

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 488**

Introduced by Groene, 42.

Read first time January 17, 2017

Committee:

- 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,

1           Section 1. Sections 1 to 6 of this act shall be known and may be  
2 cited as the Water Conservation Grant Act.

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

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

6           (2) Department means the Department of Natural Resources;

7           (3) Eligible agricultural land means land that:

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

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

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

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

20           (e) Is located within the program area; and

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

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

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

29           Sec. 3. (1) If the department determines that the states that are  
30 subject to a multi-state compact have agreed to count any reduction in  
31 water usage resulting from the Water Conservation Grant Act in

1 determining the State of Nebraska's compliance with the multi-state  
2 compact, the department may begin to accept applications for water  
3 conservation grants as provided in this section.

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

10 (a) The name of the applicant;

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

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

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

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

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

31 (5) The department may award up to three million dollars in water

1 conservation grants each calendar year.

2 (6) Eligible agricultural land that is included in a water  
3 conservation grant shall not be irrigated during the term of the grant  
4 and shall not be subject to any occupation tax levied pursuant to section  
5 2-3226.05.

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

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

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

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

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