

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SPECIAL SESSION

LEGISLATIVE BILL 2

FINAL READING

Introduced by Speaker Flood, 19; at the request of the Governor.

Read first time November 04, 2009

Committee: Appropriations

A BILL

1 FOR AN ACT relating to funds; to amend section 77-3,111,  
2 Reissue Revised Statutes of Nebraska, sections 71-5714  
3 and 72-1001, Revised Statutes Cumulative Supplement,  
4 2008, and sections 9-812 and 84-612, Revised Statutes  
5 Supplement, 2009; to provide for, change, and eliminate  
6 certain fund transfers; to provide for a lapse of certain  
7 funds to the General Fund; to harmonize provisions; to  
8 repeal the original sections; to outright repeal section  
9 90-505, Revised Statutes Supplement, 2009; and to declare  
10 an emergency.

11 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 9-812, Revised Statutes Supplement,  
2 2009, is amended to read:

3           9-812 (1) All money received from the operation of  
4 lottery games conducted pursuant to the State Lottery Act in  
5 Nebraska shall be credited to the State Lottery Operation Trust  
6 Fund, which fund is hereby created. All payments of the costs  
7 of establishing and maintaining the lottery games shall be made  
8 from the State Lottery Operation Cash Fund. In accordance with  
9 legislative appropriations, money for payments for expenses of the  
10 division shall be transferred from the State Lottery Operation  
11 Trust Fund to the State Lottery Operation Cash Fund, which fund  
12 is hereby created. All money necessary for the payment of lottery  
13 prizes shall be transferred from the State Lottery Operation Trust  
14 Fund to the State Lottery Prize Trust Fund, which fund is hereby  
15 created. The amount used for the payment of lottery prizes shall  
16 not be less than forty percent of the dollar amount of the lottery  
17 tickets which have been sold.

18           (2) Beginning October 1, 2003, a portion of the dollar  
19 amount of the lottery tickets which have been sold on an annualized  
20 basis shall be transferred from the State Lottery Operation Trust  
21 Fund to the Education Innovation Fund, the Nebraska Scholarship  
22 Fund, the Nebraska Environmental Trust Fund, the Nebraska State  
23 Fair Board, and the Compulsive Gamblers Assistance Fund. The dollar  
24 amount transferred pursuant to this subsection shall equal the  
25 greater of (a) the dollar amount transferred to the funds in

1 fiscal year 2002-03 or (b) any amount which constitutes at least  
2 twenty-two percent and no more than twenty-five percent of the  
3 dollar amount of the lottery tickets which have been sold on an  
4 annualized basis. To the extent that funds are available, the  
5 Tax Commissioner and director may authorize a transfer exceeding  
6 twenty-five percent of the dollar amount of the lottery tickets  
7 sold on an annualized basis.

8 (3) Of the money available to be transferred to the  
9 Education Innovation Fund, the Nebraska Scholarship Fund, the  
10 Nebraska Environmental Trust Fund, the Nebraska State Fair Board,  
11 and the Compulsive Gamblers Assistance Fund:

12 (a) The first five hundred thousand dollars shall be  
13 transferred to the Compulsive Gamblers Assistance Fund to be used  
14 as provided in section 71-817;

15 (b) Nineteen and three-fourths percent of the money  
16 remaining after the payment of prizes and operating expenses and  
17 the initial transfer to the Compulsive Gamblers Assistance Fund  
18 shall be transferred to the Education Innovation Fund;

19 (c) Twenty-four and three-fourths percent of the money  
20 remaining after the payment of prizes and operating expenses and  
21 the initial transfer to the Compulsive Gamblers Assistance Fund  
22 shall be transferred to the Nebraska Scholarship Fund;

23 (d) Forty-four and one-half percent of the money  
24 remaining after the payment of prizes and operating expenses and  
25 the initial transfer to the Compulsive Gamblers Assistance Fund

1 shall be transferred to the Nebraska Environmental Trust Fund to be  
2 used as provided in the Nebraska Environmental Trust Act;

3 (e) Ten percent of the money remaining after the payment  
4 of prizes and operating expenses and the initial transfer to  
5 the Compulsive Gamblers Assistance Fund shall be transferred to  
6 the Nebraska State Fair Board if the most populous city within  
7 the county in which the fair is located provides matching funds  
8 equivalent to ten percent of the funds available for transfer. Such  
9 matching funds may be obtained from the city and any other private  
10 or public entity, except that no portion of such matching funds  
11 shall be provided by the state. If the Nebraska State Fair ceases  
12 operations, ten percent of the money remaining after the payment  
13 of prizes and operating expenses and the initial transfer to the  
14 Compulsive Gamblers Assistance Fund shall be transferred to the  
15 General Fund; and

16 (f) One percent of the money remaining after the payment  
17 of prizes and operating expenses and the initial transfer to the  
18 Compulsive Gamblers Assistance Fund shall be transferred to the  
19 Compulsive Gamblers Assistance Fund to be used as provided in  
20 section 71-817.

21 (4) (a) The Education Innovation Fund is created. At least  
22 seventy-five percent of the lottery proceeds allocated to the  
23 Education Innovation Fund shall be available for disbursement.

24 (b) For fiscal year 2005-06, the Education Innovation  
25 Fund shall be allocated as follows: The first one million dollars

1 shall be transferred to the School District Reorganization Fund,  
2 and the remaining amount shall be allocated to the General Fund  
3 after operating expenses for the Excellence in Education Council  
4 are deducted.

5 (c) For fiscal year 2006-07, the Education Innovation  
6 Fund shall be allocated as follows: The first two hundred fifty  
7 thousand dollars shall be transferred to the Attracting Excellence  
8 to Teaching Program Cash Fund to fund the Attracting Excellence  
9 to Teaching Program Act, the next one million dollars shall  
10 be transferred to the School District Reorganization Fund, and  
11 the amount remaining in the Education Innovation Fund shall be  
12 allocated, after administrative expenses, for distance education  
13 equipment and incentives pursuant to sections 79-1336 and 79-1337.

14 (d) For fiscal year 2007-08, the Education Innovation  
15 Fund shall be allocated as follows: The first five hundred thousand  
16 dollars shall be transferred to the Attracting Excellence to  
17 Teaching Program Cash Fund to fund the Attracting Excellence to  
18 Teaching Program Act, and the amount remaining in the Education  
19 Innovation Fund shall be allocated, after administrative expenses,  
20 for distance education equipment and incentives pursuant to  
21 sections 79-1336 and 79-1337.

22 (e) For fiscal year 2008-09, the Education Innovation  
23 Fund shall be allocated as follows: The first seven hundred  
24 fifty thousand dollars shall be transferred to the Attracting  
25 Excellence to Teaching Program Cash Fund to fund the Attracting

1 Excellence to Teaching Program Act, and the amount remaining in the  
2 Education Innovation Fund shall be allocated, after administrative  
3 expenses, for distance education equipment and incentives pursuant  
4 to sections 79-1336 and 79-1337.

5 (f) For fiscal year 2009-10, the Education Innovation  
6 Fund shall be allocated as follows: Any amounts transferred to the  
7 Education Innovation Fund from the School District Reorganization  
8 Fund shall be returned to the School District Reorganization Fund  
9 first, the next one million dollars shall be transferred to the  
10 Excellence in Teaching Cash Fund to fund the Excellence in Teaching  
11 Act, and the amount remaining in the Education Innovation Fund  
12 shall be allocated, after administrative expenses, for distance  
13 education equipment and incentives pursuant to sections 79-1336 and  
14 79-1337.

15 (g) For fiscal years 2010-11 through 2015-16, the  
16 Education Innovation Fund shall be allocated as follows: The first  
17 one million dollars shall be transferred to the Excellence in  
18 Teaching Cash Fund to fund the Excellence in Teaching Act, and  
19 the amount remaining in the Education Innovation Fund shall be  
20 allocated, after administrative expenses, for distance education  
21 equipment and incentives pursuant to sections 79-1336 and 79-1337.

22 (h) For fiscal year 2016-17 and each fiscal year  
23 thereafter, the Education Innovation Fund shall be allocated,  
24 after administrative expenses, for education purposes as provided  
25 by the Legislature.

1           (i) The State Treasurer shall transfer ten million  
2 dollars from the Education Innovation Fund to the University  
3 Cash Fund on or before December 31, 2009, as directed by the  
4 budget administrator of the budget division of the Department of  
5 Administrative Services.

6           (5) Any money in the State Lottery Operation Trust  
7 Fund, the State Lottery Operation Cash Fund, the State Lottery  
8 Prize Trust Fund, or the Education Innovation Fund available  
9 for investment shall be invested by the state investment officer  
10 pursuant to the Nebraska Capital Expansion Act and the Nebraska  
11 State Funds Investment Act.

12           (6) Unclaimed prize money on a winning lottery ticket  
13 shall be retained for a period of time prescribed by rules and  
14 regulations. If no claim is made within such period, the prize  
15 money shall be used at the discretion of the Tax Commissioner for  
16 any of the purposes prescribed in this section.

17           Sec. 2. Section 71-5714, Revised Statutes Cumulative  
18 Supplement, 2008, is amended to read:

19           71-5714 The Tobacco Prevention and Control Cash  
20 Fund is created. The fund shall be used for a comprehensive  
21 statewide tobacco-related public health program administered by  
22 the Department of Health and Human Services which includes, but  
23 is not limited to (1) community programs to reduce tobacco use,  
24 (2) chronic disease programs, (3) school programs, (4) statewide  
25 programs, (5) enforcement, (6) counter marketing, (7) cessation

1 programs, (8) surveillance and evaluation, and (9) administration.  
2 Any money in the Tobacco Prevention and Control Cash Fund available  
3 for investment shall be invested by the state investment officer  
4 pursuant to the Nebraska Capital Expansion Act and the Nebraska  
5 State Funds Investment Act.

6 The State Treasurer shall transfer, on or before June  
7 30, 2010, as directed by the budget administrator of the budget  
8 division of the Department of Administrative Services, one million  
9 three hundred thousand dollars from the Tobacco Prevention and  
10 Control Cash Fund to the Health and Human Services Cash Fund.

11 Sec. 3. Section 72-1001, Revised Statutes Cumulative  
12 Supplement, 2008, is amended to read:

13 72-1001 The Nebraska Capital Construction Fund is  
14 created. The fund shall consist of revenue and transfers credited  
15 to the fund as authorized by law. Money shall be appropriated  
16 from the fund to state agencies for making payments on projects  
17 as determined by the Legislature, including, but not limited to,  
18 purchases of land, structural improvements to land, acquisition  
19 of buildings, construction of buildings, including architectural  
20 and engineering costs, replacement of or major repairs to  
21 structural improvements to land or buildings, additions to existing  
22 structures, remodeling of buildings, and acquisition of equipment  
23 and furnishings of new or remodeled buildings. The fund shall  
24 be administered by the State Treasurer as a multiple-agency-use  
25 fund and appropriated to state agencies as determined by the



1 Legislature. Any money in the fund available for investment  
2 shall be invested by the state investment officer pursuant to  
3 the Nebraska Capital Expansion Act and the Nebraska State Funds  
4 Investment Act.

5 The State Treasurer shall transfer four million five  
6 hundred seventy-four thousand four hundred sixty-six dollars from  
7 the Nebraska Capital Construction Fund to the General Fund on  
8 or before June 30, 2010, on such date as directed by the  
9 budget administrator of the budget division of the Department  
10 of Administrative Services.

11 Sec. 4. Section 77-3,111, Reissue Revised Statutes of  
12 Nebraska, is amended to read:

13 77-3,111 There is hereby created a fund to be known  
14 as the Miscellaneous Services Revolving Fund to which shall  
15 be credited all money received by the Department of Revenue  
16 for services performed and billed to other agencies or persons.  
17 All reimbursements to the department for such services shall be  
18 credited to the fund and expenditures therefrom shall be made only  
19 when such funds are available. The Department of Revenue shall only  
20 bill for the actual amount expended in performing such services.

21 Any money in the fund shall be administered by the  
22 Department of Revenue, and any money in the fund available for  
23 investment shall be invested by the state investment officer  
24 pursuant to the Nebraska Capital Expansion Act and the Nebraska  
25 State Funds Investment Act.

1           The entire amount in the Miscellaneous Services Revolving  
2 Fund shall lapse to the General Fund on December 15, 2009.

3           Sec. 5. The State Treasurer shall transfer \$214,008 from  
4 the Agricultural Alcohol Fuel Tax Fund to the Ethanol Production  
5 Incentive Cash Fund on or before June 30, 2010, on such date as  
6 directed by the budget administrator of the budget division of the  
7 Department of Administrative Services, pursuant to section 66-1334.

8           Sec. 6. The State Treasurer shall transfer \$28,016 from  
9 the Agricultural Alcohol Fuel Tax Fund to the Ethanol Production  
10 Incentive Cash Fund on or before June 30, 2011, on such date as  
11 directed by the budget administrator of the budget division of the  
12 Department of Administrative Services, pursuant to section 66-1334.

13           Sec. 7. Section 84-612, Revised Statutes Supplement,  
14 2009, is amended to read:

15           84-612 (1) There is hereby created within the state  
16 treasury a fund known as the Cash Reserve Fund which shall be under  
17 the direction of the State Treasurer. The fund shall only be used  
18 pursuant to this section.

19           (2) The State Treasurer shall transfer funds from the  
20 Cash Reserve Fund to the General Fund upon certification by the  
21 Director of Administrative Services that the current cash balance  
22 in the General Fund is inadequate to meet current obligations. Such  
23 certification shall include the dollar amount to be transferred.  
24 Any transfers made pursuant to this subsection shall be reversed  
25 upon notification by the Director of Administrative Services that

1 sufficient funds are available.

2 (3) The State Treasurer, at the direction of the  
3 budget administrator of the budget division of the Department  
4 of Administrative Services, shall transfer such amounts not to  
5 exceed seven million seven hundred fifty-three thousand two hundred  
6 sixty-three dollars in total from the Cash Reserve Fund to the  
7 Nebraska Capital Construction Fund between July 1, 2003, and June  
8 30, 2007.

9 (4) The State Treasurer, at the direction of the budget  
10 administrator, shall transfer an amount equal to the total amount  
11 transferred pursuant to subsection (3) of this section from the  
12 General Fund to the Cash Reserve Fund on or before June 30, 2008.

13 (5) In addition to receiving transfers from other funds,  
14 the Cash Reserve Fund shall receive federal funds received by the  
15 State of Nebraska for undesignated general government purposes,  
16 federal revenue sharing, or general fiscal relief of the state.

17 (6) On June 15, 2009, the State Treasurer shall transfer  
18 four million nine hundred ninety thousand five hundred five dollars  
19 from the Cash Reserve Fund to the General Fund.

20 (7) On or before June 16, 2009, the State Treasurer, at  
21 the direction of the budget administrator, shall transfer fifty  
22 million dollars from the Cash Reserve Fund to the General Fund.

23 (8) The State Treasurer, at the direction of the budget  
24 administrator, shall transfer such amounts, as certified by the  
25 Director of Administrative Services, for employee health insurance

1 claims and expenses, not to exceed twelve million dollars in total  
2 from the Cash Reserve Fund to the State Employees Insurance Fund  
3 between May 1, 2007, and June 30, 2011.

4 (9) On July 9, 2007, the State Treasurer shall transfer  
5 five million dollars from the Cash Reserve Fund to the Job Training  
6 Cash Fund. The State Treasurer shall transfer from the Job Training  
7 Cash Fund to the Cash Reserve Fund such amounts as directed in  
8 section 81-1201.21.

9 (10) On July 7, 2008, the State Treasurer shall transfer  
10 five million dollars from the Cash Reserve Fund to the Job Training  
11 Cash Fund. The State Treasurer shall transfer from the Job Training  
12 Cash Fund to the Cash Reserve Fund such amounts as directed in  
13 section 81-1201.21.

14 (11) On or before June 30, 2009, the State Treasurer  
15 shall transfer nine million five hundred ninety thousand dollars  
16 from the Cash Reserve Fund to the Nebraska Capital Construction  
17 Fund.

18 (12) The State Treasurer, at the direction of the budget  
19 administrator, shall transfer an amount equal to the total amount  
20 transferred pursuant to subsection (8) of this section from the  
21 appropriate health insurance accounts of the State Employees  
22 Insurance Fund in such amounts as certified by the Director of  
23 Administrative Services to the Cash Reserve Fund on or before June  
24 30, 2011.

25 (13) On July 7, 2009, the State Treasurer shall transfer

1 five million dollars from the Cash Reserve Fund to the Roads  
2 Operations Cash Fund. The Department of Roads shall use such  
3 funds to provide the required state match for federal funding made  
4 available to the state through congressional earmarks.

5 ~~(14) On July 7, 2010, the State Treasurer shall transfer~~  
6 ~~five million dollars from the Cash Reserve Fund to the Roads~~  
7 ~~Operations Cash Fund. The Department of Roads shall use such~~  
8 ~~funds to provide the required state match for federal funding made~~  
9 ~~available to the state through congressional earmarks.~~

10 ~~(15) On July 7, 2011, the State Treasurer shall transfer~~  
11 ~~five million dollars from the Cash Reserve Fund to the Roads~~  
12 ~~Operations Cash Fund. The Department of Roads shall use such~~  
13 ~~funds to provide the required state match for federal funding made~~  
14 ~~available to the state through congressional earmarks.~~

15 ~~(16) (14)~~ Within five days after the budget division  
16 of the Department of Administrative Services notifies the State  
17 Treasurer that matching fund requirements under section 82-331 have  
18 been met, the State Treasurer shall transfer one million dollars  
19 from the Cash Reserve Fund to the Nebraska Cultural Preservation  
20 Endowment Fund.

21 ~~(17) (15)~~ On or before June 15, 2010, the State  
22 Treasurer, at the direction of the budget administrator, shall  
23 transfer ~~ninety-five~~ one hundred five million dollars from the Cash  
24 Reserve Fund to the General Fund.

25 ~~(18) (16)~~ On or before June 15, 2011, the State

1 Treasurer, at the direction of the budget administrator, shall  
2 transfer one hundred fifty-one million dollars from the Cash  
3 Reserve Fund to the General Fund.

4 ~~(19)~~ (17) On June 15, 2009, the State Treasurer shall  
5 transfer seven million five hundred thousand dollars from the Cash  
6 Reserve Fund to the Governor's Emergency Cash Fund.

7 ~~(20)~~ (18) On July 7, 2009, the State Treasurer shall  
8 transfer one million dollars from the Cash Reserve Fund to the  
9 State Visitors Promotion Cash Fund. The Department of Economic  
10 Development shall use such funds to provide funding for the  
11 promotion and support of the hosting of a Special Olympics national  
12 event by a city of the primary class.

13 Sec. 8. Original section 77-3,111, Reissue Revised  
14 Statutes of Nebraska, sections 71-5714 and 72-1001, Revised  
15 Statutes Cumulative Supplement, 2008, and sections 9-812 and  
16 84-612, Revised Statutes Supplement, 2009, are repealed.

17 Sec. 9. The following section is outright repealed:  
18 Section 90-505, Revised Statutes Supplement, 2009.

19 Sec. 10. Since an emergency exists, this act takes effect  
20 when passed and approved according to law.