

ONE HUNDRED SECOND LEGISLATURE - FIRST SESSION - 2011
COMMITTEE STATEMENT
LB379

Hearing Date: Monday February 07, 2011
Committee On: Appropriations
Introducer: Speaker Flood
One Liner: Transfer funds from the Cash Reserve Fund

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 9 Senators Conrad, Fulton, Hansen, Harms, Heidemann, Mello, Nelson, Nordquist, Wightman

Nay:

Absent:

Present Not Voting:

Proponents:
Gerry Oligmueller

Representing:
Introducer - Governor's Office

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 379, introduced by the Speaker at the request of the Governor, is part of the Governor's biennial budget recommendations. The bill's primary purpose is to amend Nebraska Revised Statutes section 84-612 to provide for the following new transfers to/from the Cash Reserve Fund:

1. The State Treasurer shall transfer a total of \$130 million from the Cash Reserve Fund to the General Fund on or before June 30, 2012, on such dates and in such amounts as directed by the budget administrator, to support the maintenance of critical state services and mitigate the adverse effects of the forecasted decline in tax receipts.
2. The State Treasurer shall transfer a total of \$130 million from the Cash Reserve Fund to the General Fund on or before June 30, 2013, on such dates and in such amounts as directed by the budget administrator, to support the maintenance of critical state services and mitigate the adverse effects of the forecasted decline in tax receipts.
3. The State Treasurer, at the direction of the budget administrator, shall transfer not to exceed \$12 million dollars in total from the Cash Reserve Fund to the Ethanol Production Incentive Cash (EPIC) Fund, between July 1, 2011 and November 30, 2012, as directed by the budget administrator. The State Treasurer, at the direction of the budget administrator, shall transfer from the EPIC Fund to the Cash Reserve Fund, an amount equal to the total amount transferred to the EPIC Fund prior to November 30, 2012. Such transfers back to the Cash Reserve Fund shall be on or before November 30, 2012 in such amounts as certified by the Tax Commissioner. These temporary transfers to the EPIC Fund will provide the necessary cash flow for the fund to issue credits to ethanol producers without proration of these credits while the fund awaits the receipt of its regular revenue from the current excise tax on the sale of corn and grain sorghum.

The bill also amends section 66-1345 to harmonize provisions related to transfers to the Ethanol Production Incentive Cash Fund.

The bill includes the emergency clause.

Explanation of amendments:

The amendment reflect the Appropriations Committee recommendations, and becomes the bill:

Adds the deletion of obsolete language related to transfers that have been completed in prior years.

Amends the proposed transfer of \$130 million each year to the General Fund to \$128 million each year to the General Fund.

Retains original language regarding EPIC.

Lavon Heidemann, Chairperson