LEGISLATIVE BILL 488

Introduced by Groene, 42.
Read first time January 17, 2017
Committee: Natural Resources

1 A BILL FOR AN ACT relating to water; to adopt the Water Conservation
2 Grant Act.
3 Be it enacted by the people of the State of Nebraska,
Section 1. Sections 1 to 6 of this act shall be known and may be cited as the Water Conservation Grant Act.

Sec. 2. For purposes of the Water Conservation Grant Act:

(1) Application period means the period beginning on September 1 and ending on November 30 of each calendar year;

(2) Department means the Department of Natural Resources;

(3) Eligible agricultural land means land that:

(a) Is certified irrigated acres as defined in section 46-706 as of the time of the initial application for a water conservation grant under section 3 of this act;

(b) Was actually irrigated during at least one of the two years preceding the initial application for a water conservation grant under section 3 of this act;

(c) Is classified for property tax purposes as irrigated cropland as of the time of the initial application for a water conservation grant under section 3 of this act;

(d) Is subject to an occupation tax under section 2-3226.05 as of the time of the initial application for a water conservation grant under section 3 of this act;

(e) Is located within the program area; and

(f) Is not subject to any other program, including, but not limited to, the Conservation Reserve Enhancement Program, in which the owner of the land is paid for not irrigating the land;

(4) Multi-state compact means an interstate compact among three or more states regarding water within a river basin; and

(5) Program area means the riparian land in this state lying within five miles of a river and its tributaries which are subject to a multi-state compact.

Sec. 3. (1) If the department determines that the states that are subject to a multi-state compact have agreed to count any reduction in water usage resulting from the Water Conservation Grant Act in
determining the State of Nebraska’s compliance with the multi-state compact, the department may begin to accept applications for water conservation grants as provided in this section.

(2) Beginning with the first application period following the department’s determination under subsection (1) of this section and in each application period thereafter, a person who owns eligible agricultural land may apply to the department for a water conservation grant by submitting an application, on a form prescribed by the department, which shall include:

(a) The name of the applicant;

(b) The location of the eligible agricultural land and the number of acres of such land;

(c) An agreement by the applicant to not irrigate the eligible agricultural land for the calendar year following the application period; and

(d) Such other information as deemed necessary by the department.

(3) Once the application period has ended for the year, the department shall prioritize the applications received under this section based on the eligible agricultural land’s distance from the river that is subject to the multi-state compact, with eligible agricultural land lying closer to the river receiving a higher priority than eligible agricultural land lying further away from the river.

(4) The department shall, within thirty days after the end of the application period, award water conservation grants based on the priority determined under subsection (3) of this section until the annual limit prescribed in subsection (5) of this section has been reached. Each water conservation grant awarded under this section shall be equal to fifty dollars multiplied by the number of acres of eligible agricultural land that are not irrigated pursuant to the applicant’s agreement under subdivision (2)(c) of this section.

(5) The department may award up to three million dollars in water
conservation grants each calendar year.

(6) Eligible agricultural land that is included in a water conservation grant shall not be irrigated during the term of the grant and shall not be subject to any occupation tax levied pursuant to section 2-3226.05.

Sec. 4. The ground water that is not used for irrigation purposes as a result of the Water Conservation Grant Act shall be considered used when a natural resources district calculates irrigation caps under an integrated management plan created pursuant to the Nebraska Ground Water Management and Protection Act.

Sec. 5. (1) The Water Conservation Grant Fund is created. The fund shall be administered by the department and shall be used to fund water conservation grants awarded under the Water Conservation Grant Act and to pay administrative expenses incurred by the department under the act.

(2) On the first December 1 following the department’s determination under subsection (1) of section 3 of this act and on each December 1 thereafter, the State Treasurer shall transfer three million dollars from the Water Sustainability Fund to the Water Conservation Grant Fund.

(3) Any money in the Water Conservation Grant Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 6. The department may adopt and promulgate rules and regulations to carry out the Water Conservation Grant Act.