

Protecting Our Economy: Funding Mechanisms Sought for Protection of Water Users

The Upper Republican Natural Resources District is actively involved in conservation programs and management practices that maintain viable water allocations for users, conserve water, and ensure that producers in the basin aren't threatened by the loss of water rights. In March, a funding mechanism for these programs was upheld in the Lancaster County District Court; a judge ruled that a state law allowing Republican River basin NRDs to levy an occupation tax on irrigated ground was constitutional.

Two years ago, the property tax portion of the same law permitting the per-acre tax was deemed unconstitutional. A primary argument in both cases was that the tax was closed class legislation, as it could only be levied in the Republican River basin. The Lancaster County District Court judge was not convinced that the occupation tax couldn't be levied elsewhere at some point in the future. While this decision is being appealed, the Nebraska Unicameral passed legislation in April (LB 862) that opens the occupation tax authority to all NRDs located in fully- and over-appropriated basins.

An additional funding mechanism being explored is that of Improvement Project Areas, or IPAs. An IPA grants the Board of Directors the authority to create a benefit area for a particular project; the benefits would be transferred into assessments, and cooperators would pay these assessments. The IPA statute would also give the URNRD the authority to create sinking funds or sell bonds and other financing alternatives for projects that protect the future of irrigation and our local economy.