

LEGISLATIVE BILL 11

Approved by the Governor October 5, 1992

Introduced by Appropriations Committee: Moore, 24,
Chairperson; Ashford, 6;
Bernard-Stevens, 42; Hillman, 48;
L. Johnson, 15; Robinson, 16

AN ACT relating to cigarette tax; to amend section 77-2602, Revised Statutes Supplement, 1992; to change the amount of proceeds distributed to the Municipal Infrastructure Redevelopment Fund; to harmonize provisions; to provide an operative date; and to repeal the original section.

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

Section 1. That section 77-2602, Revised Statutes Supplement, 1992, be amended to read as follows:

77-2602. (1) Every person engaged in distributing or selling cigarettes at wholesale in this state shall pay to the Tax Commissioner of this state a special privilege tax. This shall be in addition to all other taxes. It shall be paid prior to or at the time of the sale, gift, or delivery to the retail dealer in the several amounts as follows: On each package of cigarettes containing not more than twenty cigarettes, twenty-seven cents per package; and on packages containing more than twenty cigarettes, the same tax as provided on packages containing not more than twenty cigarettes for the first twenty cigarettes in each package and a tax of one-twentieth of the tax on the first twenty cigarettes on each cigarette in excess of twenty cigarettes in each package. Commencing July 1, 1993, and continuing until July 1, 1994, the State Treasurer shall place the equivalent of sixteen cents of such tax less three million seven hundred fifty thousand dollars in the General Fund. Commencing July 1, 1989 1994, and continuing until July 1, 2009, the State Treasurer shall place the equivalent of sixteen cents of such tax less ~~four million five hundred thousand~~ three million dollars each fiscal year of proceeds of such tax in the General Fund. Commencing July 1, 2009, the State Treasurer shall place the equivalent of sixteen cents of such tax in the General Fund. For purposes of this section, the equivalent of a specified number of cents

of the tax shall mean that portion of the proceeds of the tax equal to the specified number divided by twenty-seven. The State Treasurer shall distribute the remaining proceeds of such tax in the following order:

(a) First, beginning July 1, 1980, the State Treasurer shall place the equivalent of one cent of such tax in the Nebraska Outdoor Recreation Development Cash Fund;

(b) Second, beginning July 1, 1983, the State Treasurer shall place the equivalent of one cent of such tax in the Department of Health Cash Fund to carry out sections 81-637 to 81-640;

(c) Third, the State Treasurer shall place in the University Buildings Renovation and Land Acquisition Fund the sum of one million seven hundred sixty-five thousand one hundred fifty-three dollars and in the State College Buildings Renovation and Land Acquisition Fund the sum of three hundred sixty-one thousand two hundred twenty-two dollars each year for fiscal year 1984-85 through fiscal year 1993-94. Such amounts are hereby appropriated and the unexpended balances existing in such funds at the end of each fiscal year or biennium through June 30, 1994, are hereby reappropriated. The money in such funds shall be used for payment of the costs of building repair, remodeling, and renovation projects and equipment and land acquisition projects of the University of Nebraska and the Nebraska state colleges authorized by sections 85-1,111, 85-1,112, 85-322, and 85-323;

(d) Fourth, beginning July 1, 1986, the State Treasurer shall place the equivalent of four cents of such tax, but in any event not less than four million four hundred fourteen thousand dollars, in the University Facilities Construction Fund each fiscal year to carry out section 85-1,113. The Legislature shall appropriate the sum of four million four hundred fourteen thousand dollars each year for fiscal year 1986-87 either through fiscal year 1995-96 or until all financial obligations incurred in the contracts entered into by the Board of Regents pursuant to section 85-1,114 are discharged, whichever occurs first. The State Treasurer shall transfer the unexpended balance existing in the University Facilities Construction Fund on June 15 of each year to the General Fund, except that of the balance existing on June 15, 1991, the State Treasurer shall transfer an amount not to exceed four hundred seventy-five thousand dollars to the University of Nebraska Eppley Science Hall Construction Fund to be used as partial funding for the University of Nebraska

Eppley Science Hall construction project, with any remaining balance being transferred to the General Fund;

(e) Fifth, beginning July 1, 1988, the State Treasurer shall place the equivalent of one-half cent of such tax, but in any event not less than six hundred ninety-five thousand one hundred seventy-eight dollars, in the University Facility Improvement Fund and shall place the equivalent of one and one-half cents of such tax, but in any event not less than one million eight hundred fifty-seven thousand two hundred thirteen dollars, in the State College Facilities Improvement Fund for each fiscal year to carry out sections 85-1,116, 85-1,117, 85-324, and 85-325. The Legislature shall appropriate the sum of six hundred ninety-five thousand one hundred seventy-eight dollars each year for fiscal year 1988-89 through fiscal year 1997-98 or until all financial obligations incurred in the contracts entered into by the Board of Regents pursuant to section 85-1,117 are discharged, whichever occurs first. The Legislature shall appropriate the sum of one million eight hundred fifty-seven thousand two hundred thirteen dollars each year for fiscal year 1988-89 through fiscal year 1997-98 or until all financial obligations incurred in the contracts entered into by the Board of Trustees of the Nebraska State Colleges pursuant to section 85-325 are discharged, whichever occurs first. The State Treasurer shall transfer the unexpended balance existing in the University Facility Improvement Fund and the State College Facilities Improvement Fund on June 15 of each year to the General Fund;

(f) Sixth, the State Treasurer shall place the difference between the equivalent of eleven cents of such tax and the sum of the amounts distributed pursuant to subdivisions (a) through (e) of this subsection in a special fund to be known as the Nebraska Capital Construction Fund, and disbursements from such fund shall be as the Legislature shall from time to time provide; and

(g) Seventh, beginning July 1, 1993, and continuing until January 1, 1994, the State Treasurer shall place in the Municipal Infrastructure Redevelopment Fund the sum of two million two hundred fifty thousand dollars to carry out the Municipal Infrastructure Redevelopment Fund Act. Beginning January 1, 1994, and continuing until July 1, 1994, the State Treasurer shall place in the fund the sum of one million five hundred thousand dollars to carry out the act. Beginning July 1, 1989 1994, and continuing until July 1, 2009, the State Treasurer shall place in the

Municipal Infrastructure Redevelopment Fund fund the sum of four million five hundred thousand three million dollars each fiscal year to carry out the Municipal Infrastructure Redevelopment Fund Act act. The Legislature shall appropriate the sum of three million seven hundred fifty thousand dollars for fiscal year 1993-94. The Legislature shall appropriate the sum of four million five hundred thousand three million dollars each year for fiscal year 1989-90 1994-95 through fiscal year 2008-09.

(2) The Legislature hereby finds and determines that the projects funded from the University Buildings Renovation and Land Acquisition Fund, the State College Buildings Renovation and Land Acquisition Fund, the University Facilities Construction Fund, the University Facility Improvement Fund, the State College Facilities Improvement Fund, the Municipal Infrastructure Redevelopment Fund, and the University of Nebraska Eppley Science Hall Construction Fund are of critical importance to the State of Nebraska. It is the intent of the Legislature that the allocations and appropriations made by the Legislature to such funds or, in the case of allocations for the Municipal Infrastructure Redevelopment Fund, to the particular municipality's account not be reduced until all contracts and securities relating to the construction and financing of the projects or portions of the projects funded from such funds or accounts of such funds are completed or paid or, in the case of the Municipal Infrastructure Redevelopment Fund, the earlier of such date or July 1, 2009, and that until such time any reductions in the cigarette tax rate made by the Legislature shall be simultaneously accompanied by equivalent reductions in the amount dedicated to the General Fund from cigarette tax revenue. Any provision made by the Legislature for distribution of the proceeds of the cigarette tax for projects or programs other than those to (a) the General Fund, (b) the Nebraska Outdoor Recreation Development Cash Fund, (c) the Department of Health Cash Fund, (d) the University Buildings Renovation and Land Acquisition Fund and the State College Buildings Renovation and Land Acquisition Fund, (e) the University Facilities Construction Fund, (f) the University Facility Improvement Fund and the State College Facilities Improvement Fund, (g) the Municipal Infrastructure Redevelopment Fund, and (h) the University of Nebraska Eppley Science Hall Construction Fund shall not be made a higher priority than or an equal priority to any of the programs or projects

specified in subdivisions (a) through (h) of this subsection.

Sec. 2. This act shall become operative on July 1, 1993.

Sec. 3. That original section 77-2602, Revised Statutes Supplement, 1992, is repealed.