

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SPECIAL SESSION

LEGISLATIVE BILL 17

Introduced by Cavanaugh, J., 9; Blood, 3; Cavanaugh, M., 6; Dungan, 26;
Hunt, 8; McKinney, 11.

Read first time July 25, 2024

Committee: Natural Resources

1 A BILL FOR AN ACT relating to the Perkins County Canal Project; to amend
2 section 61-305, Revised Statutes Supplement, 2023, as amended by
3 Laws 2024, LB164, section 14; and Laws 2024, LB164, section 13; to
4 change provisions relating to the credit and transfer of Perkins
5 County Canal Project Fund investment earnings and to terminate the
6 fund; to transfer unobligated money in the Perkins County Canal
7 Project Fund to the Property Tax Credit Cash Fund; to repeal the
8 Perkins County Canal Project Act; to harmonize provisions; to repeal
9 the original sections; and to outright repeal sections 61-301,
10 61-302, 61-303, and 61-304, Revised Statutes Cumulative Supplement,
11 2022.
12 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 61-305, Revised Statutes Supplement, 2023, as
2 amended by Laws 2024, LB164, section 14, is amended to read:

3 61-305 (1) The Perkins County Canal Project Fund is created. The
4 fund shall be administered by the Department of Natural Resources. The
5 State Treasurer shall credit to the fund any money transferred by the
6 Legislature and such grants, loans, donations, gifts, bequests, or other
7 money received from any federal or state agency or public or private
8 source for use by the department for the canal project. Any fees
9 collected for water delivery may be credited to the fund. Any money in
10 the Perkins County Canal Project Fund available for investment shall be
11 invested by the state investment officer pursuant to the Nebraska Capital
12 Expansion Act and the Nebraska State Funds Investment Act. Any investment
13 earnings from investment of money in the Perkins County Canal Project
14 Fund shall be credited to such fund, except that for fiscal year ~~years~~
15 ~~2023-24,~~ 2024-25, ~~and 2025-26,~~ such investment earnings shall be
16 transferred ~~credited~~ as provided in section 13 of this act.

17 (2)(a) The department shall use the Perkins County Canal Project
18 Fund to identify the optimal route and purchase land for and develop,
19 construct, manage, and operate the Perkins County Canal as outlined by
20 the South Platte River Compact and to contract with an independent firm
21 for the purposes of completing a study of such canal. The study shall
22 include, but may not be limited to, the following:

23 (i) Costs of completion of a canal and adjoining reservoirs as
24 outlined in the South Platte River Compact;

25 (ii) A timeline for completion of a canal and adjoining reservoirs
26 as outlined in the South Platte River Compact;

27 (iii) A cost-effectiveness study examining alternatives, including
28 alternatives that may reduce environmental or financial impacts; and

29 (iv) The impacts of the canal on drinking water supplies for the
30 cities of Lincoln and Omaha.

31 (b) The department shall provide the findings of such study

1 electronically to the Clerk of the Legislature and present the findings
2 at a public hearing held by the Appropriations Committee of the
3 Legislature on or before December 31, 2022.

4 (3) After the transfer of money and interest earnings from the
5 Perkins County Canal Project Fund as provided in subdivision (2) of
6 section 13 of this act, the State Treasurer shall transfer any
7 unobligated money remaining in the fund to the Property Tax Credit Cash
8 Fund on January 1, 2025, or as soon thereafter as administratively
9 possible, and the Perkins County Canal Project Fund shall thereafter
10 terminate.

11 Sec. 2. Laws 2024, LB164, section 13, is amended to read:

12 Sec. 13. The State Treasurer shall transfer:

13 (1)(a) (1) To the Economic Recovery Contingency Fund by October 1,
14 2024, and on or before June 30 of each year through June 30, 2026, on
15 such dates and in such amounts as directed by the budget administrator of
16 the budget division of the Department of Administrative Services, (i) (a)
17 the first thirteen million dollars of any interest earned on or after
18 July 1, 2024, and on or before June 30, 2026, on federal funds allocated
19 to the State of Nebraska from the federal Coronavirus State Fiscal
20 Recovery Fund pursuant to the federal American Rescue Plan Act of 2021,
21 42 U.S.C. 802, as amended, ~~(b) the first twelve million dollars of any~~
22 ~~interest earned on or after July 1, 2024, and on or before June 30, 2026,~~
23 ~~from the investment of money in the Perkins County Canal Project Fund~~
24 ~~pursuant to section 61-305, and (ii) (c) the first five million dollars~~
25 of any interest earned on or after July 1, 2024, and on or before June
26 30, 2026, from the investment of money in the Nebraska Capital
27 Construction Fund from transfers credited to such fund that are
28 designated for the construction of a new state prison pursuant to section
29 72-1001; and

30 ~~(2) To the Museum Construction and Maintenance Fund on or before~~
31 ~~June 30 of each year through June 30, 2026, on such dates and in such~~

1 ~~amounts as directed by the budget administrator of the budget division of~~
2 ~~the Department of Administrative Services, the next seven million dollars~~
3 ~~of any interest earned after the first twelve million dollars of interest~~
4 ~~earned on or after July 1, 2024, and on or before June 30, 2026, from the~~
5 ~~investment of money in the Perkins County Canal Project Fund pursuant to~~
6 ~~section 61-305; and~~

7 (b) ~~(3)~~ To the Inland Port Authority Fund on or before June 30 of
8 each year through June 30, 2026, on such dates and in such amounts as
9 directed by the budget administrator of the budget division of the
10 Department of Administrative Services, (i) ~~(a)~~ any interest earned after
11 the first thirteen million dollars of interest earned on or after July 1,
12 2024, and on or before June 30, 2026, on federal funds allocated to the
13 State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund
14 pursuant to the federal American Rescue Plan Act of 2021, 42 U.S.C. 802,
15 as amended, ~~(b) any interest earned after the first nineteen million~~
16 ~~dollars of interest earned on or after July 1, 2024, and on or before~~
17 ~~June 30, 2026, from the investment of money in the Perkins County Canal~~
18 ~~Project Fund pursuant to section 61-305, and (ii) (c) any interest earned~~
19 ~~after the first five million dollars of interest earned on or after July~~
20 ~~1, 2024, and on or before June 30, 2026, from the investment of money in~~
21 ~~the Nebraska Capital Construction Fund from transfers credited to such~~
22 ~~fund that are designated for the construction of a new state prison~~
23 ~~pursuant to section 72-1001; and -~~

24 (2) On January 1, 2025, or as soon thereafter as administratively
25 possible, from the Perkins County Canal Project Fund, less any interest
26 earnings credited between July 1, 2024, through December 31, 2024, as
27 provided by Laws 2024, LB164:

28 (a) Twelve million dollars to the Economic Recovery Contingency
29 Fund;

30 (b) Seven million dollars to the Museum Construction and Maintenance
31 Fund; and

1 (c) Sixteen million four hundred thousand dollars to the Inland Port
2 Authority Fund.

3 Sec. 3. Original section 61-305, Revised Statutes Supplement, 2023,
4 as amended by Laws 2024, LB164, section 14; and Laws 2024, LB164, section
5 13, are repealed.

6 Sec. 4. The following sections are outright repealed: Sections
7 61-301, 61-302, 61-303, and 61-304, Revised Statutes Cumulative
8 Supplement, 2022.