crazy price increases impacting projects across the state and country. We are anticipating the project to cost nearly double what was estimated initially.

The match will come directly from customer charges that will be financed through a State Revolving Fund loan. If we are able to secure an additional \$20 - \$30 million to support the project, we would be able to realize completion and secure service for the long term. Thirty million would be ideal to ensure, without fail, that we are able to complete all planned project components. However; \$20 million would get us to the point where we could make some hard decisions if necessary to postpone some improvements until later.

The CKRWP provides drinking water in northern Cedar and Knox Counties, an area of the state where locating groundwater resources of a quality and quantity suitable for drinking can be difficult. This difficulty is the primary reason a rural water system exists in the area. The historic action of glaciers eroded much of the primary aquifer formation away and left behind a mix of glacial till and bedrock that is near the land surface. Much of these materials do not readily yield water. When aquifer materials are present the amount of water they yield, and the quality of the water is highly variable. This variability exists across much of the northern portion of Knox and Cedar Counties which is the main reason why we have the Cedar Knox Rural Water Project serving the area. As you go south, and west groundwater is much more readily available.

The variability in the resource is what originally led two communities and approximately 200 rural residents to work with LCNRD in development of the rural water project. Many landowners were unable to locate water for their homes and for livestock, some relied on cisterns for collecting water that was used in their households' others had to have water trucked to their homes.

The CKRWP currently uses treated surface water to provide drinking water, in part because of the difficulty in locating a groundwater source of sufficient quality and quantity to meet community and rural resident needs. It was also the case that at the time CKRWP was established in 1979 that there was a treatment plant for sale which had been intended to serve a housing development in the Devils Nest region of Knox County along Lewis and Clark Lake. The development company declared bankruptcy and the treatment plant was purchased for use by CKRWP. The plant has been expanded several times and is very near capacity and will require millions of dollars of improvements if it were to remain in use. CKRWP has been under an Administrative Order for exceeding the EPA Maximum Contaminant Level (MCL) for a disinfection by-product, Total Trihalomethane (TTHM) that the system is required to resolve. Treating surface water often results in the production of TTHM as is occurs when chlorine reacts with organics in the water.

The goal for the CKRWP is to develop a groundwater wellfield, replace the undersized, outdated treatment plant in a more accessible area, and replace portions of the distribution system that are undersized. The wellfield will not only eliminate the concerns of sediment over-taking the intake structure but also reduce organics in the water to drastically lower disinfection by-products and bring the Project back into compliance with EPA requirements. The new treatment plant would be designed to remove hardness, total dissolved solids, manganese and the ability to include nitrate removal if necessary. If the groundwater source proves not to be the right solution for the project CKRWP could look to Yankton, South Dakota to provide drinking water. Connecting to Yankton has been investigated but was not selected as the preferred solution because the cost to customers over time will be more than developing a groundwater source.

The NRD has been working hard to explore all options and costs both in the short term and for the long haul. The planning process has been very long and we are now in the process of sharing all of the findings with community members and are seeking their input so the right solution can be executed. I want you to know that there are people here that will oppose this request. The NRD understands their concerns and we are working hard to bring forth more information and gain more input to ensure everyone is informed on the options that have been researched and the associated costs.

Safe, reliable drinking water is critical for rural and residential growth. If CKRWP is not able to finalize solutions for a safe drinking water alternative and expand system capacity the communities and rural customers served may be without a water source. This is not acceptable, and we are dedicated to moving forward with a solution that meets current need and allows for future development. We want to see northeast Nebraska thrive – by supporting and balancing both agriculture and residential needs.

It is critical we have safe drinking water for our residents. Groundwater has proven to be a safe reliable source for much of the state, including northeast Nebraska. The source identified for this project appears to have all of the characteristics necessary to fulfill long term needs. Additional testing is planned to ensure that development of the source will not negatively impact the project or the project neighbors who rely on the source for domestic and agricultural uses.

Don Blankenau, testified in support on behalf of the Lewis & Clark NRD. The district is exploring multiple options to meet demand. High quality water in LCNRD is not readily available without significant treatment costs. More extensive infrastructure required at higher costs, serving rural Nebraskans increasingly costly. Explored all options, including contract with City of Yankton, however that option would be limited by terms of a contract negotiated with city in another state. Protecting and growing all parts of Nebraska requires an investment in all parts of Nebraska.

Russell Schmidt, LCNRD board member, testified in support of the bill. Need a holistic look at water and LCNRD Board is constantly evaluating the water situation and Cedar-Knox supply is in jeopardy. A new source has been

identified and studied, but financing is difficult. Project will use 152 million gallons of water per year, which is only equivalent to use of 4 or 5 irrigation systems over one year. He noted some are opposed to the location, but the NRD wants to ensure that no one will be impacted in a negative way, and if studies were to find that they will be, the NRD will work to find a new source.

Matt Weinandt, Chair of LCNRD Board, testified in support. The district has invested seven years of research to study locations and research impact to not adversely impact anyone. He noted they've been using this utility for 40 years and it is time to find a resource for the next generation.

Lyndon Vogt, General Manager CPNRD, submitted testimony in support. In many areas of the state, finding groundwater that meets drinking water standards is very difficult. With aging infrastructure concerns, the cost of replacing and upsizing old infrastructure to meet modern needs can be very challenging for many communities and rural areas. Safe drinking water from a secure source is fundamental to the future success of the State.

Brad Wilken testified as a proponent. He noted he's in favor of funding for the project; however, he expressed opposition to the groundwater wellfield location due to potential impacts.

Opponents

Rita Wilken testified in opposition to the bill. She expressed opposition to the project the bill proposes to fund. Area is designated as livestock-friendly, and the wellfield neighbors have a large feed yard in Knox County, a hog confinement, and a chicken barn. Her well between the two locations has tested high for nitrates and eventually these new wells will pull in nitrates. Nebraska's nitrate problem is growing worse, and you cannot clean nitrates out of water, so eventually that will happen with this project and people will pay for water they will have to boil.

Craig Wilken testified in opposition noting he represents farmers, ranchers, and neighbors in the township. He noted he lives between proposed wells and expressed concern with the project. He expressed that Yankton and the Missouri River could meet the drinking water needs.

Evelyn Hennings, landowner, testified in opposition. She noted she owns two quarters that connect to the wellfield. In addition to outlining concerns about the project, she expressed that no one knew anything about the project before the public meeting intended to inform everyone about the project.

Patricia Kromberg testified in opposition and reiterated the prior opposition testimony.

In closing, Sen. DeKay noted that when it comes to where the wells are being dug that is still to be determined. There are still options on the table to address the needs and determine the best source for sustainable water for everyone. Regardless of if they are using the rural water district, domestic well or irrigating. We will be having open house meetings to address these concerns.

Position letters were submitted by 19 proponents, 9 opponents, and no neutral.

LB 817 - Appropriate funds for capital construction. Speaker Arch, at the request of the Governor.

The major appropriations in the bill are for the Department of Corrections, University of Nebraska projects and State Colleges. Provisions of the bill were incorporated into LB 814 which was passed and signed by Gov. Pillen on May 24, 2023.

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

- **State Park System Facility Improvements** – Appropriates \$925,000 for both FY 23-24 and FY 24-25.
- **State Parks Facilities Deferred Maintenance** - Appropriates \$4,175,000 for both FY 23-24 and FY 24-25.
- **Wildlife Land Acquisition and Improvement** - Appropriates \$200,000 for both FY 21-22 and FY 22-23.

- **Improvements to State Recreation Areas** - Appropriates \$500,000 for both FY 23-24 and FY 24-25.
- **Emergency Repairs** - Appropriates \$750,000 for both FY 23-24 and FY 24-25.
- **Aquatic Habitat Enhancement and Restoration** - Appropriates \$3,000,000 for both FY 23-24 and FY 24-25.

LB 819 - Change provisions relating to the Cash Reserve Fund. Speaker Arch, at the request of the Governor.

The bill provides for transfers of funds from the state Cash Reserve Fund. Related to Natural Resources the bill includes a one-time transfer of \$574,500,000 from the Cash Reserve Fund to the Perkins County Canal Project Fund in FY 23-24. Provisions of the bill were incorporated into LB 818 which was passed and signed by Gov. Pillen on May 24, 2023.

LB 828 - Change provisions of the Nebraska Apiary Act and provide for the Pollinator Task Force, the Nebraska Apiary Registry, and immunity for certain damages relating to bees. Blood.

The bill establishes a Pollinator Task Force for the purposes of: (1) Annually researching existing pollinators in Nebraska and the habitat for such pollinators; (2) Research issues relevant to pollinators in Nebraska and how to resolve those issues; and (3) Work with the Legislature to achieve a healthy and sustainable pollinator population in Nebraska.

Members of the task force shall include:

- Director of Agriculture or designee;
- Director of Natural Resources or designee;
- Director of Environment and Energy or designee;
- Director of the Game and Parks Commission or designee;
- Director-State Engineer of the Department of Transportation or designee;
- The following members appointed by the Director of Agriculture, subject to approval by the Legislature:
 - Representative of a state association of natural resources districts;
 - Representative of a recreation and park association;
 - Representative of a noxious weed control association;
 - Representative of a conservation organization;
 - One individual who commercially grows at least one specialty crop;
 - One individual who commercially grows crops that are dependent upon pollinators;
 - One professional educator who teaches about pesticide use or the environmental effects of pesticides;
 - One dealer as defined in section 2-2624;
 - One commercial applicator as defined in section 2-2624;
 - One beekeeper who keeps at least one apiary in Nebraska and is also a member of a beekeeping club or organization; and
 - One member of the general public who resides in Nebraska.

The Pollinator Task Force shall examine existing statutes, rules, regulations, policies, and practices in Nebraska and the United States relating to pollinators and pollinator habitat and develop a pollinator plan that includes the following:

- (a) How the state should focus efforts relating to understanding, preventing, and recovering from pollinator losses;
- (b) The food production systems in Nebraska that rely on pollinators and the impact on such systems without sufficient pollinators;
- (c) How the state should develop and coordinate education programs to promote public knowledge about the effects of the loss of pollinators and how private individuals and businesses can help address the loss of pollinators;
- (d) An evaluation of and potential risk-reduction solutions to pesticide:
 - (i) Use, storage, and disposal, including pesticide-treated seeds;
 - (ii) Nontarget contamination;

- (iii) Exposure to pollinators;
- (e) Recommendations for developing public and private partnerships to encourage pollinator protection and increase the quality and amount of habitat and forage for pollinators;
- (f) Specific policies and practices that state agencies should adopt to enhance pollinator habitat on state-managed property;
- (g) Recommendations for promoting availability of native seeds and plants that are beneficial to pollinators;
- (h) The marketing and promotion of products derived from bees that are kept in Nebraska, including honey, queen bees, bee packages, nucleus colonies, products derived from bees or beekeeping, and products related to support for bees or beekeeping; and
- (i) Recommendations for legislative, administrative, and budgetary actions necessary to implement the pollinator plan.

The Pollinator Task Force shall submit the pollinator plan to the Legislature not later than November 1, 2026, and by November 1 of each year thereafter.

The Agriculture Committee held the hearing on LB 828 on Jan. 30th.

Sen. Blood’s Legislative Aid Alex Maycher opened on the bill. The bill is a follow up to LB 735 to keep a beekeeper registry and educate beekeepers. There is a proposed amendment to remove mandatory participation for beekeepers. The goal is to include vested interest on the task force and to keep all groups working together. Main goals are research existing pollinators and their habitats and to work to achieve a healthy pollinator population in the state. He discussed the need for a registry due to no data on bee keeping in Nebraska. Pollinators are required to maintain our biodiversity.

Proponents

Jack Daniel, Beekeeper from Seward County, testified in support noting the Dept. of Agriculture dropped the bee program in the 1990s. He highlighted that a 3lb package of bees is \$160 and he is struggling to keep them alive. He requested an amendment to add Nebraska Entomology Department to the task force.

Al Davis, Nebraska Sierra Club, testified in support noting bees are critical to agriculture. Bees are vulnerable to pesticide and neonicotinoids. Parasitic and fungal risks to pollinators are increasing. The task force will improve communications and head off future problems.

Nick Bonham, Gardner from Omaha, testified in support noting the need to allocate resources to better understand ecological systems. He feels there is a need to get ahead of federal regulations and interventions.

Jennifer Hapwood, Society of Invertebrate Conservation, testified in support noting her group assists producers in installing pollinator habitat. Establishing a pollinator task force will benefit producers and help stakeholders work to use money efficiently to support pollinators.

Katie Lamke, Society of Invertebrate Conservation, is currently working on the Bumblebee Atlas to better understand the rapid decline of bumblebees. She noted the task force could help in conserving bumblebees.

John Hansen, Nebraska Farmers Union, testified in support noting the environmental challenges for beekeepers and a need to increase data sharing and collection. He said the task force would be a good place to start determining what tools are needed to improve outcomes for pollinators.

Opponents

Allie French, Nebraskans Against Government Overreach, testified in opposition noting the biggest concern was over the registry, which would be addressed in the amendment. Additional concerns are there are already a lot of groups doing this work, and this just seems like an opportunity to send another \$100,000 a year to UNL.

John Rudebusch, Nebraska Honey Producers Association, testified in opposition and provided a history of how prior laws have done more harm than good for commercial beekeepers. He noted the UNL Bee Lab work has fallen short and has provided no benefit to Nebraska beekeepers, becoming a complete waste of money. Bees should be treated more like livestock and proponents are using beekeepers to tag on additional pollinators.

Several individuals and hobby beekeepers testified in opposition. Common themes were that beekeepers are the best professionals and voluntarily take care of themselves, and this would be an overreach of government.

Neutral

Brad Plantz, hobby beekeeper, discussed that the task force would be critical for advisement if structured correctly. He noted that the task force needs to include more beekeepers.

Brian Nilson, hobby beekeeper, stated he was happy to see removal of registration as it would be cost prohibitive. Voluntary infrastructure already exists in the state that could be used, including Cropwatch. Nilson noted issues with the composition of the task force asking that it include more beekeepers, including representatives from both hobby and commercial operations.

Mike Wrobel, Beehive business owner, noted that pesticide and mite issues can be devastating, and appreciate some of the accountability pieces that this bill would provide.

Dr. Judy Wu-Smart, UNL Bee Lab Professor, noted that bee keeping operations are rapidly changing and as specialty crops grow there is an increasing need for pollinators. Honey production per colony hives is decreasing and costing beekeepers revenue. Making these things a legislative mandate would help increase availability of information for keepers. Funding would help establish the program for inspections; however, an unfunded task force would just require agencies to work with the University. Currently agencies say it is not their purview to be actively involved and this task force would facilitate that.

Bill Hawkins discussed that this should be two different bills, one for the task force that needs to be developed. Additionally, commercial beekeepers need to be regulated and monitored and the bee lab is needed.

Position comments were submitted for the record by twenty five proponents, six opponents, and one neutral.

The Committee reported no action on the measure.

LB 831 - Change provisions of the Noxious Weed Control Act and provide for control of restricted plants. Blood.

The bill adds “restricted plants” that can be regulated under the Noxious Weed laws.

A restricted plant is defined as any non-native plant species that is designated and listed as restricted in rules and regulations adopted and promulgated by the director.

The Agriculture Committee held the hearing on LB 828 on Jan. 30th.

Sen Blood’s Legislative Aid Alex Maycher opened on the bill. He explained the reason for legislation is that the current act does not go far enough to restrict plants that threaten the ecosystem. The current act does not define noxious weeds, but just mentions the need to control plants.

An example was provided of the Callery Pear, non-native trees that crowd out native species, but current law makes it unable to respond to species such as these. An amendment was made to add ecological threats and also removes penalties, and instead uses existing protections in the act. The Dept. of Agriculture would still be tasked with defining noxious weeds but would need to do so with ecological impacts in mind.

Proponents

Trevor Pellerite, Grasslands Unlimited, testified in support noting that invasive species are the greatest threat to native ecosystems. He said changing the definition of noxious weeds would be consistent with other states and give the state jurisdiction over species and add ecological impacts as a required consideration. The Nebraska Invasive Species Council maintains a list of species of concern, many are actively sold, examples include the Callery Pear, Crown Vetch and Amur Maple, all three have significant negative impact on prairie. He noted that he worked at a nursery and saw people leave with species on the concern list.

Opponents - There was no opposition testimony.

Neutral

Todd Boller, Nebraska Weed Control Association, noted he felt the current noxious weed act is effective and sufficiently addresses ecological concerns. He noted it provides education on more than just noxious weeds, including education on those listed as invasive by the Council.

Beth Bazyn Ferrell, NACO Legal Counsel, noted concerns about cost and enforcement mechanisms; however, the amendment addresses those.

Position comments were submitted for the record by six proponents and one opponent.

The committee reported no action on the measure.

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

The Government Committee reported LB 859 was indefinitely postponed on March 15, 2024. Provisions of the bill have been incorporated into LB 287 which was adopted and passed.

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

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

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

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

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

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

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

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

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

Provisions of the bill were amended into LB 867 which passed and was signed by Governor Pillen.

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

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

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

Provisions of the bill were incorporated into LB 1074, which passed and was signed by Governor Pillen.

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

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

LB 925 - Adopt the Firearm Industry Nondiscrimination Act. Aguilar.

The Government Committee reported the advancement of LB 925 to General File on February 23rd on a 5-0-2 vote following the adoption of a committee amendment (AM 2548). The amendment excludes bonding, securities, and deposit of public funds from the restrictions of the bill and clarifies the standard to be applied when no vendor is available who can meet the certification requirements of the bill.

The bill would prohibit state agencies and political subdivisions from entering a contract with a company for the purchase of goods or services unless the contract contains a written verification from the company that it:

- (a) Does not have a practice, policy, guidance document, or directive that discriminates against a firearm entity or firearm trade association; and
- (b) Will not discriminate against a firearm entity or firearm trade association during the term of the contract.

The requirements of the act would not apply if a governmental entity:

- (a) Contracts with a sole-source provider; or
- (b) Does not receive a bid from a company that is able to provide the written verification.

Firearm entity is defined in the proposal as:

- (a) A firearm, firearm accessory, or ammunition manufacturer, distributor, wholesaler, supplier, or retailer; or
- (b) A gun range.

Firearm trade association is defined in the proposal as any person, corporation, unincorporated association, federation, business league, or business organization that:

- (a) Is not organized or operated for profit and for which none of its net earnings inures to the benefit of any private shareholder or individual;
- (b) Has two or more firearm entities as members; and
- (c) Is exempt from federal income taxation under section 501(a) of the Internal Revenue Code of 1986, as an organization described by section 501(c) of such code.

A contract is defined as a promise or set of promises constituting an agreement between the parties that gives each a legal duty to the other and the right to seek a remedy for the breach of those duties. The term does not include an agreement related to investment services.

The Government Committee held the hearing on LB 925 on February 1st.

Opening on the bill, Sen. Aguilar outlined how the bill would prohibit state and local governments from entering into contracts with companies that have policies discriminating against firearm and ammunition industries. Financial and insurance industries are using their power to financially cripple ammunition and shooting sports industries. Private corporations are using their power to restrict constitutional right and this policy would shed light on those organizations.

Sen. Aguilar offered an amendment that provides that government entities may still use companies that offers a bid because no other reasonably competitive alternative exists and the duties could not be met through other means.

Proponents

Nephi Cole, National Shooting Sports Foundation, testified in support outlining that companies making a choice to restrict the Second Amendment should have to tell you that, and when the state can, you should do business with someone else. Members have a history of being discriminated against by banking and insurance industries through denial of services. Additionally, companies have been penalized for doing business with member companies.

Ken Schilz, National Shooting Sports Foundation, testified in support and discussed how this legislation would protect Nebraska's long standing culture of shooting sport activities. This bill provides transparency necessary to ensure Nebraska does business with those whose view aligns with those of the state.

Steve Hornady, Hornady Manufacturing, testified in support of the bill noting discrimination has been implemented at the highest levels of government. Five states have already passed similar legislation and several are currently considering similar measures. Financial discrimination directly impacts the more than 1,200 employees at their company. His company has experienced credit card processing discrimination and increased fees because of the class of business. They've been cancelled by insurance carriers due to woke policy and discriminatory reasons against the industry.

John Heaston, Nebraska Sportsman Foundation, testified in support noting Nebraska is great place to hunt and trap and it has fueled industries that bring countless dollars to our state. These companies provide critical products and are great ambassadors for our state. Heavy political pressure has led banks to circumvent firearm industry and this has become an avenue for them to target.

John Ross, NRA member and volunteer Hunter Education Instructor for Game & Parks, testified in support. People in this state do not want the Second Amendment trampled on. We need fair laws to protect all the lawful businesses in this state.

Opponents

Robert Bell, Nebraska Insurance Federation, testified in opposition. Many local insurance companies have reinsurance insurance with nationwide holders and believe this bill could shrink the pool of insurance companies available to do business with. Insurance companies have various reasons/policies for who they provide insurance for. Due to the paperwork that the bill is asking there is concern about a perceived notion that the insurance company could be discriminating and might get complaints against them and are not comfortable with that risk.

Robert Hallstrom, Nebraska Bankers Association, testified in opposition noting this bill is a solution in search of a problem and this is not a problem in Nebraska. Banks do not want the government telling them who they should and should not be doing business with. There is a difference between risk and discrimination. Some bankers and insurance companies are not willing to take on the risk, but that does not mean they are discriminating.

Position comments submitted for the record included eleven proponents and seven opponents.

Sen. Aguilar closed by noting this is a simple bill about fairness and discrimination. If you are an insurance or financial institution and you are not being discriminatory, you have nothing to worry about. This is targeted toward the bad players.

The committee reported no action on the measure.

LB 951 - Adopt the Public Officials on Private Boards Open Meetings Act. Linehan

The bill proposes to make private boards subject to the Open Meetings Act when they include a majority of public officials are on such board.

Under the proposal, the following definitions are used:

Covered entity means any private or quasi-public entity, whether operated on a for-profit or nonprofit basis. It does not include a public body already subject to the Open Meetings Act.

Governing board means the board of directors, supervisory committee, or other governing body of a covered entity:

- (1) That sets policy for, makes decisions for, or supervises a covered entity; and
- (2) Of which a majority of the members are public officials.

The governing board does not include a subcommittee or subunit of a governing board unless a quorum of the members of the governing board is present or unless such subcommittee or subunit is making policy or taking formal action on behalf of the governing board.

Public official is defined as any elected or appointed official of the state or a political subdivision or any government employee or official in an upper level of management, including, but not limited to, school superintendents.

The Government Committee held the hearing on LB 951 on February 15th.

Sen. Linehan opening by outlining the need to expand accountability for government, noting if a group of high level government officials are going to have a meeting for policy discussions, than it needs to be open to the public. Sen. Linehan discussed the measure is only intended to apply to meetings where policies are made. Citizens have the right to know when high level officers are making policy decisions.

Proponents

Josh Henningsen testified in support on behalf of himself. He noted he serves on the Papio NRD board, which has a delegate on the NARD board. He noted that during the NRD Legislative Conference he didn't get a list of bills in advance to review before delegates went to vote at the meeting. He noted that he requested additional information on who serves on the NARD Legislative Committee and how those people are selected are giving the recommendations. He noted he was told that NARD was not a public entity and didn't receive additional requested information. He noted that this bill would provide additional transparency for all the stakeholders involved.

Carter Thiele, Lincoln Independent Business Association, testified in support and noted government transparency is their top priority and discussed the benefits of public having the right to be informed. However, provisions of the bill allowing public ability to speak at these private meetings goes a step too far –noting they support the bill with reconsideration of allowing the public to speak.

Opponents

Deb VanMatre, NARD Board Member and Central Platte NRD Board Member, testified in opposition to LB 951 on behalf of the Nebraska Association of Resources Districts and League of Nebraska Municipalities. VanMatre is the Mayor of Gibbon and serve as President of the League.

Our two associations share the constitutional concerns previously outlined by John Spatz, Executive Director of the Nebraska Association of School Boards.

The bill poses many problems for nonprofit organizations and associations like the League and the Nebraska Association of Resources Districts. It would require every meeting of our governing boards to essentially be subject to provisions like those of the Open Meetings Act which governs political subdivisions and public agencies. LB 951 would allow members of the public to attend our meetings and conferences without registering or paying for the event.

Like the Open Meetings Act, LB 951 defines a meeting as all regular, special, or called meetings, formal or informal for the purposes of briefing, discussion of business, formation of tentative policy or the taking of any action of the governing board or covered entity.

The League and Nebraska Association of Resources Districts hold several regular conferences, training meetings, and events throughout the year. Our associations must enter into contracts with hotels, charter buses, and/or vendors. We also must provide the number of people attending the event. A registration fee is associated with the event to cover the cost related to the meeting.

If we must open these events for the public to attend, it would be almost impossible to plan and anticipate how many people would attend, and what extra charges would be incurred. I am not sure if our private sector partners with whom we contract would allow a "public conference or meeting." It would be very difficult for them to set up and prepare for such a meeting, especially in light of security concerns and related issues.

At most conferences and events sponsored by the League and Nebraska Association of Resources Districts, a board meeting is held either before or after the event, resulting in a quorum of our respective boards attending the entire event. Our board meetings are noticed and conducted pursuant to the provisions of the Nebraska Nonprofit Corporation Act in Chapter 21, Article 19.

At all of these meetings, participants are informed of any policy changes and/or proposals by state and federal agencies. We also share information about policy issues faced by other members of our associations to keep our board members and their employees informed about important policy and regulatory developments.

She respectfully asked the Government Committee not to advance LB 951 to General File.

John Spatz, Nebraska Association of School Boards, testified in opposition. He noted that NASB doesn't make policy and doesn't levy a tax, but this would make them subject to the open meetings act. He also noted concerns with the violation fine of \$10,000. He gave an example of two farm brothers who serve on different public boards and if they had a farm meeting would they need to publish it as an open meeting or be subject to the fine? He noted NASB wants to incentivize people to run for their local school board, and if private businesses could be subject to the open meetings act, people may not want to run for office.

Jack Moles, Nebraska Rural Communities School Association, testified in opposition noting that requiring private entities would insert state government control into many private boards. Community foundations, sport groups, or church councils that are private could now all potentially be subject to state control and open meetings.

Jon Cannon, Nebraska Association of County Officials, testified in opposition discussing that while this is well intended, it is overly broad. Reiterated this would subject church councils or other private bodies to the open meetings act. Also reiterated potential constitutional issues. Cannon expressed that NACO doesn't make policy for 93 counties, instead they make policy that represents 93 counties.

Tim Texel, Homeowners Association, testified in opposition and outlined that his HOA with 3 directors would now be subject to open meetings act under provisions of the bill.

Additional testimony in opposition was provided by the Nebraska School Administrators, Nebraska Rural Electric Association, and the Nebraska Community College Association. Their testimony all echoed concerns outlined by previously testifiers.

Neutral – There was no neutral testimony.

In closing Sen. Linehan discussed that the idea that the Nebraska school association is meeting and deciding what positions to support without any public involvement is not right. Additionally, she discussed dislike over the idea of not knowing who is funding these associations, noting we need to know who and how these associations are being funded and we need more visibility on how the associations are conducting bussiness.

Position comments submitted for the record included four opponents.

The committee reported no action on the measure.

LB 1018 - Provide that positions of public employment shall not require a postsecondary degree and require equal consideration for non-degree-holders' wages and benefits. Holdcroft.

The bill proposes that as a state agency or political subdivision of the state, shall not require that an applicant for public employment possess a postsecondary degree, provided the applicant has qualifying career and life skills.

The bill includes the following exceptions:

- (a) The University of Nebraska or state colleges;
- (b) The judicial branch of state government;
- (c) Positions for which a postsecondary degree is required by state or federal law; or
- (d) Positions for which application of this section would jeopardize federal funding.

The Government Committee held the hearing on LB 1018 on February 2nd.

Sen. Holdcroft opened by outlining provisions of the bill and discussing that IBM, Delta Airlines, and Bank of America have all removed their degree requirements. Sixteen states do not require college degrees (Maryland being the first). Fewer people are getting post-secondary degrees, and the job market is getting smaller.

Proponents

Laura Ebke, Nebraska Platte Institute, testified in support noting that the bill states that life skills are more important than degrees. Degrees do not make the person and this measure would make a statement.

John Gage, American's for Prosperity, testified in support outlining that life skills are important, and a degree is just a plus.

Ally Perkins, Cicero Action, discussed that college degrees mostly lead people out of public jobs. Two-thirds of Nebraska adults lack a college degree.

Jason Witmer, ACLU of Nebraska, testified in support, outlining that Nebraska has a 2.3 % rate of unemployment, and emphasized the number of open jobs. This bill would open a fair and inclusive job environment.

Opponents – There was no opposition testimony.

Neutral

Justin Hubly, Nebraska Association of Public Employees, testified in neutral capacity noting there are barriers and we should take them down. Anyone who has five years experience is more qualified than someone who has no experience but has a degree. Should make sure the job fits the experience.

Jason Jackson, Department of Administrative Services, testified in a neutral capacity and outlined that this bill is similar to the Pillen Administration approach, and this bill helps get the widest range of applicants.

Position comments submitted for the record included two proponents, two opponents, and one neutral.

Senator Holdcroft has filed an amendment to make the bill applicable to only state employees.

The committee reported no action on the measure.

LB 1080 - Appropriate Federal Funds to the Department of Natural Resources. Holdcroft.

The bill proposes \$10 million to the Department of Natural Resources for the purpose of providing state aid for a grant to an entity within a county with a population exceeding one hundred thousand inhabitants formed pursuant to the Interlocal Cooperation Act for the purpose of funding a portion of the cost of a wastewater system.

The Federal Funds appropriated in the bill are from the unexpended and unencumbered appropriation balances of the Federal Funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund pursuant to the federal American Rescue Plan Act of 2021.

The bill also includes an emergency clause.

The Appropriations Committee held the hearing on LB 1080 on February 21st.

Sen. Holdcroft opened by noting the bill was brought by Sarpy County and would provide funding for the wastewater system only if unused ARPA funds become available. To date the project has been funded \$120 million locally. This facility would allow for economic development that would generate \$15.8 billion in additional state revenue.

Proponents

Mike Evans, Mayor for the City of Gretna, testified in support noting that funding provided by the legislature last year was used for the eastern portion of the wastewater segment. These new funds would be used for the western portion of the wastewater project. He noted this addresses an immediate need and the revenue collected from the project would ripple across the state. Developers are waiting for this project and returns will be immediate.

Dan Hoins, Administrator for Sarpy County, testified in support outlining that Sarpy County could levy property tax for the project, but they are halfway through the project and don't anticipate needing to levy property tax. He highlighted that 88,000 of 159,000 acres in the county are not urbanized due to lack of wastewater infrastructure. This project would build out about half of the unserved area. The \$10 million in funds provided last year helped, but that went to assist with the \$120 million project funded just this year, and there is no funding for phase 2 of the plan which includes reaching Gretna and merging the systems to keep up with the growth.

Opponents – There was no opposition and no neutral testimony.

In closing, Sen. Holdcroft reiterated the need to keep up with the growth and opportunities in Sarpy County. This is not a shovel-ready project, this is a shoveling project.

Position comments were submitted for the record by one proponent.

The committee reported no action on the measure.

LB 1131 - Appropriate funds to the Department of Environment and Energy for grants for tribal-owned community drinking water and sewer systems. Raybould.

The bill proposes \$10 million from the General Fund for FY2024-25 to the Department of Environment and Energy for the purpose of issuing grants to improve tribal-owned community drinking water and sewer systems.

The bill also includes an emergency clause.

The Appropriations Committee held the hearing on LB 1131 on February 2nd.

Kate Wolfe introduced LB 1131 on behalf of Senator Raybould stating this funding would be a step towards funding our water crisis. This bill would issue grants to tribal owned community water systems. There are water quality issues on Winnebago, Omaha, and the Santé Sioux reservations. Santee Sioux reservation has been living for four years without safe drinking water.

Proponents

Kameron Runnels, Vice President of Santee Sioux Nation, testified in support noting two years ago he testified in support of another tribal water infrastructure bill. In 2019, the EPA initiated a no-drink order due to high levels of manganese (10x the drinking water standard). Currently, the tribe is ordering 15-20 pallets of water every two weeks costing approximately \$7,000. The tribe is pursuing connecting to a water line which would be a long-term solution. The project could cost \$50-60 million which will require funds from multiple sources. This is not just a Santee issue it's a tribal issue across the state. We need this bill to help us get clean water. Water is life yet we cannot drink water from our kitchen sink or brush our teeth.

Clinton Powell, Pinpoint Corporation, testified in support noting the federal government identified this issue as early as 2000. It's gone through three federal studies and it consistently shows the local water source is hard to meet the drinking water standards, mainly for manganese, but also other contaminants. In the last year the Santee Sioux Tribe has completed a USDA rural development report identifying \$63 million in total projects. The environmental concerns are minimal on a project like this because the pipeline would be constructed in the road right of way. This is also a rural water problem and there would be potential to tie into other rural water systems. This project is shovel ready, and putting together the funding is where we are at. South Dakota has also committed to this project.

Victoria Kitcheyan, Chairman of Winnebago tribe of Nebraska, testified in support of the bill. The Winnebago Reservation has 2,737 resident with 67% being Native American and the other 33% non-Native American. The village of Winnebago sewer system is unique and is connected and serves all residents of the tribe regardless of where they live. The tribe is eligible for some federal funding but the funding is limited and doesn't cover all needs. The quality of water in Winnebago continues to be classified as unacceptable. Access to safe drinking water is a necessity for everyone. Victoria highlighted the many challenges on the reservation including but not limited to over crowded houses, lack of health care, and no safe drinking water.

Joy Johnson, Winnebago Tribe of Nebraska, testified in support noting her family has resided on the reservation for over 135 years although they are not Native American. Joy highlighted the Winnebago Tribe is a major employer in northeast Nebraska and the population has grown by 9% since 2000 and its growth is expected to continue. To help support this growth the tribe has put substantial resources into housing infrastructure. However, there is a need for matching funds to the federal funds that are requested and those funds are lacking. The funds requested here would allow the tribes to be able to leverage those federal funds.

Al Davis, Sierra Club, testified in support listing all the sources contaminating our water resources including but not limited to feedlots, fertilizer, and AltEn. Tribal lands are located in areas of worsening water quality and kicking the can down the road is not solving the problem. Al encourages the state to do a study on our water quality and how to reverse the degradation.

Judi gaiashKibos, Director of Indian Affairs, testified in support highlighting that this bill was introduced two years ago and the committee supported the bill at that time but the governor did not. It's important to look at how important water is to our state. Water is life. gaiashKibos is thankful she lives in Lincoln and has access to clean

drinking water but the tribal nations are not so lucky. Santee Sioux has done a lot of things on their reservation but they don't have clean drinking water. The Ponca Tribe has been asked to bring millions of dollars to the table for the STAR WARS project but they don't have clean drinking water. Judi asked the committee to come together and collaborate with the tribes so they have something we can celebrate.

Opponents – There was no opposition and no neutral testimony.

Position comments were submitted for the record by three proponents.

The committee reported no action on the measure.

LB 1179 - Appropriate funds to the Department of Natural Resources. Wishart.

The bill proposes \$1.2 million from the General Fund for FY 2024-25 to the Department of Natural Resources for the purpose of issuing a grant to a natural resources district whose territory encompasses a county containing a city of the primary class in order to fund high-priority flood mitigation projects identified by the district and being completed by the district in collaboration with at least one other political subdivision.

The Appropriations Committee held the hearing on LB 1131 on February 2nd.

Senator Wishart opened by outlining how the bill seeks to appropriate \$1.2 million to NeDNR for the purpose of projects in the Lower Platte South NRD. The main reason for these projects is flood mitigation for public safety. Flood mitigation in Lincoln and Lancaster County is one of the number one priorities for residents. We are seeing increase growth in terms of neighborhoods and we want to make sure we can support those new neighborhoods with flood protection.

Proponents

Mike Sousek, General Manager of the Lower Platte South NRD, testified in support of LB 1179. Sousek testified to carry out our mission we create partnerships to accomplish everything we need to accomplish. Sousek provided a summary of previous planning efforts, Master Plan efforts, and projects identified through those planning efforts. The Master Plan identified 160 projects with approximately sixty priorities. Lower Platte South NRD has spent \$24 million to complete those sixty priority projects. The \$1.2 million will address two projects from the priority list. Currently the Lower Platte South NRD has three projects in the works.

As the city of Lincoln continues to grow infrastructure becomes a concern. Middle Creek project, will install grade control structures with the goal to keep the stream where it is at and protect infrastructure around the stream.

Hanes Branch would address bank erosion that is threaten west Van Dorn Street. The project will protect west Van Dorn Street and the Prairie Corridor Trail at Pioneers Park. These projects will involve multiple partners to see to completion.

During questioning, Sousek highlighted how the NRD has been fiscally conservative and have not increased their levy the last four years. It's hard to keep up with the cost of these projects without increase in funding.

Opponents – There was no opponent or neutral testimony.

In closing, Sen. Wishart highlighted how much the appropriations committee has focused on water projects over the last few years. The NRDs invested a lot of their own dollars into these projects and we hope the committee will consider helping. The committee also commended the NRD for not having any administrative fees associated with this appropriation.

Position comments submitted for the record included six proponents.

The committee reported no action on the measure.

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

The bill proposes to adopt the Reverse Osmosis System Tax Credit Act to provide a tax credit for installation of reverse osmosis systems for one or more of the listed chemicals. The bill also requires a real-time nitrogen management plan to be implemented by January 1, 2025.

The tax credit provisions were amended into LB 937 which passed and signed by Governor Pillen.

The real-time nitrogen plan was changed to a \$1 million funding to NDEE for real-time sensors and incorporated into LB 1368, which passed and was signed by Governor Pillen.

Tax Credit

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

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

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

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

Nitrogen Management Plan

The bill also calls for a real-time nitrogen management plan to be in place by August 31, 2024, with full implementation by January 1, 2025.

The plan would have to be put together by the Department of Natural Resources and the Department of Environment and Energy. The plan will consider how state agencies, natural resources districts, farmers, and irrigators can obtain the necessary data to reduce fertilizer use and reuse nitrates contained in groundwater through the irrigation systems that will thereby lower input costs and reduce nitrate levels statewide.

Such plan will consider how state agencies, natural resources districts, farmers, and irrigators can obtain the necessary data to reduce fertilizer use and reuse nitrates contained in groundwater through irrigation systems that will thereby lower input costs and reduce nitrate levels statewide.

The bill proposes \$10 million for FY 2024-25 from the General Fund to the Department of Environment and Energy to fund the installation of real-time nitrate sensors in monitoring wells statewide to prioritize nitrate management and reduction.

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

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

The bill was incorporated into LB 1368, which was passed and signed by Governor Pillen.

LB 1205 - To appropriate Federal Funds to the Department of Natural Resources for wastewater; and to declare an emergency. Hughes.

The bill appropriates \$20 million from Federal Funds for FY2023-24 to the Department of Natural Resources for the purpose of providing state aid for a grant to a city of the first class located in a county with less than 20,000 inhabitants which is in a metropolitan statistical area, with more than 300,000 inhabitants for the purpose of funding a portion of the cost of a wastewater system.

The Federal Funds appropriated in this section are from the unexpended and unencumbered appropriation balances of the Federal Funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund.

The bill also includes the emergency clause.

The Appropriations Committee held the hearing on LB 1205 on February 21st.

Sen. Hughes opened by noting the City of Seward did not ask for this bill to be introduced; however, this is a measure of last resort that she decided to pursue to fund their wastewater system. The current system is faced with a difficult choice of continuing with the current system that would limit growth and regulatory compliance or proceed with new project with the highest rates in the state.

Proponents

Josh Eckmeier, Mayor for the City of Seward, testified in support of the bill. Seward is growing consistently at 1% a year. They had planned construction for their wastewater project in 2019 and then COVID hit and post COVID their \$12 million project had inflated to \$32 million. They're not asking for a free wastewater system, instead they're asking for funds to offset the increase in costs that were outside of their control. To date, Seward has spent \$1.3 million to design the project and if the funding request was approved, they could break ground yet this year, with a two-year timeline for completion.

Jonathan Jank, Seward County Chamber, testified in support of the bill noting the economic impact a new wastewater system would have on the community.

Kris Bousquet, Nebraska Ag Leaders working group, testified in support of the bill highlighting that food supply companies are looking for growth opportunities. The dairy industry processors are evaluating Nebraska communities and identifying locations for facilities but the #1 limiting factor is the availability of wastewater services. This bill would support a community with a significant need and have an impact on citizens and potential new businesses.

Opponents – There was no opposition and no neutral testimony.

In closing, Sen. Hughes again thanked the committee and discussed the impact the project would have on the community and the state.

Position comments were submitted for the record by three proponents.

The committee reported no action on the measure.

LB 1241 - Change provisions relating to property tax levy limits. von Gillern.

The bill places limits on taxing growth in valuations.

Under the bill, in addition to the existing levy limits, if the total taxable valuation of property in a political subdivision exceeds the total taxable valuation from the prior year, then such political subdivision shall be subject to an additional levy limit calculated as follows:

The percentage increase in the political subdivision's total taxable valuation shall be determined; and then the political subdivision's levy rate from the prior year shall then be decreased by the same percentage.

The decreased levy rate shall be the maximum levy rate that such political subdivision may impose in the current year.

Senator von Gillern has introduced an amendment (AM 2135) to strike the original bill and replace it with the following:

If the total taxable valuation of property in a political subdivision exceeds the total taxable valuation from the prior year, then such political subdivision's levy shall be no more than the levy necessary to raise the exact same amount of property taxes as was raised by such political subdivision in the prior year.

The Revenue Committee held the hearing on LB 1421 on Jan. 31st.

Opening on the bill, Sen. von Gillern discussed that this measure would eliminate windfall gains that occur with valuation increases. Budgets have outpaced inflation in recent years. He noted he's willing to work with NACO and others to create opportunities for override, noting growth needs to be allowed and accommodated in some way. He noted the first draft isn't always the best draft and that the bill is not intended to put schools or counties in a bad place.

Sen. von Gillern addressed an amendment that changes the original draft from continuous decreases, to starting at the previous year's baseline. He closed by noting that from 2013 to 2023, if just increased for inflation property taxes would have increased 28%, but instead actual property tax revenue has increased 49%. Noting that local taxing authorities need to stop pretending that taxes didn't go up.

Proponents

Doug Kagan testified in support on behalf of Nebraska Taxpayers for Freedom. Taxing authorities raise additional funds due to valuation windfalls and this would force budget decrease. These measures must be part of Governor's tax relief plan and would help keep Nebraska residents here.

Mark McHargue testified in support on behalf of Nebraska Farm Bureau and Ag Leaders. Even though we've done significant work, the question of property taxes keeps coming up because people don't feel the relief. At some point there must be something fairly radical done, and this bill gets into that category. The value of our real estate going up is a good thing, but we should not be terrified of the property tax bill that comes with it. One of the biggest costs of home ownership is property taxes. Ag property taxes have gone up over 200% in some cases. Personally, my property taxes are a very significant cost compared to my other costs for the farm, and it makes it hard to compete with other ag states.

Nicole Fox, The Platte Institute, testified in support noting this is a policy solution from their tax policy brief. There is a need for greater accountability and taxpayers deserve transparency. Currently taxes can go up without legislative action and the best way to protect taxpayers is to cap tax increases from one year to the next.

Bruce Bohrer, Lincoln Chamber of Commerce, testified in support. We consider this levy rebalancing or zero-waste budgeting. We see this effort as truth in taxation. The public is being manipulated by the information when a political subdivision says they didn't increase the levy rate but are collecting more due to the increased valuation. We want people to be more engaged and participate in the process related to their taxes.

Bob Hallstrom, National Federation of Independent Business and Nebraska Bankers Association, testified in support noting this bill is about fundamental fairness.

Several individuals from Douglas and Lancaster Counties testified in support noting their property taxes are too high.

Opponents

Dozens of opponents provided testimony, including several individuals and many organizations not limited to the following: Nebraska Association of County Officials, Greater Nebraska Schools Association, Sarpy County Board of Commissioners, Nebraska Association of School Boards, Lincoln Public Schools, Omaha Public Schools,

Nebraska Community College Association, Open Sky Policy Institute, many school districts, several rural fire districts, elected school board members and county commissioners.

Opponent testimonies noted the bill would freeze revenues and limit their growth in providing services for their residents. Schools noted that more than half of their budgets are teacher salaries, and this bill would prevent them from offering competitive pay. Schools also noted that previous legislative changes have caused losses in equalization aid, and some schools now need property taxes to make up the shortfall. Several counties and fire districts noted this bill would limit their growth and make it difficult to support their newest infrastructure.

Testimony in opposition was provided by Dean Edson, NARD. I want to state up front that we are not opposed to property tax reform. The natural resources districts are very concerned about the heavy reliance on property taxes to fund schools and other political subdivisions.

We will work with the Legislature and Governor Pillen on reasonable property tax reform measures. We support reforms that reduce property tax reliance and provide adequate funding for both rural and urban areas.

We oppose restrictions on local budgets that harm the ability of local governments : 1) To implement programs and projects to meet federal and state mandated programs; 2) Make local annual adjustments to meet the needs of the local citizens; 3) Adequately fund both rural and urban needs; and 4) Provide local funding for efficient natural resources programs that protect water quality, water quantity, soil, property and the economy.

The provisions in LB 1241 forces property taxes to go down but it does not take into consideration what needs to be funded. Under the bill as written, as long as valuations go up, taxes would go down as it would tie to the previous year's levy.

I would like to point out some state actions that have forced the districts to increase their budgets in the past.

- In 2001, the legislature repealed a fertilizer tax that provided \$2.5 million in funding for water quality programs. Senators at the time looked at NRD budgets and decided that it should be shifted back to the NRDs because we were not at our maximum levies.

A state fund was put in place to provide about \$1.1 million, but then also required 160 % match by NRD property taxes to make up the difference. The state fund has not been increased since 2001 and any additional funding needs must be made up with local property taxes.

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

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

NRDs in the over appropriated area of the Upper Platte Basin now find themselves in the middle of the required IMP's second increment. Not only are NRDs tasked with the costly endeavor of maintaining the actions implemented during the initial increment, they also must implement further programs and projects to offset additional depletions that exceed those required during the first increment.

- In 2006, LB 933 was passed to require NRDs in the fully and over – appropriated areas designated by the state to provide each municipality in the area up to 25 million gallons annually for growth. The NRDs are forced to go out and purchase water from other existing producers to provide that growth.

- In 2011, state aid to NRDs was eliminated. This was \$1.4 million at the time. It had been higher in previous years.
- In 2018, the Legislature eliminated the authority of NRDs to levy up to 3 cents to fund and implement ground water management activities and integrated management activities under the Nebraska Ground Water Management and Protection Act.

Moving forward, the NRDs are working with producers, ag industries and communities, new technologies are becoming available to assist producers to become more efficient.

For example, we are working with the Corn Board, producers, and ag industry to develop a new mobile app to help reduce over-application of fertilizers and increase productivity. This will be released in May of 2024. In addition to the cost of development, there will be ongoing cost for this.

We are also working with the ag groups and other organizations on Full Value Ag. There are many components to this, and the NRDs are willing to assist in this process. This includes coordination with the ag producers and industry on remote sensing for water and nitrogen use. The Twin Platte NRD has invested in such sensors for producers, and they have been successful. Other districts are interested in implementing such programs.

As the NRDs navigate the complexities of water management, we ask the legislature to consider the on-going commitment to keep Nebraska #1 in water management and efficiency. The current and evolving demands necessitate a thoughtful and collaborative approach to spending. The cost of water is not going down. The provisions of LB 1241 ignore these needs.

No neutral testimony was provided. Position comments submitted for the record included five proponents, fifteen opponents and one neutral.

The committee reported no action on the measure.

LB 1242 - State intent to appropriate funds to the Board of Regents of the University of Nebraska. McDonnell.

The bill appropriates \$350,000 from General Fund in FY 24-25 to the board of regents of University of Nebraska for the purposes of studying the ability of using roof-collected rainwater as a safe and sustainable source of drinking water. Provisions of the bill were incorporated into LB 1412 via AM 2566 which was adopted and approved by Gov. Pillen on April 1st, 2024.

The bill states it is the intent of the Legislature that this research initiative investigates the effectiveness of various filtration and purification methods in removing chemical and biological contaminants from rainwater, with the goal of providing a reliable alternative water source for household use.

The Appropriations Committee held the hearing on LB 1242 on February 1st.

Senator Mike McDonnell opened by noting the bill proposes a forward-thinking solution to study roof collected rainwater as a safe source of drinking water. This is about innovation and adaptability not just conservation. It would study how to remove chemical and biologicals contaminates from rainwater for drinking water.

Proponents

Dr. Bing Chen, UNL Engineering Professor, provided a comprehensive overview of the project's objectives and achievements. Professor Chen has been a part of renewable energy research for five decades. When Chen thought of the small house movement in California and Nebraska's aging population, Chen decided to develop a small house research project using everything he has learned about renewable energy over the last 50 years. His innovative design resulted in a building that not only meets the 2050 IEA energy standards, but also stands as a pioneering example of sustainability, achieving carbon neutrality.

Professor Chen elaborated on the project's methodology for ensuring water safety. By assessing potential contaminants such as heavy metals and pathogens, including bacteria, viruses, and amoebas, the project seeks to implement a comprehensive water quality system. The system samples water at various stages, from the roof and initial filtration system to the collection system and ultimately the tap. Through rigorous analysis, the project aims to identify and mitigate any impurities, ultimately presenting a viable solution for safe, potable rainwater consumption.

In closing, Senator McDonnell highlighted Chen's passion on this project and said he would get detailed information on how much money has been spent so far and how it has been spent. McDonnell appreciates Chen and his students who have worked on this project.

Opponents - There was no opposition and no neutral testimony, and no online comments.

The committee reported no action on the measure.

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

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

That was incorporated into LB 1300, which passed and was signed by Governor Pillen. The hearing notes are in the LB 1300 summary.

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

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

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

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

LB 1244 - Appropriate Federal Funds to the Department of Natural Resources. McDonnell.

The bill proposes to appropriate \$34,080,000 from Federal Funds for FY2023-24 to the Department of Natural Resources for the purpose of providing state aid to a natural resources district which contains a city of the metropolitan class for vital flood control projects in the geographic area served by the natural resources district in which the city of the metropolitan class is located.

The Federal Funds appropriated in this section are from the funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund.

The Appropriations Committee held the hearing on LB 1244 on February 21st.

Sen. McDonnell opened on the bill by noting it was brought by the Papio-Missouri River NRD. He outlined provisions of the bill and discussed the unused ARPA funds would contribute to seven flood control projects across the Omaha metro area.

Proponents

John Winkler, General Manager Papio-Missouri River NRD, provided testimony in support of the bill on behalf of NARD. Winkler opened his testimony by thanking Sen. McDonnell for introducing the bill. Quite simply LB 1244 would appropriate \$34,080,000 of un-used federal funds to the Department of Natural Resources program 314 for the purpose of providing state aid to a natural resources district which contains a city of the metropolitan class for the construction of vital flood control projects. Winkler's testimony included a detailed list of flood control projects the funds would be utilized to construct.

The reservoir projects have been decades in the planning, design and engineering phase and the majority of the land rights have been secured. The balance of the projects are important maintenance issues that includes storm culvert and dam rehabilitation, and creek bank stabilization projects. All of the projects on the list can be completed by the federally mandated deadline of December 31, 2026.

Winkler closed his testimony by noting that while the bill requests \$34 million, they understand the needs of the state and would utilize any funds that could be provided from unused ARPA funds.

Sen. Erdman asked about 2019 flood damage. Winkler discussed that the majority of the metro area infrastructure was protected. A majority of the damage was along rivers outside the metro where little infrastructure existed.

Sen. Erdman asked about the selling of lots around reservoirs? Winkler outlined the district doesn't sell lots - they only purchase land needed for the project. However, private landowners outside of the project can do what they want with the land, including selling for development if they so choose.

Sen. Erdman asked about the use of eminent domain. Winkler discussed that it would not be needed for these projects and historically the board has only used it very sparingly when absolutely necessary. Sen. Clements asked for a priority of projects and Winkler noted he would provide that.

Opponents

Shawn Melotz, testified in opposition on behalf of the Papio Preservation Association. Their organization is opposed to building flood control structures and claimed the NRD is only building lakes for developers.

Grant Melotz testified in opposition and noted there has been no flooding in the Papio creek.

Tyler Mohr testified in opposition and told the committee the NRD is only building dams for real estate developers.

Sen. McDonnell waived closing and there were no online position letters submitted for the record.

The committee reported no action on the measure.

LB 1258 – To change procedures under Livestock Permits. Cavanaugh, M.

The bill proposes that the Department of Environment and Energy shall not issue a permit to a livestock waste control facility if such facility is located where the department has determined that groundwater may become

contaminated by such facility or if such operation is located within one hundred feet of a domestic water well not owned by the operation.

The department may issue a permit to an existing livestock waste control facility located within one hundred feet of a well owned by the operation based upon an evaluation of (i) well depth to groundwater, (ii) known flow direction of groundwater, (iii) the groundwater management plan and other information from the local natural resources districts pertinent to the application, and (iv) any other criteria satisfying the department that groundwater quality will not be adversely affected.

The Department may issue a new or modified National Pollutant Discharge Elimination System permit, issue a new or modified construction and operating permit, issue a modified operating permit, or grant a modified construction approval to an existing animal feeding operation if:

- (i) The existing animal feeding operation modifies its operation and expands its approved livestock waste control facility;
- (ii) the existing animal feeding operation's livestock waste control facility is located more than two miles from a designated cold water class A stream segment and is in the same cold water class A stream watershed as the animal feeding operation; and
- (iii) the existing animal feeding operation or livestock waste control facility is located less than two miles, but more than one mile, from a cold-water class A stream and the department determines, based on scientific information provided in the application or other available scientific information, that the proposed expansion does not pose a potential threat to the stream.

If an existing animal feeding operation or a livestock waste control facility is located within a groundwater management area, monitoring wells shall be installed to monitor possible nitrate contamination of groundwater.

Any livestock waste control facility or animal feeding operation having a permit or a construction approval is required to have routine inspections of production areas, irrigation distribution systems, and land application areas as follows:

- (i) Weekly inspections at the production area of all storm water diversion devices, runoff diversion structures, and devices channeling contaminated storm water to the facilities;
- (ii) daily inspection at the production area of water lines, including drinking water or cooling water lines;
- (iii) daily monitoring and recording of any precipitation events;
- (iv) weekly inspections at the production area of the manure, litter, and process wastewater impoundments, with such inspection record documenting the level in liquid impoundments as indicated by the depth marker;
- (v) inspection prior to each operation of the irrigation distribution system and the water source protection equipment to ensure that the system and equipment operate as intended, with such system being monitored while in use to ensure the system operates as intended;
- (vi) inspection at least once a year to determine the sludge and sediment accumulation level in liquid impoundments; and
- (vii) inspection at least once every six months of appropriately placed monitoring wells.

Facilities would be required to maintain records of the inspections for a period of five years.

The owner or operator of a large, concentrated animal feeding operation that includes a livestock waste control facility shall maintain production area and land application area records for a period of five years. A complete copy of the nutrient management plan, including the test methods used to sample and analyze manure, litter, process wastewater, monitor well results, inspection records, and soil shall be submitted no later than December 1 each year to the Department of Environment and Energy and the local natural resources district.

The Natural Resources Committee held the hearing on LB 1258 on February 15th.

Opening on the bill, Sen. Cavanaugh emphasized the bill's aim to strengthen NDEE's oversight of livestock waste and water quality while highlighting insufficient monitoring of nitrate levels in groundwater and Nebraska's high

pediatric cancer rate. Currently there is limited access to data for researching health impacts related to nitrate contamination, particularly in areas with higher rates of birth defects.

This bill requires the monitoring data to be shared with the NRDs for groundwater oversight. Sen. Cavanaugh acknowledged NDEE's understaffing and inability to fully enforce their own regulations. The bill aims to protect private wells and public water systems and address sources of groundwater contamination.

Questions were raised about the effectiveness of current regulations and the need for stronger enforcement mechanisms. The bill proposes additional monitoring of wells to address longstanding issues of nitrate over-saturation in groundwater. Discussions also centered on the feasibility of updating rules and regulations to improve enforcement.

Concerns were expressed about the extensive monitoring requirements outlined in the bill, with considerations for alternative approaches and potential interim studies. Clarification was provided that the bill does not intend to shut down livestock facilities but rather aims to address various sources of nitrate contamination in groundwater.

Proponents

Edison McDonald as proponent on behalf of GC Resolve noting they collaborate with family farmers to safeguard their farms. They express support for protecting family farmers and natural resources, appreciating the efforts made with this bill. Recommendations to improve the bill include: increase county government notice for additional input time, implement enhanced nutrient management plans, eliminate the livestock-friendly definition, restructure the matrix of the point system, develop a runoff and erosion model, increase setbacks, introduce a requirement for decommission fees, and establish disaster recovery funds in case of emergencies.

Jess Lammers testified in support emphasizing addition of extra nitrogen monitoring sites. Lammers points out that when constructing a CAFO, the nitrate levels must be determined beforehand, establishing a baseline. With monitoring wells in place, it becomes possible to identify if a facility is impacting groundwater. Lammers argues that if nitrate levels are found to be high, owners should be held responsible for addressing and cleaning up the issue, emphasizing the difficulty of cleaning up nitrate contamination once it has entered the water.

Rachel Gibson, representing the League of Women Voters, testified in support noting two primary objectives: educating the public and encouraging civic engagement, particularly among Nebraskans affected by environmental issues. She advocates for clean drinking water accessibility for all Nebraskans, stressing the importance of implementing protective measures. Gibson expresses concern over the increasing scarcity of clean drinking water in Nebraska, citing the state's elevated pediatric cancer rates. Gibson emphasized the importance of monitoring well requirements to proactively address groundwater contamination, especially considering that 88% of Nebraskans rely on groundwater for drinking.

Al Davis, Nebraska Sierra Club, testified in support noting they view the bill as an important initial step in addressing the nitrate issue. Davis emphasized the alarming scientific evidence indicating the detrimental impact on infants. He highlighted the significance of monitoring wells in assessing long-term aquifer impacts. This bill also gives NDEE teeth to enforce their own regulations. Davis warned of the possibility of legal challenges, citing Iowa as an example, and stresses the costliness of cleaning up the water table compared to protecting groundwater. Recognizing the complexity of the issue, he acknowledged that having measures in place, as seen in MEAD, doesn't guarantee enforcement.

Nancy Meyer testified in support emphasizing the necessity of robust standards for CAFO permitting and operation. Having resided in a rural area for 24 years, she described the peaceful and clean environment disrupted by the arrival of a chicken CAFO five years ago. Meyer highlighted the lack of adequate notice, with residents given only four days for the public meeting regarding permit approval. She believes that with more time for public input, limitations could have been imposed on the permit, preventing potential issues. She stressed the importance of strict, consistent enforcement of these standards, advocating for authorities to be able to increase but not decrease limits, ensuring consistency statewide. Meyer noted a lack of enforcement once facilities are built, with fines often going unpaid. She concluded that the bill falls short and calls for additional restrictions.

Kenneth Winston, Nebraska Interfaith Power and Light, testified in support expressing support for initiatives aimed at safeguarding groundwater and drinking water from contamination. Of particular concern are the health impacts on women and young children. Winston believes that implementing monitoring wells and nutrient management measures are positive steps toward protecting the health of children and mothers. He endorsed incentives for reducing nitrogen fertilizer usage and promoting the adoption of reverse osmosis systems.

Rebecca Wells, a midwife by background, testified in support highlighting the high rates of pediatric cancer and birth defects in Nebraska, with birth defects being the leading cause of infant mortality in the state. Wells stressed the significance of the bill, noting its emphasis on fertilizers and related incentives but pointing out the lack of similar incentives for livestock producers. Additionally, she underscored the importance of monitoring groundwater as part of efforts to safeguard public health and the environment.

Opponents – There was no opposition testimony.

The Nebraska Association of Resources Districts submitted a letter of opposition to LB 1258

While we appreciate Senator Cavanaugh's proactive approach and the measures proposed in LB 1258, we are opposed to the bill in its current form. However, we remain open to further discussions and collaboration to develop legislation that effectively addresses groundwater concerns while ensuring the viability of Nebraska's livestock industry.

Many of the proposed changes in LB 1258 are already addressed in Title 130 Livestock Waste Control Regulations. As NRDs, we are cautious about overregulating livestock producers to the point where it becomes economically burdensome for them to sustain their operations.

The inspections provided in the bill may be too cumbersome and expensive. The weekly inspections at the production area of all storm water diversion devices, runoff diversion structures, and devices channeling contaminated storm water to the facilities is probably too much. The same issue is with the weekly inspection of production area of the manure, litter, and process wastewater impoundments.

In addition, daily inspections at the production area of water lines, including drinking water or cooling water lines, may not be necessary.

These weekly and daily inspections raise the cost to the agency, which may not be cost-effective. The Fiscal note of \$277,130 in the current year for additional staff and increasing annually in out years is reflective of that. Making inspections less frequent could reduce these costs. Finally, there may be other things that the funds could be spent on to accomplish water quality protection programs for Nebraskan's.

However, there are specific changes that NRDs would like to see made to Title 130 to better address groundwater quality concerns. Originally, Title 130 was designed to safeguard surface water, not groundwater. With the data collected through groundwater monitoring, we now have a clearer understanding of how livestock facilities impact groundwater quality.

There are many provisions in the bill that mirror conditions that the Nebraska Dept. of Environment and Energy can currently place on permits. However, currently they are not mandatory. Although it is good to discuss this issue within the committee and at this hearing, it might not be a good idea to put them all in statute. There needs to be some flexibility.

Neutral – There was no neutral testimony.

Position comments submitted for the record included 13 proponents, three opponents, and one neutral.

The committee reported no action on the measure.

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

Although the bill was not advanced out of committee, provisions of the bill were incorporated into the Natural Resources Committee Priority Bill, LB 1370, through AM 2863, which passed and was signed by Governor Pillen. The hearing notes are with the LB 1370 summary.

The bill proposes a director of a public power and irrigation district may have an interest in a residential lease agreement or a water service agreement with such district. Such director may participate in any discussion or vote on such agreements. No agreement of such public power and irrigation district shall be void or voidable by reason of such interest by such director.

LB 1277 - To change provisions relating to emergency proclamations made by the Governor. Wayne.

The bill allows the Governor to issue an emergency proclamation for multiple counties when requested by any political subdivision of the state that supplies electricity, natural gas, water, or sewer service.

The request would be for any disaster, emergency, or civil defense emergency. The request may be made directly to the Governor without first requesting such an emergency proclamation from a county or any other governmental entity.

The Government Committee held the hearing on LB 1277 on February 23rd.

In his opening, Senator Wayne highlighted how this bill aims to streamline procedures for political subdivisions providing utility services, particularly in response to ice jams on the Platte and Missouri River. Currently, these entities are required to request emergency proclamations through county government, causing delays in critical situations such as ensuring the availability of water intakes for entities like OPPD. The proposed legislation seeks to eliminate the need for political subdivisions to go through county government for emergency requests, allowing them to directly request emergency proclamations, when necessary, thus expediting response efforts and ensuring the continued provision of essential utility services.

Proponents

Tonya Ngotel provided testimony in support of the bill on behalf of OPPD and MUD. Her testimony highlighted how the 2022 ice jams impacted the ability to intake water and limited electricity generation, however an emergency declaration could not be declared without working through a process with 13 separate counties. Ngotel emphasized that allowing utility companies to directly request emergency resources would streamline response efforts, reducing delays and ensuring more efficient allocation of resources. Additionally, the proposed change would shift the responsibility for emergency response from counties to utility companies like OPPD, enabling them to better manage and coordinate emergency situations.

John Hansen, President of Farmers Union, supports the proposed bill as a simple way to speed up the approval process for emergency designations. Recognizing the increasing frequency of natural disasters such as high winds, wildfires, and flooding, Hansen emphasizes the critical need for speedy responses in handling these events. He believes that the bill provides a simple yet effective means to accelerate the rate at which timely emergency designations can be obtained.

Opponents

Maj. General Craig Strong of the Nebraska National Guard testified in opposition, expressing concerns about its potential impacts on emergency management procedures. Gen. Strong highlighted that OPPD and other public power partners are already established as partners in emergency response efforts. He argued that the bill would create a new emergency hierarchy, disrupting the existing framework where political subdivisions work through and with local government entities. He warned that if the bill passes, multiple requests could originate from a single county, leading to inefficiencies and circumventing established government hierarchies.

Furthermore, Gen. Strong supports the current system of political subdivisions collaborating with local government for emergency management. He cautioned that the proposed change could result in slower response times by allowing requests to bypass the usual route, ultimately leading to delays in receiving necessary assistance. He sees the bill as a solution in search of a problem, asserting that it undermines the existing emergency management framework in Nebraska.

Ervin Portis, Assistant Director of NEMA, presented two main reasons for opposing the proposed bill. First, he argued that it is not consistent with the national emergency management system. Second, he contends that the bill is unnecessary due to the existence of a statute that already addresses the issue at hand. Portis emphasized the state's role in supporting local governments and highlighted the longstanding use of the existing emergency management system in Nebraska, which has been utilized nationwide for decades. He raised concerns about the potential implications of the bill on interjurisdictional coordination and FEMA's calculation of damages, particularly regarding the requirement to show damages on a per-county basis.

Portis questioned whether the bill would facilitate a quicker response in an emergency, asserting that it could actually slow down response efforts by bypassing local resources. He advocated for the utilization of local resources first before seeking state assistance, expressing concern that direct requests to the governor from political subdivisions may overlook this important step.

Amanda Burki from the NE Association of Emergency Management testified in opposition emphasizing the importance of open dialogue among political subdivisions to ensure awareness of available resources. She highlighted the principle that all disasters begin and end locally, stressing the critical role of local knowledge and preparedness in emergency response. Burki expresses concern that some political subdivisions may lack an understanding of the resources at their disposal, urging them to exhaust all available resources before seeking additional assistance.

Burki noted that the National Incident Management (NIM) signed by Governor Heineman in 2004 requires a local county plan. That is the starting point for emergency disaster assistance.

Beth Bazyn Ferrell on behalf of NACO. She noted there are county emergency management plans already in place for each county as required under NIM. These plans include a contact person to coordinate the actions to implement responses to a disaster.

The committee reported no action on the measure.

LB 1287 - Appropriate Federal Funds to the Department of Environment and Energy for drinking water infrastructure. Ballard.

The bill appropriates \$750,000 from Federal Funds for FY2024-25 to the Department of Environment and Energy to provide grants to villages and cities of the second class for the purpose of upgrading drinking water infrastructure.

The Federal Funds appropriated in this section are from the balances of the Federal Funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund.

The Appropriations Committee held the hearing on LB 1287 on February 21st.

Sen. Ballard opened on the bill by discussing that when going door to door citizens of Waverly discussed water as one of their greatest concerns. Access to quality water is an issue that is not going away and this is just a start.

Proponents

Abbey Pascoe, City of Waverly, testified in support of the bill discussing how the ongoing drought has impacted the City of Waverly. Water emergency was enacted last summer. Waverly has completed a water distribution

study and is rehabbing seven of eight wells and adding an additional well. Money was not budgeted due to unknown and unexpected drought and unforeseen lack of recharge of the Ogalla aquifer.

Sen. Clements asked if they have considered connecting to Lincoln. Pascoe discussed they are having those conversations but it's a long process.

Opponents – There was no opposition and no neutral testimony.

In closing, Sen. Ballard discussed that the ability to connect to Lincoln's second water sources could be part of the equation.

Position comments were submitted for the record by one proponent.

The committee reported no action on the measure.

LB 1357 - Prohibit camping on certain property owned by political subdivisions. McDonnell.

The bill proposes that it shall be unlawful to knowingly camp on property owned or controlled by a political subdivision not designated as a campsite by the political subdivision when notice has been provided that the property has not been designated as a campsite.

Under the bill, camping means temporary lodging out of doors and presupposes the occupancy of a shelter designed or used for such purposes as a sleeping bag or tent or other structure.

The political subdivision would have to provide either:

- (a) Actual communication to the person; or
- (b) Post in a manner prescribed by law or reasonably likely to come to the attention of persons attempting to camp on such property.

The violation proposed would be a Class III misdemeanor. Also, the violator may be ordered to pay any amount as determined by the court which may be necessary to reimburse the political subdivision for the expense of repairing any damage to such property resulting from such violation.

The Judiciary Committee held the hearing on LB 1357 on February 29th.

Sen. McDonnell opened on the bill by noting the measure is a result of extensive consultation with multiple government entities, police offices, and stakeholders. Cities are experiencing an increase in homeless encampments exacerbating issues faced by the public. The bill is not intended to criminalize or penalize individuals experiencing homelessness, instead it seeks to ensure public lands are used appropriately and ensure adequate homeless services are provided.

Sen. McDonnell noted that addressing the homelessness challenge requires multiple initiatives with active engagement from many stakeholders and this is a critical step toward a compassionate framework to regulating unregulated encampments. Sen. McDonnell noted this law mirrors existing law that is already in place for state and county owned properties.

Proponents

NARD submitted position comments in support of the measure, outlining that we support the intent of LB 1357 to continue the discussion about public safety for all citizens on public property.

The testimony commended Senator McDonnell for bringing this issue before the Nebraska Legislature to continue this dialogue.

A few of our districts, specifically the Papio NRD and Lower Platte South NRD, have public trails, recreation areas and district-owned rights of way that have issues with homeless encampments. These districts field complaints from facility users and the public regarding various illegal activities like drug use and distribution, threats of violence, public intoxication, littering, sexual and physical assaults that appear to be associated with these areas.

The NRDs work with their partner municipalities, municipal and county law enforcement and other non-profit agencies who serve homeless populations to respond to complaints and to attempt to address the issues the best they can. The current situation is not healthy or safe for the public, facility users or especially for the homeless individuals residing in these encampments.

We need to bring attention to this issue and start a more robust conversation on the issue of homelessness in our communities. Homelessness is a complex life-threatening problem for many of our fellow citizens.

The homeless encampment issue and homelessness in general appears to be getting worse. The NARD and our district members understand that to appropriately and effectively address homelessness, any effort must take a holistic approach which includes mental health and substance abuse services, rapid and accessible affordable housing, homeless support services and all stakeholders working together as a team and not in silos with each focusing solely on just a part of the cause of homelessness.

Homelessness is one of our country's most urgent, tragic, and solvable crises. To end homelessness once and for all, federal, state, and local governments and the non-profit community must invest in proven solutions at the scale necessary to solve the problem.

Again, NARD reiterated our appreciation to Senator McDonnell for bringing this issue before the Legislature and pledge to work with all interested parties to address public safety for all citizens of Nebraska.

Kirt Trivedi, Omaha Business Owner, testified in support noting the homeless issue is something he has dealt with for over 20 years. Violent crime that has been experienced by him, his employees and customers is directly related to the encampments. In outlining the significant impact homelessness has had on his businesses he noted you can't compromise on ensuring individuals follow the law and on ensuring actions of homeless don't hurt others.

When questioned by Sen. McKinney about what he has done to address the issue and help the homeless – Trivedi responded that he had offered them assistance and offered them jobs.

Aaron Hanson, Douglas County Sheriff, testified in support noting it's a difficult topic, but these are conversations we must have. Tent encampments are not the equivalent of campouts, they are deplorable and dangerous situations. He stressed the need for a three-legged stool approach including intervention, prevention, and suppression. He reported a triple digit exponential increase in the number of encampments across the area.

Opponents

More than 20 people testified in opposition to the bill, arguing that it would, in effect, criminalize homelessness, and make it even harder for people to get housing. Common themes were:

- Homelessness is not a personal choice, rather it is a policy choice.
- We have not done enough to solve the underlining problems to justify this response.
- The type of homelessness to jail cycles created by these bills only makes the problem worse.

Neutral

There was no neutral testimony.

Position comments submitted for the record included five proponents and 58 opponents.

Senator McDonnell waived closing on the bill and no committee action was reported.

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

The amended version of the bill was incorporated into LB 1300, which passed and was signed by the Governor. The hearing notes are in the summary for LB 1300.

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

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

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

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

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

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

LB 1366 - Change provisions relating to the use of eminent domain. Cavanaugh, J.

The bill proposes that a political subdivision of this state shall not take property through the use of eminent domain under sections outside of the boundaries of such political subdivision unless a majority vote of the governing body of the county, city, or village where the property is located approves such taking.

The bill also proposes that a private entity shall not take property through the use of eminent domain:

- (a) For use of pipelines unless all pipeline routes are approved by the Public Service Commission; or
- (b) Unless a majority vote of the governing body of the county, city, or village where the property is located.

The Judiciary Committee held the hearing on LB 1131 on February 2nd.

Empowers private parties and entities that are unaccountable to public to exercise eminent domain. Common theme is rarely use it, but it is an important tool. Effort should be made to protect private landowners and provide accountability. Requires provisions requiring political subdivision where taking is occurring to support, not the public. Not intention to expand PSC, only

Proponents

Art Tanderup testified in support as a Nebraska landowner outlining that eminent domain by private corporations for corporate greed should not be allowed.

Tom Genung testified in support as a Nebraska landowner noting pipelines should not be allowed to weaponize eminent domain to threaten landowners. Had to deal with TransCanada proposal and now carbon pipelines are threatening same landowners. Greater restrictions are needed to stop private for profit companies.

Shannon Graves testified in support as a Nebraska landowner discussing how she was affected by the Keystone Pipeline and now is impacted by a carbon pipeline. Good faith negotiations are not being used and they're stealing financial information to threaten landowners.

Ken Winston, Bold Alliance, testified in support and discussed their view of the long-standing misuse of eminent domain in the state.

Jane Kleeb, Bold Alliance, testified in support highlighting that pipelines take permanent easements. Opposition will say 99.9% of time they get voluntary easements but they only get those because they have eminent domain. There is nowhere for landowners to get due process, and this should be a fair process. Don't want to see eminent domain used for any private gain.

Nebraska Relators Association testified in support outlining their organization is a staunch protector of property rights and this bill aligns with those goals. Want to ensure good faith process with land being reimbursed for what it is worth.

Opponents

Ron Kaminski, Nebraska Building & Trade Council testified in opposition noting there continues to be so much red tape to get projects approved and this will just lead to more of that. Does not only impact pipelines but will create more barriers and delays for other projects.

John McClure, NPPD & Nebraska Power Association, testified in opposition noting there is no reason to target electrical utilities within the scope of this bill. From 2009 to 2018 all NPPD projects varied from 97.6% to 100% voluntary easements, further of the eight projects, five were 100% all voluntary easements. Outlined process for arriving at compensation rates, noting independent appraisers are utilized.

Jacob Farrell, OPPD & International Right of Way Association, testified in opposition highlighting how the bill would impair the ability to expand and continue to serve all customers. Requiring a vote would give veto power to a very small group of people and at a minimum increase cost to exuberant costs that would be passed on to all Nebraskans. The bill undermines local control and takes away from local public power directors who work hard to avoid the need to use eminent domain.

Opposition was also provided by representatives of Black Hills Energy, Nebraska Rural Electric Association, Lincoln Electric Service, Precision Pipeline, Local 571, Northwestern Energy, Nebraska Rural Broadband Alliance, League of Nebraska Municipalities, Metropolitan Utilities District, Pipelines Local Union 788, and the Nebraska State Chamber of Commerce, their testimony echoed comments made by previous opponents. Additionally, opponents discussed that often local governments are required to acquire easements outside their jurisdiction for water infrastructure projects and subjecting that to a vote of a board not familiar with the project would result in decisions without thorough understanding of the project and its needs.

Neutral

John Hansen, Nebraska Farmers Union, testified in a neutral capacity and discussed the need for additional oversight and a process for appropriate penalties when entities are not acting in good faith.

Position statements were submitted for the record by fifty one proponents, eleven opponents, and three neutral.

Closing on the bill, Sen. J. Cavanaugh discussed that proponent letters were from individuals across all of Nebraska, opponents are all interest groups, or those who think the bill doesn't go far enough. This is about the principle that taking property is an extreme act and people need recourse. The goal for the bill is that there should be no commendation without representation.

The committee reported no action on the measure.

LB 1406 - Provide for an active-duty military permit for state park entry. Sanders.

An active-duty military permit may be purchased by any individual who is active-duty military and shall be valid through December 31 in the year for which the permit is issued. The fee for the veteran permit is five dollars, regardless of residence.

To qualify for an active-duty military permit, the individual shall present: (a) Such individual's military identification card; or (b) A copy of such individual's DD Form 214.

The Natural Resources Committee held the hearing on LB 1406 on January 31st.

Sen. Sanders opened by providing a summary of the bill. Noting this is one simple way we can honor our active military members.

Proponents

Ryan MacIntosh, testified in support on behalf of the National Guard Association. The one recommendation he had was to extend this to include individuals actively serving in the national guard reserve. Currently, approximately 4,700 active duty personnel reside in Nebraska with less than 5% of those individuals being an out-of-state resident.

Jeff Fields, Nebraska Game and Parks Division Administrator, testified in support. Fields expressed gratitude to the brave men and women who serve our country. This is a small gesture of appreciation for their service. He highlighted the current benefits offered by NGPC to veterans and this would further extend opportunities to military personnel. He noted it would have minimal impact to the state park systems financially.

John Winkler, Papio Missouri NRD General Manager, testified in support on behalf of NARD. Winkler discussed that he is a current member of Offutt Advisory Council (OAC). The OAC mission is to support the men and women in uniform at Offutt Airforce Base. Winkler highlighted all the activities the OAC offer to Offutt military personnel, which highlights the low incomes of the E4 rank and below. Nebraska is the best place for community support and this bill supports that. Offutt personnel are very limited on areas they can recreate. While Nebraska does a good job honoring our veterans sometimes active military get overlooked.

During questioning, Sen. Bostelman questioned if this is something the NRDs have considered? John noted that all Papio NRD recreation areas are free for public access. Sen. Bostelman noted that is not the case for all NRDs and asked if this is something other districts should consider.

Opponents - There was no opposition.

No neutral testimony was provided. Position comments submitted for the record included one in support.

The committee reported no action on the measure.

LB 1414 - Adopt the Property Tax Growth Limitation Act and change provisions relating to budget limitations. Linehan, At the request of the Governor.

The bill proposed the Property Tax Growth Limitation Act, to mandate that a political subdivision's property tax request for any year shall not exceed its property tax request from the prior year, with a few exceptions.

The bill applies to any county, city, village, learning community, sanitary and improvement district, natural resources district, and educational service unit.

Real Growth Exception

The political subdivisions listed in the bill may exceed the property tax request authority by a percentage equal to the political subdivision's real growth percentage.

Real growth percentage means the 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 the increase in a political subdivision's real property valuation from the prior year to the current year due to (a) improvements to real property as a result of new construction and additions to existing buildings, (b) any other improvements to real property which increase the value of such property, (c) annexation of real property by the political subdivision, and (d) a change in the use of real property.

Carry Forward Real Growth

A political subdivision may choose not to increase its property tax request for a particular year by the full real growth percentage. In such cases, the unused percentage amount may be carried forward to future years and may be used in future years to increase the political subdivision's property tax request by more than the real growth. In no case shall the percentage carried forward exceed five percent.

Other Exceptions

- 1) By the amount needed to pay the principal and interest on approved bonds.
- 2) To pay for repairs to infrastructure damaged by a natural disaster, which is declared a disaster or emergency pursuant to the Emergency Management Act.

Voter Override

The additional amount could be approved by the voters as follows:

- 1) By the voters at a levy override election under section 77-3444 held prior to the effective date of this act.
- 2) After the effective date of the act, the voter override election could go on the ballot in one of two ways:
 - (a) Upon the recommendation of the governing body of such political subdivision, or
 - (b) Upon the receipt by the county clerk or election commissioner of a petition requesting such issue to be placed on the ballot which is signed by at least five percent of the legal voters of the political subdivision.

The election could only be held at the next regularly scheduled election.

State Aid

Under the bill, additional state aid is provided to schools, municipalities and counties in exchange for direct property tax relief, but a dollar amount is not specified. A companion bill, LB 1415, outlines the additional state aid.

The Revenue Committee held the hearing on LB 1414 on February 2nd.

Sen. Linehan opened on the bill stating it would help with reducing property taxes and lead to responsible spending. We need partners and encourage those partners to reduce spending.

Proponents

Lee Will, Chief Financial Officer for the State of Nebraska, testified in support on behalf of Gov. Pillen. Combined with LB 1241, we can ensure that when the value of your home goes up your property taxes do not. We provided \$3.5 billion in tax relief but despite that, property taxes went up more than 20%. We must pair our property relief

work with a hard cap on taxes. Their goal is reduce property taxes by 40% and then allow it to go up by 2% in the future.

Mark McHargue testified in support on behalf of Nebraska Farm Bureau and Ag Leaders. This is a key part of the conversation on reducing property taxes. This is substantial to help curb property taxes and this is one of the final steps to get to where we're going. It does allow an override with an election and there is an exception for repairs of infrastructure in the event of a natural disaster. There is not a perfect bill, but as a we resolve how to move forward this is the year to do something substantial.

Carter Thiele, Lincoln Independent Business Association, testified in support. This is good governance and financial prudence that is fair and balance and instead of tax shift, reducing property tax requests is more what we support.

Robert Hallstrom testified in support on behalf of the Nebraska Bankers Association and National Federation of Independent Businesses.

Alex Reuss, Nebraska Chamber of Commerce, testified in support. We support the efforts to bring property tax relief for Nebraskans.

Nicole Fox, The Platte Institute, testified in support. This is imperative to cap the growth of property taxes. We support that the cap can be overridden by a vote of the people, because voter approval is the ultimate form of local control. It is a sound idea to allow government to carry over a 5% share of their budget. Think schools should also be included so it is equal among all property tax askers.

Opponents

Angie Burmeister, Sarpy County Board, testified in opposition. Sarpy County's dollars primarily fund essential services. As the fastest growing county, we have some unique challenges including a lot of new infrastructure going in to support our growing population. As valuations have risen, so have costs of materials. With the new infrastructure, we've had to hire new staff for those facilities like correction facilities. We want tax relief for our residents, but we also want to be sure we can provide those essential services that residents want/need, too. We need the ability to ebb and flow our budget as things come up.

Adam Flannagan, Eastern Nebraska Developers Association, testified in opposition requesting exemption for sanitary and improvement districts.

Rebecca Firestone, Open Sky Policy Institute, testified in opposition. She noted they are concerned that it would restrict local government. Caps may reduce taxes but could also lead to a reduction in services for residents.

Dean Edson, NARD Executive Director, testified in opposition. I want to state up front that we are not opposed to property tax reform. The natural resources districts are very concerned about the heavy reliance on property taxes to fund schools and other political subdivisions.

We will work with the Legislature and Governor Pillen on reasonable property tax reform measures. We support reforms that reduce property tax reliance and provide adequate funding for both rural and urban areas.

We oppose restrictions on local budgets that harm the ability of local governments : 1) To implement programs and projects to meet federal and state mandated programs; 2) Make local annual adjustments to meet the needs of the local citizens; 3) Adequately fund both rural and urban needs; and 4) Provide local funding for efficient natural resources programs that protect water quality, water quantity, soil, property and the economy.

Our main opposition to this bill is the hard cap and which forces NRDs to go to a vote to increase beyond the cap. It also does not back-fill aid for the NRDs as proposed in LB 1415 for cities, counties and schools. This will essentially stop many water offset programs that are needed in the state-mandated fully and over appropriated districts, which covers the Platte and Republican river basins. The individual NRDs cover several counties.

Here is an example – A large fertilizer company is in the process of building a new facility in Gothenburg, which is in the state-mandated overappropriated area. The Central Platte NRD is working with the company and the community to seek the state required offset water for the plant. If the cost of the offset exceeds the cap for the Central Platte NRD, the district will have to go to a vote of the people for approval.

The Central Platte NRD includes communities from Gothenburg to Chapman, including Kearney and Grand Island. While the voters in Gothenburg (pop. 3,475) might vote for approval, it is unlikely the Grand Island (pop. 53,513) and Kearney (pop. 33,790) voters would approve. This essentially puts smaller communities at a great disadvantage for economic development opportunities.

The hard caps would also take away the districts incentive to reduce taxes. Last year there were 11 districts that had a tax increase of 3.5% or less. One district decreased taxes by 7.7%, and five were at zero change. Those over 3.5% this year are paying for local projects. When the project is completed, historically the NRDs reduce the tax ask until the next project comes up.

The bill before you today provide the wrong incentives. It will force the districts to keep taxes high, so they don't get caught in the cycle.

I have provided an attachment with the list of all the funds taken away from the NRDs over the past 20 years and some of the state mandates that have been placed in the fully and overappropriated districts. It was the decisions of past legislatures that there was room under the existing NRD 5.5 cent levy authority to pay for these programs.

Moving forward, the NRDs are working with ag producers, ag industries and communities, on new technologies becoming available to increase efficiency.

For example, we are working with the Corn Board, producers, and ag industry to develop a new mobile app to help reduce over-application of fertilizers, increase productivity and address water quality concerns. This will be released in May of 2024. In addition to the cost of development, there will be ongoing maintenance costs.

We are also working with the ag groups and other organizations on Full Value Ag. There are many components to this, and the NRDs are willing to assist in this process. This includes coordination with ag producers and industry on remote sensing for water and nitrogen use. The Twin Platte NRD has invested in such sensors for producers, and they have been successful. Other districts are interested in implementing such programs.

As the NRDs navigate the complexities of water management, we ask the legislature to consider the on-going commitment to keep Nebraska #1 in water management and efficiency. The current and evolving demands necessitate a thoughtful and collaborative approach to spending. The cost of water is not going down. The provisions of LB 1414 ignore these needs.

NARD provided the following as an attachment that summarizes state actions that have forced the natural resources districts to increase their budgets in the past.

- In 2001, the legislature repealed a fertilizer tax that provided \$2.5 million in funding for water quality programs. Senators at the time looked at NRD budgets and decided that it should be shifted back to the NRDs because we were not at our maximum levies.

A state fund was put in place to provide about \$1.1 million, but then also required 160 % match by NRD property taxes to make up the difference. The state fund has not been increased since 2001 and any additional funding needs must be made up with local property taxes.

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

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

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

- In 2006, LB 933 was passed to require NRDs in the fully and over – appropriated areas designated by the state to provide each municipality in the area up to 25 million gallons annually for growth. The NRDs are forced to go out and purchase water from other existing producers to provide that growth.
- In 2011, state aid to NRDs was eliminated. This was \$1.4 million at the time. It had been higher in previous years.
- In 2018, the Legislature eliminated the authority of NRDs to levy up to 3 cents to fund and implement ground water management activities and integrated management activities under the Nebraska Ground Water Management and Protection Act.
- State funds for NRDs require a 40% match requirement. These can not be other state funds. Rather, they must be property taxes. These include the Water Resources Cash Fund and the Water Sustainability Fund.
- Federal funds also require a local match. These are typically around 40%.
- NRDs 2023-24 property taxes of \$88 million leveraged over \$234 Million in state, federal and private foundation match.
- The average levy for NRDs in FY 2023-24 is 2.88 cents of the 5.5 cent maximum.

Neutral

Jon Cannon, Nebraska Association of County Officials, testified in the neutral. Counties are 1/6 of the property tax ask, but we participate 100 percent in the process. While this bill is currently unworkable for counties, we are testifying in the neutral because we are in good-faith negotiation efforts. No one talks about the costs and how costs are going up to do business. Counties provide a lot of essential services and anything that undermines public safety is certainly not what the voters intended.

Stephen Curtiss, City of Omaha, testified in the neutral. Police and fire are approximately 2/3 of the City of Omaha's budget. This bill does overlook the valuation issue we have in Douglas County. We have adjusted our levy, and we have been down since Mayor Stothert took over. In 2016, our property tax went up just 1.25 percent and there were years it went up 0.4 percent, but right now we're over two percent.

Lynn Rex, League of Nebraska Municipalities, testified in the neutral. In order for municipalities and counties to operate, we need revenue to maintain essential services. There can be no excuses when providing those services. We need to have bonds outside any cap and that is extremely important.

Position comments submitted for the record included two proponents, nineteen opponents and one neutral.

The committee reported no action on the measure.

LB 1415 - Adopt the Property Tax Relief Act and change the Nebraska Property Tax Incentive Act. Dover, At the request of the Governor.

The purpose of the Property Tax Relief Act is to provide state funding directly to school districts, counties, cities, and villages in exchange for direct property tax relief. Part of the funding for the new aid programs would come from eliminating the existing property tax credit programs.

School District Property Tax Relief Cash Fund

For the FY 2024-25, the additional aid shall be \$980,600,000. For the FY 2025-26 and each fiscal year thereafter, the amount available for disbursement increased by 3%.

The aid would be distributed on the ratio of the real property valuation in the school to the real property valuation in the state.

County Property Tax Relief Cash Fund

For the FY 2024-25, the additional aid shall be \$437,200,000. For the FY 2025-26 and each fiscal year thereafter, the amount shall increase each year by \$15 million.

The aid would be distributed on the ratio of the real property valuation in the county to the real property valuation in the state.

Municipal Property Tax Relief Cash Fund

For FY 2024-25, the additional aid shall be \$297,100,000. For FY 2025-26 and each fiscal year thereafter, the amount shall increase each year by \$10 million.

The aid would be distributed on the ratio of the real property valuation in the municipality to the real property valuation of all municipalities.

The Revenue Committee held the hearing on LB 1415 on February 2nd.

Sen. Dover opened on the bill noted that those who can hire a CPA are getting the benefits and this bill would allow the property tax to be front-loaded so more residents get the benefit. There should be no need to pay in just to get it back later.

Proponents

Mark McHargue testified in support on behalf of Nebraska Farm Bureau and Nebraska Ag Leaders. One part we are concerned about is that it should be tied to LB 1240 to tie the benefits together. This should be part of the comprehensive tax package.

Robert Hallstrom testified in support on behalf of the Nebraska Bankers Association and National Federation of Independent Businesses. This is a great idea to make it visible on the tax statement and want to make sure it is tied to true property tax relief.

Opponents

Dave Welsch, Milford Public Schools Board of Education, testified in opposition. He noted he supports the concept of front-loading taxes, but is opposed to how the funds will be distributed. He explained various charts related to school financing. The valuation formulation varies widely across the state and it is a huge impact on the levies and the property taxes that are asked.

John Gage, Americans for Prosperity, testified in opposition. Despite hundreds of millions in tax relief, school districts still raked in money. You are doubling down on a failed policy from last year. This is not a tax cut, most Nebraskans won't see any relief in how this is constructed. This is tax hikes now and promises of relief later.

Neutral

Neutral testimony was provided by Nebraska Association of County Officials and League of Nebraska Municipalities who thanked the committee and the governor for their continued efforts.

The Platte Institute testified in a neutral capacity and outlined their organization does not support raising taxes in other areas of the tax code to support this relief.

NARD provided neutral testimony to reiterate that the measure does not provide state aid to NRDs. Testimony also reiterated that NRDs rely on levy authorities to leverage other state and federal funds for critical and mandated water resources programs.

Position comments were submitted for the record by three opponents and two neutral.

The committee reported no action on the measure.

LB 1417 - Create, eliminate, terminate, and provide, change, eliminate, and transfer powers, duties, and membership of boards, commissions, committees, councils, task forces, panels, authorities, and departments and change and eliminate funds. Brewer, At the request of the Governor.

The Government Committee advanced LB 1417 to General File with a committee amendment on April 4, 2024, by an 8-0 vote. The committee amendment, AM 3346, removes 21 boards, commissions, committees, and councils from the original bill. Another 27 would be eliminated, and three would be consolidated into another commission.

Changes relating to the following entities were removed from the bill entirely:

1. Board of Abstracters and Appraisers
2. Real Property Appraiser Board
3. Nebraska Capitol Commission
4. Nebraska State Capitol Environs Commission
5. Nebraska Hall of Fame Commission
6. Teacher Committee to Review Statement Assessment of Reporting Plan
7. Nebraska Elementary and Secondary School Finance Authority
8. Educational Service Unit Coordinating Council
9. Nebraska Hemp Commission
10. Board of Hearing Instrument Specialists
11. Foster Care Advisory Committee
12. Nebraska Coalition for Juvenile Justice
13. Propane Education and Research Council
14. Brain Injury Oversight Committee
15. Critical Incident Stress Management Council
16. Primary Care Investment Council
17. Professional Practices Commission
18. Veterans' Homes Board
19. Fire Safety Appeals Board
20. State Board of Examiners for Land Surveyors
21. Advisory Committee on Developmental Disabilities

The following entities would be consolidated into the Nebraska Children's Commission:

1. Children's Commission Advisory Group
2. Foster Care Reimbursement Rate Committee
3. Bridge to Independence Advisory Committee

Finally, the following entities would be terminated:

1. Governor's Residence Advisory Commission
2. Nebraska Potato Development Committee
3. Climate Assessment Response Committee.

The Government Committee held the hearing on LB 1417 on February 29th.

Opening on the bill, Sen. Brewer noted he brought the bill at the request of Gov. Pillen and it's a big bill over 100 pages changing dozens of boards and commissions. He said the bill has generated non-stop calls and emails and he has essentially kicked the hornet's nest. Sen. Brewer noted that Gov. Pillen is trying to be a good manager of taxpayer money and make government more efficient with these changes.

Proponents

Dave Lopez, Chief of Staff for Gov. Pillen, testified on behalf of Gov. Pillen in support. He noted the goal is to shrink and streamline government. The list of board and commissions requires governor appointment and then later approval by the legislature adding to the workload. Virtually none of these commissions and boards contain sunsets. There are 236 boards and commissions and 1,978 individual appointees that the governor's office could count and feels that is excessive. He noted they are seriously scrutinizing these and deciding which can be eliminated or combined into other parts of government. He noted they asked members of the cabinet to look at the boards and commissioners that are attached to their agencies and give the governor's office intentional feedback on which are still needed and which could be eliminated.

Lopez outlined AM 2739 which withdraws several boards that were initially included. The amendment is based on feedback received following the bill's introduction. What remains is powerful reduction in state government duplication. Current process prioritizes appointments for boards that are approaching quorum. Lopez noted the bill does not have a huge fiscal impact, but instead provides an efficiency improvement.

Jason Jackson, Director of the Department of Administrative Services, testified in support noting this is long overdue. There are 284 agency boards and commissions and this would eliminate 43 of those. He stated the bill follows organizational design principles being implemented by Nebraska state government to build on momentum of keeping the recent tradition of combining agencies with overlapping purposes.

Bo Botelho, Legal Counsel DHHS, testified in support noting the bill would aid in reducing government bureaucracy and size.

Opponents

Dozens of individuals representing various commissions and boards, provided testimonies expressing their opposition. The testimonies highlighted widespread concern and potential repercussions of the proposed changes.

Neutral

Additionally, several individuals representing various commissions and boards testified in a neutral capacity. Many of the neutral testifiers discussed how the amendment removed their board or commission from the measure and thanked introducers for the amendment.

Closing on the bill, Sen. Brewer noted that some commissions were removed from the bill with the amendment. He noted there were a lot of things in the initial bill that made people angry, so what they have done with the amendment is to look at committees and commissions that said they serve a purpose and want to continue to do what they're doing and exempted them.

Section Four – Interim Study Resolutions Introduced in 2024

Interim Studies -- The following is the list of Interim Study Resolutions introduced in 2024 that are of interest to natural resources districts.

A link to all interim studies introduced can be found at: [Nebraska Legislature - Interim Study Resolutions](#)

LR 352 - Interim study to assess identified improvement projects for clean water and drinking water systems in Nebraska. Raybould

PURPOSE: The purpose of this resolution is to propose an interim study to assess identified improvement projects for clean water and drinking water systems in Nebraska. This study should examine the funding needs and potential funding sources for such projects. Identification of projects may come from, but need not be limited to, the 2024 Intended Use Plan for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund for State Fiscal Year 2024.

The Intended Use Plan includes projects with total needs of just over \$2.810 billion. Such projects work to improve and maintain aging infrastructure to provide clean water and drinking water and work to create alternative water sources for contamination mitigation. Currently, the state provides funds to meet roughly 15% of such needs through the Drinking Water State Revolving Fund which leaves the large majority of projects in need of funding.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED EIGHTH LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Natural Resources Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

LR 367 - Interim study to examine mechanisms to slow the rise of property tax valuations during periods of rapid property value increases. Day.

PURPOSE: The purpose of this resolution is to propose an interim study to examine mechanisms to slow the rise of property tax valuations during periods of rapid property value increases.

While the dramatic increase in home prices over the past 10 years has shown the strength of our state's housing market, it has also created challenges for homeowners, as increasing property taxes have strained family budgets.

This study should explore whether there are ways to flatten valuation increases so that homeowners could have more predictability in their year-to-year property tax bills. The interim study shall include, but need not be limited to:

- (1) A review of available data on the increases in home valuations in Nebraska;
- (2) A state-by-state comparison of methods used to slow the growth of property tax valuations;
- (3) A review of county board of equalization methods of complying with the uniformity clause of the Constitution of Nebraska;
- (4) A comparison of assessment and equalization methods across counties in determining actual value, including the sales comparison approach, the income approach, and the cost approach; and
- (5) A consideration of potential changes the Legislature could adopt to address challenges that homeowners face from rising home valuations.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED EIGHTH LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Revenue Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

LR 406 - Interim study to explore the development of a institution dedicated to providing instruction, orientation, and professional development tailored for elected officials and office holders in Nebraska. McDonnell.

PURPOSE: The purpose of this resolution is to propose an interim study to explore the development of an institution dedicated to providing instruction, orientation, and ongoing professional development specifically tailored for elected officials and office holders in Nebraska.

The potential institute shall aim to enhance governance through improved collaboration, leadership, and informed decision-making among Nebraska's public servants. This study shall include, but not be limited to, collaboration with the following entities:

- (1) Current and former elected officials at various levels of government within Nebraska;
- (2) Academic institutions with public administration, political science, and leadership programs;
- (3) Private sector leaders with experience in governance and leadership training;
- (4) Nonprofit organizations focused on government accountability and transparency; and
- (5) Public and private funding entities interested in supporting governance and leadership development.

The study should also explore the following:

- (1) The feasibility of establishing an institute for collaboration and leadership for elected officials and office holders in Nebraska, including potential governance structures and locations;
- (2) The core curriculum and orientation programs that would address the unique needs and challenges faced by elected officials and office holders, including ethical governance, public policy formulation, and constituent services;
- (3) Potential public and private funding sources and models to ensure the institute's sustainability and accessibility to all elected officials and office holders in Nebraska;
- (4) Best practices from similar institutions in other states or countries, including lessons learned and key success factors; and
- (5) The potential impact of such an institute on enhancing the effectiveness, efficiency, and collaboration of Nebraska's public servants.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED EIGHTH LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Government, Military and Veterans Affairs Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

LR 414 - Interim study to determine the feasibility of having the state run all property assessment in Nebraska, merging county assessors with another office, or having county assessors be an appointed position. Meyer.

PURPOSE: The purpose of this resolution is to propose an interim study to determine the feasibility of having the state run all property assessment in Nebraska, merging county assessors with another office, or having county assessors be an appointed position.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED EIGHTH LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Revenue Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

LR 418 - Interim study to examine the current property tax valuation process. Dover.

PURPOSE: The purpose of this resolution is to study the current property tax valuation process. The study shall examine the different classes of real property, including residential, commercial, and agricultural, to ascertain if there is a more equitable process to determine property valuation that will result in a property tax that more clearly reflects the taxpayer's ability to pay based on the revenue produced by that real property, when possible.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED EIGHTH LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Revenue Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

LR 426 - Interim study relating to public records requests to determine whether reports of the resistance of government entities to public record requests are representative or isolated. Conrad.

PURPOSE: The purpose of this resolution is to propose an interim study relating to public records requests to determine whether reports of the resistance of government entities to public record requests are representative or isolated.

The study should determine whether any additional statutory reforms beyond Laws 2023, LB43, are justified in response to the Supreme Court's opinion in Nebraska Journalism Trust v. Dept. of Env't. & Energy, 316 Neb. 174 (2024), to ensure that the purposes of sections 84-712 to 84-712.09 are being met and that Nebraskans have prompt, unfettered, and robust access to open government. Subdivision (1)(b) of section 84-712.03 allows for any person who is denied access to public records to petition the Attorney General for assistance in obtaining the requested records.

This study should look to see how such requests are made by the public to the Attorney General and whether there is an online portal or some similar means to effectuate assistance. The study should also determine how many such requests have been accommodated or responded to by the Attorney General. The study should also determine what the Attorney General did in response to such requests, what the resolutions of the requests were, and how many such requests were made and served in the last several years.

Additionally, body-worn camera footage is presumed to be a public record, but is regularly withheld or released solely at the whim of police agencies. Legislative Bill 366, introduced in the One Hundred Eighth Legislature, First Session, would provide a very narrow expansion mandating release of body-worn camera footage in custody deaths after the conclusion of the statutorily required grand jury process. This component of Legislative Bill 366 was strongly resisted by law enforcement and prosecutors despite the strong public interest in accessing such footage and law enforcement and prosecutors contradicted their position regarding body-worn camera footage more broadly as an accountability tool in news stories and legislative testimony during the hearing before the Judiciary Committee on Legislative Bill 1185, introduced in the One Hundred Eighth Legislature, Second Session.

This study should also focus on what statutory reforms are necessary to provide for the public's right to access to police body-worn camera footage in instances in which the public interest is strong or when law enforcement releases such footage in part themselves. In order to complete the purpose of this study, the committee shall obtain input from the public and impacted individuals regarding the subject matter of the study.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED EIGHTH LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Government, Military and Veterans Affairs Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.