

**LB 701** *continued from page 1...*

Christensen of Imperial, who originally sponsored LB 701 in a form totally different from what was advanced out of the NRC, did not vote on the changed form in committee because he objected to the large tax burden it contained.

In truth, LB 701 morphed into a law that did not even remotely resemble what Senator Christensen first introduced back in January 2007. His original bill was gutted, totally changed, and resurrected using the same bill number and his name as sponsor. This type of thing happens all too often, and though helpful in speeding up the process, tends to confuse and mislead the public who believe the bill they showed up at the public hearing to learn about and testify on ends up as a law so different from the original introduced version.

In its final form, LB 701 gives the Lower, Middle and Upper Republican natural resources districts the legal authority to issue bonds to generate funds for compact compliance measures, primarily surface water buyouts and purchasing groundwater to be delivered into the river system. The removal of riparian vegetation would also become a priority.

Here's the kicker that we oppose the most: The bonds would be paid off by up to a \$10 per irrigated acre "occupation fee" and an increase in the NRD's property tax levy lid by 10 cents per \$100 of property valuation. The total new tax hit on RRB irrigators and property owners could amount to around \$16 million annually.

The governor and DNR argue that the state stepped up in a major way to help out financially. Let's see if this is so. LB 701 involves a one-time state obligation of 3 million dollars from the general fund to lease surface water rights this year from the Nebraska Bostwick Irrigation District. Also, through 2012, a Water Resources Cash Fund will be funded by 2.7 million general fund dollars. Beginning in 2013, this fund would be fed by a 3/5 cent per bushel checkoff on marketed corn and a 3/5 cent per hundredweight checkoff on marketed grain sorghum. Shifting the burden of funding the Water Resources Cash Fund onto producers is unfair, unnecessary and unacceptable. The dollars in this new fund will be used for compact compliance activities in both the Republican and Platte basins. Additionally, 2 million dollars will be appropriated annually for two years for the specific purpose of removing riparian vegetation. This is a good thing and long overdue.

The governor has repeatedly said that water is the "issue of a generation" in Nebraska... and he is right. It is. But consider this: The Kansas settlement agreement is clearly a state responsibility involving a multi-state compact much like the Boyd County radioactive waste facility matter was a state issue and responsibility based on a multi-state compact that went awry. Accordingly, the state should lead the way in solving and paying for the problem rather than passing the buck and shifting the burden of compliance almost solely onto the backs of RRB irrigators and property owners. Senator Carlson of Holdrege said that people in the RRB represent only 2% of all Nebraskans, but are being asked to pay 72% of the bill for compliance.

It is instructive to remember the state had no qualms with finding 150 million dollars from state funds to pay the judgment rendered in federal court in 2002 for non-compliance of the Low Level Radioactive Waste Compact. The residents of Boyd County did not sign onto the multi-state compact involving radioactive waste storage, the state did, and therefore the state rightfully assumed total financial responsibility. The RRB and the Boyd County situations are very similar, but the state's leadership role in the two is so different.

Considering the annual state budget is roughly \$3 billion, shouldn't the "issue of a generation" merit a little more than 1/1000 share of the budget, which the annual \$2.7 million state contribution for only six years represents?

Instead, it was the local NRDs (Lower, Middle and Upper Republican) that stepped up and assumed the lion's share of the burden. They believed they had no alternatives. It is important to understand that these NRD boards are largely composed of irrigators.

Nebraskans First has made it a priority to get younger, active farmers elected to NRD boards because they themselves have a stake in the outcome of the decisions. This is critical because it means elected board members, themselves as well as their constituents, will experience the pain and sacrifice of their decisions.

Because of this "front line" involvement in key issues such as LB 701, we applaud the NRDs for showing leadership and for dealing with a situation that neither they nor their constituents should be held blameworthy.

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