

AMENDMENTS TO LB 522

(Amendments to Standing Committee amendments, AM709)

Introduced by Christensen

1 1. Strike section 1 and insert the following new
2 sections:

3 Section 1. If the Department of Natural Resources issues
4 closing notices prohibiting surface water appropriators from
5 storing or diverting natural or instream flows for irrigation to
6 comply with an interstate compact or decree, then the department
7 shall provide reasonable compensation based on the acre-feet of
8 water not stored or diverted for affected water users through the
9 affected irrigation districts. The irrigation districts shall use
10 such compensation to reasonably compensate surface water users who
11 have had to forgo the use of water. Funding for such compensation
12 shall be provided through the General Fund and shall not exceed a
13 total of ten million dollars for any fiscal year.

14 For purposes of this section, reasonable compensation
15 means the dollar amount of compensation for dry-year leases used
16 by the natural resources district in which the irrigation district
17 is located for the conversion of acres from irrigated acres to
18 dry-land acres for a period of one year, not to exceed three
19 hundred dollars per acre, or, if the irrigation district is located
20 in more than one natural resources district, the average dollar
21 amount of all such natural resources districts' compensation for
22 dry-year leases used by such natural resources districts for the

1 conversion of acres from irrigated acres to dry-land acres for a
2 period of one year, not to exceed three hundred dollars per acre.

3 Sec. 2. Section 61-218, Revised Statutes Cumulative
4 Supplement, 2012, is amended to read:

5 61-218 (1) The Water Resources Cash Fund is created. The
6 fund shall be administered by the Department of Natural Resources.
7 Any money in the fund available for investment shall be invested
8 by the state investment officer pursuant to the Nebraska Capital
9 Expansion Act and the Nebraska State Funds Investment Act.

10 (2) The State Treasurer shall credit to the fund such
11 money as is (a) transferred to the fund by the Legislature, (b)
12 paid to the state as fees, deposits, payments, and repayments
13 relating to the fund, both principal and interest, (c) donated as
14 gifts, bequests, or other contributions to such fund from public or
15 private entities, (d) made available by any department or agency of
16 the United States if so directed by such department or agency, and
17 (e) allocated pursuant to section 81-15,175.

18 (3) The fund shall be expended by the department (a)
19 to aid management actions taken to reduce consumptive uses of
20 water or to enhance streamflows or ground water recharge in river
21 basins, subbasins, or reaches which are deemed by the department
22 overappropriated pursuant to section 46-713 or fully appropriated
23 pursuant to section 46-714 or are bound by an interstate compact or
24 decree or a formal state contract or agreement, (b) for purposes
25 of projects or proposals described in the grant application as
26 set forth in subdivision (2)(h) of section 81-15,175, and (c)
27 for purposes of providing reasonable compensation to irrigation

1 districts pursuant to section 1 of this act, and (d) to the extent
2 funds are not expended pursuant to subdivisions (a), and (b), and
3 (c) of this subsection, the department may conduct a statewide
4 assessment of short-term and long-term water management activities
5 and funding needs to meet statutory requirements in sections 46-713
6 to 46-718 and 46-739 and any requirements of an interstate compact
7 or decree or formal state contract or agreement. The fund shall not
8 be used to pay for administrative expenses or any salaries for the
9 department or any political subdivision.

10 (4) It is the intent of the Legislature that three
11 million three hundred thousand dollars be transferred each fiscal
12 year from the General Fund to the Water Resources Cash Fund for
13 FY2011-12 through FY2018-19, except that ~~for~~ (a) in FY2012-13 it
14 is the intent of the Legislature that four million seven hundred
15 thousand dollars be transferred from the General Fund to the
16 Water Resources Cash Fund, (b) in FY2013-14 it is the intent of
17 the Legislature that five million dollars be transferred from the
18 General Fund to the Water Resources Cash Fund, and (c) in FY2014-15
19 it is the intent of the Legislature that five million dollars be
20 transferred from the General Fund to the Water Resources Cash Fund.

21 (5) (a) Expenditures from the Water Resources Cash
22 Fund may be made to natural resources districts eligible under
23 subsection (3) of this section for activities to either achieve a
24 sustainable balance of consumptive water uses or assure compliance
25 with an interstate compact or decree or a formal state contract
26 or agreement and shall require a match of local funding in an
27 amount equal to or greater than forty percent of the total cost

1 of carrying out the eligible activity. The department shall, no
2 later than August 1 of each year, beginning in 2007, determine the
3 amount of funding that will be made available to natural resources
4 districts from the Water Resources Cash Fund and notify natural
5 resources districts of this determination. The department shall
6 adopt and promulgate rules and regulations governing application
7 for and use of the Water Resources Cash Fund by natural resources
8 districts. Such rules and regulations shall, at a minimum, include
9 the following components:

10 (i) Require an explanation of how the planned activity
11 will achieve a sustainable balance of consumptive water uses or
12 will assure compliance with an interstate compact or decree or a
13 formal state contract or agreement as required by section 46-715
14 and the controls, rules, and regulations designed to carry out the
15 activity; and

16 (ii) A schedule of implementation of the activity or its
17 components, including the local match as set forth in subdivision
18 (5) (a) of this section.

19 (b) Any natural resources district that fails to
20 implement and enforce its controls, rules, and regulations as
21 required by section 46-715 shall not be eligible for funding
22 from the Water Resources Cash Fund until it is determined by the
23 department that compliance with the provisions required by section
24 46-715 has been established.

25 (6) The Department of Natural Resources shall submit
26 electronically an annual report to the Legislature no later than
27 October 1 of each year, beginning in the year 2007, that shall

1 detail the use of the Water Resources Cash Fund in the previous
2 year. The report shall provide:

3 (a) Details regarding the use and cost of activities
4 carried out by the department; and

5 (b) Details regarding the use and cost of activities
6 carried out by each natural resources district that received funds
7 from the Water Resources Cash Fund.

8 (7) (a) Prior to the application deadline for fiscal year
9 2011-12, the Department of Natural Resources shall apply for a
10 grant of nine million nine hundred thousand dollars from the
11 Nebraska Environmental Trust Fund, to be paid out in three annual
12 installments of three million three hundred thousand dollars. The
13 purposes listed in the grant application shall be consistent with
14 the uses of the Water Resources Cash Fund provided in this section
15 and shall be used to aid management actions taken to reduce
16 consumptive uses of water, to enhance streamflows, to recharge
17 ground water, or to support wildlife habitat in any river basin
18 determined to be fully appropriated pursuant to section 46-714 or
19 designated as overappropriated pursuant to section 46-713.

20 (b) If the application is granted, funds received from
21 such grant shall be remitted to the State Treasurer for credit to
22 the Water Resources Cash Fund for the purpose of supporting the
23 projects set forth in the grant application. The department shall
24 include in its grant application documentation that the Legislature
25 has authorized a transfer of three million three hundred thousand
26 dollars from the General Fund into the Water Resources Cash Fund
27 for each of fiscal years 2011-12 and 2012-13 and has stated its

1 intent to transfer three million three hundred thousand dollars to
2 the Water Resources Cash Fund for fiscal year 2013-14.

3 (c) It is the intent of the Legislature that the
4 department apply for an additional three-year grant that would
5 begin in fiscal year 2014-15 if the criteria established in
6 subsection (4) of section 81-15,175 are achieved.

7 (8) The department shall establish a subaccount within
8 the Water Resources Cash Fund for the accounting of all money
9 received as a grant from the Nebraska Environmental Trust Fund as
10 the result of an application made pursuant to subsection (7) of
11 this section. At the end of each calendar month, the department
12 shall calculate the amount of interest earnings accruing to the
13 subaccount and shall notify the State Treasurer who shall then
14 transfer a like amount from the Water Resources Cash Fund to the
15 Nebraska Environmental Trust Fund.

16 Sec. 3. The State Treasurer shall transfer \$1,700,000
17 from the General Fund to the Water Resources Cash Fund on the
18 effective date of this act.

19 Sec. 4. The State Treasurer shall transfer \$1,700,000
20 from the General Fund to the Water Resources Cash Fund no later
21 than July 15, 2014.

22 Sec. 5. Original section 61-218, Revised Statutes
23 Cumulative Supplement, 2012, is repealed.