

One Hundred Fourth Legislature - Second Session - 2016

Introducer's Statement of Intent

LB1070

Chairperson: Senator Ken Schilz

Committee: Natural Resources

Date of Hearing: February 17, 2016

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 1070 would provide financial assurance requirements for injection wells and disposal wells. It would require \$1 million in liability insurance for all injection and disposal wells and \$5 million in liability insurance for any commercial disposal well that disposes of more than 500 barrels per day. This is intended to make sure the Nebraska taxpayers don't end up having to pay for damage caused by fracking or wastewater disposal operations.

Most small businesses carry between \$1 and \$2 million in liability insurance as a matter of course so it makes sense to require liability insurance of at least \$1 million for a process that has the potential to be very damaging to the environment. There have been reported instances in which the damage from spills of fracking wastewater has caused several million dollars in damage. The \$5 million in liability insurance for larger commercial operations is intended to make sure such operations have the ability to cover any damage that might be caused.

LB 1070 would also prohibit injection wells in areas in which the groundwater aquifer begins 50 feet or less below the surface or if the saturated depth of the aquifer extends more than 100 feet below the surface. This is intended to protect groundwater, which is Nebraska's gold.

Principal Introducer: _____
Senator Ken Haar