

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 57

Introduced by Larson, 40.

Read first time January 10, 2013

Committee:

A BILL

1 FOR AN ACT relating to the Nebraska Environmental Trust Act; to amend
2 section 81-15,175, Revised Statutes Cumulative
3 Supplement, 2012; to change provisions relating to
4 allocations; to harmonize provisions; and to repeal the
5 original section.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 81-15,175, Revised Statutes Cumulative
2 Supplement, 2012, is amended to read:

3 81-15,175 (1) The board may make an annual allocation
4 each fiscal year from the Nebraska Environmental Trust Fund to the
5 Nebraska Environmental Endowment Fund as provided in section
6 81-15,174.01. The board shall make annual allocations from the
7 Nebraska Environmental Trust Fund and may make annual allocations
8 each fiscal year from the Nebraska Environmental Endowment Fund for
9 projects which conform to the environmental categories of the board
10 established pursuant to section 81-15,176 and to the extent the board
11 determines those projects to have merit. The board shall establish a
12 calendar annually for receiving and evaluating proposals and awarding
13 grants. To evaluate the economic, financial, and technical
14 feasibility of proposals, the board may establish subcommittees,
15 request or contract for assistance, or establish advisory groups.
16 Private citizens serving on advisory groups shall be reimbursed for
17 their actual and necessary expenses pursuant to sections 81-1174 to
18 81-1177.

19 (2) The board shall establish rating systems for ranking
20 proposals which meet the board's environmental categories and other
21 criteria. The rating systems shall include, but not be limited to,
22 the following considerations:

23 (a) Conformance with categories established pursuant to
24 section 81-15,176;

25 (b) Amount of funds committed from other funding sources;

1 (c) Encouragement of public-private partnerships;
2 (d) Geographic mix of projects over time;
3 (e) Cost-effectiveness and economic impact;
4 (f) Direct environmental impact;
5 (g) Environmental benefit to the general public and the
6 long-term nature of such public benefit; and
7 (h) Applications recommended by the Director of Natural
8 Resources and submitted by the Department of Natural Resources
9 pursuant to subsection (7) of section 61-218 shall be awarded fifty
10 priority points in the ranking process for the 2011 grant application
11 if the Legislature has authorized annual transfers of three million
12 three hundred thousand dollars to the Water Resources Cash Fund for
13 each of fiscal years 2011-12 and 2012-13 and has stated its intent to
14 transfer three million three hundred thousand dollars to the Water
15 Resources Cash Fund in fiscal year 2013-14. Priority points shall be
16 awarded if the proposed programs set forth in the grant application
17 are consistent with the purposes of reducing consumptive uses of
18 water, enhancing streamflows, recharging ground water, or supporting
19 wildlife habitat in any river basin determined to be fully
20 appropriated pursuant to section 46-714 or designated as
21 overappropriated pursuant to section 46-713.

22 (3) A grant awarded under this section pursuant to an
23 application made under subsection (7) of section 61-218 shall be paid
24 out in the following manner:

25 (a) The initial three million three hundred thousand

1 dollar installment shall be remitted to the State Treasurer for
2 credit to the Water Resources Cash Fund no later than fifteen
3 business days after the date that the grant is approved by the board;

4 (b) The second three million three hundred thousand
5 dollar installment shall be remitted to the State Treasurer for
6 credit to the Water Resources Cash Fund no later than May 15, 2013;
7 and

8 (c) The third three million three hundred thousand dollar
9 installment shall be remitted to the State Treasurer for credit to
10 the Water Resources Cash Fund no later than May 15, 2014, if the
11 Legislature has authorized a transfer of three million three hundred
12 thousand dollars from the General Fund to the Water Resources Cash
13 Fund for fiscal year 2013-14.

14 (4) It is the intent of the Legislature that the
15 Department of Natural Resources apply for an additional three-year
16 grant from the Nebraska Environmental Trust Fund that would begin in
17 fiscal year 2014-15 and such application shall be awarded fifty
18 priority points in the ranking process as set forth in subdivision
19 (2)(h) of this section if the following criteria are met:

20 (a) The Natural Resources Committee of the Legislature
21 has examined options for water funding and has submitted a report
22 electronically to the Clerk of the Legislature and the Governor by
23 December 1, 2012, setting forth:

24 (i) An outline and priority listing of water management
25 and funding needs in Nebraska, including instream flows, residential,

1 agricultural, recreational, and municipal needs, interstate
2 obligations, water quality issues, and natural habitats preservation;

3 (ii) An outline of statewide funding options which create
4 a dedicated, sustainable funding source to meet the needs set forth
5 in the report; and

6 (iii) Recommendations for legislation;

7 (b) The projects and activities funded by the department
8 through grants from the Nebraska Environmental Trust Fund under this
9 section have resulted in enhanced streamflows, reduced consumptive
10 uses of water, recharged ground water, supported wildlife habitat, or
11 otherwise contributed towards conserving, enhancing, and restoring
12 Nebraska's ground water and surface water resources. On or before
13 July 1, 2014, the department shall submit electronically a report to
14 the Natural Resources Committee of the Legislature providing
15 demonstrable evidence of the benefits accrued from such projects and
16 activities; and

17 (c) In addition to the grant reporting requirements of
18 the trust, on or before July 1, 2014, the department provides to the
19 board a report which includes documentation that:

20 (i) Expenditures from the Water Resources Cash Fund made
21 to natural resources districts have met the matching fund
22 requirements provided in subdivision (5)(a) of section 61-218;

23 (ii) Ten percent or less of the matching fund
24 requirements has been provided by in-kind contributions for expenses
25 incurred for projects enumerated in the grant application. In-kind

1 contributions shall not include land or land rights; and

2 (iii) All other projects and activities funded by the
3 department through grants from the Nebraska Environmental Trust Fund
4 under this section were matched not less than forty percent of the
5 project or activity cost by other funding sources.

6 (5) The board may establish a subcommittee to rate grant
7 applications. If the board uses a subcommittee, the meetings of such
8 subcommittee shall be subject to the Open Meetings Act. The
9 subcommittee shall (a) use the rating systems established by the
10 board under subsection (2) of this section, (b) assign a numeric
11 value to each rating criterion, combine these values into a total
12 score for each application, and rank the applications by the total
13 scores, (c) recommend an amount of funding for each application,
14 which amount may be more or less than the requested amount, and (d)
15 submit the ranked list and recommended funding to the board for its
16 approval or disapproval.

17 (6) The board may commit funds to multiyear projects,
18 subject to available funds and appropriations. No commitment shall
19 exceed three years without formal action by the board to renew the
20 grant or contract. Multiyear commitments may be exempt from the
21 rating process except for the initial application and requests to
22 renew the commitment.

23 (7) If an applicant submits an initial grant application
24 requesting funds from the Nebraska Environmental Trust Fund to
25 purchase real property or requesting the use of revolving funds from

1 proceeds of a sale or transfer of an ownership interest in real
2 property purchased with funds provided by a grant from the Nebraska
3 Environmental Trust Fund and such application is approved by the
4 board, the contract between the board and the grant recipient shall
5 stipulate that the board must approve by majority vote at any
6 regularly scheduled board meeting each subsequent purchase of real
7 property and indicate that such purchase is in accordance with the
8 purposes of the Nebraska Environmental Trust Act. The contract
9 between the board and the grant recipient shall also stipulate that
10 the board must approve by majority vote at any regularly scheduled
11 board meeting the first subsequent sale, including purchase price, of
12 real property purchased using funds provided by the Nebraska
13 Environmental Trust Fund. Board approval shall not be required for
14 expenditures made with funds provided solely by the grant recipient
15 or with funds from any revolving fund which contains no funds
16 attributable to a grant awarded pursuant to this section.

17 (8) If a grantee uses grant funds to purchase real
18 property and ever subsequently seeks to transfer such real property
19 to a federal land management agency by purchase, donation, exchange,
20 or other means, which transfer would result in removal of the real
21 property from the assessment roll of taxable property in the county
22 in which the real property is situated, such transfer shall require
23 the approval of the board. If the board approves the transfer, it
24 shall approve an amount of funds equal to the amount for which such
25 real property was valued for purposes of taxation during the year

1 immediately preceding such transfer, which amount shall be placed in
2 a trust fund established and administered by such county for any
3 governmental purpose, including reinvestment of interest. The
4 principal of the trust fund shall not be expended, and any payment
5 for entitlement land pursuant to 31 U.S.C. 6901 et seq., as such
6 section existed on January 1, 2013, received by such county shall not
7 be deducted or otherwise offset from the amount placed in the trust
8 fund pursuant to this subsection.

9 (9) The board shall adopt and promulgate rules and
10 regulations and publish guidelines governing allocations from the
11 fund. The board shall conduct annual reviews of existing projects for
12 compliance with project goals and grant requirements.

13 ~~(8)~~(10) Every five years the board may evaluate the
14 long-term effects of the projects it funds. The evaluation may assess
15 a sample of such projects. The board may hire an independent
16 consultant to conduct the evaluation and may report the evaluation
17 findings to the Legislature and the Governor. The report submitted to
18 the Legislature shall be submitted electronically.

19 Sec. 2. Original section 81-15,175, Revised Statutes
20 Cumulative Supplement, 2012, is repealed.