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Transcriber's Office

Natural Resources Committee
February 13, 2008

[LB1094 LB1127 LB1131 LB1132]

The Committee on Natural Resources met at 1:30 on Wednesday, February 13, 2008, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB1094, LB1127, LB1131 and LB1132, and gubernatorial appointments. Senators present: LeRoy Louden, Chairperson; Carol Hudkins, Vice Chairperson; Tom Carlson; Mark Christensen; Annette Dubas; Deb Fischer; Gail Kopplin; and Norman Wallman. Senators absent: None. []

SENATOR LOUDEN: Good afternoon. I'm LeRoy Louden and chairman of the Natural Resources Committee and we're having our hearings today, it'll be hearings for the Nebraska's Unicameral Natural Resources Committee hearings. With that, I will introduce the people here. To my far right is Senator Norm Wallman from Cortland; next to he on his left is Senator Annette Dubas from Fullerton; next to her, on her left, is Senator Tom Carlson of Holdrege; and next is Senator Gail Kopplin of Gretna; to my right is Jody Gittins, committee counsel; to my left is Senator Carol Hudkins, vice chairman of the Natural Resources Committee from Malcolm; and setting to her left, is Senator Mark Christensen from Imperial. Page is, we've got one or two today, one, Kristen Erthum from Ainsworth and she's a sophomore at Doane College. I'd ask that you shut down your cell phones so that and pagers so they don't disturb, make a disturbance and with that we'll go with that. Those wishing to testify on a bill should come to the front of the room when that bill is to be heard. As someone finishes testifying, the next person should move immediately into the chair at the table. If you do not wish to testify but would like your name entered into the official record as being present at the hearing, there is a form by each door that you can sign. This will be part of the official record of the hearing. This year we are using a computerized transcription program and it is very important to complete the green sign-in sheets for testifiers prior to testifying. They're on tables by the doors and need to be completed by all people wishing to testify, including senators and staff introducing bills and people being confirmed. If you are testifying on more than one bill you need to submit a form for each bill. When you come in to testify, place the form in the box by the committee clerk. Do not turn the form in before you actually testify. Please print and it is important to complete the form in its entirety. If our transcribers have questions about your testimony, they use this information to contact you. As you begin your testimony, state your name and spell it for the record, even if it is an easy name. Please keep your testimony concise and try not to repeat what someone else has covered. If there are large numbers of people to testify, it may be necessary to place time limits on testimony. If you have handout material, give it to the page and she will circulate it to the committee. If you do not choose to testify, you may submit comments in writing and have them read into the official record. No displays of support or opposition to a bill will be tolerated and if you need a drink of water while testifying, please ask the page. With that, we will start the first part which will be the confirmation for Douglas Anderson. Mr. Anderson, is he present? Will he come forwards, please. Go ahead, sir.

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[CONFIRMATION]

DOUGLAS ANDERSON: Douglas Anderson, D-o-u-g-l-a-s A-n-d-e-r-s-o-n.

[CONFIRMATION]

SENATOR LOUDEN: Okay. Would you tell us, well give us a resume about what you've done and you're being appointed to the Environmental Quality Council?

[CONFIRMATION]

DOUGLAS ANDERSON: (Exhibit 1) I was a graduate of UNL, studied animal science and upon graduation from college, actually worked for the state of Nebraska for a while for the Department of Roads as an engineer. I went to work after that with the Iams Company. I ran a Iams facility in Aurora, Nebraska, for 19 years. From there I was transferred to Dayton, Ohio, and was called the animal protein supply chain leader. I was responsible for procuring protein worldwide for the Iams Company and that was after the acquisition by Proctor & Gamble and I was relocated to Dayton, Ohio. Being born and raised in Central City, Nebraska, I wanted to come home. So I had a chance to...the Central City ethanol plant, Platte Valley Fuel Ethanol, was being built three miles from where I was raised and with my father passing, it was a good chance to come home, be close to my mother and be involved in an industry that I feel is very important to Nebraska. I feel that what we're doing in industry is very important so I enjoyed that time in Central City. From...upon acquisition by US Bio Energy, I was promoted to vice president of operations for US Bio with the corporate office was in Minneapolis-St. Paul. However, I was allowed to stay in the Central City area. I left US Bio in June and then assumed the role of vice president of operations for Rawhide Energy which is based out of Sioux Falls, South Dakota, but we're working closely with the E Energy Group here in Lincoln to try to build the Broken Bow and Auburn facilities and so I think the industry, as I said, is very important. I think what we're doing as far as job creation is very important and I always told the story, when I was at Platte Valley we had many, many tour groups early on and it was the dream of that site to be a benchmark site and I always told the story. It was so important in watching my kids grow up, it was always, where are you going to go when you get done with college? You know, where's your job going to be? Are you going to Colorado? Are you going to California, where you going? So to me, it was very important as the industry has grown, the number of jobs it's created, what it's done for the economy, what we've done for farm commodities, and so forth. And above all, we're doing the right thing and I think we're all, you know, concerned about the environment, going forward. It's very important, everybody's looking for what's the next renewable energy that's going to be available. And that's some of the things that the group I'm with right now, we're currently working on in trying to raise equity for the other sites. [CONFIRMATION]

SENATOR LOUDEN: Okay. Are you a new appointee or... [CONFIRMATION]

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DOUGLAS ANDERSON: Yes. [CONFIRMATION]

SENATOR LOUDEN: Okay. And what part of the industry do you represent then?
[CONFIRMATION]

DOUGLAS ANDERSON: Agricultural manufacturing. [CONFIRMATION]

SENATOR CARLSON: Okay. Questions for Douglas? Senator Carlson.
[CONFIRMATION]

SENATOR CARLSON: Senator Louden. Doug, you've indicated on there, part-time farmer. Tell us a little bit about that. [CONFIRMATION]

DOUGLAS ANDERSON: Well, that was another vision I had in working for lams. I got to tell the whole story. We lived in Aurora, we wanted to...I'd always dreamed of being a farmer and I also loved dogs so we bought an acreage just south of Aurora, 40 acres, established a kennel and then with that, also we started planting hay. So I have a real fondness for raising alfalfa. I find, out driving a tractor at midnight baling hay does me a world of good, so and the other things about it, my son he loves farming as well. So it's a good chance for him and I to spend time together and we have a lot of fun doing it.
[CONFIRMATION]

SENATOR CARLSON: Thank you. [CONFIRMATION]

SENATOR LOUDEN: Senator Hudkins. [CONFIRMATION]

SENATOR HUDKINS: Thank you for being here. You said that when you worked for lams you were the protein procurement officer. What kinds of protein and from where did you procure? [CONFIRMATION]

DOUGLAS ANDERSON: We had basically, the lams Company had affiliation with a company called the Ampro Company which is in Russellville, Arkansas, and that's where poultry meal was refined which came from the poultry rendering industry. But virtually it was a patented process by which they took it to the next step and that's truly what differentiated the product, the quality of the protein that's there. And that really was its claim to fame. Also with that is the formula base increased things like lamb were needed so we'd make annual trips to New Zealand, Australia, and procure lambs meal which would come back to the states and we'd use it in formulas like lamb and rice.
[CONFIRMATION]

SENATOR HUDKINS: Thank you. [CONFIRMATION]

SENATOR LOUDEN: SENATOR DUBAS [CONFIRMATION]

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SENATOR DUBAS: Thank you, Senator Louden. Welcome, Mr. Anderson, good to see you. [CONFIRMATION]

DOUGLAS ANDERSON: Good to see you. [CONFIRMATION]

SENATOR DUBAS: How do you envision your position on the Environmental Quality Council as being able to promote your vision for renewable energies?
[CONFIRMATION]

DOUGLAS ANDERSON: The...any facility manager of any manufacturing site, you want to do what's right, and that's very important. The environment is very important and it's important that we're doing things that are going to help generations to come but yet are, you know, are fiscally responsible. Like the ethanol industry right now, the ethanol industry, I think it's well known, basically it's not as profitable as it once was. However, you know, everybody is trying to bring in new things, other sources of renewable energy and I think there's a lot of work to be done. I'll give you some examples. Like anaerobic digestion, algae, there's a whole array of things that groups are working on and one of the things that within that particular industry, nobody wants to be on the bleeding edge but they want to be on the leading edge. So anything we can do to, number one, get rid of some of the carbon emissions and then use the knowledge you have from working around the plants, you know, to basically, you know, advise what's going to make the most sense. What truly is going to help, you know, educate not only the department, but also, you know, the people out in the field. So it's very important that...you know, I think everybody wants to do what's right as I said and that's one of the things, if you have communications with the people out in the field, you know, like the department they're trying their best to do, you know, what's right. Sometimes people get intimidated; they shouldn't be. You know, we all want to do the right thing and I think, that's one of the things we did at Platte Valley. We worked very close with the department. Spent a lot of time, lot of the permit writers and stuff, because you're just trying to explain to everybody this is how the whole process works. Everything from fermentation to boilers and such, it's all just very important. Distiller grains is another one. Lots of plants, you know, you hear discussions about, will plants at some point burn distillers as a source of fuel. There's a lot of things that are going to happen within the industry and that's why to me it's very important because right now, equity is hard to come by. So what investors are looking for is that next step. You know, everybody talks about cellulosic ethanol and so forth, well, how close is, you know, that technology and so forth? So you know, those are the kinds of thing by interaction you can try to help and make people understand.
[CONFIRMATION]

SENATOR DUBAS: Thank you. What do you see as your greatest strength that you bring to this council? [CONFIRMATION]

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DOUGLAS ANDERSON: Culture, integrity, and doing what's right, above all.
[CONFIRMATION]

SENATOR DUBAS: I appreciate that answer. I appreciate your coming today. Thank you. [CONFIRMATION]

DOUGLAS ANDERSON: Thank you. [CONFIRMATION]

SENATOR LOUDEN: Other questions? Seeing none, thank you for your testimony, Mr. Anderson. [CONFIRMATION]

DOUGLAS ANDERSON: Thank you. [CONFIRMATION]

SENATOR LOUDEN: With that, we will have anyone else wish to testify for the appointment of Mr. Anderson? If they would, please come forwards please. Thank you for being here. Anyone wish to testify against Mr. Anderson's appointment? Anyone in the neutral? If not, we close the confirmation hearing on Douglas Anderson and at this time I failed to introduce Barb Koehlmoos, our clerk, on the end there that had to turn her machine on right quick. (Laughter) Thank you, Barb. [CONFIRMATION]

BARB KOEHLMOOS: You're welcome. [CONFIRMATION]

SENATOR LOUDEN: With that, we will start with the next bills and because of the similarities of LB1094 and LB1127, we will hear the bills together. Senator Carlson will introduce his bill and then Senator Christensen will introduce his bill. Then we will take testimony and when you testify, please indicate which bill or bills you are testifying on when you begin your testimony. Senator Carlson, good afternoon. [LB1094 LB1127]

SENATOR CARLSON: Good afternoon, Senator Louden and members of the committee. My name is Tom Carlson, C-a-r-l-s-o-n, representing District 38 and I'm here to introduce LB1094. This bill provides a solution to the question of how to repay the farmers in the Republican Basin who gave up surface water for 2007 in order to help the basin NRDs comply with state statutes and their integrated management plans. LB1094 was a bill introduced to allow the opportunity for a committee hearing while the lawsuit filed by the Friends of the Republican was pending. The hearing on the lawsuit was held January 24 and we are awaiting the judge's decision. An amendment, AM1808 to LB1094 was filed on February 11. The amendment is a substantial change from the original bill. I present the bill today but to satisfy procedural policy, another hearing specific to AM1808 is scheduled for February 20. We will discuss AM1808 today. It is my hope that we have a very small crowd and a short hearing next Wednesday. The timing of the amendment was related to the lawsuit and its scheduled hearing. This amendment has nothing to do with state obligation toward the compact with Kansas but it has everything to do with how we as Nebraska legislators should treat our citizens.

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You will recall that LB701 was passed in the 2007 legislative session. We authorized NRDs in the Republican Basin to levy a local property tax on all real property and an occupation tax on irrigated acres to raise dollars to purchase surface water for the 2007 crop year. The purpose of this purchase was to be able to deliver this surface water, which wasn't used for irrigation in 2007, to Kansas for compact satisfaction. It was a local solution. The plan worked and we are in compliance for 2007 and 2008. Well over 200 farmers negotiated a price per acre with the NRDs and contracts were issued and signed. Payment was promised for delivery in December, 2007, the same approximate time, farmers who use their water to grow corn had a harvested crop to sell. The bonding insurance company stopped the bonding process until the case is settled. This meant there was no money available up front in December, 2007, to pay these farmers. It's not the NRDs' fault. It's not the Legislature's fault, but the farmers were not paid. Action on this situation has been the top priority for both Senator Christensen and me since the day the lawsuit was filed. It is most important that we address and solve the issue now. The judge hasn't issued a decree or made a final decision on the constitutionality of LB701. Regardless of how the judge rules, the decision will probably be appealed by the losing side. This process could take months or years before a final decision is made. Whether the state wins or the friends win, we need to, want to, and demand to see that these farmers are paid. We, as a Legislature, authorized a contract to pay these farmers and they must be paid. We have in present statute the ability to authorize loans to NRDs and other state agencies and AM1808 uses present statute to apply to the Republican Basin. We are creating the Water Contingency Cash Fund to allow \$9 million to be advanced from the Cash Reserve Fund for this purpose. We are not using the Natural Resources Development Fund or the Water Resources Cash Fund. Hopefully, this alleviates concern about possible invasion of these other funds. If the state wins the lawsuit, the provisions of LB701 will be used to repay the state and return the dollars to the cash reserve. If the state loses the lawsuit, the dollars will be repaid through the occupation tax or other such means as provided by the Legislature through future legislation. This concludes my testimony. I ask for your attention for the testifiers that follow me and I'd be happy to try to answer any questions you may have. [LB1094 LB1127]

SENATOR LOUDEN: Questions for Senator Carlson? Seeing none, thank you, Senator. [LB1094 LB1127]

SENATOR CARLSON: Thank you. [LB1094 LB1127]

SENATOR LOUDEN: And next would be Senator Christensen with LB1127. [LB1094 LB1127]

SENATOR CHRISTENSEN: Thank you, Chairman Loudon, fellow Senators, my name is Mark Christensen, M-a-r-k C-h-r-i-s-t-e-n-s-e-n. I introduced LB1127 because I want to have a bill, just as Senator Carlson said, we've been working together on a bill to get

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farmers paid. I want this bill to have a hearing so it can be kept in the committee so if we need future legislation we have a bill in place to be able to go forth with things that might come up to be needed. That's it. [LB1094 LB1127]

SENATOR LOUDEN: Any questions for Senator Christensen? Thank you, Senator. With that, we will take proponents for LB1094 or LB1127. [LB1094 LB1127]

MIKE CLEMENTS: (Exhibit 2) My name is Mike Clements, M-i-k-e C-l-e-m-e-n-t-s. Senator Louden and members of the Natural Resources Committee, my name is Mike Clements, and I'm the general manager of the Lower Republican Natural Resources District. First of all, I would like to thank you for giving me the opportunity to speak to you today. I am here today to testify for our board of directors in support of AM1808 to LB1094. One short year ago, we sat before you testifying in strong support of LB701. Thanks to Senator Christensen and the members of this committee, that bill is now a law. The option of the issuance of river flow enhancement bonds for augmentation projects was a critical component of LB701. Soon after the passage of LB701, the Lower, Middle and Upper Republican NRDs formed the Republican River Basin Coalition to unify our efforts and function as one entity for augmentation projects. Last June, the coalition purchased over 20,000 acre feet of surface water from three irrigation districts totaling \$8.6 million. In addition, the Nebraska Department of Natural Resources purchased 17,000 acre feet from Bostwick Irrigation District. The water purchased was more than enough to surpass Nebraska's average annual shortfall from 2003 through 2006. Just as we were about to issue the bonds in mid-November, the Friends of the River filed suit in Lancaster County District Court contesting the constitutionality of LB701. With pending litigation, the bonds cannot be issued. We now have over 350 irrigators who sold their surface water in good faith left holding the bag. I have personally spoken to several producers that this has severely impacted. In many cases this money was to be used for cash flow and other input expenses that have already occurred. It is our moral and fiscal responsibility to honor our obligations. AM1808 to LB1094 does just that. I encourage you to move this bill out of committee swiftly so the honest and hardworking producers who sold the water in good faith can finally be compensated. Thank you. [LB1094 LB1127]

SENATOR LOUDEN: Questions for Mike? Seeing none... [LB1094 LB1127]

SENATOR LOUDEN: We'll do this over again then ask you, your position...you're for LB1094? [LB1094 LB1127]

MIKE CLEMENTS: Yes. [LB1094 LB1127]

SENATOR LOUDEN: With the amendment on it? [LB1094 LB1127]

MIKE CLEMENTS: Yes. [LB1094 LB1127]

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SENATOR LOUDEN: Okay. That's what I thought you said once. Thank you, Mike.
[LB1094 LB1127]

MIKE CLEMENTS: Thank you. [LB1094 LB1127]

SENATOR LOUDEN: Next proponent. Oh, Senator Fischer, you snuck in again, thank you. This is Senator Fischer from Valentine, a member of the Natural Resources Committee. Go ahead, sir. [LB1094 LB1127]

STEVE HENRY: (Exhibit 3) Senator Louden, members of the committee, I'd like to thank you for the opportunity to testify in support of LB1094 as amended by AM1808. My name is Steve Henry, H-e-n-r-y. I'm a director and secretary of the Frenchman-Cambridge Irrigation District representing their interest as well as the interest of farmers of which I am one that is to receive some of the payments in question. I'm not going to insult your intelligence by having you follow along as I read the entirety of my testimony. In the essence of time, the first page and a half of my prepared comments are merely chronology giving some background that by and large has already been covered by Senator Carlson. Some of it is interesting reading and perspective if you would care to do so at your leisure. However, so that I don't misrepresent anything, I would like to read portions of my testimony and would request that the entire testimony be entered into the public record. If you would go to the second page, excuse me, I'm missing my third page. If you would go to the second page, second paragraph, bottom, that is where I will begin. Up to this point we've gone through the chronology that made the bonding possible. This takes us into midsummer of 2007. Finally, with all of the authorizations in place, an agreement was signed by the coalition of three Republican Basin NRDs and Frenchman-Cambridge Irrigation District. Separate agreements were also signed with other diversion irrigation districts. The agreement included standard language providing for responsibilities and performance of all parties. Throughout the summer, the NRD coalition kept the irrigation districts apprized of the progress of obtaining the bond financing. It was the intent of all parties to pay the farmers in a manner approximating fall harvest income. Farmers are businessmen. In business, there are risks involved with any economic transaction. One risk not anticipated was the possibility of a lawsuit challenging a contract with a government agency. While the NRDs would like to make good their intentions by paying for the Frenchman-Cambridge water, in the fall of 2007, a well intentioned but misinformed group of taxpayers have sought to avoid paying for the water by challenging the constitutionality of the legislation. This brings us to today, a time in which the farmers, who have sacrificed irrigated yields during record prices, have not been compensated according to the terms of last year's agreement. The calculated final payment date should have been no later than December 2, 2007. What has been the impact of farmers not receiving the money? Fortunately, there has been considerable forbearance on the part of virtually all of the ag lenders in dealing with their borrowers.

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They have assumed that the money will be coming in a timely manner. But will it? The initial court hearing was held on January 24, 2008. We all anticipate a ruling in February, 2008. The decision will almost certainly be appealed to the Supreme Court. The final ruling may not occur for another 9 to 18 months. What would be the financial ramifications for farmers if the payment were to be delayed for one year, or more? Some of the immediate complications with only a two month delay, in addition to the obvious cash flow disruptions, have been the following: (1) inefficient tax planning due to the inability to generate necessary income; (2) premature grain marketing decisions during escalating prices due to cash flow needs; (3) high finance charge penalties due to past due accounts with vendors; (4) financial stress caused by higher loan limits due to high input financing; and (5) complications in landlord-tenant relationships. We commend Senator Carlson and this committee in attempting to rectify the unfair burden sustained by the uncompensated water users in the Republic River Basin, as those addressed in LB1094. No doubt, surface water will continue to play an important role in future compact compliance. It is important to protect the integrity of interlocal agreements to this end. We urge this committee to advance and pass this legislation in an expedient manner to limit the damages already sustained by those farmers who have already upheld their obligations in the agreement. They relinquished their irrigation water in the hope of a stronger irrigated agriculture for the remainder of the basin. We urge you to support them because it is the right thing to do. [LB1094 LB1127]

SENATOR LOUDEN: Thank you. As I noticed in your testimony here when you had that meeting in Cambridge or wherever, it said to assist in achieving compact compliance. Now is that what the people from the Frenchman-Cambridge Water District was told, that they were releasing their water to achieve compact compliance? [LB1094 LB1127]

STEVE HENRY: Compact compliance is always a component of anything that we're dealing with, the water issues in the Republican Basin. But part of that in maintaining compact compliance is if somebody is going to gain water, somebody has to give it up. By the surface water giving up some of their water for the benefit of well water users, we could maintain a higher pumping allocation for the remainder of the state. [LB1094 LB1127]

SENATOR LOUDEN: Okay. That's what I wanted to hear. I just wondered if those people down there were led to believe that they were doing this to achieve compliance and, or if they were doing this to alleviate probably a pumping restriction. [LB1094 LB1127]

STEVE HENRY: No, and I apologize for the confusion in the terminology. We tend to interchange some of the words that have very specific meaning that can take on unintended consequences. [LB1094 LB1127]

SENATOR LOUDEN: Questions for Steve? Senator Dubas. [LB1094 LB1127]

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SENATOR DUBAS: Thank you, Senator Louden. Thank you, Steve, for your testimony and for really laying out the consequences of, in real terms of what might happen. So just taking this a little farther down the road and not knowing when this is going to be settled or if you're going to be able to get any money, what, you know, what are you looking at as far as next spring? Are your vendors and bankers going to continue to be cooperative in allowing you additional funding or allowing your accounts to maybe carry over a little bit longer than you normally would like them to carry over? Are you hearing anything yet as far as what's going to happen down the road? [LB1094 LB1127]

STEVE HENRY: When you talk about next spring, you're talking about this coming in 2008 or 2009? [LB1094 LB1127]

SENATOR DUBAS: Right, right. [LB1094 LB1127]

STEVE HENRY: Right now, most of the people that I visited with, they've allowed the farmers to put this money in a...the asset side, the short-term accounts receivable section assuming that the money will be coming within 12 months. If nothing happens during that 12 month period, all of a sudden we start putting into question whether or not this is indeed a current asset or perhaps a long-term asset or maybe uncollectible. As that drags on, the borrowing capacity of that asset will diminish and certainly would have the consequences. Most every one, most of the bankers that I have visited with, assume this is a technical glitch, an oversight that will be corrected. And we hope that they're correct in that assumption. [LB1094 LB1127]

SENATOR DUBAS: I hope so too. Thank you very much. [LB1094 LB1127]

SENATOR LOUDEN: Senator Christensen. [LB1094 LB1127]

SENATOR CHRISTENSEN: Thank you, Chairman Louden. Thank you, Steve, for coming. Do you see that it would be a bad thing for Nebraska not to be in compliance in 2008? [LB1094 LB1127]

STEVE HENRY: Oh, absolutely. I mean we've already been sued for two of the years. We've escaped 2007 as the result of the water buyout and 2008 would just add to the problems. [LB1094 LB1127]

SENATOR CHRISTENSEN: Okay. Do you see that the Frenchman-Cambridge people would be willing to help in another buyout if they're not paid? [LB1094 LB1127]

STEVE HENRY: That would be a hard sell. (Laughter) [LB1094 LB1127]

SENATOR CHRISTENSEN: So you don't see the Frenchman-Cambridge District willing

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to step up until this one's handled, correct? [LB1094 LB1127]

STEVE HENRY: I think we'd like to clear the slate before we would negotiate with the NRDs on any additional water purchases. [LB1094 LB1127]

SENATOR CHRISTENSEN: Thank you. [LB1094 LB1127]

SENATOR LOUDEN: Question I have, how much, do you know how many acre feet or whatever, how much did Frenchman-Cambridge Irrigation District sell? [LB1094 LB1127]

STEVE HENRY: We released just over 26,000 acre feet. [LB1094 LB1127]

SENATOR LOUDEN: Twenty-six thousand acre feet? [LB1094 LB1127]

STEVE HENRY: Yes. [LB1094 LB1127]

SENATOR LOUDEN: Okay. And how much money did you get for that? [LB1094 LB1127]

STEVE HENRY: Nothing. [LB1094 LB1127]

SENATOR LOUDEN: Did you plan on getting for that? (Laughter) [LB1094 LB1127]

STEVE HENRY: We were budgeted \$7.785 million. That was just Frenchman-Cambridge. There were additional irrigation districts that had funds... [LB1094 LB1127]

SENATOR LOUDEN: Well, I knew there was other ones but I just wondered what...yours was the major one then, correct? [LB1094 LB1127]

STEVE HENRY: Correct. [LB1094 LB1127]

SENATOR LOUDEN: Okay. I was just wondering at some of the other testimony. Other questions for Mr. Henry? Seeing none, thank you. [LB1094 LB1127]

STEVE HENRY: Thank you. [LB1094 LB1127]

SENATOR LOUDEN: Next proponent. [LB1094 LB1127]

GLENN JOHNSON: Senator Louden, members of the Natural Resources Committee. My name is Glenn Johnson, G-l-e-n-n J-o-h-n-s-o-n. I'm the general manager of the Lower Platte South Natural Resource District here in Lincoln but I'm testifying today on

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behalf of the Nebraska Water Resources Association and the Nebraska State Irrigation Association. Together they met and formulated a position in support of both LB1094 and LB1127 as a mechanism to provide compensation to the water right holders in the Republican Basin. We think that's the right thing to do. We think they need to be compensated. Those who leased their water during the 2007 campaign or irrigation season to help meet the basin compact requirements, we think did it in good faith and, you know, are suffering at this point some consequences. So we think it's important that they, that there is a mechanism and we support these two bills. We do have some reservations about the mechanism of the Resource Development Fund simply because of the backlog of projects already and the...complicated in the time involved in going through an application process, having experienced it several times myself. The Water Resources Cash Fund may be the better mechanism among the two bills. In either case, additional funding would be necessary to pay them back in any kind of a timely fashion. We do also support AM1808 proposed by Senator Carlson. This would appear to be the simplest and the quickest way to repay that \$9 million approximately and so we would support that. Thank you. [LB1094 LB1127]

SENATOR LOUDEN: Okay. Questions for Mr. Johnson? Senator Carlson. [LB1094 LB1127]

SENATOR CARLSON: Senator Louden. Glenn, just want to thank you for your testimony. [LB1094 LB1127]

GLENN JOHNSON: Certainly. Thank you. [LB1094 LB1127]

SENATOR LOUDEN: Next proponent. [LB1094 LB1127]

JASPER FANNING: Mr. Chairman, my name is Jasper Fanning, that's J-a-s-p-e-r F-a-n-n-i-n-g. I'm the general manager of the Upper Republican Natural Resources District. Thank you to the other committee members for allowing us an opportunity to testify. To be quite clear, my board took a position on LB1127 in support of that bill. However, we do have reservations about reducing future contributions of the state to the Water Resources Cash Fund. The water resources across this state have been highly underfunded in all regards and that funding was established just last year and I hate to see us chipping away at it already. Secondly, on LB1094, we took a neutral position on that, however, are highly supportive of the amendment that Senator Carlson has offered that the committee will consider on down the road but has been discussed already today. The Resources Development Fund, the reason for our neutral support of LB1094 in its original form, is because the Resources Development Fund is the fund used primarily by the NRDs who have been our allies through all of the issues that we face in the Republican Basin. With the limited funding for water resources in this state, many NRDs in other basins for years now have stood by and allowed the priority of funds to be designated to the Republican River Basin. However, the RDF fund itself is

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probably underfunded somewhere to the tune of \$10 million or more, with a backlog as Mr. Johnson mentioned there. And to use this fund is a little bit of a jab in the ribs to our allies in all of the water resources management that we do across the state. And for that reason, our board was supportive of getting these irrigators paid. You know, there's no question, I don't need to give anymore testimony on the fact of the matter that harm has been done to the irrigators that entered into these contracts and that they need to be paid as soon as practical and possible. However, there are a couple other things that I think I'd like to clarify that have been testified to before the committee. The reason that we entered into these surface water leases, yes, it was for compact compliance but the local benefit that we received was huge. There was no possible way for us to have the benefit that we had with surface water leases this past year through regulation or any other means available to us in the basin. It simply was the only thing that was practical to do. We could have reduced ground water pumping by any amount and not had the impact that we had last year. In fact, preliminary numbers, depending on, you know, there are differences between Nebraska and Kansas on the accounting, and so forth, but Nebraska was probably somewhere in the ballpark of 29,000 to 44,000 acre feet below our allocation in consumptive use for the 2007 year. A very, very large part of that erasing, if you will, of past overages was the result of these surface water leases. The people who allowed that to happen to the benefit of the state in the basin are the ones that are being harmed by not receiving the funds that they are due, and we need to find the fastest possible solution to that problem. And with that, I will conclude my remarks. Anyone has any questions? [LB1094 LB1127]

SENATOR LOUDEN: Questions for Mr. Fanning? Senator Carlson. [LB1094 LB1127]

SENATOR CARLSON: Just a clarification, Jasper, because I heard what you said but you referred to all three possibilities but you are in full support of AM1808? [LB1094 LB1127]

JASPER FANNING: Absolutely. That is an amendment that I feel is the best solution legislatively to this issue. [LB1094 LB1127]

SENATOR CARLSON: Thank you. [LB1094 LB1127]

SENATOR LOUDEN: Seeing no questions, thank you, Jasper, for your testimony. [LB1094 LB1127]

JASPER FANNING: Thank you. [LB1094 LB1127]

JAY REMPE: Senator Louden, members of the committee, my name is Jay Rempe, R-e-m-p-e. I'm state director of governmental relations for Nebraska Farm Bureau, here today on behalf of Nebraska Farm Bureau in support of LB1094 and LB1127 and the amendment to LB1094. Generally, we're in support of any kind of mechanism that the

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Legislature can develop to get the irrigators paid in the Republican Basin. This issue featured prominently at our annual meeting in December. There was quite a discussion on it and our members adopted policy that was very supportive of providing some financing to the NRDs in the basin to make sure that the irrigators got paid, and went on to strongly encourage the Legislature and the Governor and DNR and the NRDs to try to figure out a way to get that done. And what was interesting to me, is listening to the debate, is the interest that folks outside of the basin took in making sure that those folks got paid. I think they feel that what's happened to them is patently unfair and we should try to do everything we can to get them get paid. And even after our meeting, I received calls from folks out in the Panhandle, from the Sandhills, from the eastern part of the state, all wanting to know, what are we doing to make sure that those folks get paid. So we would certainly encourage and be willing to work with this committee in any way possible to do that. We certainly...I think the amendment that's been offered by Senator Carlson probably provides the best mechanism. It's most straightforward and I think it's a relatively simple and an easy way we can try to do that and we're very supportive of that and what we can do. Let me just make one last comment on...I know from time to time somebody asks, why should the state step in on this and I guess, as our members view this, what we're trying to do in the Republican Basin to manage our water resources there is a partnership with the water users, with the local NRDs and with the state. And the Legislature set out some certain authorities for the NRDs to try to do their part there along with the water users and unfortunately because of litigation, they're hampered now. Their hands are tied in what they can do. And I think then, it's incumbent on the other partners to step up and help out where they can to get them through that time, and that's where I think the state's role is at this point. It's up to the state to step in, try to provide any assistance it can to weather this storm, and then once things get settled down a little bit, we can figure out where we can go from there. So with that, I'll be happy any questions you might have. [LB1094 LB1127]

SENATOR LOUDEN: Questions for Jay? Senator Christensen. [LB1094 LB1127]

SENATOR CHRISTENSEN: Thank you, Chairman Louden. Thank you, Jay, for coming. Again, just for the record, I'm creating a little history here for the floor. It would be a bad precedence for Nebraska to get out of compliance in 2008, wouldn't it? [LB1094 LB1127]

JAY REMPE: Oh, yes, I think from my understanding of where we stand right now in terms of compliance, if we can show that we're to the good or come out good in 2008, that will go a long ways towards strengthening our arguments for, against Kansas and others in the compact, yes. [LB1094 LB1127]

SENATOR CHRISTENSEN: That's what I needed to hear, just that we have to be in compliance in 2008 to make sure that our good faith measures we have done from the NRDs side and the farmers side to be in compliance in the future are working, so that it

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doesn't complicate situations in lawsuits. [LB1094 LB1127]

JAY REMPE: Yeah. I think in 2008, if we come out to the good there we can make a very strong case that we're on top of this and that the measures that we put in place are working and we can continue to move forward. [LB1094 LB1127]

SENATOR CHRISTENSEN: Thank you. [LB1094 LB1127]

SENATOR LOUDEN: Other questions? Seeing none, thank you, Jay, for your testimony. [LB1094 LB1127]

ROBERT HALLSTROM: Chairman Louden, members of the committee, my name is Robert J. Hallstrom. I appear before you today on behalf of the Nebraska Bankers Association in support of AM1808 to LB1094. Now when our NBA board of directors got together recently, obviously AM1808 had not been introduced but we anticipated that something of this nature would be forthcoming to address...yes, H-a-l-l-s-t-r-o-m. Thank you, Senator. (Laughter) [LB1094 LB1127]

SENATOR LOUDEN: And then you have to say you're in support of LB10...or what is it? [LB1094 LB1127]

ROBERT HALLSTROM: In support of AM1808? [LB1094 LB1127]

SENATOR LOUDEN: No, in support of the bill, LB1094. [LB1094 LB1127]

ROBERT HALLSTROM: I'm in support of LB1094. Okay, just lead me by the nose and I'll get to the right location. (Laughter) Our board of directors had taken a position in support of the general concept of supporting the payment to the irrigators who had foregone their rights last year. We think it's the right thing to do and that AM1808 is the proper mechanism to accomplish that. I think both Mr. Clements, who referenced to severe impact on some producers, and Mr. Henry, who talked about the five impacts over the last two months of delayed payments, have probably given what my testimony should and would be. I will note that I've talked to some lenders. I've not seen situations where borrowers are in dire straits with regard to the lack of payment, but certainly contracts were entered into not only with regard to the payment of the irrigators, but contracts were entered into on the faith of those payments by lenders in making advances to borrowers. And I think the reason that we're not seeing major problems are that the bankers are, in fact, hoping and assuming that this is a temporary delay in payment and that the payment, through mechanisms such as AM1808, is going to make its way to those irrigators to allow them to make payments on their loans. Be happy to address any questions that the committee may have. [LB1094 LB1127]

SENATOR LOUDEN: Senator Christensen. [LB1094 LB1127]

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SENATOR CHRISTENSEN: Thank you, Chairman Louden. Thank you, Bob, for being here. Tom Schwarz testified in front of this committee one day that he had to go grind some hay for a guy to be able to meet his bills that come due because of not being paid for water. Have you heard of any other instances of this, of a situation like this or has the banks been very supportive? [LB1094 LB1127]

ROBERT HALLSTROM: I think the banks have been supportive, Senator. I, obviously, have not talked to all of the lenders out in that area but the ones that I had talked to commented on the fact that, as you might expect, there were reduced yields, obviously lost opportunities with regard to the prices that we're currently enjoying in the ag sector. I have not talked to lenders who have given me stories of quite that much significance but I'm assuming that there were borrowers who were stressed coming into this and have had an additional adverse impact heaped on top of that by not getting the payments that they had anticipated. [LB1094 LB1127]

SENATOR CHRISTENSEN: Would it be correct to say that yields probably could have been reduced from 200 to 100 and at \$4 corn, that would be a significant setback to an operation? [LB1094 LB1127]

ROBERT HALLSTROM: That certainly would, I can't speak, Senator, to whether or not the 50 percent reduction in yield is accurate. I can certainly check with the lenders in that area to see what they might have anticipated. I think it was fortunate that there may have been more than usual or at least more than recent rainfalls in your particular area that helped reduce the impact. [LB1094 LB1127]

SENATOR CHRISTENSEN: Thank you. [LB1094 LB1127]

SENATOR LOUDEN: Senator Christensen...Carlson. (Laughter) [LB1094 LB1127]

SENATOR CARLSON: Senator Louden, Bob, I think in listening to your testimony, well, I know, that it's fortunate and it's good that the banking industry, as a whole, didn't really go after these people. If you had done that, we'd have a lot of angry people here today and maybe we'd be a little more under the thumb to take action but I'm glad that's not the case. However, I think if we don't solve it quickly, tempers will be short and patience will run low but I thank you for what the banking industry has done. [LB1094 LB1127]

ROBERT HALLSTROM: Yeah. I appreciate that, Senator, and I think you're exactly right. I mentioned that it, we're hoping it's a temporary setback in terms of the delay in payment but anything any longer could potentially lead to some of those consequences. [LB1094 LB1127]

SENATOR CARLSON: Thank you. [LB1094 LB1127]

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SENATOR LOUDEN: Other questions? Oh, I have one, Bob. Seeing as how you are a banker, what are we going to do this year? I mean, if that water isn't available for sale and we're not quite in compliance, are they going to...what are the bankers looking, I mean they always anticipate all the trouble ahead of time. What do they think will happen down there? [LB1094 LB1127]

ROBERT HALLSTROM: Well, obviously, Senator, it's probably a bigger picture than that in terms of this year or the entire focus of the change in environment, where for years the ability to transfer water really wasn't much of a concern because you didn't need to transfer it. You could go dig your own well or do whatever you needed to but with changing times, I think lenders are becoming much more cognizant of those issues. We are trying to make sure, one example, is in the Central Platte, where they're having some of the transfer of conservation rights, and so forth, that the Central Platte has entered into agreements only after dealing with lenders and making sure that the lenders were perhaps not consenting, but subordinating their rights before any transfer of water rights of a permanent nature would take place. So I think there's much greater sensitivity by the lenders to those types of issues in being on top of things where their borrowers may either have an opportunity to transfer water rights, issues such as making sure that if they do transfer their water rights, we're aware of it. That if they do receive payments and, if necessary, that some or all of those payments be applied to pay down the loan, that those arrangements are made in advance, and so forth. [LB1094 LB1127]

SENATOR LOUDEN: Well, that's a long answer. What I was wondering was, are any of those bankers down there anticipating that there might not be very much irrigation water and that there will be more dryland farming or something, and they're anticipating that the cash flow won't be as much. Have you heard anything or are the bankers having any discussion on how they're going to handle that? [LB1094 LB1127]

ROBERT HALLSTROM: Well, I think that's certainly a longer term concern, Senator, that you may have if you hadn't had the buyout this year. One of the witnesses earlier testified that you might have had less allocation of water for the farmers in that area and certainly, that affects productivity, long-term that affects the value of the land, and those are all things that lenders are extremely interested and concerned about. [LB1094 LB1127]

SENATOR LOUDEN: But at the present time your organization, you know of no discussion going on, on any of that particular? [LB1094 LB1127]

ROBERT HALLSTROM: Well, there's discussion among bankers. The NBA has a water task force that meets on a quarterly basis that has been keeping tabs on all of the aspects of the Legislature's actions and the NRDs. We've sent out information to our

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members across the state as to what some of the water management plans are, the web site access with the NRDs, so we're trying to keep them fully aware of what's going on in individual areas along with what's happening here in the Legislature. [LB1094 LB1127]

SENATOR LOUDEN: Okay, thank you, Bob. [LB1094 LB1127]

ROBERT HALLSTROM: Thank you. [LB1094 LB1127]

SENATOR LOUDEN: Seeing no more questions, thank you for your testimony. [LB1094 LB1127]

ROBERT HALLSTROM: Thank you. [LB1094 LB1127]

SENATOR LOUDEN: (Exhibit 4) Next testifier, next proponent. There no more proponents, is there opponents? And what do we have, some letters here for..it's an opponent against LB1094 from Clint Johannes, chairman of the Natural Resources Commission and his opposition is to LB1094 as it's written and before the amendment...and for AM1808. Anybody else? Any opponents? Are there anyone wishing to testify in the neutral? [LB1094 LB1127]

DAN SMITH: Senator Louden, thank you very much, members of the committee, my name is Dan Smith, D-a-n S-m-i-t-h, should say we are testifying neutral with regard to LB1094. We are in support of LB1127 and we are aware of Senator Carlson's AM1808 and we would be supportive of that amendment. I'm the general manager of the Middle Republican Natural Resources District. One of the hardest things I think I had to do, in quite a while was last week, was to tell Senator Carlson that we probably weren't going to be in here in support of LB1094 the way it was written. And that concern was primarily over the use of the Resources Development Fund. That fund is traditionally underfunded and it has a relatively elaborate application and approval process and that was the only problem my board had with that particular piece of legislation. Both Senator Christensen and Senator Carlson, we greatly appreciate these efforts in looking at getting these irrigators repaid. Regardless of the challenge that LB701 that did occur and regardless of the outcome of that challenge, that debt will need to be paid. I have expressed some concerns to staffers in both Senator Carlson's and Senator Christensen's office. There are some mechanics, I guess, associated with this process that we need to make sure get worked out as we go on down the road and that, if we are fortunate enough to get funds through the state, we need to make sure that they're not considered as restricted funds as far as the budgeting process goes. That would cause us some problems and would necessitate a new hearing, budget hearing, if you will, ought to be able to use those funds. That's a relatively minor concern but it's one that does exist. Senator Carlson's bill also looks at a repayment provision as directed by the Legislature, should LB701 not be available. We need to look at that with a little bit of

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care too. The Republican River Basin districts are relatively poor districts. If we took the entire 4 cent extended authority that my district has, it would take me a little over four years if I used that entire 4 cents to repay just our portion of this purchase, so would ask that some consideration be given when we get around to that repayment phase. Make sure that it's something the districts can in fact afford so. And I guess, you know, was very supportive of the other testimony we've heard here this afternoon and will stop there and certainly try to answer some questions if there are any. [LB1094 LB1127]

SENATOR LOUDEN: Any questions for Dan? Senator Christensen. [LB1094 LB1127]

SENATOR CHRISTENSEN: Thank you, Chairman Louden. Dan, thank you. Basically, you're just telling us we need to make sure these funds come in outside the budget. [LB1094 LB1127]

DAN SMITH: Yes. That primary concern, of course, the 2.5 percent levy limit is related to restricted funds and if these were considered restricted funds in our budgeting process, then we would have to readvertise. There are provisions in, I think, 13-511, I believe, that allow us to redo that but it would be a step that we wouldn't have to take if they weren't considered restrictive funds so. [LB1094 LB1127]

SENATOR CHRISTENSEN: Second question. Your repayment with 4 cent authority you have now taking four years, that's taking the whole budget without the wages and everything, correct? Or is that just... [LB1094 LB1127]

DAN SMITH: I was looking at that extended authority... [LB1094 LB1127]

SENATOR CHRISTENSEN: Just the extended. [LB1094 LB1127]

DAN SMITH: ...the penny that came with the LB1226 and the additional three cents that came with LB701 last year, if we used those extended authorities. If I used the entire budget that I would be available to, because we're only at about 3.9 because of the lid provisions as long, so it'd still take over two years if we locked the doors and took everything we're generating today to repay that portion of it. [LB1094 LB1127]

SENATOR CHRISTENSEN: I just had misunderstood; I just wanted to clarify. Thank you. [LB1094 LB1127]

SENATOR LOUDEN: Other questions? Senator Carlson. [LB1094 LB1127]

SENATOR CARLSON: Senator Louden. Dan, just to clarify. What you just said is the worst case scenario and that would be if the occupation tax weren't even available. [LB1094 LB1127]

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DAN SMITH: Yes, sir. [LB1094 LB1127]

SENATOR CARLSON: The other thing to clarify, and I think I heard you say this, that you are in support of AM1808. [LB1094 LB1127]

DAN SMITH: Yes, sir. [LB1094 LB1127]

SENATOR CARLSON: Okay. Thank you. [LB1094 LB1127]

SENATOR LOUDEN: Other questions for Dan? Seeing none, thank you for your testimony. [LB1094 LB1127]

DAN SMITH: Thank you. [LB1094 LB1127]

SENATOR LOUDEN: Anyone else wishing to testify in neutral? If not that would close the hearings on...oh, you want to...okay, sorry, Senator. [LB1094 LB1127]

SENATOR CARLSON: Senator Louden, members of the committee. I want to thank you for your consideration of our bill this afternoon. I want to thank each one of the testifiers that have been here. There's several other people in the room today that have been very helpful in putting AM1808 together and along with LB1094 and appreciate the committee's consideration of the elements of this bill. Thank you. [LB1094 LB1127]

SENATOR LOUDEN: Senator Christensen waives closing on LB1127 and that will end our hearings on LB1094 and LB1127. And with that, we will start with LB1131, Senator Christensen's bill. [LB1094 LB1127]

SENATOR CHRISTENSEN: Thank you, Chairman Louden, fellow senators. I'm Senator Christensen, Mark Christensen, M-a-r-k C-h-r-i-s-t-e-n-s-e-n. I represent the 44th Legislative District and I'm here to introduce LB1131. In 2007 the Legislature passed...Legislature through the passage of LB701 gave the authority to qualified Natural Resources Districts to levy an occupation tax on irrigated acres within the NRDs for river flow enhancement programs. LB1131 would allow counties the collection of occupation tax to receive the collection fee authorized in Section 33-114, for services rendered in collecting the tax. Section 33-114 currently allows counties to receive 1 percent as a collection fee for the collection of all sums of money, general or bonded, of the drainage, irrigation or natural resources districts. Thank you. [LB1131]

SENATOR LOUDEN: Questions for Senator Christensen. Seeing none, thank you. And let's see, we'll take first proponent for LB1131. [LB1131]

BETH BAZYN FERRELL: Good afternoon, Senator Louden, members of the committee. For the record my name is Beth Bazyn, B-a-z-y-n, Ferrell, F-e-r-r-e-l-l. I'm assistant legal

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counsel for the Nebraska Association of County Officials. We are appearing in support of this bill and the one that follows it. Both bills are really intended to be some clarification about how the actual hands-on process of the collection of the occupation tax works. Some questions came up when treasurers were dealing with the collection. We had anticipated that there would be the same collection fee for the occupation taxes as there are for other NRD property taxes for cities and schools and other kinds of collections that are based on property taxes. This bill is intended to clarify that it would be the same collection fee on the occupation tax as it would be on any property tax based collection. I would be happy to try to answer questions. [LB1131]

SENATOR LOUDEN: Questions for Beth? Actually then, you're testifying since you get, they get a 1 percent fee you're not particularly testifying in favor of whether or not they have an occupation tax? [LB1131]

BETH BAZYN FERRELL: No. We don't have any position on whether an occupation tax is a good thing or a bad thing. It's simply the logistical part of the collection fee itself. [LB1131]

SENATOR LOUDEN: Okay. Thank you. Other questions? Seeing none, thank you. Next testifier and next proponent. [LB1131]

TRACI WITTHUHN: (Exhibit 5) Senator Louden, members of the Natural Resources Committee. Thank you for letting me talk today. My name is Traci Witthuhn, T-r-a-c-i W-i-t-t-h-u-h-n and I'm the Republican River Basin Coalition Coordinator. We are in support of LB1131 as written. We feel that when LB701 was being put together it was assumed that the standard 1 percent collection fee would be given to the county treasurers. This would "recomp" any cost they have in collecting that occupation tax. Thank you. [LB1131]

SENATOR LOUDEN: Questions for Traci? Seeing none, thank you for your testimony. Next proponent. Okay. Seeing none, then opponents to LB1131. Those wishing to testify in the neutral for LB1131. Do you wish to close, Senator Christensen? [LB1131]

SENATOR CHRISTENSEN: No. [LB1131]

SENATOR LOUDEN: Senator Christensen waives closing and that will close the hearing on LB1131 and have the...start the hearing on LB1132, Senator Christensen's bill. [LB1131]

SENATOR CHRISTENSEN: Thank you, Chairman Louden, members of Natural Resources District. I'm Mark Christensen, M-a-r-k C-h-r-i-s-t-e-n-s-e-n. I represent the 44th Legislative District, here to introduce LB1132. In 2007, the Legislature through the passage of LB701 gave the authority to qualified NRDs to levy occupation tax on

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irrigation...irrigated acres with Natural Resources District for river flow enhancement programs. LB1132 would amend Section 2-3226.05 which authorizes the occupation tax, clarifying that the occupation tax should be collected by the county treasurers within the qualified NRDs in the same manner as real property tax. Hence, this makes the procedure for the collection of the occupation tax more clear. Are there questions? [LB1132]

SENATOR LOUDEN: Questions for Senator Christensen? Seeing none, thank you. First proponent for LB1132. [LB1132]

TRACI WITTHUHN: (Exhibit 6) Thank you again for allowing me to testify today. My name is Traci Witthuhn, T-r-a-c-i W-i-t-t-h-u-h-n. I'm the Republican River Basin Coalition Coordinator and that coalition is made up of the Upper, Middle and Lower Republican Natural Resources Districts. We are in favor of LB1132 as written, noting the collection, accounting and delinquency processes for the occupation tax. The coalition does request that additional language for LB1132 stating that the county treasurer, in addition to publishing, shall report to each Natural Resources District any delinquent occupation taxes in that district at the time of publishing. The report shall include at a minimum, the owner, parcel identification number, and the delinquent amount. These reports would simply help us more effectively collect those delinquent taxes. Thank you. [LB1132]

SENATOR LOUDEN: Questions for Traci? Senator Wallman. [LB1132]

SENATOR WALLMAN: Thank you, Senator Louden. Yes, Traci, so we know that districts, you know, are across county lines. So you have a coalition too with other counties, say I own a farm on this line and this line here on the ridge of a district, so that's what you want that collection fee for? [LB1132]

TRACI WITTHUHN: Could you rephrase that? I'm not sure if I get what you're asking. [LB1132]

SENATOR WALLMAN: Okay. You know you get a collection fee for tracking my property taxes, right? [LB1132]

TRACI WITTHUHN: Right. [LB1132]

SENATOR WALLMAN: And you want an extra collection fee for NRDs too, is that what... [LB1132]

TRACI WITTHUHN: No. I believe you're referring to the last bill and that would just be the county treasurers getting that and... [LB1132]

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SENATOR WALLMAN: Okay. I'm sorry. [LB1132]

TRACI WITTHUHN: Okay. [LB1132]

SENATOR WALLMAN: Thank you. [LB1132]

SENATOR LOUDEN: Other questions for Traci? Seeing none, thank you for your testimony. Next proponent for LB1132. [LB1132]

BETH BAZYN FERRELL: Good afternoon, Senator Louden, members of the committee. For the record my name is Beth Bazyn, B-a-z-y-n, Ferrell, F-e-r-r-e-l-l. I'm assistant legal counsel for the Nebraska Association of County Officials. Again, we're appearing in support of this bill as we indicated with the last bill. This would just provide some clarification about how the actual collection process works. There have been questions about just really the logistics of it, how it works and we think that this would at least provide some guidance to treasurers when they implement this process. Happy to take questions. [LB1132]

SENATOR LOUDEN: Any questions for Beth? Seeing none, thank you for your testimony. Next proponent for LB1132. Seeing none, opponents for LB1132. And seeing none, those wishing to testify in the neutral. Seeing none, Senator Christensen, do you wish to close? Senator Christensen waives closing. And with that, we close the hearing on LB1132 and close the hearing today on the Natural Resources Committee. [LB1132]

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Disposition of Bills:

LB1094 - Advanced to General File with amendments.

LB1127 - Held in committee.

LB1131 - Advanced to General File with amendments.

LB1132 - Indefinitely postponed.

Chairperson

Committee Clerk