

## LEGISLATIVE BILL 638

Approved by the Governor May 01, 2019

Introduced by Stinner, 48.

A BILL FOR AN ACT relating to the Cash Reserve Fund; to amend section 77-4602, Reissue Revised Statutes of Nebraska; to change provisions relating to the transfer of excess General Fund net receipts to the Cash Reserve Fund; to provide a qualified limit for such transfers; to provide an operative date; and to repeal the original section.

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

Section 1. Section 77-4602, Reissue Revised Statutes of Nebraska, is amended to read:

77-4602 (1) Within fifteen days after the end of each month, the Tax Commissioner shall provide a public statement of actual General Fund net receipts and a comparison of such actual net receipts to the monthly estimate certified pursuant to section 77-4601.

(2) Within fifteen days after the end of each fiscal year, the public statement shall also include a summary of actual General Fund net receipts and estimated General Fund net receipts for the fiscal year.

(3) Within fifteen days after the end of each fiscal year, the Tax Commissioner shall determine the following:

(a) Actual General Fund net receipts for the most recently completed fiscal year minus estimated General Fund net receipts for such fiscal year; and

(b) Fifty percent of the product of actual General Fund net receipts for the most recently completed fiscal year times the difference between the annual percentage increase in the actual General Fund net receipts for the most recently completed fiscal year and the average annual percentage increase in the actual General Fund net receipts over the twenty previous fiscal years, excluding the year in which the annual percentage change in actual General Fund net receipts is the lowest.

(4) ~~(3)~~ If the number determined under subdivision (3)(a) of this section is a positive number the actual General Fund net receipts for the fiscal year as reported in subsection (2) of this section exceed estimated receipts for the fiscal year, the Tax Commissioner shall immediately certify the greater of the two numbers determined under subsection (3) of this section to the director such excess amount. The State Treasurer shall immediately transfer the certified amount equal to such excess amount from the General Fund to the Cash Reserve Fund upon certification by the director of such excess amount. The transfer shall be made according to the following schedule:

(a) An amount equal to the amount determined under subdivision (3)(a) of this section shall be transferred immediately; and

(b) The remainder, if any, shall be transferred by the end of the subsequent fiscal year.

(5) If the transfer required under subsection (4) of this section causes the balance in the Cash Reserve Fund to exceed sixteen percent of the total budgeted General Fund expenditures for the current fiscal year, such transfer shall be reduced so that the balance of the Cash Reserve Fund does not exceed such amount.

(6) Nothing in this section prohibits the balance in the Cash Reserve Fund from exceeding sixteen percent of the total budgeted General Fund expenditures each fiscal year if the Legislature determines it necessary to prepare for and respond to budgetary requirements which may include, but are not limited to, capital construction projects and responses to emergencies.

Sec. 2. This act becomes operative on July 1, 2020.

Sec. 3. Original section 77-4602, Reissue Revised Statutes of Nebraska, is repealed.