



# Nebraska's Natural Resources Districts

[www.nrdnet.org](http://www.nrdnet.org)

Protecting Lives • Protecting Property • Protecting the Future

601 S. 12<sup>th</sup> St. Suite 201  
Lincoln, NE 68508

[nard@nrdnet.org](mailto:nard@nrdnet.org)  
(402) 471-7670

April 20, 2018

TO: NARD Board of Directors, NRD Managers and Conservation Partners  
FROM: Dean E. Edson, NARD Executive Director  
RE: April 20<sup>th</sup> NARD Sine Die Update

**The 105th Legislature, 2nd Session, ends Sine Die** -- The Nebraska Legislature adjourned Sine Die April 18, 2018 on day 60 of a 60-day session. The next regular session is scheduled to begin January 9, 2019. 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 2017-18 Legislative Bills of interest to natural resources districts.

A total of 155 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 2019 session, so all bills that did not receive final approval by the Legislature were indefinitely postponed on the last day of the session.

The first section lists bills that were passed by the Legislature and approved by Governor Ricketts (Pages 6-13). The second section lists bills that were passed on the last day and await action by Governor Ricketts (Pages 13-16). The third section includes bills that have been indefinitely postponed (Pages 16-42). The fourth section lists Interim Study Resolutions that were introduced in 2018 (Pages 42-45). An index of the bills and corresponding page number in the report can be found on Pages 3-5. A spreadsheet is included in the back of the document for a quick reference to all bills of interest to natural resources districts.

**Term Limited Senators** -- Six state senators finished their last session, as they are term limited out. These include: Bob Krist, Burke Harr, Jim Smith, Lydia Brasch, Paul Schumacher and Tyson Larson. All have done a tremendous job serving the State of Nebraska. Two other senators have decided not to run for a second term. Senator John Kuehn of Heartwell and Senator Roy Baker of Lincoln have decided not to run for re-election. Thank you for your public service!

**Other possible changes** -- Two senators are seeking other state elective offices halfway through their second terms. Senator John Murante of Omaha is running for State Treasurer and Senator Dan Watermeier of Syracuse is running for the Public Service Commission. If they win their elections, they will have to resign from their current office.

Ten senators have opponents in the upcoming election cycle, including two appointed by Governor Ricketts to fill vacancies. Senator Groene has a write-in candidate in the primary ballot. Five senators are running unopposed.

## **No Agreement on Tax Relief**

The Nebraska Legislature adjourned without providing first round approval for any property tax reform legislation. In the last 10 days of the session, senators debated a couple of income and property tax relief measures, including a proposal by Governor Ricketts, only to stop short of voting on them as it was obvious there was not 33 votes to end debate on any of the proposals.

Speaker Scheer placed three tax relief bills on the agenda for Monday, April 9<sup>th</sup>, after organizing a meeting with several state senators over the weekend to see if there was any room for compromise. Those meetings were unsuccessful, and on April 9<sup>th</sup> the bills were skipped over on the agenda. The three bills were:

- **LB 947 - Adopt the Nebraska Property Tax Cuts and Opportunities Act, change income tax rates, and eliminate certain exemptions and credits. Smith, on behalf of Governor Ricketts.**

The bill would have decreased the state's top corporate income tax rate about 12.4 % —which is applied to taxable income more than \$100,000—from 7.81 percent to 6.84 percent. Individual income tax rates would not have changed. Agriculture property would have got an income tax credit equal to 2 percent of their property taxes paid. Homeowners would have received a 1 percent income tax credit on their property taxes paid this year, up to a maximum of \$25.

- **LB 640 - Change provisions of the Property Tax Credit Act and provide school district property tax relief. Groene.**

The bill would have reduced the statutory maximum levy for schools from \$1.05 per \$100 of taxable value to \$0.987 per \$100 of taxable value. The bill would have also eliminated the current \$224 million property tax credit fund that goes to all property owners and redirect it to a new school state aid program. Only schools that receive more than 55 percent of their funding from property taxes could have got some of the proceeds. Property taxpayers in districts below the 55 percent threshold would have lost their current property tax credits.

- **LB 1103 - Provide a minimum amount of state aid for each school district. Friesen.**

The bill would have ensured that each school district receives no less than 25 percent of its basic funding needs—as calculated by the state's school aid formula—in the form of state aid. Currently about 70 percent of the state's 244 school districts receive no equalization aid.

During General File debate, Senator Friesen filed a motion to substitute an amendment he had introduced with another amendment by Sen. Tom Briese of Albion. The amendment would have replaced Friesen's original bill with provisions of LB 1084 and would have raised the state sales tax rate from 5.5 percent to 6.5 percent, raise taxes on a pack of cigarettes from 64 cents to \$2.14 and imposed a surtax on those earning at least \$500,000. The amendment would have directed the additional tax proceeds to the state's property tax credit fund and to school aid.

Senator Brewer is attempting to get senators to sign on to a letter to call for a Special Session just on property tax relief. Thirty-three senators would need to sign on to the letter by April 23, 2018 for a session to be called. So far, thirteen senators have signed the letter.

There were not 33 senators to vote to end debate on any of the other property tax relief bills during the 60-day session, so the odds are not that great he would obtain the necessary 33 signatures to call a Special Session on property tax relief by the April 23<sup>rd</sup> deadline.

The index for this report follows on the next three pages.

**INDEX**

<b><u>Bill or CA</u></b>	<b><u>Description</u></b>	<b><u>Sponsor(s)</u></b>	<b><u>Page #</u></b>
LB 23	Provide, change, and eliminate provisions relating to appropriations and reduce appropriations	Speaker Scheer, Behalf of Governor	16
LB 24	Change provisions relating to the Cash Reserve Fund	Speaker Scheer, Behalf of Governor	16
LB 27	Change requirements for state agency contracts and powers and duties of the Auditor of Public Accounts as prescribed	Murante	16
LB 36	Provide for review by state agencies of occupational credentials and provide for a critical assessment document	Harr	16-17
LB 71	Change appropriations relating to the Nebraska Tree Recovery Program	Pansing Brooks	17
LB 90	Require public entity to provide accommodations where Auditor of Public Accounts employee conducts audit or examination	Hughes	17
LB 98	Extend certain levy authority for natural resources districts	Friesen	17-18
LB 101	Change duration requirements for certain state agency contracts	Stinner	19
LB 127	Change notice requirements under Open Meetings Act	Groene	19
LB 150	Provide for a transfer from the Cash Reserve Fund	Stinner	19
LB 218	Provide for installation of ground water pumps by public entities	Groene	19-23
LB 221	Change the transfer from a fund	Stinner	23
LB 232	Provide a property tax exemption for property leased to the state or a governmental subdivision	Kolterman	23
LB 238	Change provisions of the Nebraska Budget Act relating to certifying taxable values	Erdman	23-24
LB 299	Adopt the Occupational Board Reform Act and change procedures for rules and regulations	Ebke	14-15
LB 365	Change provisions relating to access to public records and provide for fees	Blood	24
LB 390	Change provisions relating to flood protection and water quality enhancement bonds	Albrecht	24-25
LB 431	Change provisions relating to cash reserves under the Nebraska Budget Act	Erdman	25-26

LB 479	Change public hearing provisions and redefine a term under the Nebraska Budget Act	Groene	26
LB 510	Provide a restriction on installment contracts for the purchase of real or personal property by political subdivisions	Ebke	26-27
LB 536	Clarify disbursement provisions for natural resources districts	Hughes	27
LB 576	Limit increases in property tax bills	Brewer	27
LB 646	Provide for an extreme weather preparedness task force and strategic action plan	Pansing Brooks	27-29
LB 663	Require a copy of a lobbying contract for lobbyist registration as prescribed	Kuehn	29
LB 664	Prohibit a political subdivision from using taxes or fees to employ a lobbyist	Kuehn	29

LB 693	Regulate and create criminal offenses regarding the use of unmanned aircraft systems	Blood	29-30
LB 729	Allow claims arising out of misrepresentation or deceit under the Political Subdivisions Tort Claims Act and State Tort Claims Act	Wayne	13
LB 758e	Require collaboration between natural resources districts and counties under the Nebraska Ground Water Management and Protection Act	Hughes	6-7
LB 762	Change a date for certain scrap tire recycling grants	Hughes	30
LB 784	Change the Employee Classification Act to prohibit contractors with unpaid fines from contracting with the state or political subdivisions	Vargas	30
LB 808	Change provisions relating to community gardens and seed libraries	Harr	31
LB 822	Change provisions relating to the Department of Natural Resources	Hughes	31
LB 825	Change provisions relating to budgets and public hearing notice for certain governmental entities	Brewer	32-33
LB 850	Require disclosure of the anticipated cost to a political subdivision to pay off its bonds	Linehan	33
LB 887	Clarify requirements for exceeding budget limitations under the Nebraska Budget Act	Murante	33
LB 908	Provide a disposal exception for tires used in a building system and eliminate obsolete provisions under the Integrated Solid Waste Management Act	Baker	33-34

<b>LB 943</b>	<b>Redefine a term relating to budget limitations</b>	<b>Wishart</b>	<b>34</b>
<b>LB 944e</b>	<b>Provide, change, and eliminate provisions relating to appropriations and reduce appropriations</b>	<b>Speaker Scheer, Behalf of Governor</b>	<b>8-11</b>
<b>LB 945e</b>	<b>Provide for transfers of funds and change transfer provisions</b>	<b>Speaker Scheer, Behalf of Governor</b>	<b>8-11</b>
<b>LB 946e</b>	<b>Change provisions relating to the Cash Reserve Fund</b>	<b>Speaker Scheer, Behalf of Governor</b>	<b>8-11</b>
<b>LB 997</b>	<b>Provide limits on salaries of administrative employees of political subdivisions</b>	<b>Murante</b>	<b>34-35</b>
<b>LB 1008e</b>	<b>Increase amounts of liquidated damages for certain violations of the Game Law</b>	<b>Bostelman</b>	<b>12-13</b>
<b>LB 1036</b>	<b>Change the expenditure limit for a recognition dinner under the Local Government Miscellaneous Expenditure Act</b>	<b>Kolowski</b>	<b>13</b>
<b>LB 1068</b>	<b>Provide for seventeen-year olds to vote in special elections, provide requirements for adjusting political subdivision boundaries, and change voter registration, special election, recall, and initiative and referendum provisions</b>	<b>Murante</b>	<b>35-36</b>
<b>LB 1080</b>	<b>Provide for Wildlife Conservation Plates</b>	<b>Hughes</b>	<b>36-37</b>
<b>LB 1095</b>	<b>Change the information included in certain tax notices and receipts</b>	<b>Hilgers</b>	<b>37</b>
<b>LB 1106</b>	<b>Change requirements for overriding property tax limits</b>	<b>Linehan</b>	<b>37-38</b>
<b>LB 1123</b>	<b>Provide for streamflow augmentation projects and retention of water rights as prescribed</b>	<b>Groene</b>	<b>38-40</b>
<b>LB 1124</b>	<b>Provide notice and hearing requirements for public entities relating to land acquisition and ground water pump installations</b>	<b>Groene</b>	<b>40-41</b>
<b>LB 1128</b>	<b>Prohibit counties, local governments, and certain state entities from spending legislative appropriations under certain conditions</b>	<b>Wayne</b>	<b>41</b>

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

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 758e - Require collaboration between natural resources districts and counties under the Nebraska Ground Water Management and Protection Act. Hughes. (Natural Resources Priority)**

The Legislature gave final approval to LB 758e on February 23<sup>rd</sup> by a 45-0-4 vote and the bill was approved by the Governor on February 28<sup>th</sup>. The bill included the emergency clause so it took effect when approved by the Governor.

Throughout each stage of floor debate, the bill was subject to long filibusters not necessarily against the bill itself but rather because a bill to repeal the Prairie Dog Management Act debated prior failed to advance. The bill was previously advanced to Select File on January 31<sup>st</sup> by a 47-0-2 vote, after adopting the committee amendment on a 46-1-2 vote, and advanced to Final Reading on February 12<sup>th</sup> by a 47-0-2 vote.

The original bill would have required a natural resources district or districts that acquire private land to develop and operate a water augmentation project for streamflow enhancement to collaborate with representatives of the county in which such land is located to lessen any impacts to such county's property tax base while ensuring that the objectives of the project are met.

The Natural Resources Committee amendment eliminated the original language and replaced it with specific language regarding augmentation projects and voluntary in-lieu-of tax payments. The details follow.

### **Committee Amendment Details**

The Natural Resources Committee amendment, which is now the bill, will allow a natural resources district or districts that acquire private land to develop and operate a water augmentation project for streamflow enhancement to make voluntary payments in lieu of taxes to the county treasurer of the county in which the land is located.

A payment in lieu of tax may be made for any year in which the joint entity or natural resources district owns the land, including any year prior to the effective date of this act. The amount of the payment in lieu of tax for any year can not be more than the real property taxes that would have been paid on the land for such year if the land were subject to taxation.

The amendment will also require the county treasurer to allocate the payment in lieu of tax to the taxing units in the county in the same proportion that property taxes would have been allocated to such taxing units if the land were subject to taxation.

For any future augmentation project operated by a natural resources district or districts, and after they have secured a contract or memorandum of agreement to acquire title of the private land, they will need to do the following:

- (a) Provide public notice of the joint entity's or district's intention to proceed with the water augmentation project. The notice shall include the project's intended purpose, an estimate of the amount of water that will be pumped for augmentation, and the timeframe in which the water will be used;
- (b) Hold a public hearing and accept public comment on the project;
- (c) Seek the input of officials from the county in which the project will be located and adjoining landowners on ways to minimize the effects of the project on the county.

For any existing augmentation project operated by a natural resources district or districts, they will be required to publish an annual report that includes the following information regarding the project:

- (i) Details on the operation of the project;
- (ii) The amount of water pumped;
- (iii) The amount of land leased and for what purposes;
- (iv) The amount of revenue gained from land leases;
- (v) The amount of any taxes paid;
- (vi) Financial details of the project, including the amount of debt, the amount of outstanding bonds and loans, and the project budget;
- (vii) Whether the project is achieving its intended purpose;
- (viii) The effect of the project on groundwater supplies; and
- (ix) Projections for use of the project in the future and the effect of the use on ground water supplies.

Finally, a natural resources district or districts that have acquired title to private lands for the purpose of developing and operating a water augmentation project for streamflow enhancement, shall submit all leases relating to such lands to the appropriate county assessor within thirty days after the effective date of the lease.

Senator Groene signed on as a co-sponsor of the bill and the amendment.

### **Background on the Issue**

The bill is targeted at the NCORPE property in Lincoln County. The Nebraska Cooperative Republican Platte Enhancement Project (NCORPE) is a joint project of four Natural Resources Districts (NRDs) that is designed to help the State of Nebraska and NRDs meet interstate and intrastate water obligations. The land in the project was sandhill grasslands until the 1970's, when Prudential Insurance Company purchased the land and converted it to irrigated cropland. This purchase led to I-300, a constitutional amendment to prohibit corporate ownership of farm land.

After the land changed hands several times, the four NRDs bought it in 2012 from a hedge fund located on the east coast which was operating it as an irrigated corn and potato farm. The NRDs are in the process of restoring all the fragile land back to natural grasses. The water that was once used for irrigation is pumped to the Republican River only in water short years to help the State of Nebraska maintain compliance with the interstate water compact. Absent of the project, up to 300,000 irrigated acres would need to be shut down in the Republican Basin. The project also uses some of the water for the Platte River Recovery Project, protecting irrigators in the Twin Platte NRD. Absent of the project, thousands of irrigated acres in Lincoln County would also need to be shut down.

The NRDs involved with the project have paid property taxes on the land since it was purchased in 2012, but could only do so under protest as land owned by political subdivisions is exempt from taxation under the Nebraska Constitution. The case had to go before the Nebraska Tax Equalization and Review Commission which held in 2017 that property owned by the NRDs is used for a public purpose and should be tax exempt as outlined in the Nebraska Constitution. The commission ordered the taxes refunded. Lincoln County is appealing this decision to the Supreme Court. The tax money paid by the NRDs is being held by the county until the court decides whether it must be returned.

### **NCORPE Groundwater Levels**

Groundwater levels on the NCORPE project have risen up to 13' at various locations across the NCORPE property since pumping ended in May of 2017. No pumping is expected during the growing season this year and rises in the groundwater levels are expected to continue. The project only pumps groundwater when needed for Republican River Compact Compliance and is idled during the years when no additional water is needed. There is abundant groundwater underlying NCORPE – the saturated thickness of the Ogallala Aquifer in the area is approximately 400-600 feet.

**Budget Bills Finally Approved** – Senators gave final approval to the budget bills on April 3, 2018. After several weeks of debate and controversy, Senators gave Final Reading approval to the mainline budget bill (LB 944e) by a 38-6-5 vote. Governor Ricketts signed LB 944e into law on April 4, 2018.

On Select File, a compromise amendment was adopted (AM 2750) on a 44-4-1 vote to clarify the Title X issue. Earlier in the session, Senators failed to advance the budget bill to Select File after two failed cloture votes. The bill adjusts agency budgets and state appropriations for the current and next fiscal year to address the budget shortfall.

The controversy that sparked the disagreement was language in LB 944 regarding Title X funding disbursement to health clinics that also provide abortion services. The federal Title X program is used to subsidize reproductive and preventive health services, including the diagnosis and treatment of sexually transmitted diseases, cancer screenings and family planning services. Federal grant funds are dispersed by the state through the budget. Language was added in the bill to prohibit funds from going to clinics that perform abortions.

The first failed cloture vote of 30-8-11 occurred on March 21<sup>st</sup>. The bill was rescheduled for March 23<sup>rd</sup> and apparently some agreement was reached to get the 33 votes necessary to end debate and vote on the bill. However, that agreement was not honored as the motion failed again on a 31-7-11 vote.

The other budget bills were given final approval on April 3<sup>rd</sup>, including LB 945e, by a 41-4-4 vote, and LB 946e, by a 40-5-4 vote. Governor Ricketts signed these two bills into law on April 4, 2018. All the appropriations bills included the emergency clause, so they became effective immediately after the Governor signed them.

The Legislature previously advanced the budget bills to Select File on March 13<sup>th</sup> after adopting the Appropriations Committee recommended changes to Governor Ricketts proposals.

The Governors recommendation included across the board reductions in many operations and several state aid programs. These are 2% reductions in FY 2017-18 and 4% reductions in FY 2018-19 applied to the current General Fund appropriations.

The committee proposal basically applied the reductions to the same budget programs and retained the 2% reductions in FY 2017-18, but significantly lowered the reductions in FY 2018-19 for operations. The committee maintained the 2% reductions into FY 2018-19 for state agency operations but lowered the reductions to 1% for higher education; the University of Nebraska, State Colleges, and Community Colleges. Reductions for state aid, except for Aid to Community Colleges, was basically retained at the 4% level as proposed in the Governors recommendation.

The committee adjustments reflected the Nebraska Economic Forecasting Advisory Board's increased revenue projections by \$55 million for the next two years. The board is used by the Legislature to provide an advisory forecast of general fund receipts for budgeting purposes.

Total projected revenue receipts for FY 2017-18 were increased by \$25 million to \$4.53 billion. Projected total revenue receipts for FY 2018-19 were increased by \$365 million to \$5.04 billion. Revenue projections were raised primarily based on anticipated increases in individual income tax receipts of \$20 million in FY 2017-18 and \$45 million in FY 2018-19.

The revised projections for FY 2018-19 include an estimated \$327 million increase in individual income tax receipts and \$8 million in corporate tax receipts as the result of the federal Tax Cuts and Tax Jobs Act of 2017. The federal law change eliminated the personal exemption credit for Nebraska tax purposes.

There is a bill, LB 1090e, that restored the \$134 personal exemption credit that was effectively repealed by the federal law. The bill also establishes the Nebraska standard deduction as \$6,750 for single taxpayers and \$9,900 for head of household filers. The standard deductions for married, filing jointly returns is double the standard deduction for single returns. Senators gave final approval to LB 1090e on April 11, 2018 by a 44-0-5 vote and it was signed into law by Governor Ricketts on April 17, 2018.



*The appropriations bills (LBs 944, 945 and 946) follow. A spreadsheet summarizing budget bills follows.*

**LB 944e - Provide, change, and eliminate provisions relating to appropriations and reduce appropriations. Speaker Scheer, on Behalf of the Governor.**

The bill, as proposed by Governor Ricketts, would have made across the board reductions of 2% in FY 2017-18 and 4% in FY 2018-19 for most agencies. The cuts were part of the plan to address the projected \$173 million shortfall in the biennium budget.

The Committee Amendment AM 1699 decreased the proposed 11.5% FY 18-19 General Fund cuts to Department of Environmental Quality program 513, 586, 587 and 588 to 9.6%.

The amendment also reduced the proposed 4% FY 18-19 General Fund cut to Department of Natural Resources Program 334 (General Operations) to 2%.

There are a couple of significant increases in spending in the bill. First, an additional \$35 million is provided to child welfare and public assistance over the biennium. It also increases funding for new corrections officers and \$6.5 million to add a 100-bed dormitory at the Nebraska State Penitentiary.

There were several reductions in funding for natural resources, which included the following:

- **Nebraska Soil and Water Conservation Fund** – Reductions of 2% in FY 2017-18 and 4% in FY 2018-19.
- **Nebraska Resources Development Fund** -- Reductions of 2% in FY 2017-18 and 4% in FY 2018-19.
- **Nebraska Water Sustainability Fund** – No change in FY 2017-18 and 4% reduction in FY 2018-19. Note that the transfer bill (LB 945) reduces the transfers to the fund by \$3.47 million, almost equivalent to the amount the commission held back from distribution in the past year.
- **Department of Natural Resources operations**-- Reductions of 2% in FY 2017-18 and 2% in FY 2018-19. In addition, \$500,000 in re-appropriated funds for FY 2017 are proposed to go back to the General Fund.
- **Small Watersheds Flood Control Fund** – Transfer the unobligated June 30, 2018 balance, on or before June 30, 2019, on such dates and in such amounts as directed by the budget administrator. Approximately \$737,000.
- **Nebraska Department of Agriculture Buffer Strip Incentive Fund** – Transfer \$50,000 to the General Fund on or before June 30, 2019, on such dates and in such amounts as directed by the budget administrator.
- **Chemigation Costs Fund** - Transfer \$50,000 to the General Fund on or before June 30, 2019, on such dates and in such amounts as directed by the budget administrator.

**LB 945e - Provide for transfers of funds and change transfer provisions. Speaker Scheer, on Behalf of the Governor.**

The bill, as proposed by Governor Ricketts, would have made several adjustments in transfers to assist in addressing the \$173 million shortfall over the next biennium.

The Committee Amendment AM 1700 decreased the proposed transfer from the Game and Parks Capital Maintenance Fund to the General Fund from \$9.0 million to \$8.0 million.

The amendment also added language that money received by the state for settlement of claims regarding Colorado's past use of water under the Republican River Compact be credited to the Water Resources Cash Fund in the fiscal year which it is received.

Related to natural resources programs, the legislation made the following changes:

- **Critical Infrastructure Fund** – The program funds the levee improvements near Offutt Air Base in Bellevue. The change allows a transfer of \$384,222 plus any accrued interest, from the fund to the General fund on or before June 30, 2019.
- **Water Sustainability Fund** – The program provides funding to the Natural Resources Commission to fund water projects statewide. The bill reduces the transfer from the General Fund from \$9.47 million to \$6.0 million, a \$3.47 million reduction.
- **Nebraska Litter Reduction Fund** – The bill increases the transfer from the Litter Reduction Fund to the General Fund from \$200,000 to \$700,000.
- **Nebraska Game and Parks Capital Maintenance Fund** – The bill increases the transfer from the Game and Parks Capital Maintenance Fund to the General Fund from \$4.5 million to \$8.0 million.

**LB 946e - Change provisions relating to the Cash Reserve Fund. Speaker Scheer, on Behalf of the Governor.**

The bill, with the Committee Amendment (AM 1701), made a couple of adjustments in transfers to assist in addressing the \$173 million shortfall over the next biennium.

First, it reduced the amount of Cash Reserve transferred to the General Fund for Capital Construction from \$43 million to \$40.7 million. This is the same as proposed by Governor Ricketts.

Secondly, it proposed to transfer \$100 million from the Cash Reserve to the General Fund. Governor Ricketts proposed a \$108 million transfer.

***A spreadsheet summarizing budget bills follows on the next page:***

		Legislature Final LB's 327 & 331		LB 944 & 945 Proposed Budget Adjustments		LB 944 & 945 Proposed Budget Adjustment Changes		Committee Proposed Amended Adjustments AM 1699 & 1700		Committee Amendments Adjustments to LB 944 & 945	
		FY 17-18	FY 18-19	FY 17-18	FY 18-19	FY 17-18	FY 18-19	FY 17-18	FY 18-19	FY 17-18	FY 18-19
<b>Agency 18 - Department of Agriculture</b>											
Riparian Vegetation Aid	General Fund	\$ 475,000	\$ 475,000	No Change	No Change			No Change	No Change		
Buffer Strip Incentive Fund - Transfer to General Fund					\$ (50,000)		\$ (50,000)		\$ (50,000)		\$ -
<b>Agency 84 - Department Environmental Quality</b>											
Program 513, 586, 587, 588 - NDEQ	General Fund	\$ 3,994,702	\$ 4,042,952	\$ 3,604,992	\$ 3,577,682	\$ (389,770)	\$ (465,270)	\$ 3,604,992	\$ 3,652,217	\$ -	\$ 74,535
	Cash Fund	\$ 33,606,467	\$ 33,701,904	No Change	No Change			No Change	No Change		
	Federal Fund est.	\$ 16,714,225	\$ 16,802,681	No Change	No Change			No Change	No Change		
	Program Total	\$ 54,315,394	\$ 54,547,537	\$ 53,925,624	\$ 54,082,267	\$ (389,770)	\$ (465,270)	\$ 53,925,624	\$ 54,156,802	\$ -	\$ 74,535
	Salary Limit	\$ 12,852,242	\$ 12,948,572	No Change	No Change			No Change	No Change		
Program 523 - Wastewater Loan Fund	Cash Fund	\$ 1,200,000	\$ 1,200,000	No Change	No Change			No Change	No Change		
	Federal Fund est.	\$ 6,940,000	\$ 6,940,000	No Change	No Change			No Change	No Change		
	Program Total	\$ 8,140,000	\$ 8,140,000	No Change	No Change			No Change	No Change		
Program 528 - Drinking Water Facilities Loan Fund	Cash Fund	\$ 1,732,000	\$ 1,732,000	No Change	No Change			No Change	No Change		
	Federal Fund est.	\$ 8,500,000	\$ 8,500,000	No Change	No Change			No Change	No Change		
	Program Total	\$ 10,232,000	\$ 10,232,000	No Change	No Change			No Change	No Change		
Chemigation Costs Fund - Transfer to General Fund					\$ (50,000)		\$ (50,000)		\$ (50,000)		\$ -
<b>Agency 33 - Game &amp; Parks Commission</b>											
Program 162 - Environmental Trust	Cash Fund	\$ 20,114,468	\$ 20,149,127	No Change	No Change			No Change	No Change		
	Program Total	\$ 20,114,468	\$ 20,149,127	No Change	No Change			No Change	No Change		
	Salary Limit	\$ 270,974	\$ 272,892	No Change	No Change			No Change	No Change		
Program 330 - Habitat Development	Cash Fund	\$ 7,099,160	\$ 7,126,541	No Change	No Change			No Change	No Change		
	Federal Fund est.	\$ 3,900,673	\$ 3,900,673	No Change	No Change			No Change	No Change		
	Program Total	\$ 10,999,833	\$ 11,027,214	No Change	No Change			No Change	No Change		
	Salary Limit	\$ 1,355,514	\$ 1,368,419	No Change	No Change			No Change	No Change		
Program 336 - Wildlife Conservation	General Fund	\$ 1,356,375	\$ 1,372,680	\$ 1,329,247	\$ 1,317,773	\$ (27,128)	\$ (54,907)	No Change	No Change	\$ 27,128	\$ 54,907
	Cash Fund	\$ 25,241,470	\$ 25,415,215	No Change	No Change			No Change	No Change		
	Federal Fund est.	\$ 3,712,098	\$ 3,734,535	No Change	No Change			No Change	No Change		
	Program Total	\$ 30,316,759	\$ 30,527,328	\$ 30,282,815	\$ 30,465,523	\$ (33,944)	\$ (61,805)	No Change	No Change	\$ 33,944	\$ 61,805
	Salary Limit	\$ 14,480,415	\$ 14,605,553	No Change	No Change			No Change	No Change		
Program 338* - Niobrara Council	General Fund	\$ 42,011	\$ 42,011	\$ 41,171	\$ 40,331	\$ (840)	\$ (1,680)	No Change	No Change	\$ 840	\$ 1,680
	Cash Fund	\$ 1,000	\$ 1,000	No Change	No Change			No Change	No Change		
	Federal Fund est.	\$ 125,000	\$ 125,000	No Change	No Change			No Change	No Change		
	Program Total	\$ 168,011	\$ 168,011	\$ 167,171	\$ 166,331	\$ (840)	\$ (1,680)	No Change	No Change	\$ 840	\$ 1,680
Program 550 - Planning & Trails Coordination	General Fund	\$ 455,817	\$ 460,713	\$ 446,701	\$ 442,284	\$ (9,116)	\$ (18,429)	No Change	No Change	\$ 9,116	\$ 18,429
	Cash Fund	\$ 1,100,745	\$ 1,113,717	No Change	No Change			No Change	No Change		
	Federal Fund est.	\$ 105,491	\$ 105,491	No Change	No Change			No Change	No Change		
	Program Total	\$ 1,664,344	\$ 1,682,236	\$ 1,652,997	\$ 1,664,492	\$ (11,407)	\$ (20,744)	No Change	No Change	\$ 11,407	\$ 20,744
	Salary Limit	\$ 901,608	\$ 908,392	No Change	No Change			No Change	No Change		
<b>Agency 29 - Department of Natural Resources</b>											
Program 303 - Small Watersheds	Cash Fund	\$ 475,000	\$ 475,000	No Change	No Change			No Change	No Change		
	Program Total	\$ 475,000	\$ 475,000	No Change	No Change			No Change	No Change		
Transfer unobligated balance 6/30/18 to General Fund					\$ (732,747)		\$ (732,747)		\$ (732,747)		\$ -
*Program 304 - Nebraska Soil & Water Conservation Fund	General Fund	\$ 1,881,367	\$ 1,881,367	\$ 1,843,740	\$ 1,806,112	\$ (37,627)	\$ (75,255)	\$ 1,843,740	\$ 1,806,112	\$ -	\$ -
	Cash Fund	\$ 50,000	\$ 50,000	No Change	No Change			No Change	No Change		
	Program Total	\$ 1,931,367	\$ 1,931,367	\$ 1,893,740	\$ 1,856,112	\$ (37,627)	\$ (75,255)	\$ 1,893,740	\$ 1,856,112	\$ -	\$ -
*Program 306 - Water Well Decommissioning	Cash Fund	\$ 100,000	\$ 100,000	No Change	No Change			No Change	No Change		
	Program Total	\$ 100,000	\$ 100,000	No Change	No Change			No Change	No Change		
*Program 307 - Nebraska Resources Development Fund	General Fund	\$ 3,140,325	\$ 3,140,325	\$ 3,077,518	\$ 3,014,712	\$ (62,807)	\$ (125,613)	\$ 3,077,518	\$ 3,014,712	\$ -	\$ -
	Cash Fund	\$ 47,500	\$ 47,500	No Change	No Change			No Change	No Change		
	Program Total	\$ 3,187,825	\$ 3,187,825	\$ 3,125,018	\$ 3,062,212	\$ (62,807)	\$ (125,613)	\$ 3,125,018	\$ 3,062,212	\$ -	\$ -
*Program 309 - Natural Resources Water Quality	Cash Fund	\$ 1,187,500	\$ 1,187,500	No Change	No Change			No Change	No Change		
	Program Total	\$ 1,187,500	\$ 1,187,500	No Change	No Change			No Change	No Change		
*Program 313 - Water Sustainability Fund	Appropriation	\$ 10,739,077	\$ 10,739,077	\$ 10,739,077	\$ 10,309,520	\$ -	\$ (429,557)	\$ 10,739,077	\$ 10,309,520	\$ -	\$ -
	Transfer	\$ 10,670,000	\$ 9,470,000	\$ 9,170,000	\$ 6,000,000	\$ (1,500,000)	\$ (3,470,000)	\$ 9,170,000	\$ 6,000,000	\$ -	\$ -
	Difference	\$ (69,077)	\$ (1,269,077)	\$ (1,569,077)	\$ (4,309,520)			\$ (1,569,077)	\$ (4,309,520)		
*Program 314 - Critical Infrastructure Facilities		\$13.7 million transferred in from the Cash Reserve in FY 16-17 for Dufft Air Force Base Levee			\$ (384,222)		\$ (384,222)		\$ (384,222)		\$ -
Water Resources Cash Fund	LB 331 Transfer in	\$ 3,300,000	\$ 3,300,000	No Change	No Change			No Change	No Change		
It is the Intent of the Legislature that any money received from any Republican River Compact Settlement be credited to WRCF.											
**Program 334 - Soil & Water Conservation (General Operations)	General Fund	\$ 10,275,032	\$ 10,377,285	\$ 10,069,551	\$ 9,962,194	\$ (205,501)	\$ (415,091)	\$ 10,069,551	\$ 10,169,740	\$ -	\$ 207,546
	Cash Fund	\$ 7,413,469	\$ 7,417,658	No Change	No Change			No Change	No Change		
	Federal Fund est.	\$ 781,454	\$ 794,606	No Change	No Change			No Change	No Change		
	Program Total	\$ 18,469,955	\$ 18,589,549	\$ 18,264,454	\$ 18,174,458	\$ (205,501)	\$ (415,091)	\$ 18,264,454	\$ 18,382,004	\$ -	\$ 207,546
	Salary Limit	\$ 6,681,741	\$ 6,738,783	No Change	No Change			No Change	No Change		

\*Unexpended 6/30/17 Balance re-appropriated

\*\*Unexpended 6/30/17 Balance in subprograms 19, 20, 21 re-appropriated. Unexpended General Fund appropriation balance in subprogram 19 is reduced by \$500,000

**LB 1008e - Increase amounts of liquidated damages for certain violations of the Game Law. Bostelman. (Natural Resources Priority).**

On April 6, 2018, Senators gave final approval to LB 1008e by a 42-4-3 vote. The bill contains the emergency clause so it became effective immediately upon signature of the Governor, which was April 11, 2018.

During Select File debate, and after several hours of filibustering, Senators advanced LB 1008e to Final Reading on a 38-4-7 vote on March 28<sup>th</sup>. On March 26<sup>th</sup>, they advanced the bill to Select file on a 42-2-5 vote after adopting the Committee Amendment (AM 2292) on a 38-4-7 vote.

The controversy surrounded the provisions in the bill related to allowing public power districts to deny public records requests as included in the Committee Amendment (AM 2292). This sparked several amendments and procedural motions to be filed.

During General File debate, Senator Larson filed a motion to recommit the bill to the Government Committee, which was later ruled out of order by the chair. Senator Chambers filed a bracket motion, which was later withdrawn. Senator Wayne then filed a motion to recommit to the Referencing Committee. These motions all failed.

Senator Brewer filed an amendment to prohibit development of wind energy projects unless the county has approved. Senator Wayne filed an amendment to prohibit public power entities from entering a new contract with the Southwest Power Pool and require any necessary contracts to be with the Midcontinent Independent System Operator. Both amendments failed.

Senator Larson had two motions pending on Final Reading – one to recommit to the Natural Resources Committee and a second to strike the enacting clause. Both motions were withdrawn when the bill came up for Final Reading.

The bill was a Natural Resources Committee priority which was advanced out of committee on March 8<sup>th</sup> with Committee Amendment AM 2292 and included five bills as follows:

- 1. LB 1008 as introduced:** The bill increases the liquidated damages limits for certain wildlife violations under the Game Law. The bill proposes the following increases: Mountain sheep from \$15,000 to \$25,000; for 12-point elk from \$5,000 to \$10,000; for all other elk from \$1,500 to \$3,000; for 8-point whitetail deer with at least a 16 inch spread between beams and for each mule deer between 8-16 spread from \$5,000 to \$10,000; for other antlered whitetail deer from \$1,000 to \$2,000; for antlerless whitetail and whitetail doe deer from \$250 to \$500; for mountain lions, lynx, bobcats, river otters, or raw pelt from \$500 to \$5,000; for wild turkey from \$100 to \$500. The bill also decreases the spread between beams from 24 to 22 inches for 8-point mule deer that are subject to damages, and increases the amount from \$1,000 to \$2,000 for any other mule deer. (Bostelman)
- 2. LB 713:** The bill raises the per diem for Oil & Gas Conservation Commissioners from \$50 to not more than \$400, with an annual \$4000 cap. (Erdman)
- 3. LB 822, as amended:** The committee held a public hearing on AM 2191 on March 7th, which proposed removing the original content of LB 822 and replacing it with language that would allow public power entities to deny public records requests if proprietary information is sought and releasing the records would give competitors an advantage.

The amendment was revised as follows and incorporated into AM 2292:

- Allows the public power industry to withhold competitive or proprietary information that would give an advantage to business competitors. The language defines competitive information as that which a reasonable person, knowledgeable of the electric utility industry, could conclude gives competitors an advantage.

- Clarifies that records requests for public power are to be procedurally treated the same as public records requests under the Chapter 84 public records statutes. (Hughes)

4. **LB 820:** The bill authorizes the Power Review Board to assess a fine on a private electric supplier who fails to notify of new construction of special generation facilities. The bill outlines notice requirements, a dispute process and fines. (Hughes)

5. **LB 762:** The bill extends the sunset date for scrap tire recycling grants from June 30, 2019 to June 30, 2024. The grant program provides up to \$1.5 million annually toward new scrap tire projects. (Hughes)

**LB 1036 - Change the expenditure limit for a recognition dinner under the Local Government Miscellaneous Expenditure Act. Kolowski.**

The Legislature gave final approval to LB 1036 on April 11, 2018 by a 40-4-5 vote. The bill was signed into law by Governor Ricketts on April 17, 2018.

The bill increases the maximum per person cost of an annual recognition dinner for elected and appointed officials, employees, or volunteers of the local government. The maximum cost would increase from \$25 to \$50 per person. Current law allows for such events to be paid for by the governing body if the body has formally approved of the expenditure.

At the hearing on February 23<sup>rd</sup>, John Bonaiuto with the Nebraska Association of School Boards told the committee the amount has not been increased in twenty-five years. There were no opponents to the bill, and the Government Committee advanced the bill to General File on March 12<sup>th</sup>. On March 27<sup>th</sup>, they advanced the bill to Select File on a 27-5-17 vote.

## **Section Two – Bills that were passed at the end of the session and pending action by Governor Ricketts**

**LB 729 - Allow claims arising out of misrepresentation or deceit under the Political Subdivisions Tort Claims Act and State Tort Claims Act. Wayne. (Speaker Priority)**

Senators gave final approval to LB 729 on April 18, 2018 by a 49-0 vote. The bill now awaits action by Governor Ricketts. The Legislature adjourned prior to any action has been reported by Governor Ricketts.

The original bill proposed to remove the terms “misrepresentation” and “deceit” from the list of exemptions from the State Tort Claims Act as it applies to the state and all political subdivisions. As amended through the legislative process, the changes are limited to the Department of Health and Human Services.

The Judiciary Committee advanced LB 729 to General File on February 28<sup>th</sup> with Committee Amendment AM 2160. On General File, senators adopted the Committee Amendment (AM 2160) on a 34-0-15 vote.

The Committee Amendment (AM 2160) strikes the original provisions of the bill and inserts language that outlines that the State Tort Claims Act does not apply to any claim "arising out of misrepresentation or deceit," except in cases of adoption or placement where the Department of Health and Human Services "fails to warn, notify, or inform" relating to a ward's behavioral, mental health, educational, and medical history. This would include history relating to a ward being a past victim or perpetrator of a sexual abuse.

Senator Wayne said he introduced the bill in response to allegations of child sexual abuse within the state's foster care system. He said one family had begun the adoption process of their foster child, who then sexually assaulted another one of their children. The bill was a Speaker Priority for the session.

**LB 299 - Adopt the Occupational Board Reform Act and change procedures for rules and regulations. Ebke. (Ebke Priority)**

Senators gave final approval to LB 299 on April 18, 2018 by a 45-1-3 vote. The bill now awaits action by Governor Ricketts. The Legislature adjourned prior to any action has been reported by Governor Ricketts.

On April 10, 2018, Senators advanced LB 299 to Final Reading on a voice vote after adopting an amendment offered by Senator Ebke (AM 2674) which further clarified that certain medical licenses are not subject to review under the proposed legislation.

On March 14<sup>th</sup>, the Legislature advanced LB 299 to Select File by a 31-0 vote after adopting the Committee Amendment (AM 1665) and an amendment from Senator Ebke (AM 2349) to address concerns raised when the bill was first debated on the floor on February 21<sup>st</sup>. The bill would require the Legislature to regularly review Nebraska's occupational licensing laws. Senator Ebke declared the bill her Priority Bill for the session.

The Government Committee advanced LB 299 to General File on January 30, 2018 with Committee Amendment AM 1665.

The original bill proposed to create the Legislative Office of Occupational Regulations which would be required to annually review the occupational regulations of approximately twenty percent of the occupational licenses and oversight boards and complete its review of all providers every five years. They would make recommendations for changes to the Legislature. They would also review all new legislation that proposes changes to any occupational license and make recommendations to the Legislature.

**Committee Amendment AM 1665**

The Committee Amendment replaces the bill. It keeps the individual rights portion of the bill, but eliminates the executive branch enforcement board. Instead, it vests regulatory oversight in the Legislature through regulatory evaluations.

Highlights include:

- Creates a state policy that occupational regulations shall be construed to:
  - (a) Protect the individual worker's right to pursue a lawful occupation;
  - (b) Use the least restrictive means necessary to protect public health and safety; and
  - (c) Require actual enumeration of a product or service as regulated by statute as condition of any enforcement action against an individual.
- Creates a process for an individual considering a new career to pay \$100 and petition a licensing board for an advisory opinion on the effect of a past conviction on the individual's eligibility for an occupational license.
- Requires legislative committee staff to do the following:
  - (a) Evaluate the effects of proposed legislation pertaining to occupational regulation, to ensure that such regulation is narrowly tailored to achieve the specific public benefit sought.
  - (b) Compare proposed legislation with policies enacted in other states.
  - (c) Issue a report on legislative bills to committees of relevant jurisdiction.
  - (d) Request that bill proponents and others provide evidence of existing harm to be addressed, the likely effect on labor economics, and other information.
  - (e) Annual review of approximately one-fifth of occupational regulations to improve compliance with policies stated in this bill, with report made to the Clerk of the Legislature.
- Provides a new operative date of January 1, 2019.

### **Additional amendment adopted**

Before advancing the bill to Select File, Senators adopted an amendment (AM 2349) offered by Senator Ebke by a 30-0 vote to address concerns that opponents expressed during debate on the bill last month, including the scope of a report that committee staff would be required to complete. The amendment would accelerate the process by which those with criminal histories could determine whether their conviction would disqualify them from obtaining an occupational license. Under this process, a person with a criminal conviction could petition an occupational board at any time for a determination as to whether the conviction would disqualify him or her from obtaining a license. The board would be required to make its determination within 90 days of receiving a petition and could charge no more than \$100 for each petition.

The amendment also would address concerns that the bill could conflict with the state Department of Health and Human Services' credentialing review program, also called the 407 Process. This process reviews proposals for changes in scope of practice or for new credentialing of health professions. The existing technical review committee would evaluate the proposals to determine whether they would benefit public health and welfare. They then submit reports to the Legislature's Health and Human Resources Committee to assist them in evaluating bills related to credentialing. The amendment offered by Senator Ebke (AM 2674), and adopted on Select File, alleviates further concerns raised that the legislation does not interrupt the credentialing review program.

### **Hearing Notes**

On February 24, 2017, the Government Committee accepted testimony on LB 299.

In her opening, Senator Ebke, offered an amendment to eliminate the oversight board and duties of the proposed new office in response to the fiscal note placed on the bill. She further suggested that it could be overseen by the Executive Board of the Legislature using some existing staff. The Legislative Fiscal office placed a cost estimate of \$1,245,000 annual cost of implementing the act. The estimate included ten new staff to implement the program.

Senator Ebke noted she wants to find a balance between the need to require licensed individuals and providing consumer protection. She also noted the senators need to have an on-going discussion about what regulations are imposed upon individuals.

Nicole Fox, presented testimony on behalf of the Platte Institute in support of the bill. She noted Nebraska has a labor shortage and the current laws create a barrier to entry for new workers to enter the work force.

Matt Litt, testified in support on behalf of Americans for Prosperity also noting that barriers to the job markets need to be eliminated.

One individual testified in support of the bill to push the Legislature toward adopting laws that place the least restrictive regulations on individuals but yet meet consumer protection. He noted the goal should be to reduce barriers to entry in the job market.

Bruce Ramje, Director of the Nebraska Department of Insurance, presented testimony against the bill on behalf of Governor Ricketts. He noted that creating more government does not help reduce costs. He also noted that there is no reason for another agency to review decisions made by the Department of Insurance. All agencies have oversight at various levels. Adding another level of government will not reduce the cost of government or reduce barriers to the job market.

Others testifying against the bill included the American Subcontractors Association, Omaha Elevator Inspection Company, Nebraska Real Estate Commission, Board of Barber Examiners, Nebraska Board of Public Accountancy, Nebraska Geological Society, and several individuals that have professional licenses. All mentioned how current laws provide protection for consumers and do not create barriers to the job market. Several agencies, organizations and individuals submitted letters of opposition.

The Nebraska Medical Association testified in a neutral capacity.

## **Section Three – Bills that have been Indefinitely Postponed**

All bills not passed by the end of the session, including carry-over bills, were indefinitely postponed at the end of the 2018 Legislative Session. Some bills were indefinitely postponed before the session ended. Bills indefinitely postponed of interest to natural resources districts included the following:

### **LB 23 - Provide for transfers of funds and terminate funds. Speaker Scheer, at the request of the Governor.**

The bill proposed \$21.5 million in specific transfers to the General Fund of excess fund balances to mirror the changes in LB 22. The committee reported no action on the bill and the bill has been indefinitely postponed.

### **LB 24 - Change provisions relating to the Cash Reserve Fund. Speaker Scheer, at the request of the Governor.**

The bill proposed the State Treasurer to transfer \$92 million from the Cash Reserve Fund to the General Fund on or before March 31, 2017. The committee reported no action on the bill and the bill has been indefinitely postponed.

### **LB 27 - Change requirements for state agency contracts and powers and duties of the Auditor of Public Accounts as prescribed. Murante.**

The Government Committee accepted testimony on LB 27 on January 19<sup>th</sup>, 2017. The bill changes deadlines and penalties for reports required for governing bodies that enter into agreements under the Interlocal Cooperation Act and the Joint Public Agency Act. It also makes changes to the extension of contracts by state agencies. The committee reported no action on the bill and the bill has been indefinitely postponed. However, provisions of LB 27 were incorporated into LB 151e, which passed last session.

### **LB 36 - Provide for review by state agencies of occupational credentials and provide for a critical assessment document. Harr.**

The Government Committee accepted testimony on LB 36 on January 20<sup>th</sup>, 2017. The committee reported no action on the bill and the bill has been indefinitely postponed.

The bill would have required all state agencies to review rules and regulations pertaining to the issuance of occupational credentials. In his opening, Senator Harr mentioned the Department of Health & Human Services (HHS) has over 5,000 pages of rules and regulations.

The bill proposed Department of Health and Human Services shall begin the review on January 1, 2018, followed by the Department of Labor on January 1, 2019 and every other agency on January 1, 2020. The bill proposed to require all agencies to do the review every five years.

After review, the agencies would have to complete and release a critical assessment document to provide a critical analysis of the significance and necessity of the agency's rules or regulations pertaining to the issuance of all occupational credentials. The document would have to include, but not limited to:

- The health, well-being, or consumer protection purpose of the rule or regulation with respect to the issuance of occupational credentials;
- The protection provided by the rule or regulation with respect to the issuance of occupational credentials;
- A review and determination that the rule or regulation has achieved the purpose in a cost-effective manner without unduly inhibiting entrepreneurship and commerce; and
- A description, including an estimated quantification, of the fiscal impact on state agencies, political subdivisions, and regulated persons of the rule or regulation.

A hearing would have to be held by the agencies during the review process on the preliminary critical assessment document to allow for public comment prior to the final submission of the report to the Legislature.



The fiscal note estimates from state agencies to implement the bill was \$206,346 in FY 2017-18 and \$270,837 in FY 2018-19. These cost are from HHS estimates in the need for 2.25 FTE in fiscal year 2017-18 and 3.0 FTE in fiscal year 2018-19 to implement the requirements.

The bill was supported by the Nebraska Board of Engineers and Architects. A letter of support was submitted by the Greater Omaha Chamber of Commerce. There was no opposition to the bill. A letter listing some concerns with the bill was submitted by HHS. Chairman Murante was going to list it as letter of opposition, but Senator Harr objected and requested the letter be listed as neutral. Chairman Murante announced he would ask HHS how they wanted it listed before the transcript is finalized on the hearing.

#### **LB 71 - Change appropriations relating to the Nebraska Tree Recovery Program. Pansing-Brooks.**

The bill proposed to change the intent language on appropriations for the Nebraska Tree Recovery Program from \$250,000 annually to \$3 million annually. The Nebraska Forest Service of the University of Nebraska and the Natural Resources Department of Forestry, Fisheries and Wildlife administer the grant program to fund tree removal, disposal, and replacement costs. The committee accepted testimony on February 27<sup>th</sup>, 2017. The committee reported no action on the bill and the bill has been indefinitely postponed

#### **LB 90 - Require public entity to provide accommodations where Auditor of Public Accounts employee conducts audit or examination. Hughes.**

The Government Committee accepted testimony on LB 90 on January 19<sup>th</sup>, 2017. The bill proposed that when the Auditor of Public Accounts conducts an audit or examination of any public entity, the public entity would be required to provide suitable accommodations for such employee of the auditor at the location where the requested information and records are kept or stored. The accommodations shall include desks or tables and chairs, electrical outlets, and Internet access if such access is available. The committee reported no action on the bill, however provisions of LB 90 were incorporated into LB 151e, which passed last session.

#### **LB 98 - Extend certain levy authority for natural resources districts. Friesen. (Stinner Priority)**

Senators failed to invoke cloture on LB 98 on March 7<sup>th</sup>, 2018, by a 27-14-8 vote. Thirty-three votes are necessary to invoke cloture and vote to advance the bill. Senators Stinner, Friesen and Hughes did a tremendous job arguing the merits of the legislation but could not overcome opposition to the bill from Senators Groene, Erdman and Governor Ricketts. The local revenue source for NRDs in the fully and over-appropriated areas to address state mandates and water sustainability programs will end this fiscal year.

On February 12<sup>th</sup>, 2018, Senator Stinner declared LB 98 his Priority Bill for the 2018 session.

The bill proposed to extend the maximum 3-cent levy authority for fully or over-appropriated districts from FY 2017-18 to FY 2025-26 so current successes can continue and future programs can be developed to improve water supplies. The levy can only be used to implement groundwater management activities and integrated management activities under the Nebraska Ground Water Management and Protection Act.

The vote for cloture follows:

- **Voting YES (27):** Baker, Blood, Bolz, Bostelman, Chambers, Crawford, Friesen, Hansen, Harr, Hilkemann, Hughes, Kolowski, Kolterman, Krist, Lindstrom, Linehan, McCollister, Morfeld, Pansing Brooks, Quick, Smith, Stinner, Vargas, Walz, Watermeier, Williams and Wishart.
- **Voting NO (14):** Albrecht, Brasch, Brewer, Briese, Clements, Erdman, Geist, Groene, Halloran, Hilgers, Lowe, Murante, Riepe, and Thibodeau.
- **Not voting (8):** Ebke, Howard, Kuehn, Larson, McDonnell, Scheer, Schumacher and Wayne

Please take time to thank the state senators that voted “yes” on LB 98 this year.

Last year (May 2<sup>nd</sup>, 2017), Senator Friesen came within two votes to gain cloture on LB 98 which would have ended debate and allowed for a simple majority vote on advancement of the bill. The vote was 31-9-9. A cloture vote to end a filibuster requires 33 votes. The May 2, 2017 cloture votes follows:

- **Voting YES (31):** Albrecht, Baker, Blood, Bolz, Bostelman, Brasch, Brewer, Chambers, Crawford, Ebke, Friesen, Hansen, Harr, Hughes, Kolowski, Kolterman, Larson, Lindstrom, Linehan, McCollister, Morfeld, Quick, Scheer, Smith, Stinner, Vargas, Walz, Watermeier, Wayne, Williams and Wishart.
- **Voting NO (9):** Clements, Erdman, Geist, Groene, Halloran, Hilgers, Kuehn, Lowe, and McDonnell,
- **Present and not voting (9):** Briese, Craighead, Hilkemann, Howard, Krist, Murante, Pansing Brooks, Riepe, and Schumacher.

The following provides a summary of what the 3-cent levy meant to the local economy.

- *The 3-cent levy authority is commonly used as matching funds for grants from the Environmental Trust, The Water Sustainability Fund, and other grants and funds. Providing matching funds allow districts to leverage the local tax dollars to keep taxes in the district as low as possible while still accomplishing the edicts in LB962.*
- *The successful partnership has annually provided an estimated 9.78 billion to 39.12 billion gallons of water benefit to the Platte River and 13.04 billion to 16.3 billion gallons of water benefit to the Republican River. At the same time, irrigated acres have been preserved to protect the local economy and the state economy.*
- *Eliminating the 3-cent levy does not remove an NRD’s obligations, rather it forces irrigators to take the full brunt of groundwater management program funding by increasing occupation taxes and increasing regulations.*
- *Without the 3-cent levy authority, NRDs will be forced to use occupation tax dollars to fund necessary programs. Occupation tax dollars are only paid by a district’s irrigators, who will see an exponential tax increase relative to the existing levy. If the shift occurred an average sized farm in Central Platte NRD, for example, could expect to see an approximately 115% increase in their taxes with total obligations increasing from \$1.60 per acre to \$3.43 per acre.*
- *If the 3-cent levy sunsets, regulations may be required that force irrigated acres to be retired. If this occurs, property taxes would increase for all others in the district. As the number of irrigated acres shrinks, because regulations require additional irrigated acres be retired to maintain sustainability, land values will fall and the property tax levy must rise to compensate. Retiring irrigated acres will also result in an economic downturn for that region, resulting from the lack of activity on un-farmed acres.*
- *When LB 962 was passed in 2004, it set out very particular requirements for districts that had been designated as over or fully appropriated (i.e. using too much water). The levy authority was put in place to help those districts find ways to maintain sustainability within their districts by reducing water use and putting water back in the river.*
- *Proper regulation of water resources affects more than the irrigators of this state. Every day, Nebraskans use the state’s groundwater and surface water resources when they turn on a tap, run their washing machine or dishwasher, or water the lawn.*
- *Our state’s water belongs to all Nebraskans. Water managed by these projects in western Nebraska recharge municipal wellfields downstream all the way to Omaha.*

**LB 101 - Change duration requirements for certain state agency contracts. Stinner.**

The Government Committee accepted testimony on LB 101 on January 19<sup>th</sup>, 2017. The bill was placed on General File on January 30, 2017. No further action was taken and the bill has been indefinitely postponed.

The bill proposed to prohibit state agencies from extending contracts for services for a period of more than fifty percent of the initial contract term. Following the adoption of any amendment to extend the contract for a period of fifty percent or less of the initial contract term, no further extensions of the original contract would be permitted. This would not prohibit exercising any renewal option provided in the original contract.

A representative with the Department of Purchasing for the State mentioned the language may need to be modified to allow for contract transitions from the existing vendor to the new vendor.

**LB 127 - Change provisions relating to notice of meetings of public bodies. Groene.**

The Government Committee advanced LB 127 to General File with a Committee Amendment (AM 646) on March 17<sup>th</sup>, 2017, by a 5-2-1 vote. No further action was taken and the bill has been indefinitely postponed.

The bill proposed that each public body would have to publish a public notice in a newspaper of general circulation in each county of the public body's jurisdiction. The body could also use additional methods of public notice. The public body would also be required to record the methods and dates of the public notice in the minutes.

Senator Groene introduced the bill by describing the bill's provisions and stating its intended purpose was to increase transparency and provide consistent notice. At the hearing, there were no proponents to the bill.

The Committee Amendment (AM 646) clarified that the publication requirement only applies to one paper of general circulation in the public body's jurisdiction, not a paper in each county within that jurisdiction. The amendment also proposed to require that notice also be given by a digital advertisement on the applicable newspaper's website, if it has a website.

**LB 150 - Provide for a transfer from the Cash Reserve Fund. Stinner.**

The bill was a place-holder for cash reserve transfers to the General Fund for the next biennium. The bill proposed to transfer an undisclosed amount of funds from the cash reserve, leaving it up to the Appropriations Committee to determine the amount later. The committee reported no action on the bill and the bill has been indefinitely postponed.

**LB 218 - Provide for installation of ground water pumps by public entities. Groene.**

The Natural Resources Committee accepted testimony on LB 218 on February 15<sup>th</sup>, 2017. The committee reported no action on the bill and the bill has been indefinitely postponed.

The bill proposed to place restrictions on the use of land and water used for augmentation projects for interstate compacts. The bill would have also required the sale of the land used for augmentation projects. The Department of Natural Resources may adopt and promulgate rules and regulations to implement the proposal.

Senator Groene opened on the bill and mentioned the NCORPE project may have kept Nebraska in compliance with the Republican River Compact, but he claimed it has placed the total compliance burden on the Wallace Public Schools and Lincoln County. Senator Groene wants the project stopped, sold and restored to crop land.

Senator Groene provided a map that showed a decline in the water table near the NCORPE project, but did not disclose the map was created during NCORPE pumping activities which shows the "cone of depression" created during pumping not the actual decrease in the water table.

Those testifying in support of the bill included: Bob Peterson from North Platte; Robert Lundeen, Lincoln County landowner; Dan Esterman, Lincoln County resident; Jay Shilling, McCook; and Brad Edgerton, on behalf of the Frenchman Cambridge Irrigation District. There were letters of support submitted by the Lincoln County Commissioners, Lincoln County Assessor and Wallace Public Schools.

The supporters of the bill argued the project should be sold so the tax base would be saved for Wallace Schools and Lincoln County. Senator Groene claimed the tax loss from the project is about \$260,000. This is about 0.003% of the \$77 million in property taxes collected in Lincoln County in 2016. Brad Edgerton, Frenchman Cambridge Irrigation District asked for the entire project to be stopped and that groundwater irrigation should be shut down in the Republican River Basin for compact compliance.

For comparison purposes, the current levy for Wallace is .5391 for General funding, the lowest in the county. This is about half of the North Platte Public Schools levy and .37 less than the next lowest school levy in the county. The Lincoln County levy is .2689, about four cents less than adjoining Dawson County. The charts below provide some background information.

#### **Lincoln County Schools 2016 Levy in dollars per hundred dollars in valuation**

North Platte – General Fund: 1.0200; Total, with bonding and other: 1.1696.

Brady -- General Fund: 0.97911; Total, with bonding and other: 1.1427

Maxwell -- General Fund: 1.0200; Total, with bonding and other: 1.0500

Hersey -- General Fund: 0.9042; Total, with bonding and other: 0.9422

Sutherland -- General Fund: 0.9500; Total, with bonding and other: 1.0047

Wallace -- General Fund: 0.5391; Total, with bonding and other: 0.5873

#### **County Levy in dollars per hundred dollars in valuation**

Lincoln County: 2016 -- 0.2689; 2015 – 0.2770

Dawson County: 2016 – 0.3064; 2015 – 0.3249

Jasper Fanning, Manager of the Upper Republican NRD, presented testimony in opposition to the bill on behalf of the Nebraska Association of Resources Districts. The NCORPE project is Nebraska's primary tool chosen to comply with the Republican River compact and to assist with the Twin Platte's compliance with their IMP and the Platte Cooperative Agreement. The project pumps water in water short years and remains idle during other normal or wet years and the groundwater levels in the area are allowed to recharge.

Fanning noted the alternative to NCORPE would be to shut down 174,000 irrigated acres in the rapid response area basin-wide and increased administration of surface water. Because there is no immediate benefit to the river, this action would only yield about 15,000 acre feet of water, if surface water was also regulated, it might not even be enough for compliance. In three years, the number could grow to 45,000 which might get closer to compliance, but those acres – both ground and surface water sources – would have to remain non-irrigated well into the future.

The NCORPE project protects that irrigation base, decreases regulation on surface water users and increases their supplies. Fanning said those who claim the project reduced property tax revenue by removing land from the tax rolls ignore its only alternative: shutting down 60 percent of the basin's irrigated land through regulation. That would have a much wider negative fiscal impact on communities in the entire Republican River Basin, Lincoln County and the Platte Basin.

Fanning stressed a lot has happened in the last several years in the basin that has changed the necessary actions needed to satisfy our downstream neighbors, the State of Kansas. The State of Kansas wanted \$80 million in cash, half a million acres of irrigation shutdown permanently, and an appointed water master to dictate to Nebraska how we manage our water.

Nebraska successfully defended those claims, and have since engaged Kansas in negotiations that started on the heels of the litigation. Since then the States have worked out those differences and further, new agreements have allowed the water for Kansas to be stored and delivered when needed. This reduces the amount of water needed to be delivered under the compact to meet its needs.

Kent Miller, General Manager for the Twin Platte NRD, testified at the hearing about the extra public hearing and public forums that were offered prior to the purchase of the NCORPE property. Public information sessions that provided several information stations were offered so individuals could talk to NRD employees and board members individually about the project rather than speaking in front of a large group. In addition, public hearings were held on the matter so people could speak on the record.

Miller also pointed out that if NCORPE and other projects were not undertaken in the Twin Platte NRD, about 50,000 irrigated acres would have to be shut down in Lincoln and Keith counties to meet the obligations of the first increment of the Platte River Recovery Program.

The Lower Republican NRD submitted a letter of opposition, noting the large amount of irrigated land that would have to be converted to dryland if the NCORPE project is stopped.

Don Blankenau, legal counsel for NCORPE provided testimony in opposition pointed out the consequences and risks associated with selling the land, creating monumental problems and a major change in Nebraska water law. Blankenau pointed out that under the bill, the pumping rights could be retained which severs the groundwater from the land which counters current Nebraska water law. Nebraska water law is founded in common law that ties the volume of water that can be withdrawn to the amount of land that you own. There is no water right in Nebraska that allows or guarantees the ability to pump a volume of water in excess of a volume that can be reasonably used on the amount of land that you own. Separating the land and water creates a risk that an adjoining land owner could seek an injunction to limit the volume to the land area owned.

What that means is the more land a person owns, the more water that landowner may withdraw and put to beneficial use. In the case of NCORPE, it was necessary to be able to pump a large volume of water when needed to provide important protection for all water users within the Republican River Basin, Platte River Basin, and Nebraska taxpayers generally. The need for a large volume of water required NCORPE to own large tracts of land.

While the Legislature has modified the common law over the years, it never fully abrogated the core legal principle by severing the right to access ground water from title to the land. Blankenau pointed out they didn't do so for one over-arching reason: doing so would open the door to a host of interwoven legal issues that could result in significant disruption to water management programs and to investment backed expectations. This is an important issue for all large water users like augmentation projects and municipal suppliers.

As an example, if the water was separated from the land, a situation is created where Denver could buy a small parcel of land and install large capacity wells and pump as much water as they want.

Joel VanderVeen, Bond Counsel for the NCORPE project pointed out the land is also needed for mortgage security on the bonds. It gets further complicated if the water is separated from the land.

Don Batie, speaking on behalf of the Nebraska Farm Bureau Federation, also testified in opposition to the bill, saying that it seems to allow the severing of groundwater rights from ownership of the overlying land. Batie noted water rights would then be treated much like mineral rights, which can be transferred or traded, which would represent a major change in Nebraska groundwater law.

Vanessa Silke, Nebraska Water Resources Association, also testified in opposition reiterating the major change in Nebraska water law by separating the groundwater from the land.

Jack Russell, Middle Republican NRD Manager, testified in a neutral capacity noting there has been discussion in his district about selling the land, but there needs to be caution so water rights are maintained. Russell also noted the payoff of the project is twenty-fold.

**The following provides a summary of LB 218:**

Before any government agency, government entity, political subdivision, or joint entity created pursuant to the Interlocal Cooperation Act seeking to pump ground water for the governmental purpose of augmenting water

supplies in order to comply with an interstate compact, prior to acquiring or using land or commencing pumping, they would have to do the following:

1. Public notice a hearing for three consecutive weeks in one or more newspapers of general circulation in the affected area;
2. Hold the public hearing to obtain public comment, including, but not limited to, in-person testimony and submission of written testimony regarding the need for such pumping, the governmental use of the ground water, and the expected amount and duration of the pumping;
3. Adopt a resolution setting forth the need for such ground water pumping, the governmental use of the ground water, and the expected amount and duration of the pumping.

After the public hearing, the governmental entity may (a) purchase the land directly impacted by such pumping for fair market value; and (b) install the necessary water wells and pumps in compliance with the well registration act.

Five years after initiating pumping, and once every five years thereafter, the entity would have to hold a public hearing with the opportunity for public comment, including, but not limited to, in-person testimony and submission of written testimony. The hearing would take place after public notice of a hearing for three consecutive weeks in one or more newspapers of general circulation in the affected area.

The purpose of the hearing would be to review:

1. The entities compliance with the original resolution adopted, or the most recent resolution adopted, setting forth the need for such ground water pumping, the governmental use of the ground water, and the expected amount and duration of the pumping;
2. The continued need of groundwater pumping;
3. The effect of pumping on other individuals, entities, or their interests located within five miles of the land used for ground water pumping;
4. Any effect of pumping on surface water rights;
5. Any effect of pumping on ground water resources, including, but not limited to, the increase or decrease in the water table in the areas affected by such pumping;
6. The sustainability of ground water pumping; and
7. The expected continued amount and duration of ground water pumping.

Any governmental entity that has commenced ground water pumping prior to the effective date of this act would be required to hold a review hearing described above no later than July 1, 2018.

After the review hearing, the entity would be required to:

1. Within sixty days, the entity would need to adopt a new resolution setting forth whether there is a continued need for pumping, a governmental need for pumping, governmental use of the water and the expected amount and duration of pumping;
2. Sell in whole or in part the land acquired to a private purchaser for the value without the water rights (except the new owner could install domestic and livestock wells);
3. Retain the irrigation rights and easements to service, maintain, or replace the water wells installed by the entity;

4. Apply the proceeds from the sale of such land in the following order: (a) to any indebtedness incurred as a result of the purchase of the land; (b) to any indebtedness incurred for the purchase and installation of water wells; and (c) to the governmental entity, governmental agency, political subdivision, or the members of the joint entity in equal sums.

If the entity terminates the need for pumping ground water pursuant to the resolution adopted, following proposed public notice and hearing requirements in the bill, the following steps occur:

1. The rights to use ground water for irrigation shall revert to the owner of the land where the water wells were installed;
2. The governmental entity, governmental agency, political subdivision, or joint entity may sell the water pumps and appurtenances for fair market value but the new owner of the land would have right of first refusal.

**LB 221 - Change the transfer from a fund. Stinner.**

The bill proposed to reduce the transfer from the General Fund to the Water Sustainability Fund by \$440,000 in FY 2016-17. The Transfer authority would be reduced to \$10,560,000 from \$11,000,000. Reductions to the Water Sustainability Fund occurred via the main budget bill package, see LB 331e. The committee reported no action on LB 221 and the bill has been indefinitely postponed.

**LB 232 - Provide a property tax exemption for property leased to the state or a governmental subdivision. Kolterman.**

The Revenue Committee accepted testimony on LB 232 on February 23<sup>rd</sup>, 2017. The committee reported no action on the bill and the bill has been indefinitely postponed.

The bill proposed that property leased to the state or a governmental subdivision would be exempt from property taxes.

In his opening, Senator Kolterman mentioned that this was an issue he was trying to resolve for the City of Seward. The City of Seward entered into an agreement with the owner of the Seward Country Club to purchase the clubhouse and parking lot. The city then leased the course for a nominal annual fee from the private landowner and was to reimburse the owner for property taxes. The bill is intended to eliminate the property tax on the course to save the city some cost on the lease.

However, after introducing the bill, Senator Kolterman realized the magnitude of the change went beyond his expectations. Senator Kolterman asked the committee not to advance the bill and give him some time to come up with another remedy for the local situation.

The Nebraska League of Municipalities spoke in favor of the bill. The Nebraska Association of County Officials spoke in opposition noting that there is a lot of privately held property that is leased to the state and local political subdivisions.

**LB 238 - Change provisions of the Nebraska Budget Act relating to certifying taxable values. Erdman.**

The Revenue Committee accepted testimony on LB 238 on February 23<sup>rd</sup>, 2017. The committee reported no action on the bill and the bill has been indefinitely postponed.

The bill proposed options for counties assessors to certify to each governing body empowered to levy or certify a tax levy the current taxable value of the taxable real and personal property subject to the applicable levy.

The proposal would have allowed the certification to be: a) by mail; (b) electronically; or (c) by notifying such governing body or board of the place on the county assessor's web site where the current taxable values are located.

Larry Dix testified in support on behalf of the Nebraska Association of County Officials (NACO). He mentioned that the counties would like to have some different options to provide the valuations.

Lynn Rex presented testimony in neutral on behalf of the Nebraska League of Municipalities and suggested political subdivisions be given the option of how they would like to receive the information first, then allow the county to follow through with that request.

In his close, Senator Erdman offered to work with interested parties and come up with language that would be workable for all parties.

### **LB 365 - Change provisions relating to access to public records and provide for fees. Blood.**

The Government Committee advanced LB 365 to General File on March 15<sup>th</sup>, 2017. No further action was taken and the bill has been indefinitely postponed.

The bill proposed to change the charges a public body can charge for public records requests from non-residents. The bill would have allowed the public body to charge non-residents for the existing salary or pay obligation to the public officers or employees, including a charge for the services of an attorney to review the requested public records.

At the hearing, Senator Blood mentioned the bill was introduced because of the requests being made by Smart Procure, an out-of-state organization that has requested public records from several local and state agencies. All the agencies that testified said they are normally happy to provide the information requested at no cost simply because it is typically limited to a few documents. However, some of these out-of-state requests are for all documents.

Bob Hilske, Manager of the Nemaha NRD, testified in a neutral capacity noting that the Nemaha and some other NRDs had received requests from Smart Procedure and reiterated the concern about a legitimate request for information.

There were a few individuals that testified in opposition to the bill in fear it would impact private citizens.

### **LB 390 - Change provisions relating to flood protection and water quality enhancement bonds. Albrecht.**

On February 1<sup>st</sup>, 2017, the Natural Resources Committee accepted testimony on LB 390. The committee reported no action on the bill and the bill has been indefinitely postponed.

The bill proposed to change the veto authority for counties on bonding flood control structures in the Papio-Missouri River NRD. Under current law, the county can pass a resolution to oppose the use of bonds to fund a dam over twenty surface acres if it is within its exclusive zoning jurisdiction.

The proposal proposed to eliminate the term "exclusive" so that a county could pass a resolution against the bonds even if they do not have zoning authority in that area. For example, this would have allowed Douglas County to veto a bond issue if a project was outside the city limits but within the cities extraterritorial zoning authority (i.e., Omaha, Bennington, Papillion, Gretna etc.).

The bill was brought forth on behalf of the Papio Valley Preservation Association, who testified in support of the legislation. The bill was also supported by an individual from Washington County and a letter was submitted by Douglas County. All of the proponents argued that the county should have final say on all flood control issues and projects, whether they have zoning jurisdiction or not.

The list of opponents included the NARD, PMRNRD, Sarpy County Board and the cities of Omaha, Papillion, Gretna, Bellevue and LaVista



In his testimony on behalf of NARD, John Winkler pointed out that a project supported and approved by the City of Omaha, and within its zoning jurisdiction, could be vetoed by the Douglas County Board, even though the Douglas County Board has no zoning jurisdiction in that area. Further, Douglas County only has a small area of zoning jurisdiction in the entire county that actually only covers nine percent or less of the residents of the county.

Winkler also outlined that counties already have some veto power over projects. If a road needs to be moved, changed or relocated because of the proposed flood control structure, the county board can reject that and the project is dead.

The Papillion Planning Director pointed out the flood control projects paid for through the PMRNRD bonding not only removed homes from the flood plain, saving individuals thousands of dollars annually in flood premiums, but it also removed the requirement to elevate roads, elevate and lengthen bridges to meet the FEMA requirements in the flood plain. This saved the city millions of dollars in construction.

The Mayor of Papillion David Black praised the efforts of the Papillion Creek Watershed Partnership, which included nine political subdivisions that worked together to resolve many of the flooding issues caused by upstream development. The watershed partnership was created to help share the responsibility of stormwater management. However, Mayor Black noted there has been and continues to be ongoing activity by individuals and organizations upstream, to limit or delay flood prevention projects and illustrating a total disregard for the wellbeing of those affected by their actions.

#### **LB 431 - Change provisions relating to cash reserves under the Nebraska Budget Act. Erdman.**

The Government Committee accepted testimony on LB 431 on January 26<sup>th</sup>, 2017. The committee reported no action on the bill and the bill has been indefinitely postponed.

The bill proposed to change the cash reserve maximum for political subdivisions from fifty percent of the budget to fifty percent of the total amount received from personal and real property taxes.

The bill was supported by Nebraska Farm Bureau Federation and one individual from Scottsbluff. The main argument for the bill was to reduce property taxes.

Jasper Fanning, Manager of the Upper Republican NRD, testified on behalf of the Nebraska Association of Resources Districts against the bill. Fanning noted the Upper Republican Natural Resources District as an example has a \$15 million budget, \$2.1 million in property tax asking and a \$1.2 million cash reserve. The cash reserve is only 9% of the budget, but would be more than half of the property tax asking. The additional restriction proposed isn't related to the size of the operation and budget and is thus troubling. The District's aren't unlike the State, having a reasonable cash reserve allows the District to manage tax asking through changing economic times and challenges.

The bill was also opposed by The Nebraska Rural Community Schools Association who pointed out state aid changes every year and they need to have reserves on hand to adjust to reductions in state aid. The Sanitary Improvement Districts mentioned that a SID has little funds at its origin and needs to build some reserves to get a good bond rating.

The Nebraska Community Colleges testified against the bill noting they need flexibility to adjust to changing enrollments, federal and state aid. The auditors recommend that the colleges keep six months of operating expenses in reserve and this bill would take it down to two months. The bond rating would also be reduced significantly.

The City of Lincoln's opposition centered around bond ratings for projects, which would result in higher interest rates which result increase costs.

The League of Municipalities pointed out cities budgets vary on the amount of property taxes collected depending on other revenues available, such as local option sales taxes and occupation taxes. The communities that have lowered their reliance on property taxes would be hit the hardest under this proposal,

Several letters were submitted in opposition from various cities, and ESU's.

#### **LB 479 - Change public hearing provisions and redefine a term under the Nebraska Budget Act. Groene.**

The Government Committee advanced LB 479 to General File on March 17<sup>th</sup>, 2017, with a Committee Amendment (AM35) by a 7-1 vote. No further action was taken and the bill has been indefinitely postponed.

The original bill proposed to make several changes to the Nebraska Budget Act for governing bodies. The Committee Amendment removed two of the original provisions of the bill as follows: First, it eliminates the requirement that the budget hearing be held on a separate day from a regularly scheduled meeting, and simply requires that the hearing be held separately from the meeting. Second, the original bill's prohibition on a political subdivision adopting the budget statement for 30 days after the hearing is eliminated.

The remaining proposed changes remain in the bill, including:

1. Requiring that any member of the public desiring to speak on the proposed budget statement shall be allowed to address the governing body and shall be given a reasonable amount of time to do so.
2. Requires that a joint entity created pursuant to the Interlocal Cooperation Act that receives any tax funds generated from occupation taxes on irrigated land would be subject to the Nebraska Budget Act.

#### **LB 510 - Provide a restriction on installment contracts for the purchase of real or personal property by political subdivisions. Ebke.**

On Wednesday, March 8<sup>th</sup>, 2017, the Government Committee accepted testimony on LB 510. The committee reported no action on the bill and the bill has been indefinitely postponed.

The bill would have prohibited political subdivisions from having installment contracts that total more than \$25 million.

Senator Ebke noted in her opening this is a new version of last year's LB 992 with changes following the committees Interim Study. She noted this issue was brought to her by the Lincoln Independent Business Association and stems from their rising concern about future payment obligations that are a burden of local tax payers.

Senator Ebke's opening focused on Certificate of Participation or COP Bonds, a form of lease purchase agreements. She noted these forms of installment contracts avoid public input on financing like otherwise occurs with voter approval of General Obligation Bonds. Ebke provided the committee with language for a potential amendment that would provide a formula for capping COP Bond debt at 10% of the entities total budget.

Chairman Murante mentioned he appreciated looking at a different option than the original version of the bill, as the fixed cap should not be the same dollar amount for Gretna and Omaha.

Coby Mach Lincoln Independent Business Association was the lone proponent of the bill. Mach argued that installment contracts and COP Bonds are like having a credit card without any limit or input from voters. He noted that LIBA does not object to use of COP funding and doesn't object to the use of installment contracts, however they feel it would be practical to have a lid on this sort of debt.

Mayor Chris Beutler testified in opposition on behalf of the City of Lincoln and the Lancaster County Board of Commissioners. Beutler told the committee the legislation would negatively impact the City of Lincoln's ability to meet its obligations. He noted that installment contracts allow for the City to finance cost of property at the lowest

possible interest rates. He pointed out that Lincoln's debt ratios are considered strong by S&P ratings and capping the ability for the city to utilize installment contracts would jeopardize those ratings, ultimately costing tax payers more.

Bruce Vitosh also testified in opposition on behalf of Norris Public Power District and the Nebraska Rural Electric Association. Vistosh noted four Public Power Districts carry debt that exceeds the proposed \$25 million cap and the ability to carry long term debt is critical to maintaining low public power rates. He also expressed concern about the proposed 10% ratio and noted it would extend the impacts beyond those caused by the bills \$25 million cap.

Allen Herink testified in opposition on behalf of the City of Omaha. Herink noted that installment contracts are a critical and flexible tool that allow the city to avoid large spikes or swings and help balance the long term budget of the City. As an example, Herink noted Omaha utilizes a lease purchase agreement for police cruisers.

Paul Illich also testified in opposition on behalf of Community Colleges. His testimony focused on how community colleges use lease purchases to leverage levy authority for construction costs. He noted the loss of the lease purchase option would drive up necessary construction costs and cost the taxpayers additional money.

Lynn Rex too testified in opposition on behalf of the League of Nebraska Municipalities. Rex noted the limiting of installment contracts or lease purchase agreements would have devastating impacts on all municipalities in the state, especially with the proposed amendment. She provided examples outlining how installment contracts are tools that allow cities to provide the most basic of services. Rex also pointed out that these types of financing options are always discussed at meetings subject to the open meetings act.

#### **LB 536 - Clarify disbursement provisions for natural resources districts. Hughes.**

On February 1<sup>st</sup>, 2017, the Natural Resources Committee accepted testimony on LB 536. The committee reported no action on the bill and the bill has been indefinitely postponed.

The bill proposed to clarify the authorization of the treasurer of the natural resources district to issue checks and warrants. Current law allows the treasurer to authorize another officer, employee or agent to sign on his behalf. The bill proposed to add "or her" behalf.

Laurie Lage, Legal Counsel for the Natural Resources Committee, introduced the bill at the hearing as a "shell bill" which could be used for any issues the committee may need to address later. There was no mention of what may be needed. There was no testimony on the bill.

#### **LB 576 - Limit increases in property tax bills. Brewer.**

The bill would have prohibited any individual property owner's tax bill in 2017 and 2018 from exceeding the property tax bill for 2016. Senator Brewer filed an amendment (AM 399) to LB 576 to freeze property tax values for tax years 2019 through tax year 2022 at 2018 levels. The amendment would have also provided for some adjustments on individual parcels for improvements made or removed.

The hearing on the bill was March 9<sup>th</sup>, 2017. The Revenue Committee reported no action on the measure and the bill has been indefinitely postponed.

#### **LB 646 - Provide for an extreme weather preparedness task force and strategic action plan. Pansing Brooks.**

The Executive Committee accepted testimony on LB 646 on Monday, February 6<sup>th</sup>, 2017. The bill proposed to create the Pests, Drought, Flood, and Extreme Weather Mitigation and Preparedness Plan Task Force. The bill proposed that the task force shall consist of the chairperson of the Natural Resources Committee of the Legislature, the chairperson of the Appropriations Committee of the Legislature, and five additional members of the Legislature appointed by the Executive Board of the Legislative Council.

The task force would have been required to develop an evidence-based, data-driven strategic action plan for the State of Nebraska related to the pests, drought, floods, high winds, and impacts of extreme weather events or climate change on Nebraskans that includes:

1. A baseline measurement of greenhouse gas emissions, also known as a carbon footprint, for the State of Nebraska;
2. Measurable benchmarks and goals, including actions needed to meet the goals and benchmarks;
3. Assessment of risks and vulnerabilities from negative impacts of extreme weather events or climate change;
4. Opportunities presented by strategies for mitigation of and adaptation to extreme weather events or climate change;
5. Opportunities to improve and increase resilience to the impacts of extreme weather events or climate change;
6. Potential economic impacts of extreme weather events or climate change, both positive and negative;
7. Examination of impacts of extreme weather events or climate change upon the following sectors:
  - Agriculture;
  - Water resources;
  - Health care and public health;
  - Energy generation and use;
  - Ecosystems and forestry;
  - Rural and urban communities;
  - Transportation; and
  - Commerce and industry; and
8. Recommendations for new policies and changes to policies and programs that support the goals based on the information and data collected and generated, including funding needs and recommendations for legislation.

The process for developing the plan would include:

- Extensive opportunities for public comment and engagement, including, but not limited to, online input, public hearings, and public and private sector engagement;
- Input from postsecondary educational institutions in Nebraska, including, but not limited to, input from entomological climate, water, and agricultural experts at the University of Nebraska;
- Examination of extreme weather preparedness or climate plans from other states; and
- Such other and additional activities as may be necessary.

The Task Force would have been required to submit the strategic action plan to the Governor and to the Executive Board of the Legislature on or before December 15, 2017.

At the hearing, Senator Patty Pansing Brooks urged the committee to advance the legislation as 34 other states already have adopted a similar action plan on climate change.

Several groups and about 15 individuals, including former Senator Ken Haar, testified in support and made similar arguments for the bill. There were no opponents or neutral testimony. The common theme amongst the testifiers included:

- 34 other States have adopted Climate Action Plans.
- Renewable energy from wind and solar to reduce our carbon footprint.
- Need to develop a plan to help ag producers adjust to climate change.
- Need to mitigate greenhouse gases.
- Precipitation will come in heavier amounts and shorter durations, causing flood events.
- Climate change problems resulted in the 2012 wildfires in Nebraska and the 2011 Missouri River flood.
- Science shows a much higher annual variability in temperature in Nebraska than global average annual variability.
- Rate of temperature change is about the same as globally – 1.5 degrees in the past century.

Groups supporting the bill included:

- Nebraska Climate Center Office, UNL
- Nebraska Interfaith Power and Light
- Nebraska Nature Conservancy
- Nebraska Sierra Club
- League of Women Voters
- Nebraska Wildlife Federation
- Eco-Elder Group of Nebraska
- Hastings College - Student Environmental Action Club
- Nebraska Forest Service
- Nebraska Farmers Union

The committee failed to advance the bill following a 4-4 vote. Following the failure to advance, Senator Larson introduced LR 46 to provide a different avenue to examine issues related to the impacts of climate change on the state and its residents. The bill was indefinitely postponed at the end of the session.

**LB 663 - Require a copy of a lobbying contract for lobbyist registration as prescribed. Kuehn.**

The bill proposed to require lobbyist to file a copy of the lobbying contract with the Clerk of the Legislature if the principal (the party the lobbyist is working for) receives public funds including taxes, fees, and grants. The committee accepted testimony on the bill on March 22<sup>nd</sup>, 2017 and reported no action on the bill. The bill was indefinitely postponed at the end of the session.

**LB 664 - Prohibit a political subdivision from using taxes or fees to employ a lobbyist. Kuehn.**

The bill proposed to prohibit all political subdivisions from using any tax or fee imposed by the government body to employ or contract with a lobbyist. The committee accepted testimony on the bill on March 22<sup>nd</sup>, 2017, and reported no action on the bill. The bill was indefinitely postponed at the end of the session.

**LB 693 - Regulate and create criminal offenses regarding the use of unmanned aircraft systems. Blood.**

The Judiciary Committee accepted testimony on LB 693 on February 23<sup>rd</sup>. The committee reported no action on the bill and the bill has been indefinitely postponed.

The bill proposed to create penalties and fines for using unmanned aircraft to fly over private property and near buildings to secretly or furtively peep or spy into or through a window, door, or other aperture of any dwelling of any other person. The bill also proposed to create trespass violations for those flying 300 feet or lower over private property without permission.

There were exemptions provided as follows:

- Lawful criminal investigation.
- A law enforcement agency, fire department, or emergency medical service;
- A government official or employee in the exercise of his or her official duties;
- A utility employee for inspecting, repairing, or maintaining utility transmission or distribution lines or other utility equipment or infrastructure
- A commercial operator if the unmanned aircraft is used for a purpose directly related to the operator's business and the unmanned aircraft is operated in compliance with federal law and Federal Aviation Administration rules and regulations.

In her opening, Senator Blood told the committee this bill is about ensuring the public safety of Nebraska noting the Federal Government hasn't been able to keep up with the proliferation of unmanned aircraft and adopting of regulations. She testified the bill simply brings Nebraska in line with 41 other states that have drone laws on the

books. She said the main intent of the bill is to ensure drones are not used to spy on or harass people, noting that the bill helps ensure those who use unmanned aircraft incorrectly are held responsible.

Duane Gangwish testified in support of the bill on behalf of Nebraska Cattlemen and the Nebraska Farm Bureau. He noted they specifically support provisions related to preventing the intentional distress of cattle.

Jerry Stilmeck, testified in support on behalf of the Nebraska State Firefighters Association, noting that they support preventing the flying of drones in cordoned off areas.

There were many opponents, including consumer technology associations, drone manufactures, small businesses and many individual drone operators. The common theme was this legislation would inhibit the growth of the drone industry in Nebraska. It was also noted and reiterated many times by opponents that this bill is unnecessary given federal activity already underway to regulate unmanned aircraft. Testifiers also mentioned that manufacturers are incorporating technology to automatically avoid no-fly zones.

Tad Frazier testified in a neutral capacity on behalf of the American Insurance Association and pointed out the many uses of drones beneficial to the insurance industry.

#### **LB 762 - Change a date for certain scrap tire recycling grants. Hughes.**

The Natural Resources Committee accepted testimony on LB 762 on Wednesday, January 28<sup>th</sup>, 2018. The committee reported no action on the bill however provisions of the bill were incorporated into LB 1008 via AM 2292 (see page 12-13).

The bill extends the sunset date for scrap tire recycling grants from June 30, 2019 to June 30, 2024. The grant program provides up to \$1.5 million annually toward new scrap tire projects.

Waste Connections of Nebraska testified in support of the measure. The Nebraska Association of Resources Districts supports the bill.

There was no opposition at the hearing.

#### **LB 784 - Change the Employee Classification Act to prohibit contractors with unpaid fines from contracting with the state or political subdivisions. Vargas.**

The Business and Labor Committee advanced LB 784 to General File on February 14<sup>th</sup>, 2018 on a 7-0-0 vote. The bill was not debated further and has been indefinitely postponed. Previously, the Business and Labor Committee accepted testimony on LB 784 on Monday, January 22<sup>nd</sup>, 2018. The bill proposed that any contractor who has unpaid fines for a violation of the Employee Classification Act shall be barred from contracting with the state or any political subdivision until such fines are paid.

In his opening, Senator Vargas said the practice of misclassifying employees allows employers to avoid paying unemployment taxes and providing workers' compensation insurance. Senator Vargas claimed this creates an unfair disadvantage for businesses that correctly classify employees when bidding for jobs against those skirting the law.

Matt Scott, representing the North Central States Regional Council of Carpenters, spoke in support of the bill noting a lack of enforcement has led to exploitation of workers who receive no workers' compensation coverage and are not eligible for unemployment benefits.

The bill was also supported by the Nebraska AFL-CIO representative Steve Howard. No one testified in opposition to the bill.

**The bill was incorporated into LB 953, introduced by Senator Albrecht, which changes provisions under the Nebraska Workers' Compensation Act and the Employee Classification Act. That bill passed on April 18, 2018 on a 48-0-1 vote. The Governor has not announced any action as of this report.**

**LB 808 - Change provisions relating to community gardens and seed libraries. Harr. (Agriculture Committee Priority)**

Senators debated LB 808 during the week of March 5<sup>th</sup>, 2018, for several hours but did not vote on the bill. A compromise amendment was filed to the bill by Senator Friesen to fund the community garden programs from the Nebraska Environmental Trust Fund (NETF), however the bill and amendment was not debated further. The bill was indefinitely postponed at the end of the session.

Senator Friesen's amendment (AM 2312) would have transferred \$50,000 from the NETF in each of the fiscal years 2018-19 and 2019-20 to the Department of Agriculture for the Community Food Production Water Fund. It would have also struck the language related to transfer of funds from the Water Sustainability Fund and the proposed ranking/scoring criteria for the new program.

The Agriculture Committee advanced LB 808 to General File on February 26<sup>th</sup> on an 8-0 vote with Committee Amendment AM 1907. The bill proposed to create the Community Food Production Water Fund to provide financial assistance for water-related costs associated with community garden purposes. Such water-related costs include water hook-up fees, water usage fees, and water conservation efforts. The fund would have been administered by the Nebraska Department of Agriculture.

The original bill provided funding from a transfer of \$100,000 from the Water Sustainability Fund. Other funds could have included any money made available by any department or agency of the United States, donations, gifts, bequests, or other contributions to the fund from public or private entities.

The Committee Amendment (AM 1907) proposed to eliminate the provision creating the Community Food Production Water Fund and the transfer of \$100,000 from the Water Sustainability Fund. The amendment proposes to add "community garden purposes" as a goal for financial assistance through the Water Sustainability Fund and as a category for scoring/ranking criteria applied to funding applications.

With the compromise amendment filed, senators did not adopt the Committee Amendment (AM 1907) at the request of Senator Brasch, Chair of the Agriculture Committee, which leaves the original bill intact. Senator Friesen's amendment to fund the program from the NETF was to be considered when the bill came up for debate again, however that did not occur.

**LB 822 - Change provisions relating to the Department of Natural Resources. Hughes.**

The Natural Resources Committee accepted testimony on the original copy LB 822 on Thursday, January 18<sup>th</sup>. The original bill adds the term "agency" to the list the Department of Natural Resources can secure the cooperation and assistance of. At that hearing, Laurie Lage, Legal Counsel for the Natural Resources Committee, introduced the bill as a shell bill for the committee to use if some statute changes were needed this session after bill introductions were completed. There was no testimony provided on the bill.

Senator Hughes has filed the amendment to LB 822 in response to a Nebraska Supreme Court ruling dealing with public records request of public power districts. At the end of April 2018, , the Nebraska Supreme Court reversed a ruling by a Platte County district judge with instructions that NPPD turn over documents detailing expenses, revenues, and outlooks for its power generation centers.

The amendment (AM 2191) strikes the original bill and outlines that the public power industry shall not be required to disclose proprietary or commercial information which if released would give advantage to business competitors. The amendment contains an emergency clause. The Natural Resources Committee held a hearing on a proposed amendment (AM 2191) to LB 822 on March 7, 2018 .

Provisions of AM 2191 were incorporated into LB 1008e and passed into law (see pages 12-13). The original bill, LB 822, was not advanced from committee and was indefinitely postponed.

**LB 825 - Change provisions relating to budgets and public hearing notice for certain governmental entities.**  
**Brewer.**

The Government Committee advanced LB 825 to General File on March 12<sup>th</sup>, 2018, with Committee Amendment AM 2287. The bill was not advanced debated further and has been indefinitely postponed.

The amendment proposed to strike the controversial provision of the bill that would have eliminated qualified sinking funds from the statute. With the Committee amendment only two changes were proposed as follows:

1. When a governmental unit seeks to exceed its budget's allowable growth percentage via the approval of the voters present at a meeting of the unit's governing board, the bill limits the period to one year.
2. The bill also changes the public notice requirement from at least five days before the hearing to at least four calendar days prior to the hearing. In the bill, calendar days include the day of publication but not the day of hearing. This would mirror laws that were changed last year.

The Government Committee accepted testimony on LB 825 on Wednesday, January 17<sup>th</sup>, 2018. The original bill proposed to eliminate the following items as exemptions to the budget limitations:

- Qualified sinking fund for acquisition or replacement of tangible personal property with a useful life of five years or more.
- Debt encountered by rural fire departments for equipment.

The bill also proposed to change the definition of bonded indebtedness to only include any bonds, notes, interim certificates, evidences of bond ownership, bond anticipation notes, warrants, or other evidence of indebtedness.

The bill also would have changed the public notice requirement from at least five days before the hearing to at least four calendar days prior to the hearing. In the bill, calendar days included the day of publication but not the day of hearing.

Senator Brewer mentioned in his opening the bill was introduced on behalf of the State Auditor's office and intended to be a cleanup bill. The bill does not eliminate the authority for local subdivisions to have sinking funds, it only eliminates the definition as used in the budget act. The budget forms reflect all funds of the local subdivisions as a whole and it does not require funds to be shown separately. In addition, the bill strikes the exemption from the lid for money spent from a sinking fund, because the lid is based on how much the subdivision can generate in taxes not how much is spent.

Brewer told the committee there is no intent to eliminate sinking funds, rather the intent was just a cleanup bill to match language to levy limits.

Russ Karpisek, Legislative Liaison for Nebraska Auditor of Public Accounts, testified in support of the bill and offered to clarify language regarding sinking funds. There is no intent to eliminate sinking funds. This is only a cleanup bill, if there are problems they are happy to work to address them. The attempt was to make the definition of public indebtedness consistent and codify language with how their office is doing business. Regarding hearing notice, legislation was passed previously and the language in this piece of statute was just overlooked.

Lynn Rex, League of Municipalities, testified in opposition noting the auditor did not intend to eliminate the sinking funds, however the League feels the language does make a change.

Deann Haeffner, from the State Auditor's office, testified in a neutral capacity noting this is just a cleanup bill that clarifies language for notice of number of days, when Legislation was passed last year this statute was overlooked and this simply cleans that up. She told the committee the sinking fund language was not intended to make a change, there is an interpretation difference between their office and the league. She told the committee the language needs to be cleared up so all parties understand how the sinking fund is reported on the budget form.



In his closing, Senator Brewer told the committee that there may have to be an amendment so the language is correct. Brewer told the committee he will be open to meeting with the League of Municipalities to address the correct language for an amendment.

**LB 850 - Require disclosure of the anticipated cost to a political subdivision to pay off its bonds. Linehan.**

On January 31<sup>st</sup>, 2018, the Government Committee accepted testimony on LB 850. The committee reported no action on the bill and the bill has been indefinitely postponed.

The bill would have required that any political subdivision that issues bonds on or after August 1, 2018, shall disclose the anticipated cost to the political subdivision of paying off the bonds according to their terms.

At the hearing, Senator Linehan introduced AM 1564 to the bill. The amendment proposed to require the disclosure include an estimate of interest to be paid by the political subdivision. The disclosure would have to be made in all advertising concerning any bond which requires the approval of the registered voters voting at an election to issue the bond. Each disclosure could not be in less than twelve-point font and, if made verbally, shall be made at the same speed as the remainder of the advertisement.

Coby Mach, representing the Lincoln Independent Business Association, testified in support of the measure. There were no opponents.

**LB 887 - Clarify requirements for exceeding budget limitations under the Nebraska Budget Act. Murante.**

The Government Committee advanced LB 887 to General File on February 23<sup>rd</sup>, 2018, with Committee Amendment AM 1781. The bill was not advanced debated further and was indefinitely postponed.

The bill proposed to change the requirement for a government unit to exceed its budget limit for a fiscal year by up to an additional 1% from the affirmative vote of at least 75% of the governing body to 75% of all members of the governing body.

Testimony on LB 887 occurred on Thursday, January 18<sup>th</sup>, 2018. In his opening, Senator Murante mentioned that last year there was confusion on the meaning of at least 75% of governing body, whether it meant those present or total governing body. Current law requires vote of 75% of body, and there is some dispute over 75% total present or 75% of total board. He mentioned the change would make political subdivisions governed more like the legislative body with their rules on voting.

Jeff Kirkpatrick, Lincoln City Attorney, testified in opposition. The current law and Lincoln city code establish that its 75% of those present. Their interpretation is that governing body means members of those present. He also mentioned that the current law has been clarified by Attorney General and doesn't need change by legislation.

The Nebraska Association of County Officials testified in a neutral capacity and has not met yet to take position on bills. Their testimony included that 41 counties that have 3-member boards this would impact.

The League of Municipalities filed a letter in opposition.

The Committee Amendment (AM 1781) did not propose to change the original bill, but added a restriction to the ability of primary class cities to enter into installment contracts. The amendment would have limited the aggregate principal amount of such contracts to 20% of the general obligation bond debt approved by the voters of the city.

**LB 908 - Provide a disposal exception for tires used in a building system and eliminate obsolete provisions under the Integrated Solid Waste Management Act. Baker.**

On Thursday, February 15<sup>th</sup>, 2018, the Natural Resources Committee held the hearing on LB 908. The committee reported no action on the bill and the bill has been indefinitely postponed.

The bill proposed to add an exemption to the use of scrap tires. The addition would have been if they are used in a building system and filled with earth as permanent forms for walls in a single-family dwelling if prior approval for such system is obtained from the Department of Environmental Quality (DEQ) by the builder.

In his opening Senator Baker noted this bill was brought forth due to a constituent who was questioned by DEQ for improper use of tires in building of her Earthship Home. While his constituent was grandfathered by DEQ, he noted this legislation is needed for people who wish to build similar homes in the future.

Proponents included Cathy Kruger, who is the constituent in the process of building an Earthship home. She provided the committee with an overview of the construction process and noted the increase in popularity of these homes will mean there will be more constructed in the state.

Jim Macy, Director of the Department of Environmental Quality submitted a neutral letter. There was no opposition.

### **LB 943 - Redefine a term relating to budget limitations. Wishart.**

On January 31<sup>st</sup>, 2018, the Government Committee accepted testimony on LB 943. The committee reported no action on the bill and the bill has been indefinitely postponed. The bill proposed to change the definition of allowable growth for governmental units other than community colleges. Under current law the allowable growth is the percentage increase in taxable valuation in excess of the base limitation (2.5%) due to improvements in real property and new construction. The bill proposed to eliminate the base limitation from the definition, thus allowing the entire increase in the base for improvements and new construction.

Proponents of the measure included: Dennis Meyer, Lancaster County; Jeff Bliemeister, Chief of Police, Lincoln; Christy Abraham, Nebraska League of NE Municipalities; Josh Moenning, Mayor of Norfolk; and Brandon Kauffman, Director of Finance - City of Lincoln

Coby Mach, representing the Lincoln Independent Business Association, testified in opposition to the bill.

### **LB 997 - Provide limits on salaries of administrative employees of political subdivisions. Murante.**

The Government Committee accepted testimony on LB 997 on Thursday, January 25<sup>th</sup>, 2018. The committee reported no action on the bill and the bill has been indefinitely postponed.

The bill proposed that beginning with budget cycles starting on or after January 1, 2019, no political subdivision shall spend more than five percent of its budget for salaries and benefits for administrative employees.

Administrative employee was defined in the bill as an employee whose primary responsibilities are supervisory or supportive in nature and includes, but is not limited to, a superintendent, principal, city clerk, city administrator, county clerk, county administrator, or similar position that performs a similar administrative function and any personnel whose position provides support to such positions.

Senator Murante noted in his introduction that the definition for administrative employees needs to be clarified as it may be too broad in the current bill. His intent was to have it apply to only those positions that are supervisory, primarily the school administrators.

No one testified in support of the bill.

Opposition was plentiful, including, but not limited to: The David City Public Schools, Nebraska County Officials Association, Nebraska League of Municipalities, Nebraska Schools Administrators Association, City of Ralston, Omaha City Council members, and Nebraska Community Colleges.

All had a common theme of a one-size-fits-all bill does not take into consideration the differences of local issues or smaller rural political subdivisions.

The Nebraska Association of Resources districts provided testimony against the bill, noting that almost all the district employees have some administrative or administrative support responsibilities in their current job descriptions, whether they be a manager, supervisor or a field technician.

The NRDs also operate differently than other political subdivisions. They can use local property taxes to leverage federal funds to construct and/or implement projects. These include, but are not limited to, flood control projects, recreation facilities and conservation programs. Those funds are specific to a project and must pass through the budget.

For many of these projects money is set aside on an annual basis, sometimes for several years, and then paid out in one year. Thus, the total expenditures of the budgets can vary greatly from year to year. This would make it real difficult to try to stay within the five percent limit every year.

The districts also cover large areas and many have water regulations in place that requires them to hire more employees to administrate. The number of square miles that the districts cover is significant. This ranges from 1,523 to 6,992 square miles.

The NARD testimony outlined how the bill, as introduced, could impact the local districts if it was applied for Fiscal Year 17-18 only.

For the total budget, there are six of twenty-three districts that would have a limit of less than \$12,000 per employee for salaries and benefits. Fourteen of the twenty-three would have less than \$20,000 available per employee.

If the number would apply to just the property tax requirement, nineteen of the twenty-three districts would have less than \$12,000 per employee for salaries and benefits.

Looking at FY 17-18 only, there is one district in western Nebraska that would have an average of \$145,809 per employee available this year. This is because they are paying for a large water project this year. Looking back at a previous year's budget for them and the average would have been less than \$25,000.

Thus, there is a large variance in budgets from year to year which creates some uncertainty and inability to pay comparable wages in the local labor market with this restriction placed upon them.

**LB 1068 - Provide for seventeen-year-olds to vote in special elections, provide requirements for adjusting political subdivision boundaries, and change voter registration, special election, recall, and initiative and referendum provisions. Murante.**

On Wednesday, February 14<sup>th</sup>, 2018, the Government Military and Veterans Affairs Committee held the hearing on LB 1068. The committee reported no action on the bill and the bill has been indefinitely postponed.

The bill proposed several changes to voter registration including: allowing seventeen-year-olds to register for special elections if they will be eighteen by the special elections; place limits on release of voter registration information, special elections by mail and eliminates some obsolete language.

Regarding voter public information, the bill would have required the secretary of state, election commissioner or county clerk to withhold from a list of registered voters any information that is designated as confidential. The registrant's name, address, phone number, date of birth, voting precinct and party affiliation, and certain other information would not be confidential.

The bill would also have required the sponsors of initiative petitions to sign an affidavit certifying that the petitions have at least the number of signatures necessary to place the issue on the ballot if each signature were to be verified. If the total number of signatures is too low, whether or not they are valid, the sponsors would be liable for the cost to the state and the counties of the signature verification process.

The bill would also have extended the window during which the governing body of a political subdivision may order a recall election. Under current law, the election may be held not less than 30 days nor more than 75 days after the notification of the official whose removal is sought. The bill would have changed the requirement to not less than 50 days nor more than 80 days.

Relating to local political subdivisions, including natural resources districts, it would have required a map to be filed with the local election commissioner when election districts change. The map would have had to be approved by the requesting political subdivision's governing board and subjected to all public review and challenge ordinances of the political subdivision.

In his opening, Senator Murante told the committee he introduced the bill on behalf of Nebraska Secretary of State John Gale to make several changes and clarifications to state election law.

Senator Murante said that one of the most important changes would close a loophole in current law that prevents a Nebraska resident who turns 18 on or before the day of a special election in the month of January in an even-numbered year and in January, November and December in an odd-numbered year from registering to vote in those elections. Under the proposal, those residents could cast a provisional ballot if they complete and sign a registration application before voting.

Wayne Bena, Deputy Secretary of State for Elections, testified in support of the bill. He said the need for that clarification became apparent after numerous requests for access to the state's voter registration list by the Trump administration's Presidential Advisory Commission on Election Integrity.

Douglas County Election Commissioner Brian Kruse, who testified in support of the bill, said that the county spent more than 3,200 hours and more than \$37,000 in 2016 verifying signatures on two petitions that did not have the minimum number of signatures.

Sarpy County Election Commissioner Michelle Andahl, who also testified in support of the bill, said the current law on how those changes are requested is vague and does not clarify what documents or steps the political subdivision has taken to warrant changing the boundaries. She said the lack of clarity has caused problems for some

No one testified in opposition to the bill.

### **LB 1080 - Provide for Wildlife Conservation Plates. Hughes.**

On Monday, February 12<sup>th</sup>, 2018, the Transportation and Telecommunications Committee held the hearing on LB 1080. The committee reported no action on the bill and the bill has been indefinitely postponed.

The bill proposed to allow for the creation of a Wildlife Conservation license plate to fund the Game and Parks Commission Education Fund. There would have been an additional \$40 fee for the plate with 25% going to the Department of Motor Vehicles and 75% going to the Game and Parks Commission Educational Fund.

In his introduction, Senator Hughes told the committee the plates follow the same guidelines as the existing mountain lion plates, which have been very successful since their introduction. He noted that plate options would include the Sandhill Crane, Big Horn Sheep and the Rainbow Trout.

Proponents included Timothy McCoy testifying on behalf of the Nebraska Game and Parks Commission (NGPC). McCoy expressed the added value the revenue brings and the ability of the Commission to leverage funds to expand educational resources that NGPC provides.

Several individuals, including representatives from Nebraska Wildlife Federation, Pheasants and Quail Forever, Nebraska Sportsman Foundation, Audubon Nebraska and the Nebraska Sierra Club testified in support of the bill. The testimony themes highlighted the value of the added revenue in helping to educate and engage youth in habitat and wildlife issues.

In their testimony the Sierra Club requested changes to the bill to shift the revenue from education to the wildlife conservation fund, telling the committee the revenue from the mountain lion plate has exceeded the need of the education fund. They also expressed concern over the choice of species and asked that the bill specify species that are native to Nebraska.

Rhonda Lamb testified in a neutral capacity on behalf of the Nebraska Department of Motor Vehicles. There were no opponents.

**LB 1095 - Change the information included in certain tax notices and receipts. Hilgers.**

The Revenue Committee accepted testimony on LB 1095 on February 22<sup>nd</sup>, 2018. The committee reported no action on the bill and the bill has been indefinitely postponed.

The bill proposed to make changes to information on property tax statements. Current law provides that property tax notices show the amount that are levied by the county, city, village, school district, learning community, and other political subdivisions for the tax year.

The bill proposed to add the following requirements to the property tax notice: The political subdivision by its full name; the office mailing address; telephone number; and email address for the governing board of each political subdivision; and the web site or mailing address where the budget of each political subdivision can be obtained, including the telephone number or electronic mail address where budget inquiries can be made.

In his opening, Senator Hilgers recognized the additional expenses that the bill would create, but his intent is to provide more information within the parameters on the current forms. He told the committee he is interested in having a dialogue to work towards ways to incorporate additional information while minimizing additional costs.

There were no proponents to the bill.

Larry Dix, Executive Director, Nebraska Association of County Officials testified in opposition to the bill. Dix noted that NACO supports transparency, but told the committee the limited amount of real estate provided currently limits what can be included. He testified that NACO would like to work with the committee on ideas, including potentially providing a link pointing to an electronic site containing additional information.

Candace Meredith, Lancaster County Chief Deputy Treasurer, testified in opposition to the bill. Meredith told the committee that expanding to meet the additional requirements would cause additional costs.

There was no neutral testimony and Senator Hilgers waived closing.

**LB 1106 - Change requirements for overriding property tax limits. Linehan.**

On Wednesday, February 14<sup>th</sup>, 2018, the Revenue Committee held the hearing on LB 1106. The committee reported no action on the bill and the bill has been indefinitely postponed.

Current law requires when a voter approved over-ride of a political subdivision's property tax limits, the motion is a success with a majority vote of those voting.

The proposal would have maintained that when the motion is on the primary or general election ballot but changes it for votes on a special election. If it is on a special election, the motion would pass if the majority of votes are in favor and if the number of favorable votes is at least equal to one-half of the number of registered voters voting at the immediately preceding statewide primary election in the political subdivision plus one.

There were no proponents for the bill.

Opponents included Jerry Stilmock on behalf of the State Firefighter Association. He told the committee fire districts have little to no levy authority and that taking special elections away would have a negative impact on some fire districts.

Beth Morrissette, president of Westside community board education also testified in opposition stating they're opposed to adding another needless hurdle to the process.

There were four letters of opposition submitted.

**LB 1123 - Provide for streamflow augmentation projects and retention of water rights as prescribed. Groene.**

On Wednesday, February 7, 2018 the Natural Resources Committee held the hearing on LB 1123. On Thursday, February 15<sup>th</sup>, 2018, the Natural Resources Committee voted 6-0-2 to indefinitely postpone LB 1123.

The bill proposed to allow each natural resources district to acquire real property to develop augmentation projects. After the project has been developed, the bill allowed for the district to sell the overlying land and retain and reserve the right to groundwater located beneath the land in the amount as if the overlying land had been retained.

In his introduction at the hearing, Senator Groene offered an amendment (AM 1819) to replace the bill. The amendment does not materially change the concept of separating the water from the overlying land. It allowed for the sale of the land and allows the owners of an augmentation project to pump groundwater in volumes approved under the applicable integrated management plan.

Senator Groene told the committee the amendment allowed districts to sell the real estate and continue to pump water from the ground for augmentation projects. He further stated this does not raise any issues with groundwater law.

Proponent Testimony

Larry Dix, Executive Director for Nebraska Association of County Officials testified in support strictly interested in the tax base issue as they believe the bill has potential to add to the tax base.

Ryan McIntosh, Attorney for the group Landowners for a Common Purpose, reported there would not be any legal issue surrounding preservation of groundwater rights for NCORPE while selling off the surface for private use.

Steve Mossman, Attorney also representing the group Landowners for a Common Purpose, testified in support of the bill. He told the committee he would never advocate for anything that would jeopardize his clients use of water and there are zero risk of unintended consequences.

A lot of individuals from Lincoln County testified in support of the bill, many with property neighboring the NCORPE project. Most of the testifiers highlighted the value the project has for the protection of irrigation and water users in the area subject to the Republican Compact and the Platte River Recovery Program. But also noted that they just want the land back in private hands. It became very apparent from the testimony that a couple of large landowners in Lincoln County want to buy the property with the long-term plan to get the water rights back through legal action and re-develop it.

Opponents

Don Blankenau, Attorney with Blankenau, Wilmoth and Jarecke, provided testimony in opposition on behalf of the Nebraska Association of Resources Districts.

Blankenau noted LB 1123 and the newly offered amendment primarily because that legislation creates confusion as to the nature of landowner rights to access groundwater. He noted the proponent's legal theories are based on a case that does not even address the issue of separating the land from the water and merely skirts around it. But more importantly, even if it did address the issue, it is a decision by the Court of Appeals – which has virtually no precedential value as the Nebraska Supreme Court reverses about a third of the decisions by the Court of Appeals.

Because the case was never reviewed by the Supreme Court, it is a very, very slim reed upon which to risk a \$120 million project and the State's ability to comply with the Republican River Compact.

Blankenau noted that we do know with certainty that there has been a great deal of litigation in the Republican River Basin brought by landowners and irrigation districts, each of whom was represented by capable legal counsel. One of the cases – Cappel vs. Nebraska Dept. of Natural Resources – was brought by the counsel who authored the legal opinion for Landowners with a Common Purpose for this bill.

That case, along with the others suits, were all based on a wide range of legal theories. And each of those cases had the very real potential to undercut Nebraska's water management strategies and cause Nebraska to fall out of compliance with the Republican River Compact or, at a minimum, create a significant new expense to taxpayers across Nebraska.

Fortunately, the trial courts and the Nebraska Supreme Court found those legal theories to be without merit and sided with NCORPE, the NRDs, and the Dept. of Natural Resources. The experience of that litigation however highlights two important points: (1) There are Nebraska parties who will make efforts to undo the years of progress that Nebraska's water managers made to achieve compliance; and (2) With every change in the law, those parties will devise new legal theories for new suits.

Blankenau noted that Nebraska and its NRDs are now situated in a strong position to defend any future challenges, but it is important to not open any new doors that will create new litigation opportunities. There is simply too much to risk for all Nebraska water users and Nebraska taxpayers.

Tom Schwartz testified in opposition to the bill on behalf of Nebraska Farm Bureau Federation, Nebraska Farmers Union, Nebraska Soybean Board, Nebraska Corn Board and Nebraska Cattlemen. Schwartz provided the committee with a brief history of Nebraska water law and discussed their concerns of possible expansion of separation of land and water and the unintended consequences it would have. He told the committee they believe due diligence is necessary to ensure all legal questions are addressed before the land is sold. He also expressed concern over jeopardizing the use of the NCORPE project and the repercussions that would have for both the Republican and Platte River basins.

Terry Martin, Chairman of the NCORPE Board, testified in opposition on behalf of the NCORPE Board. Martin told the committee that the projects are working and providing 16 Counties in southwest Nebraska the ability to continue utilizing groundwater. He expressed to the committee that the bill jeopardizes the project and would result in lawsuits that would threaten farms and the overall economy of southwest Nebraska. Martin distributed letters from Union Bank and Ameritas that highlighted the issues raised with the bonds if the land were to be sold.

Russell Callan, General Manager of Lower Loup NRD also testified in opposition. Callan cautioned the committee about separating water from the land and treating water like a mineral right.

Ty Walker, a rancher in Arthur County testified in opposition on behalf of himself. He told the committee that NCORPE protects his ability to irrigate and that he is opposed to anything that would jeopardize that ability. He also told the committee that turning the ground back to rangeland for grazing was environmentally favorable, as the NCORPE property was never suited for crop production and converting it back to grassland was the right thing to do. Additionally, he spoke to the slippery slope of separating the water from the overlying land and told the committee he is hesitant to see legislation that would open the door to outside investors to be able to buy water as a speculator.

Kurt Bernhardt, a farmer from Western Chase County also testified in opposition representing himself. He reiterated to the committee that his greatest concern is the separation of water from the overlying land and what future lawsuits it would bring. He also expressed concern about bringing low quality sand land back into production. He told the committee the best situation was to restore the NCORPE property back to grass.

Several other individuals also testified in opposition and echoed the same concerns regarding the risks associated with separation of water from the overlying land.

### Neutral Testimony

Anthony Schutz, Nebraska College of Law professor, told the committee the bill has issues as the terms used are not currently identified in Nebraska water law.

Jack Russell, General Manager of Middle Republican NRD also testified in a neutral capacity.

Jeff Fassett, Director of Nebraska Department of Natural Resources, distributed a letter from Kansas outlining cooperation between the states, he told the committee that Kansas's interest lies solely in our ability to comply with the compact. He reported on a meeting he and the attorney general office representative had with the sponsoring Senator outlining the initial legal concerns with the original LB1123 language, specifically relating to the separation of water use and the lands. He further told the committee that according to the Attorney General's office while some of the concerns were addressed in the very recently distributed amendment AM 1819, that there are remaining concerns that were not addressed. Senator Hughes specifically asked Director Fassett what options Nebraska would have for Republican River Compact Compliance and the Platte River Recovery Program if NCORPE was not available for any reason. Director Fassett responded there would be a large mess in both basins, resulting in very significant regulations for all surface and groundwater users.

### Closing

In his close, Senator Groene accused non-supporters of spreading mistruths. He mentioned the Landowners for a Common Purpose group and individuals in Lincoln county will continue fighting NCORPE until the land is sold. He also threatened that Landowners for a Common Purpose will proceed with legal action if the bill does not pass and campaign against senators that do not vote for the bill.

### NCORPE Groundwater Levels

Groundwater levels on the NCORPE project have risen up to 13' at various locations across the NCORPE property since pumping ended in May of 2017. No pumping is expected during the growing season this year and rises in the groundwater levels are expected to continue. The project only pumps groundwater when needed for Republican River Compact Compliance and is idled during the years when no additional water is needed. There is abundant groundwater underlying NCORPE – the saturated thickness of the Ogallala Aquifer in the area is approximately 400-600 feet.

### LB 1124 - Provide notice and hearing requirements for public entities relating to land acquisition and ground water pump installations. Groene.

On Wednesday, February 7<sup>th</sup>, 2018, the Natural Resources Committee held the hearing on LB 1124. The committee reported no action on the bill and the bill has been indefinitely postponed.

In his opening, Senator Groene asked the committee to indefinitely postpone the bill as it was no longer needed with the advancement of LB 758. That bill addresses the issues Senator Groene hoped to achieve through LB 1124.

There were two letters submitted for the record against the bill prior to the hearing. No one testified on the bill and the committee has not reported final action.

### Bill Summary

The bill would have required any governmental entity, governmental agency, political subdivision, or joint entity created pursuant to the Interlocal Cooperation Act seeking to pump ground water for the governmental purpose of augmenting water supplies in order to comply with an interstate compact to which the state is a party, prior to acquiring or using land or commencing pumping, to do the following:

- 1) After publication of notice for three consecutive weeks in one or more newspapers of general circulation in the affected area, hold a public hearing to obtain public comment, including, but not limited to, in-person testimony and submission of written testimony regarding the need for such pumping, the governmental use of the groundwater, and the expected amount and duration of the pumping; and



- 2) Adopt a resolution setting forth the need for such groundwater pumping, the governmental use of the groundwater, and the expected amount and duration of the pumping.

Upon commencement of such groundwater pumping, the governmental entity, governmental agency, political subdivision, or joint entity would have been required to do the following:

- 1) Five years after initiating pumping pursuant to the adopted resolution, and once every five years thereafter, hold a public hearing with the opportunity for public comment, including, but not limited to, in-person testimony and submission of written testimony.
- 2) The hearing shall be held after publication of notice of such hearing for three consecutive weeks in one or more newspapers of general circulation in the affected area.
- 3) The purpose of the hearing shall be to review the adopted resolution and shall include consideration of: (i) The entity's compliance with either its adopted resolution prior to commencing pumping or the resolution adopted pursuant; (ii) the continued need of groundwater pumping; (iii) any effect of pumping on other individuals, entities, or their interests located within five miles of the land used for groundwater pumping; (iv) any effect of pumping on surface water rights; (v) any effect of pumping on groundwater resources, including, but not limited to, the increase or decrease in the water table in the areas affected by such pumping; (vi) the sustainability of groundwater pumping; and (vii) the expected continued amount and duration of groundwater pumping.

Any governmental entity, governmental agency, political subdivision, or joint entity subject that has commenced groundwater pumping prior to the effective date of this act shall hold a hearing pursuant to this subdivision no later than December 1, 2018. Within sixty days after the hearing, the entity would be required to adopt a resolution setting forth whether there is a continued need for such pumping, the governmental use of the groundwater, and the expected amount and duration of the pumping.

**LB 1128 - Prohibit counties, local governments, and certain state entities from spending legislative appropriations under certain conditions. Wayne.**

On January 31<sup>st</sup>, 2018, the Government Committee accepted testimony on LB 1128. The committee reported no action on the bill and the bill has been indefinitely postponed.

The bill would have prohibited any entity of county or other local government, including, but not limited to, natural resources districts, public power districts, and sanitary and improvement districts, or any entity of state government, which engages in adjudicative functions not subject to the Administrative Procedure Act, shall not have the authority to spend funds appropriated by the Legislature if the entity conducts a program that is in any way funded by a nongovernmental source, including, but not limited to, grant funds, donations, and gifts.

At the hearing, Senator noted he was not intending to pursue the bill as originally drafted. However, the main issue he wanted to bring up for discussion is the Nebraska court systems applying for grants to operate some post and pre-trial programs. Senator Wayne raised concern with some of the programs currently under operation by the courts, some of the service providers and potential conflicts of interest.

A representative of the Nebraska Judicial Branch testified against the bill, noting the legislature has cut the courts systems budgets over the years and directed them to obtain grants for such programs.

## **Section Four – Interim Study Resolutions Introduced in 2018**

**Interim Studies --** The following is the list of Interim Study Resolutions introduced in 2018 that are of interest to natural resources districts. These are sorted by Committee. A complete list can be found at:

A link to all interim studies introduced can be found at: <https://nebraskalegislature.gov/session/interim.php>.

### **Government Committee**

**LR 469 -- Interim study to examine the processes by which state government contracts with small businesses (Wayne).**

**PURPOSE:** The purpose of this interim study is to examine the processes by which state government contracts with small businesses. The issues addressed by this interim study shall include, but not be limited to:

- (1) A review of the state and political subdivision procurement statutes;
- (2) A review of how state agencies conduct bidding for contracts; and
- (3) A review of how political subdivisions conduct bidding for contracts.

**NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED FIFTH 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.

### **Natural Resources Committee**

**LR 387 -- Interim study to examine issues relating to the spread of Eastern Redcedar trees (Hughes).**

**PURPOSE:** Eastern Redcedar (ERC) is a native tree that has always been a fixture on the Nebraska landscape, providing valuable wood products, wind and soil protection, and habitat for a variety of species of wildlife.

However, the rapid spread of ERC presents an increasingly serious ecological and economic issue with substantial impacts statewide. Addressing the spread of ERC poses challenges of a magnitude that dwarf the capacity and resources of any one agency or organization.

It is important to understand the factors behind the rapid spread of ERC, including the lack of fire on the landscape (both prescribed fire and wildfire), changes in farm and grazing practices, lack of prevention management, changes in land ownership patterns, and conservation plantings.

The study committee, at a minimum, shall:

- (1) Specifically identify the current threats of ERC spread;
- (2) Quantify the potential economic loss caused by the spread of ERC;
- (3) Quantify the loss of wildlife and critical habitat;
- (4) Explore whether funding streams already exist in state statute for ERC control;
- (5) Investigate liability concerns that inhibit prescribed burning; and
- (6) Obtain public feedback on:
  - (a) The best use of ERC as a windbreak;
  - (b) Whether alternative species exist to satisfy the needs of landowners; and
  - (c) The cost and challenges of ERC management.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED FIFTH 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 463 -- Interim study to examine statutes related to augmentation projects in relationship to the Nebraska Cooperative Republican Platte Enhancement interlocal project in Lincoln County (Groene).**

PURPOSE: The purpose of this resolution is to do the following:

- (1) Examine statutes related to augmentation projects in relationship to the Nebraska Cooperative Republican Platte Enhancement (N-CORPE) interlocal project in Lincoln County;
- (2) Examine existing statutes pertaining to integrated management plans and augmentation plans related to ground water; and
- (3) Examine statutes and Nebraska Supreme Court and Nebraska Court of Appeals opinions in reference to the relationship between land ownership and ground water use for augmentation or transfer, including the decisions in Estermann v. Bose, 296 Neb. 228 (2017) and Olson v. Wahoo, 124 Neb. 802 (1933).

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED FIFTH 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 466 -- Interim study to review issues pertaining to water quality (Wayne).**

PURPOSE: The purpose of this interim study is to review the issues pertaining to water quality, including, but not limited to:

- (1) The effect of rising nitrate levels;
- (2) Costs associated with more advanced water treatment; and
- (3) The state's plan regarding declining water quality.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED FIFTH 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.

**Revenue Committee**

**LR 462-- Interim study to examine the possible elimination of various exemptions of goods and exclusions of services under Nebraska's sales and use tax laws (Briese).**

PURPOSE: The purpose of this resolution is to examine the possible elimination of various exemptions of goods and exclusions of services under Nebraska's sales and use tax laws. The study shall include, but not be limited to,

identifying and evaluating:

- (1) Criteria to consider when evaluating the feasibility of eliminating specific exemptions and exclusions;
- (2) How other states treat goods and services in their sales and use tax base, and specifically, the six states bordering Nebraska;
- (3) The tax expenditures associated with specific Nebraska sales and use tax exemptions and exclusions;
- (4) Historical trends and shifts in the economies of goods and services; and
- (5) Nebraska's current tax structure relative to its reliance on income, sales and use, and property taxes.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED FIFTH 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.

### **Transportation and Telecommunications Committee**

#### **LR 426 -- Interim study to examine issues raised by LB 1031, 2018, which considered whether the One-Call Notification System Act should be updated (Friesen).**

PURPOSE: The purpose of this interim study is to examine issues raised by the introduction of Legislative Bill 1031 during the 2018 legislative session and to examine whether the One-Call Notification System Act should be updated.

In order to carry out the purpose of this resolution, the study committee should seek the assistance and input of large project developers, parties who were impacted by large project location costs, the board of directors of the statewide one-call notification center, the State Fire Marshal, the Attorney General, members of the underground construction industry, operators of underground utility facilities, and other parties, agencies, or political subdivisions who would be impacted by changes in the One-Call Notification System Act.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED FIFTH LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Transportation and Telecommunications Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.