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Midlands Voices: Water ruling good for all of Nebraska

By Jasper Fanning

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Nebraska has quietly become a national leader in agricultural water management — natural resources districts and the state work together to regulate, monitor and plan water use in ways that are only talked about in other states. A recent decision by the Nebraska Supreme Court has solidified this leadership structure and will produce important initiatives that benefit Nebraskans from Benkelman to Blair.

The ruling last month upheld the occupation tax on irrigation authorized by the Legislature and Gov. Dave Heineman in 2007, and that was modified in 2010 to allow the tax to be levied by more NRDs. Currently it is paid by irrigators in the Republican River basin, including the Upper Republican NRD that I manage in Perkins, Chase and Dundy Counties.

The intent of the occupation tax is to generate revenue for projects that increase stream flow. Creating additional stream flow is of particular importance in the Republican basin because it is Nebraska's source of an interstate compact between Nebraska, Kansas and Colorado.

But why should a resident of, say, Millard who has no personal or economic interest in the region care about generating additional stream flow using the tax upheld by the state Supreme Court?

Simply put, if irrigators weren't paying the tax, that resident and other taxpayers across the state could be asked to shoulder more of the financial burden of maintaining compliance. And if neither irrigators nor taxpayers at large were required to pay for compliance measures, some of the long-term financial consequences of noncompliance would be felt across the state.

In a broader sense, maintaining compliance using the occupation tax will protect one of the most productive agricultural regions in Nebraska from economically destructive, and unnecessary, regulations that could be imposed.

This is in the entire state's best interests — while much is made of the rural population flight to urban areas, high ag land and commodity prices have prevented a commensurate rural-to-urban shift in the economic base of the state. Urban residents rely on rural folks, and vice versa.

Paying for projects that generate stream flow is partially designed to prevent severe and potentially economically crippling regulations, but isn't meant to avoid regulations and other management actions altogether. Surface water and groundwater users are now working cooperatively on conjunctive management plans with the state that have exciting potential to more smartly and efficiently move and utilize available water in the basin for the benefit of both sets of users, while aiding compliance with the compact.

As for reductions in water use, a water-management plan approved by my district and the state has a goal of reducing groundwater pumping by 20 percent from 1998-2002 levels. The district has a strong track record of limiting water use: The steepest groundwater declines in my district are less than half the sharpest declines experienced in states like Kansas and Texas, thanks to water-use restrictions that began 30 years ago in the Upper Republican NRD. It was the first NRD in the state and probably the first government entity in the country to regulate agricultural water use.

The occupation tax will allow this progressive tradition to continue. Farmers and ag-land owners have been paying \$6 per irrigated acre in the Upper Republican NRD and next year will pay \$10 an acre. That rate will produce about \$4.5 million in a three-county region with fewer than 9,000 people. Where's the money going?

This year, \$1.9 million in occupation tax funds and \$1.2 million in federal funds will permanently retire nearly 1,400 acres near the Republican and its tributaries. The retirement is expected over the long term to increase stream flow by an average of 1,000 acre-feet annually. The occupation tax will fund more retirement in the future.

My district also has purchased 3,260 irrigated acres for \$10 million that will be permanently retired from irrigation. A portion of the water that otherwise would have been used to irrigate crops will be piped into the Republican River system to aid compact compliance.

Water management in Nebraska will continue to become more complex, but with the occupation tax, the unique regulatory authority NRDs have and cooperation between surface-water and groundwater users, we can meet our challenges for the benefit of the entire state.

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