BOSTELMAN: OK. Good morning and welcome, everyone, to the Natural Resources Committee. We're-- as you're-- if you're watching this morning, we're a little delayed, as Senator Wayne was opening on another committee. So Senator Wayne is finished in that committee and I believe is on his way down. So we'll get, we'll do the, the administrative stuff here and give Senator Wayne a couple minutes to get down here and get settled in so we can introduce on his two bills this morning. Welcome to the Natural Resources Committee. I am Senator Bruce Bostelman, from Brainard, representing the 23rd Legislative District. And I serve as Chair of the committee. Committee will take up the bills in the order posted. This public hearing today is your opportunity to be a part of the legislative process and to express your position on the proposed legislation before us. If you are planning to testify today, please fill out one of the green testifier sheets that are on the table at the back of the room. Be sure to print clearly and fill it out completely. When it is your turn to come forward to testify, give the testifier sheet to the page or, in this case, Sergeant at Arms or the committee clerk. If you do not wish to testify but would like to indicate your position on a bill, there are also yellow sign-in sheets back on the table for each bill. These sheets will be in-- in-- included as an exhibit of the official hearing record. When you come up to testify, please speak clearly into the microphone, tell us your name, and spell your first and last name to ensure we get an accurate record. We will begin each bill hearing today with the introducer's opening statement, followed by proponents of the bill, then opponents, and finally anyone speaking in the neutral capacity. We will finish with a closing statement by the introducer if they wish to give one. We will be using a three-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. And when the yellow light comes on, you have one minute remaining. And the red light indicates you need to wrap up your final thought and stop. Questions from the committee may follow. Also, committee members may come and go during the hearing. This has nothing to do with the im-- importance of the bill that's being heard. It is just part of the process, as senators may have other meetings to attend to. Also a reminder: please silence or turn off your cell phones. Verbal outbursts or applause are not permitted in the hearing room. Such behavior may be cause for you to ask-- to be asked to leave the hearing. I will now have committee members with us today introduce themselves, starting on my far left.

**FREDRICKSON:** Good morning. My name is John Fredrickson. I represent District 20, which is in central west Omaha.

**SLAMA:** Julie Slama, District 1: Otoe, Nemaha, Johnson, Pawnee, and Richardson Counties.

**HUGHES:** Jana Hughes, District 24: Seward, York, Polk, and a little bit of Butler County.

BOSTELMAN: Far right.

**BRANDT:** Tom Brandt, District 32: Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster County.

**JACOBSON:** I'm Senator Mike Jacobson, District 42. Represent Lincoln, Hooker, Thomas, McPherson, Logan, and most of Perkins County.

**MOSER:** Mike Moser. I represent Platte County and most of Stanton County.

BOSTELMAN: Senator Moser also serves as Vice Chair of the committee. Also assisting the committee today: to my right is legal counsel Cyndi Lamm; and to my left is our committee clerk, Laurie Vollertsen. With that, we will begin today's hearing on LB62 for Senator Wayne. Senator Wayne, you're welcome to open on the bill. Good morning and welcome, Senator Wayne.

WAYNE: Thank you, Chairman. My name is Justin Wayne, J-u-s-t-i-n W-a-y-n-e. I represent Legislative District 13, which is north Omaha and northeast Douglas County. Honestly, I didn't know I introduce this bill till yesterday. Don't know how it got here, but it's a great bill. And so I just thought in the efforts of helping property tax-- or, property owners that there are a lot of people who are looking at solars, and this is a way to help them get more solar panels up. It's really short. It's a very easy bill.

BOSTELMAN: All right. Questions from the committee? Senator Jacobson.

**JACOBSON:** Thank you, Chairman Bostelman. So I'm trying to run the math. We're doing property tax reduction but we're going to spend \$2 million in grants because-- and the savings is going to come from--

WAYNE: So I fundamentally believe you cannot cut your way into prosperity, that sometimes you have to make investments. And one of the key investments, I believe, is in solar. So yes, I think it's a way to help with property taxes.

BOSTELMAN: Senator Moser.

**MOSER:** Well, along the same line as Senator Jacobson, I was trying to in my head figure out how this is going to save tax-- maybe having solar panels in your yard will reduce the value of your home and that'll save you money. That's about the only thing I could think of.

WAYNE: I agree with what he just said.

MOSER: This is crazy. Thank you.

BOSTELMAN: Well, I, I agr-- so I agree with your, with your desire to reduce the stress on SPP. As we've seen over the time, over the years, we've had significant challenges with energy, especially when we have severe weather instances, which we just had again last night. But meeting the needs of, of, of homes, especially during wintertime or summertime, I appreciate your, your interest in that and desire to begin to address that a little bit. I don't believe there's any amounts coming from any studies or other docum-- anything else that you saw. OK. Any other questions? Seeing none. Will you stay for closing?

WAYNE: I'll waive closing.

BOSTELMAN: OK.

SLAMA: Are you sure?

JACOBSON: You're back up.

MOSER: Well, just stay there.

**JACOBSON:** Stay there.

**BOSTELMAN:** Proponents for LB62, please step forward. Proponents for LB62. Please. Just bring it on up, if you don't mind. Thank you. Thanks very much. Good morning and welcome.

EDISON McDONALD: Good morning. Hello. My name is Edison McDonald, E-d-i-s-o-n M-c-D-o-n-a-l-d. Representing GC ReVOLT. We're a solar development company and work significantly with family farmers, small businesses. And we're here today in support of LB62. We believe that while it may not provide direct property tax relief, those energy costs go hand in hand with property tax relief. And we see farmers looking for alleviation from that all the time. Already the renewable energy industry helps to provide \$17.3 million in property tax relief, 2,313 jobs, and \$37.5 million in direct payments to family farmers who have been overloaded with property tax burdens. And we're

happy to do our part. At GC ReVOLT, we understand the importance of a robust economy powered by job creation and fiscal responsibility to help alleviate property taxes. Few recommendations that we'd have within this legislation to make it more efficient: number one, to align it with the requirements lined out in the IRA to make sure we can match up federal funds. Secondarily, and especially in terms of alleviating costs for farmers, to align it with the USDA's REAP program that has very significant guidelines that could be aligned to help make sure that we could develop more projects and create more cost savings. With that, I'll close and take any questions.

BOSTELMAN: Thank you. Thank you for staying with us this morning till we got things kicked off [INAUDIBLE] morning. So thank you. Questions from the committee members? Seeing none. Thank you for your testimony. Other proponents for LB62, please step forward. Other proponents? Any opposition to LB62? Anyone opposed? Anyone in the neutral capacity? We did receive 1 proponent and 2 opponent position comments for the record. With that, Senator Wayne waives closing. That will close our hearing on LB62. Senator Wayne, you are welcome to come forward to open on LB66.

WAYNE: Thank you, Chairman Bostelman. Name is Justin Wayne, J-u-s-t-i-n W-a-y-n-e. Represent Legislative District 13, which is north Omaha and northeast Douglas County. We, we did figure out how that bill got introduced. I actually had it for last session upstairs in my drawer. And the day that I was signing all my bills, I accidentally threw that into the pile because -- so. We are where we are. This one actually I, I really do need help with. So I was in South Dakota a couple weeks ago fishing. And there were some people there-- a group of them there from Kansas fishing. And it just annoys me that people drive through Nebraska to go fish in South Dakota. And so I want to boost our tourism, which is -- I think directly can be related to property tax-- by increasing our ability to have fisheries, and particularly walleye, largemouth bass, crappies. And I just think we need to invest more in our tourism, in our game and parks. I think it's a hidden gem that we should do better with. So that's where that comes from. I think there is a direct effect when we can provide more tourism. The second piece of this is, last year or a couple years-- yeah, last year-- we directed the Game and Parks to fix the dam out at Fort Robinson. That dam was in such a bad state that they actually had to tear it down. So that obsolete language needs to be removed so they can spend that money somewhere else. So at a minimum, that has to-- we, we need to take care of that because they're stuck with money that they can't really do with it. But I do think, at the end of the day, we need to focus on our wildlife

management. The other thing that bothers me is we don't have enough pheasants around here. And I think part of that is our DOT with how we mow every right of way in the world. But I think we should be able to work on wildlife management. I think we have the opportunity and we have the land, space to be a tourism destination around wildlife and fishing, and we can do that through Game and Parks. So that's what this is about. And I think it's an opportunity for us to grow Nebraska.

**BOSTELMAN:** Thank you, Senator Wayne. Committee members, questions? Senator Brandt.

**BRANDT:** Thank you, Chairman Bostelman. Thank you for bringing this out-of-the-box bill to the committee in special session. If I'm understanding, you're, you're taking the money that we appropriated for dam deconstruction out of Fort Robinson and using it to increase our existing fish hatcheries, is that correct?

WAYNE: No, we actually didn't appropriate them dollars. They had extra cash. And we told them to use the, the, the cash funds for that project. And so it's just that-- so we need to remove that language. This would be an additional revenue ask out of appropriations. So it-- they would have a A bill of \$15 million.

**BRANDT:** So what are we doing with the leftover money from Fort Robinson?

WAYNE: I don't know if there is left--

BRANDT: OK.

**WAYNE:** Again, it was already current cash. We just directed them to use some of their cash [INAUDIBLE].

**BRANDT:** No. That's fine. I, I kind of thought that's where you were going with this.

WAYNE: Well, I'd be-- I would entertain that too. I just think-particularly walleye in particular, we-- I mean, they're up there fishing for walleye and they're spending a lot of money up there fishing for walleye. And, and we can grow our walleye population just as easy.

BRANDT: All right. Thank you.

BOSTELMAN: Senator Jacobson.

**JACOBSON:** Thank you, Chair Bostelman. So I guess I'm back again to-we're in special session to talk about property tax relief. And we have a bill that's an A bill for \$15 million.

WAYNE: Right. So during COVID, Lake McConaughy actually grew. Sales tax actually grew because people were outside fishing and doing well. And if you look at COVID, our game and parks were actually packed, swamped. They actually grew. If we're going to grow Nebraska and focus on property tax relief, we have to have different revenue streams. And one of the easiest, new, or expanded revenue streams is our tourism. So we should be able to expand the ability of our natural resources to bring more people to Nebraska. We need to capture the people who are -- I mean, part of the reason we passed the helmet law, right? It wasn't just personal responsibility, but it was because people were driving outside of Nebraska to go up to Sturgis and we wanted to capture some of those sales tax and some of those dollars, including personal responsibility. To me, this is the same thing. People are driving through Nebraska to go to Minnesota, South Dakota, North Dakota to fish. They can fish here. So to me, this is directly related to property taxes.

JACOBSON: Well-- and, and I appreciate that response. And I would agree with you that, that tourism is something we've got to continue to focus on. It's, it's one reason I-- really why I fought to retain the Tourism Commission and to, and to retain their funding in the last session, because we do need to grow our tourism. I-- my concern with this bill probably has more to do with the fact that I'm not sure it's completely germane to the session. This is something that's got merit in future Legislatures to consider. I guess from my standpoint, I would like to see more of a direct "show me the money" on the repayment and show me specifically how we're going to generate those additional net revenues to the state because McConaughy attracts about 2 million people a year in the summertime. Most of that is really for, you know, recreational and not necessarily fishing. Some fishing, but a lot of it is boats and jet skis and camping and so on. So I, I understand the concept. I, I'm just not sure that this is the time and the place for this bill. But it, it may be a place for it in the next session.

WAYNE: So to respond to that, Senator Jacobson, is-- again, we can't cut our way to prosperity. The se-- the bigger thing is is we are missing out-- and it's always pushing the can down the road. Maybe next time, we'll invest. Maybe next time, we'll invest. At some point, we have to invest in our natural resources across the state. And as far as it being germane to the call, the Governor's call, when

he opened up the appropriation budget for all appropriations, opened up the entire session to any bill. In addition, number 14 says any tax bill that deals with sales tax, that deals with any uniform taxes and to reduce property tax. Those two sections of our call opened up our entire session to a regular session. Once you open up the budget, there's an appropriations. This is directly tied to the germaneness of our session.

HUGHES: OK.

BOSTELMAN: Senator Slama.

**SLAMA**: Thank you, Mr. Chairman. And thank you, Senator Wayne, for bringing this bill. I really greatly appreciate you pointing out that there are hundreds, if not thousands, of people who travel through Nebraska every year for recreational opportunities, either in North and South Dakota or in Minnesota. When it comes either to fishing or pheasant hunting, we've talked some about what Nebraska might be falling short in, but is there anything in particular that a state like South Dakota is doing right that we could learn from?

WAYNE: So one of the things South Dakota did, it implemented about 20-- 15 years ago was they changed how they cut their, their right of ways. They let them grow a little longer. And then they also helped to remove some of the predators who prey on pheasant nest. So they upped their fees for raccoons and other small animals that destroy the pheasants' habitat. The second thing they did is they also imported lots of pheasants; and for as fishing, same thing. They, they grew their fishery. To get a decent sized walleye, it's going to take a little bit. We wouldn't have a return on walleye fishing in one year, maybe four or five. But the fact of the matter is is there are things we can do, and that's just one thing we can do regarding pheasants.

SLAMA: Thank you, Senator Wayne.

BOSTELMAN: Senator Hughes.

**HUGHES:** Thank you, Chairman. So do you support Lake Mike in between Lincoln and Omaha? Because that would bring tourism and maybe fishing, et cetera, et cetera.

WAYNE: Yeah, I think we should ha-- 100%. I wasn't on the STARWARS or JEDI's committee, but I've, I've always supported the idea of that. It makes no sense that we have to drive five hours to-- down to

Missouri to Branson or we have to drive three hours to Okoboji when we can have some of that right here.

HUGHES: And then second question: predator bounty bill coming back?

**WAYNE:** Predator bounty bill?

**HUGHES:** Brewer brought a bounty bill on pheasant predators last-- two years ago.

WAYNE: I won't be here, so you could bring it.

HUGHES: Anyway, thank you.

BOSTELMAN: Senator Moser.

MOSER: Well, as always, I appreciate your enthusiasm for the craziness. And you, you always have a different perspective on things, but I don't see the chance of us spending \$10 million to-- at this point to change fisheries and hatcheries. I think we could spend more time and money promoting what we have. I mean, there are some good places to fish in Nebraska, and a lot of people don't know about them. I mean, there are some people that travel quite a long way to go to the Loup Canal because they can catch 100-pound catfish if they know how to fish for them. And so I think if in a normal time when we have money, we should increase our budget for promotion of fishing, hunting, and those sorts of things, so. That's--

BOSTELMAN: Other questions for the fish whisperer?

WAYNE: That is true.

BOSTELMAN: So a couple things [INAUDIBLE] I, I appreciate it too. One is we did do last session I think it was, or session before, on property owners for nest raiders, you can come harvest year-round so that [INAUDIBLE] a little bit on our, on our pheasant populations. The other one I think we'll hear from the director perhaps is I think the challenge we have with this one is funding portion of it because, in the appropriation side of things, I think the Governor's looking to take a lot of cash funds and other general funds from, from them. So it's going to be like, where do we find the dollars to do something like this? But I, I appreciate your thought on this because I think you're spot on.

WAYNE: So-- just real quick. To-- when people say, not now, when, looking at our budget for the next three years, there's no dollars.

So if-- we're never going to have the conversation for the next three years, right? Like if we invest everything into this, we'll never be able to grow some of our natural resources, so. I mean, I agree. We--you guys as Chairmen here have done some good things in-- around this-- game and parks and making things better and-- but I think we got to keep having this conversation.

**BOSTELMAN:** I agree. I don't disagree with you. It's, it's important and we need it, but let's see how it works out. Any other questions from committee? Seeing none. Will you stay for closing?

WAYNE: No. I have to go back to Education. I have 13 hearings today.

BOSTELMAN: OK. Have fun. Thank you, Senator Wayne.

**WAYNE:** Best hearing's at noon.

**BOSTELMAN:** Proponents for LB66, please step forward. Anyone to testify in support? Anyone testifying in opposition to LB66? Anyone opposed? Anyone in neutral capacity, please step forward. Good morning.

TIMOTHY McCOY: Good morning, Chairman Bostelman and members of the committee. My name's Timothy McCoy, T-i-m-o-t-h-y M-c-C-o-y. I'm the director of the Nebraska Game and Parks Commission at 2200 North 33rd Street, Lincoln, Nebraska. We are neutral on this bill. Several of the discussions you guys just had kind of get into that. I want to point out a couple of things that we have already been doing. In 2017, we commissioned -- we asked -- we paid HDR to do a whole fishery-- system-wide plan of our fish hatcheries. And at that point in time, they came back with a need for about \$20 million of improvements in 2017. We've been moving forward on that. Up to this time, we've spent about \$4.5 million of that. And we do actually are looking in our next biennium budget adding-- you know, getting another \$4 million a year-- another \$4 million across the biennium to continue that work. We are-- currently, we, we had requested money at the beginning of this biennium-- we didn't get it in the first year. We just got it this year -- to complete a pond liner project in North Platte. We had planned to do over 30 ponds. The, the initial cost estimate from HDR and our fisheries team was \$1.7 million. Turns out it cost \$2.8 million to do about 15 of them. So we're going to finish the North Platte pond liner project. We're getting ready to get that bid out. And then we're also looking at proposals to do an RFP-- or, proposals through an RFP to do a recirculating aquatic system building to be able to grow fish year-round at our Valentine

hatchery. What we're seeing nationally is these are becoming a very good replacement for a lot of our traditional fish hatchery work that we do in outdoor ponds because in Nebraska it's hard to grow fish in the winter. And so we can actually grow fish faster. We can't grow the large numbers like we do smaller fry. But we can do advanced fish. And some fish that we produce every year or every three years-like we do with muskie, tiger muskie, and all -- and pike -- we can actually-- rather than utilizing a whole pond somewhere, we can actually do those in a recirc-- recirculating tank, grow them up quick-- typically less than a year-- and then move them out. So we are -- that is an area we're working on. In terms of the specific language for Carter P. Johnson, I believe you kind of addressed that. We have a -- we have a plan. It's a high haz-- designated as a high hazard dam. It's an onstream reservoir, and it continues to fill with sediment. So even if we replaced it, which would cost \$13 to \$15 million, we would be, every probably 15 to 20 years, having to go pull the sediment back out of that 24-acre pond. That doesn't seem like a good investment. What we're going to do is restore the stream-- it is-- it can support trout-- and to actually recontour the stream, make better access points, and improve the trout fishing up there. We have made several improvements to existing ponds on Fort Rob using aquatic habitat dollars. So we do have some really good fishing ponds that, that are already on that landscape. The most uncertain one was the plan to conduct wildlife management research aimed at increasing tourism. We actually, through our own marketing, do a lot of market research and marketing for hunting across the state. We also track what the impact is. Currently, the best-- the most recent data we have available is from 2020-- total hunting impact of \$990 million in the state of Nebraska. When you look at fishing impact, \$423 million. So there is a-- there is some e-economic impacts there that we think are important. And we utilize our marketing team. We have -- we spend typically in an, in an average year between \$300,000 and \$400,000 a year in doing marketing. And that's across our parks, wildlife, hunting, fishing. When we look at net-- at the current breakdown in terms of where the biggest demand is for hunting opportunities in Nebraska in the last ten years, it's really shifted to deer and turkey. As many of you know, if you hunt, we've had to reduce some of our opportunities because of declining numbers in our population in turkeys and, and in our whitetail and mule deer. So we're trying to recover those. And so we have slowed on our nonresident marketing because permits are becoming more limited. And three years ago, we were dealing with a lot of unhappy, both resident and nonresident, hunters that we were just trying to get their money and they weren't finding the opportunity. And that

quality of experience, when you're dealing with tourism, it's critical. So we have to be careful of that and not just-- we don't just throw-- open all the permits up and take people's money because that doesn't work well in the end. So we do a lot of that work. We also have our Open Fields and Waters program we utilize to get additional walk-in access on private lands across the state. That really expands the opportunity available for the public. It's one of the things that we hear that draws people to Nebraska. And with that, I've probably killed my time. I'm sorry. And I will stop. And you can ask me questions.

BOSTELMAN: Thank you, Director. Questions? Senator Jacobson.

JACOBSON: Thank you, Chairman Bostelman. Director McCoy, thanks for being here. I guess I-- rather than focusing really on this bill, I'd like to really focus a little on-- maybe you could talk to us about what are your -- what, what's the vision of where are your priorities right now in terms of Game and Parks? We've talked about the hunting and, and-- obviously, Senator Wayne is the fish whisperer, and, and that's really his, his area. I prefer-- I'm more of a, you know, upwar-- upwar-- upland game hunter. But when you, when you look across the state of Nebraska and look at what are our greatest opportunities for, for wildlife and, and also for creating tourism opportunities that could bring more people here and, and-- so I-- and I'd also like to know, what is it that you might need from the Legislature to allow you to do your jobs better? And, and I would-might just note I think about the predators -- and, and, and I know Senator Hughes really is a raccoon lover. But the-- you almost think about -- I was thinking about Nathan's Hot Dog Eating contest and how they wanted to sell hot dogs and they had the hot dog eating contest. But we want to get rid of predators. So is there a way to create a, a season or something we can bring around getting people to come to Nebraska and hunt predators? So I'm just curious as to-- what, what-how-- what's your big picture and what would you need from us?

**TIMOTHY McCOY:** Well, let me talk about the big-- I mean, the big picture, you know, we have-- some, some of our priorities are around fish hatcheries, actually, because that's been growing demand for fishing. It's not slowing down. The other thing is the increase in the technology being used in fishing with some of the, the sonar is increasing harvest rates. We've not done studies on that, but there are several other states that are starting those because there-there's a lot of questions around that. The other, the other two priorities we have are getting-- providing more public access however we can do that, whether it's through our Open Fields and Waters

program or if it's through acquisition. That's-- acquisition's been challenging the last several years for a variety of reasons. Some of it's political. But we do pay in lieu of taxes that it -- that are the same amount as those on private lands on any properties we've purchased since 1976 when the habitat was-- stamp was established. And then the other one is our, our commission has been focused on, is there an opportunity to bring in a new state park somewhere in central Nebraska? We're not-- we're a long ways from being able to do that, and there's a lot of different reasons. You know, the other, the other thing I would mention relative to the discussion on moving money from the Fort Rob project to fish hatcheries: you're crossing fund boundaries for what those funds can be used for. If we, we, we spend spark-- parks cash funds on parks and we spend fish-- game funds from permits on hunting and fishing activities, on the hunting and fishing side, that would jeopardize any of our federal dollars if we ever crossed that line. But we also know we're going to have needs in our park system. And that's pretty serious right now with the proposal to take 66%, 66% of the general funds from Game and Parks, everything from the parks operation and management. So that's going to really change what we may be able to do in parks. And in terms of the projects at Fort Rob, the other thing I would hope you would all understand: we were given authority. We were not given cash. We were given authority to spend agency cash that we can't afford to spend that much out of our parks cash. And so when we look at parks cash, we build up-- we build up dollars through time to be able to do capital projects. But we don't have that sort of dollars build up and laying around.

**BOSTELMAN:** Other questions? So in order for this to be beneficial, it has to be a general funds allocation to [INAUDIBLE] because of the--

**TIMOTHY McCOY:** Yeah, we would be-- we, we would, we would appreciate that, but I don't think that is on the table in this session.

BOSTELMAN: Right now. I-- that, that being my, being my understanding-- the point being this is that, for this to go, there-the funding isn't there. We'd have to find the funding to it because the Governor's plan right now is to significantly reduce your general funding that you have. The cash funds you have is what you receive from permits and entry fees and those type of things. The little bit of general funding the state does provide you is, is, as you said, is being projected to be cut by 66%, which would basically eliminate this, probably close certain facilities as well would be my guess.

TIMOTHY MCCOY: Well, we'll ha-- we'll, we'll have options to look at reducing services-- which is never popular with the public. The other, the other thing that we would be looking at is trying to do fee increases, but we've got to-- we've got to do those in a measured manner. We want to make sure we're competitive with other states. We don't want to have camping and lodging fees that don't work in the Nebraska market because that's a doom loop, and we don't want to go there.

**BOSTELMAN:** Thank you. Any other questions? Seeing none. Thank you for your testimony.

TIMOTHY McCOY: Thank you.

**BOSTELMAN:** Any other neutral testifiers? Anyone else like to testify in neutral capacity? Seeing none. We did have 1 opponent to LB66 from a position comment letter we received. Senator Wayne did waive closing. And that will end our hearing on LB66. I would ask--