

**ONE HUNDRED FIRST LEGISLATURE - SECOND SESSION - 2010**  
**COMMITTEE STATEMENT (CORRECTED)**  
**LB862**

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**Hearing Date:** Wednesday February 03, 2010  
**Committee On:** Natural Resources  
**Introducer:** Christensen  
**One Liner:** Change provisions relating to issuance and repayment of river-flow enhancement bonds

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**

**Aye:** 8 Senators Carlson, Cook, Dubas, Fischer, Haar, Langemeier, McCoy, Schilz

**Nay:**

**Absent:**

**Present Not Voting:**

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**Proponents:**

Senator Mark Christensen  
Jasper Fanning

Dan Smith  
Mike Clements  
Kristen Gottschalk  
Steve Nelson

**Representing:**

Introducer  
Nebraska Association of Resources Districts, Upper  
Republican Natural Resources District  
Middle Republican Natural Resources District  
Lower Republican Natural Resources District  
Nebraska Rural Electric Association  
Nebraska Farm Bureau

**Opponents:**

Claude Cappel  
Russell Nielsen

**Representing:**

Self  
Self

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

Section 1 amends 2-3226.01, relating to river-flow enhancement bonds of natural resources districts, by deleting the requirement that a district contain a river subject to an interstate compact among at least three states and at least one irrigation district within the compact to be able to issue river-flow enhancement bonds. Replaces that language with the requirement that a district contain a river basin in which a majority of its districts with management areas are controlled by installing devices that measure ground water withdrawals from wells, in order to issue bonds.

Section 2 amends 2-3226.05, relating to the occupation tax, by adding that the occupation tax may be used to pay for all or part of one or more qualified projects described in 2-3226.04, including: (1) purchase or lease of water rights, (2) purchase or lease, or administration and management of canals or reservoirs constructed for irrigation from a river or its tributaries, (3) vegetation management, or (4) augmentation of river flows.

If a district has more than one basin it may confine the occupation tax to irrigation activity in any of the basins in its district. Adds an exemption to the occupation tax if the owner of acres or irrigation district certifies to the district that no surface or ground water is available for irrigation of the acres due to lack of water supply or regulatory curtailment severs

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the water supply via an integrated management plan (IMP), state or federal law/regulation, or court order. The record owner of acres classified as irrigated is to apply to the district for certification of the nonirrigated status of the acres on an annual or permanent basis. Adds that the occupation tax is to remain in effect to pay for all or any part of the costs and expenses of a project authorized under 2-3226.04.

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**Explanation of amendments:**

The committee amendment, AM 2004, replaces the original bill with the following:

Section 1 amends 2-3226.01, relating to river-flow enhancement bonds of natural resources districts, by allowing a natural resources district to issue negotiable and refunding bonds and entitled river-flow enhancement bonds if:

- \* It has jurisdiction that is part of a river basin for which the district has adopted an IMP;
- \* The IMP is in accordance with 46-715;
- \* The IMP refers to 2-3226.04; and
- \* The IMP explicitly states the district's intent to utilize qualified projects described in 2-3226.04.

Section 2 amends 2-3226.05, relating to the occupation tax, by adding a purpose for which the occupation tax may be used. The added purpose is for payment of all or any part of the costs and expenses one or more 2-3226.04 qualified projects. For districts that have more than one river basin within its jurisdiction, the occupation tax is to be confined to the geographic area affected by an IMP adopted pursuant to 46-715.

Section 3 repeals the original sections.

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Chris Langemeier, Chairperson