

**ONE HUNDRED EIGHTH LEGISLATURE - FIRST SPECIAL SESSION - 2024**  
**COMMITTEE STATEMENT**  
**LB3**

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**Hearing Date:** Tuesday July 30, 2024  
**Committee On:** Appropriations  
**Introducer:** Clements  
**One Liner:** Provide, change, and eliminate provisions relating to funds and fees

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

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**Vote Results:**

**Aye:** 9 Senators Armendariz, Clements, Dorn, Lippincott, McDonnell,  
Vargas, Wishart, Dover, Erdman

**Nay:**

**Absent:**

**Present Not Voting:**

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**Testimony:**

**Proponents:**

Lee Will  
Doug Hobein

**Representing:**

Opening Presenter  
State Fire Marshal

**Opponents:**

Corey Steel  
Kelly Brunkhorst  
Tyler Kohtz  
Jill Schroeder  
Jerry Stillmock  
Christopher A Grams

**Representing:**

Judicial Branch  
Nebraska Corn Board  
Nebraska Real Property Appraiser Board  
Nebraska Workers Compensation Court  
Nebraska State Volunteer Firefighter Association  
Nebraska Corn Growers Association, Nebraska  
Cattleman, Nebraska Farm Bureau, Nebraska Pork  
Producers Association, Nebraska Sorghum  
Producers Association, Nebraska Soybean  
Association, Nebraska State Dairy Association,  
Nebraska Wheat Growers Association, Renewable  
Fuels Nebraska  
Nebraska Telecommunications Association  
Self  
League of Nebraskan Municipalities  
Nebraska Association of Service Providers  
OpenSky Policy Institute  
Nebraska Association of County Officials  
Self

Tip O'Neill  
Rachel Gibson  
Lash Chaffin  
Alana Schriver  
Joey Adler Ruane  
Elaine Menzel  
Cindy Maxwell-Ostdiek

**Neutral:**

**Representing:**



\* ADA Accommodation Written Testimony

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**Summary of purpose and/or changes:**

LB 3, introduced by Senator Clements at the request of the Governor, amends fund transfers, permitted uses of funds, fees and the process for setting fees, and credit of investment earnings from cash and revolving funds, subject to certain exceptions. The bill also creates a new cash fund.

Section 1 transfers \$6.5 million from the Health and Human Services Cash Fund to the General Fund in FY2024-25.

Section 2 transfers \$15 million from the Water Recreation Enhancement Fund to the State Park Cash Revolving Fund in FY2024-25.

Section 3 creates the Agrability Cash Fund, administered by the Department of Agriculture for programs for individuals with disabilities to continue in their agricultural profession.

Section 4 amends fees under the Plant Protection and Plant Pest Act. The section sets the rate of fees and allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 5 amends fees under the Nebraska Potato Development Act. The section eliminates the cap on fees and allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 6 amends fees under the Pesticide Act for registered pesticides. The section allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 7 amends fees under the Pesticide Act for distributing pesticides. The section allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 8 amends fees under the Pesticide Act for commercial applicators. The section allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 9 amends fees under the Pesticide Act for aerial pesticide licensees. The section allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 10 amends fees for tractor sellers credited to the Tractor Permit Cash Fund. The section allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering section 2-2701 to 2-2711.

Section 11 amends fees under the Nebraska Poultry and Egg Resources Act for commercial eggs sold. The section eliminates the cap on the fee and allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 12 authorizes an annual transfer of \$300,000 from the Nebraska Corn Development, Utilization, and Marketing Fund to the Agrability Cash Fund.

Section 13 amends fees under the Nebraska Milk Act. The section sets fees and allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 14 amends fees under the Agricultural Liming Materials Act. The section sets fees, eliminates caps on fees, and allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 15 clarifies investment earnings to the Aeronautics Cash Fund will be credited to the fund.



Section 16 clarifies investment earnings to the Securities Act Cash Fund will be credited to the fund and transfers \$36 million in FY26, \$32 million in FY27, \$32 million in FY28, and \$32 million in FY29 from the fund to the General Fund.

Section 17 clarifies investment earnings to the County Employees Defined Contribution Retirement Expense Fund will be credited to the fund.

Section 18 clarifies investment earnings to the County Employers Retirement Expense Fund will be credited to the fund.

Section 19 amends fees for a distributor, jobber, or retailer of fireworks. The section eliminates statutory fees and allows the State Fire Marshal set fees.

Section 20 amends fees for fire alarm inspectors. The section eliminates statutory fees and allows the State Fire Marshal set fees.

Section 21 clarifies investment earnings to the State Game Fund will be credited to the fund.

Section 22 clarifies investment earnings to the Game Law Investigation Cash Fund will be credited to the fund.

Section 23 clarifies investment earnings to the Nebraska Aquatic Habitat Fund and the Nebraska Habitat Fund will be credited to the fund.

Section 24 clarifies investment earnings to the Wildlife Conservation Fund will be credited to the fund.

Section 25 amends the Water Recreation Enhancement Fund to clarify investment earnings will not be credited to the fund and to eliminate a transfer to the Jobs and Economic Development Initiative Fund.

Section 26 amends the Court Appointed Special Advocate Fund to clarify investment earnings will not be credited to the fund.

Section 27 clarifies investment earnings to the Department of Insurance Cash Fund will be credited to the fund and transfers \$14 million in FY26, \$11 million in FY27, \$11 million in FY28, and \$11 million in FY29 from the fund to the General Fund.

Section 28 amends the Surface Water Irrigation Infrastructure Fund to clarify investment earnings will not be credited to the fund.

Section 29 amends fees under the Commercial Dog and Cap Operator Inspection Act. The section allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 30 amends fees under the Commercial Feed Act. The section sets fees and allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 31 amends fees under the Livestock Auction Market Act. The section allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 32 amends fees under the Nebraska Livestock Dealer Licensing Act. The section allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 33 amends fees under the Nebraska Meat and Poultry Inspection Law. The section allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 34 amends fees under the Domesticated Cervine Animal Act. The section sets fees and allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 35 amends permitted uses of the Water Resources Cash Fund to allow the fund to be expended in any area that has adopted an integrated management plan for certain actions, including development and implementation of a plan and the purposes of the Resilient Soils and Water Quality Act.

Section 36 amends the Water Sustainability Fund to clarify investment earnings will not be credited to the fund.

Section 37 amends the Petroleum Release Remedial Action Cash Fund to clarify investment earnings will not be credited to the fund.

Section 38 amends the ICF/DD Reimbursement Protection Fund to clarify investment earnings will not be credited to



the fund.

Section 39 amends the Drinking Water Administration Fund to clarify investment earnings will not be credited to the fund.

Section 40 amends provisions related to state investment of funds to provide that interest, premium, and other income received from investments will be credited to the General Fund for all cash funds and revolving funds, except as provided by law.

Section 41 clarifies investment earnings to the Tobacco Products Administration Cash Fund will be credited to the fund and transfers \$9 million in FY26, \$9 million in FY27, \$9 million in FY28, and \$9 million in FY29 from the fund to the General Fund.

Section 42 clarifies investment earnings to the Property Tax Credit Cash Fund will be credited to the fund.

Section 43 clarifies investment earnings to the Expense Fund will be credited to the fund.

Section 44 clarifies investment earnings to the Class V School Expense Fund and the Class V School Employees Retirement Fund will be credited to the fund.

Section 45 clarifies investment earnings to the Education Future Fund will be credited to the fund.

Section 46 clarifies investment earnings to the Department of Veterans' Affairs Cash Fund will be credited to the fund.

Section 47 amends fees under the Nebraska Seed Law. The section allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 48 amends fees under the Nebraska Commercial Fertilizer and Soil Conditioner Act for inspection fees. The section sets fees and allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 49 amends fees under the Nebraska Commercial Fertilizer and Soil Conditioner Act for distributor fees. The section allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 50 amends fees under the Nebraska Apiary Act. The section allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 51 amends fees under the Pure Food Act for food establishments, vending machine operators, food processing plants, and salvage operators. The section sets fees and allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 52 eliminates a penalty for late submission of plans to the State Fire Marshal.

Section 53 eliminates statutory caps on certain fees assessed by the State Fire Marshal, including fees for inspection of property, providing investigation reports, and reviewing plans to determine compliance, and allows the State Fire Marshal to set fees.

Section 54 eliminates statutory caps on fees for natural gas meters and allows the State Fire Marshal to set fees.

Section 55 eliminates statutory reference to specific fees for private fire departments and industrial fire brigades.

Section 56 eliminates caps on fees for water-based fire protection system contractors, and allows the State Fire Marshal to set fees.

Section 57 eliminates requirements to set fees by rule and regulation for the Boiler Inspection Act.

Section 58 and 59 eliminate requirements to set fees by rule and regulation for the Nebraska Amusement Ride Act.

Section 60 eliminates public hearing requirements for fee schedules under the Conveyance Safety Act.

Section 61 amends responsibilities of the information management services administrator to provide for a system of charges for services rendered by the information management services division or the Nebraska Information Technology Commission and amends the permitted uses of the Information Management Revolving Fund to allow for expenses for the operation of the Nebraska Information Technology Commission.

Section 62 amends the Youth Outdoor Education Innovation Fund to clarify investment earnings will not be credited to the fund.

Section 63 amends the Rural Workforce Housing Investment Fund to clarify investment earnings will not be credited



to the fund.

Section 64 amends the Middle Income Workforce Housing Investment Fund to clarify investment earnings will not be credited to the fund.

Section 65 amends the Construction Administration Fund to clarify investment earnings will not be credited to the fund.

Section 66 clarifies investment earnings to the Nebraska Environmental Endowment Fund will be credited to the fund.

Section 67 clarifies investment earnings to the Victim's Compensation Fund will be credited to the fund.

Section 68 amends provisions related to the Cash Reserve Fund to transfer \$25 million in FY25 and \$10 million in FY26 from the fund to the Governor's Emergency Cash Fund and to transfer \$200 million in FY27 from the fund to the General Fund.

Section 69 clarifies investment earnings to the State Employees Defined Contribution Retirement Expense Fund and the State Employees Cash Balance Retirement Expense Fund will be credited to the fund.

Section 70 clarifies investment earnings to the State Employer Retirement Expense Fund will be credited to the fund.

Section 71 clarifies investment earnings to the Deferred Compensation Expense Fund will be credited to the fund.

Section 72 amends the Tuition Recovery Cash Fund to clarify investment earnings will not be credited to the fund.

Section 73 clarifies investment earnings to the Nebraska Opportunity Grant Fund will be credited to the fund.

Section 74 clarifies investment earnings to the Excellence in Teaching Fund will be credited to the fund.

Section 75 clarifies investment earnings to the Door to College Scholarship Fund will be credited to the fund.

Section 76 amends the Universal Services Fund to clarify investment earnings remaining after the transfer to the 211 Cash Fund, will not be credited to the fund.

Section 77 amends fees under the Weights and Measures Act for scales, length measure devices, and pumps. The section sets fees and allows the director increase or decrease fees annually based on the annual percent change in the Consumer Price Index or as required to pay reasonable direct and indirect costs of administering the act.

Section 78 amends the Municipal Inland Port Authority Fund to clarify investment earnings will not be credited to the fund.

Section 79 amends the Municipality Infrastructure Aid Fund to clarify investment earnings will not be credited to the fund.

Section 80 amends the Computer Science and Technology Education Fund to clarify investment earnings will not be credited to the fund.

The act contains the emergency clause.

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### **Explanation of amendments:**

The amendment, AM41, becomes the bill. The amendment contains the Appropriations Committee's adjustments fund transfers, permitted uses of funds, and crediting of investment earnings for funds.

The bill contains transfers to the General Fund from the Health and Human Services Cash Fund, the Securities Act Cash Fund, the Department of Insurance Cash Fund, and the Tobacco Products Administration Cash Fund. The bill transfers funds from the Cash Reserve Fund to the Governor's Emergency Program Fund and includes intent to transfer funds to the General Fund in FY2026-27.

As amended, the bill does not amend any fees related to programs administered by the Department of Agriculture and State Fire Marshal.

As amended, the bill does not include a provision crediting all cash and revolving fund investment earnings to the General Fund, subject to certain exceptions. Rather, AM41 amends certain cash and revolving funds to include language that the investment earnings will be credited to the General Fund beginning October 1, 2024.

Section 1 transfers \$6.5 million from the Health and Human Services Cash Fund to the General Fund in FY2024-25.

Section 2 adds that beginning October 1, 2024, investment earnings to the Financial Institution Assessment Cash Fund shall be credited to the General Fund.

Section 3 transfers \$36 million in FY26, \$32 million in FY27, \$32 million in FY28, and \$32 million in FY29 from the Securities Act Cash Fund to the General Fund.

Section 4 adds that beginning October 1, 2024, investment earnings to the Racing and Gaming Commission's



Racetrack Gaming Fund shall be credited to the General Fund.

Section 5 adds that beginning October 1, 2024, investment earnings to the Civic and Community Center Financing Fund shall be credited to the General Fund.

Section 6 adds that beginning October 1, 2024, investment earnings to the Game and Parks Commission Capital Maintenance Fund shall be credited to the General Fund.

Section 7 adds that beginning October 1, 2024, investment earnings to the Game and Parks Commission Improvement and Maintenance Fund shall be credited to the General Fund.

Section 8 adds that beginning October 1, 2024, investment earnings to the State Park Cash Revolving Fund shall be credited to the General Fund.

Section 9 adds that beginning October 1, 2024, investment earnings to the Trail Development and Maintenance Fund shall be credited to the General Fund.

Section 10 adds that beginning October 1, 2024, investment earnings to the Water Recreation Enhancement Fund shall be credited to the General Fund.

Section 11 adds that beginning October 1, 2024, investment earnings to the Professional and Occupational Credentialing Cash Fund shall be credited to the General Fund.

Section 12 adds that beginning October 1, 2024, investment earnings to the State Recreation Road Fund shall be credited to the General Fund.

Section 13 transfers \$14 million in FY26, \$11 million in FY27, \$11 million in FY28, and \$11 million in FY29 from the Department of Insurance Cash Fund to the General Fund.

Section 14 adds that beginning October 1, 2024, investment earnings to the Workers' Compensation Claims Revolving Fund shall be credited to the General Fund.

Section 15 adds that beginning October 1, 2024, investment earnings to the Employment Security Special Contingent Fund shall be credited to the General Fund.

Section 16 adds that beginning October 1, 2024, investment earnings to the Military Installation Development and Support Fund shall be credited to the General Fund.

Section 17 adds that beginning October 1, 2024, investment earnings to the State Settlement Cash Fund shall be credited to the General Fund.

Section 18 adds that beginning October 1, 2024, investment earnings to the Motor Carrier Services System Replacement and Maintenance Fund shall be credited to the General Fund.

Section 19 adds that beginning October 1, 2024, investment earnings to the Vehicle Title and Registration System Replacement and Maintenance Cash Fund shall be credited to the General Fund.

Section 20 adds that beginning October 1, 2024, investment earnings to the Operator's License Services System Replacement and Maintenance Fund shall be credited to the General Fund.

Section 21 adds that beginning October 1, 2024, investment earnings to the Department of Motor Vehicles Cash Fund shall be credited to the General Fund.

Section 22 amends permitted uses of the Water Resources Cash Fund to allow the fund to be expended in any area that has adopted an integrated management plan for certain actions, including development and implementation of a plan and the purposes of the Resilient Soils and Water Quality Act.

Section 23 adds that beginning October 1, 2024, investment earnings to the Water Sustainability Fund shall be credited to the General Fund.

Section 24 adds that beginning October 1, 2024, investment earnings to the Jobs and Economic Development Cash Fund shall be credited to the General Fund.

Section 25 adds that beginning October 1, 2024, investment earnings to the Medicaid Managed Care Excess Profit Fund shall be credited to the General Fund.

Section 26 adds that beginning October 1, 2024, investment earnings to Board of Educational Lands and Funds Administration Cash Fund shall be credited to the General Fund.

Section 27 adds that beginning October 1, 2024, investment earnings to the Grade Crossing Protection Fund shall be credited to the General Fund.

Section 28 transfers \$9 million in FY26, \$9 million in FY27, \$9 million in FY28, and \$9 million in FY29 from the



Tobacco Products Administration Cash Fund to the General Fund.

Section 29 adds that beginning October 1, 2024, investment earnings to the Department of Revenue Enforcement Fund shall be credited to the General Fund.

Section 30 adds that beginning October 1, 2024, investment earnings to the School Safety and Security Fund shall be credited to the General Fund.

Section 31 adds that beginning October 1, 2024, investment earnings to the Building Renewal Allocation Fund shall be credited to the General Fund.

Section 32 adds that beginning October 1, 2024, investment earnings to the Governor's Emergency Cash Fund shall be credited to the General Fund.

Section 33 adds that beginning October 1, 2024, investment earnings to the State Insurance Fund shall be credited to the General Fund.

Section 34 adds that beginning October 1, 2024, investment earnings to the Transportation Services Bureau Revolving Fund shall be credited to the General Fund.

Section 35 adds that beginning October 1, 2024, investment earnings to the State Building Revolving Fund shall be credited to the General Fund.

Section 36 adds that beginning October 1, 2024, investment earnings to the Accounting Division Revolving Fund shall be credited to the General Fund.

Section 37 adds that beginning October 1, 2024, investment earnings to the Information Management Revolving Fund shall be credited to the General Fund. This section also amends responsibilities of the information management services administrator to provide for a system of charges for services rendered by the information management services division or the Nebraska Information Technology Commission and amends the permitted uses of the Information Management Revolving Fund to allow for expenses for the operation of the Nebraska Information Technology Commission.

Section 38 adds that beginning October 1, 2024, investment earnings to the Communications Revolving Fund shall be credited to the General Fund.

Section 39 adds that beginning October 1, 2024, investment earnings to the Nebraska Rural Projects Fund shall be credited to the General Fund.

Section 40 adds that beginning October 1, 2024, investment earnings to the Shovel-Ready Capital Recovery and Investment Fund shall be credited to the General Fund.

Section 41 adds that beginning October 1, 2024, investment earnings to the Nebraska Litter Reduction and Recycling Fund shall be credited to the General Fund.

Section 42 adds that beginning October 1, 2024, investment earnings to the Nebraska Environmental Trust Fund shall be credited to the General Fund.

Section 43 adds that beginning October 1, 2024, investment earnings to the HCBS Enhanced FMAP Fund shall be credited to the General Fund.

Section 44 adds that beginning October 1, 2024, investment earnings to the State Visitors Promotion Cash Fund shall be credited to the General Fund.

Section 45 adds that beginning October 1, 2024, investment earnings to the Correctional Industries Revolving Fund shall be credited to the General Fund.

Section 46 adds that beginning October 1, 2024, investment earnings to the Department of Correctional Services Facility Cash Fund shall be credited to the General Fund.

Section 47 transfers \$25 million in FY24-25 and \$10 million in FY25-26 from the Cash Reserve Fund to the Governor's Emergency Cash Fund. The section also includes intent to transfer \$200 million from the Cash Reserve Fund to the General Fund in FY26-27, provided that, after accounting for the transfers in this section, the balance of the Cash Reserve Fund on July 1, 2026, is not below sixteen percent of the amount appropriated, excluding encumbered and certified reappropriations, from the General Fund for fiscal year 2026-27.

Section 48 adds that beginning October 1, 2024, investment earnings to the Records Management Cash Fund shall be credited to the General Fund.

Section 49 adds that beginning October 1, 2024, investment earnings to the Community College Gap Assistance



Program Fund shall be credited to the General Fund.

Section 50 adds that beginning October 1, 2024, investment earnings to the Universal Services Fund, after accounting for any transfer to the 211 Cash Fund of investment earnings, shall be credited to the General Fund.

Section 51 repeals the original sections.

Section 52 is the emergency clause.

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Robert Clements, Chairperson

