

Chairperson:Lavon HeidemannCommittee:AppropriationsDate of Hearing:February 20, 2007

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 322, introduced by the Speaker at the request of the Governor, is a part of the Governor's biennial budget recommendations.

The bill includes the following fund or transfer items:

1. The following funds are either created or modified: Counsel for Discipline Cash Fund, Water Resources Cash Fund, Carrier Enforcement Cash Fund, Capitol Security Revolving Fund, Nebraska Public Safety Communication System Cash Fund, Nebraska Public Safety Communication System Revolving Fund, Community Corrections Uniform Data Analysis Cash Fund, Workers' Compensation Trust Fund, Nebraska Emergency Management Agency Cash Fund, State Building Revolving Fund, Ethanol Production Incentive Cash Fund, and the Job Training Cash Fund.

2. A minimum allocation threshold of \$2,050,000 from cigarette tax revenue is established for the Information Technology Infrastructure Fund through June 30, 2008. In addition, from existing cigarette tax revenue sources becoming available or freed up under existing law, beginning July 1, 2008, and continuing until June 30, 2009, the State Treasurer shall place the equivalent of \$2,050,000 of such tax in the Nebraska Public Safety Communication System Cash Fund. Beginning July 1, 2009, and continuing until June 30, 2016, the State Treasurer shall place the equivalent of \$2,570,000 of such tax in the Nebraska Public Safety Communication System Cash Fund. Beginning July 1, 2016, and every fiscal year thereafter, the State Treasurer shall place the equivalent of \$5,070,000 of such tax in the Nebraska Public Safety Communication System Cash Fund. These cash fund sources will be used to reduce the ongoing General Fund cost to operate the Nebraska Public Safety Communication System.

3. The State Treasurer is directed to make the following transfers: two separate transfers from the General Fund to the Water Resources Cash Fund; three separate transfers from the General Fund to the Ethanol Production Incentive Cash Fund; and four separate transfers from expiring funds to the Nebraska Public Safety Communication System Cash Fund.

4. Provisions are contained relating to the excise tax levied upon corn and grain sorghum, including specifying dates for crediting revenue from the excise tax levied upon corn and grain sorghum to the Ethanol Production Incentive Cash Fund and the Water Resources Cash Fund.

Monthly transfers from the Water Resources Cash Fund to the Management Services Expense Revolving Fund are also authorized.

5. Obsolete transfer language from several sections of law is eliminated; a technical fund reference correction and journal entry corrections of associated expenses and revenues are made; appropriation intent language is included in codified law regarding the Ethanol Production Incentive Cash Fund; and appropriation intent language to carry out the cigarette tax provisions of this act is included.

6. Operative and effective dates for all sections of the bill are specified; original section repealers, outright section repealers, and the emergency clause are contained.

Principal Introducer:

Senator Mike Flood At the request of the Governor