

LEGISLATURE OF NEBRASKA
ONE HUNDRED SECOND LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 950

Final Reading

Introduced by Christensen, 44; Carlson, 38; Langemeier, 23.

Read first time January 11, 2012

Committee: Natural Resources

A BILL

1 FOR AN ACT relating to the Water Resources Cash Fund; to amend
2 section 61-218, Revised Statutes Supplement, 2011; to
3 state intent; to provide for a transfer of funds; and to
4 repeal the original section.
5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 61-218, Revised Statutes Supplement,
2 2011, is amended to read:

3 61-218 (1) The Water Resources Cash Fund is created. The
4 fund shall be administered by the Department of Natural Resources.
5 Any money in the fund available for investment shall be invested by
6 the state investment officer pursuant to the Nebraska Capital
7 Expansion Act and the Nebraska State Funds Investment Act.

8 (2) The State Treasurer shall credit to the fund such
9 money as is (a) transferred to the fund by the Legislature, (b) paid
10 to the state as fees, deposits, payments, and repayments relating to
11 the fund, both principal and interest, (c) donated as gifts,
12 bequests, or other contributions to such fund from public or private
13 entities, (d) made available by any department or agency of the
14 United States if so directed by such department or agency, and (e)
15 allocated pursuant to section 81-15,175.

16 (3) The fund shall be expended by the department (a) to
17 aid management actions taken to reduce consumptive uses of water or
18 to enhance streamflows or ground water recharge in river basins,
19 subbasins, or reaches which are deemed by the department
20 overappropriated pursuant to section 46-713 or fully appropriated
21 pursuant to section 46-714 or are bound by an interstate compact or
22 decree or a formal state contract or agreement, (b) for purposes of
23 projects or proposals described in the grant application as set forth
24 in subdivision (2)(h) of section 81-15,175, and (c) to the extent
25 funds are not expended pursuant to subdivisions (a) and (b) of this

1 subsection, the department may conduct a statewide assessment of
2 short-term and long-term water management activities and funding
3 needs to meet statutory requirements in sections 46-713 to 46-718 and
4 46-739 and any requirements of an interstate compact or decree or
5 formal state contract or agreement. The fund shall not be used to pay
6 for administrative expenses or any salaries for the department or any
7 political subdivision.

8 (4) It is the intent of the Legislature that three
9 million three hundred thousand dollars be transferred each fiscal
10 year from the General Fund to the Water Resources Cash Fund for
11 FY2011-12 through FY2018-19, except that for FY2012-13 it is the
12 intent of the Legislature that five million seven hundred thousand
13 dollars be transferred from the General Fund to the Water Resources
14 Cash Fund.

15 (5)(a) Expenditures from the Water Resources Cash Fund
16 may be made to natural resources districts eligible under subsection
17 (3) of this section for activities to either achieve a sustainable
18 balance of consumptive water uses or assure compliance with an
19 interstate compact or decree or a formal state contract or agreement
20 and shall require a match of local funding in an amount equal to or
21 greater than forty percent of the total cost of carrying out the
22 eligible activity. The department shall, no later than August 1 of
23 each year, beginning in 2007, determine the amount of funding that
24 will be made available to natural resources districts from the Water
25 Resources Cash Fund and notify natural resources districts of this

1 determination. The department shall adopt and promulgate rules and
2 regulations governing application for and use of the Water Resources
3 Cash Fund by natural resources districts. Such rules and regulations
4 shall, at a minimum, include the following components:

5 (i) Require an explanation of how the planned activity
6 will achieve a sustainable balance of consumptive water uses or will
7 assure compliance with an interstate compact or decree or a formal
8 state contract or agreement as required by section 46-715 and the
9 controls, rules, and regulations designed to carry out the activity;
10 and

11 (ii) A schedule of implementation of the activity or its
12 components, including the local match as set forth in subdivision (5)
13 (a) of this section.

14 (b) Any natural resources district that fails to
15 implement and enforce its controls, rules, and regulations as
16 required by section 46-715 shall not be eligible for funding from the
17 Water Resources Cash Fund until it is determined by the department
18 that compliance with the provisions required by section 46-715 has
19 been established.

20 (6) The Department of Natural Resources shall submit an
21 annual report to the Legislature no later than October 1 of each
22 year, beginning in the year 2007, that shall detail the use of the
23 Water Resources Cash Fund in the previous year. The report shall
24 provide:

25 (a) Details regarding the use and cost of activities

1 carried out by the department; and

2 (b) Details regarding the use and cost of activities
3 carried out by each natural resources district that received funds
4 from the Water Resources Cash Fund.

5 (7)(a) Prior to the application deadline for fiscal year
6 2011-12, the Department of Natural Resources shall apply for a grant
7 of nine million nine hundred thousand dollars from the Nebraska
8 Environmental Trust Fund, to be paid out in three annual installments
9 of three million three hundred thousand dollars. The purposes listed
10 in the grant application shall be consistent with the uses of the
11 Water Resources Cash Fund provided in this section and shall be used
12 to aid management actions taken to reduce consumptive uses of water,
13 to enhance streamflows, to recharge ground water, or to support
14 wildlife habitat in any river basin determined to be fully
15 appropriated pursuant to section 46-714 or designated as
16 overappropriated pursuant to section 46-713.

17 (b) If the application is granted, funds received from
18 such grant shall be remitted to the State Treasurer for credit to the
19 Water Resources Cash Fund for the purpose of supporting the projects
20 set forth in the grant application. The department shall include in
21 its grant application documentation that the Legislature has
22 authorized a transfer of three million three hundred thousand dollars
23 from the General Fund into the Water Resources Cash Fund for each of
24 fiscal years 2011-12 and 2012-13 and has stated its intent to
25 transfer three million three hundred thousand dollars to the Water

1 Resources Cash Fund for fiscal year 2013-14.

2 (c) It is the intent of the Legislature that the
3 department apply for an additional three-year grant that would begin
4 in fiscal year 2014-15 if the criteria established in subsection (4)
5 of section 81-15,175 are achieved.

6 (8) The department shall establish a subaccount within
7 the Water Resources Cash Fund for the accounting of all money
8 received as a grant from the Nebraska Environmental Trust Fund as the
9 result of an application made pursuant to subsection (7) of this
10 section. At the end of each calendar month, the department shall
11 calculate the amount of interest earnings accruing to the subaccount
12 and shall notify the State Treasurer who shall then transfer a like
13 amount from the Water Resources Cash Fund to the Nebraska
14 Environmental Trust Fund.

15 Sec. 2. The State Treasurer shall transfer \$2,400,000
16 from the General Fund to the Water Resources Cash Fund on or before
17 June 30, 2013, on such date as directed by the budget administrator
18 of the budget division of the Department of Administrative Services.

19 Sec. 3. Original section 61-218, Revised Statutes
20 Supplement, 2011, is repealed.