

LEGISLATIVE BILL 1220

Approved by the Governor April 4, 1990,
with line-item vetoes. Figures have
been changed to reflect vetoes not
overridden.

Introduced by Hannibal, 4; Withem, 14; Crosby, 29;
Byars, 30; Schimek, 27; Labedz, 5; Hall, 7;
Haberman, 44; L. Johnson, 15; Weihing, 48;
Peterson, 21; Goodrich, 20; Lindsay, 9;
Beck, 8; Ashford, 6

AN ACT relating to revenue and taxation; to amend sections 77-2602 and 85-122, Revised Statutes Supplement, 1989, and Laws 1989, LB 814, sections 47 and 62; to change provisions for disbursement of a tax as provided; to transfer and appropriate funds; to create a fund and provide for disbursement of money in the fund; to state intent; to harmonize provisions; and to repeal the original sections.

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

Section 1. That section 77-2602, Revised Statutes Supplement, 1989, 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. ~~Until July 1, 1989, the equivalent of sixteen cents of such tax shall be placed in the General Fund.~~ Commencing July 1, 1989, and continuing until July 1, 2009, the equivalent of sixteen cents of such tax less four million five hundred thousand dollars each fiscal year of proceeds of such tax shall be placed in the General Fund. Commencing

July 1, 2009, the equivalent of sixteen cents of such tax shall be placed 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 remaining proceeds of such tax shall be distributed in the following order:

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

(b) Second, beginning July 1, 1983, the equivalent of one cent of such tax shall be placed in the Nebraska Cancer Research Fund to carry out sections 81-637 to 81-640;

(c) Third, there shall be placed 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 equivalent of four cents of such tax, but in any event not less than four million four hundred fourteen thousand dollars, shall be placed 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 unexpended balance existing in the University Facilities Construction Fund on June 15 of each year shall be transferred to the General Fund, except that of the balance existing on June 15, 1991, an amount not to exceed four hundred seventy-five thousand dollars shall be transferred 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 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, shall be placed in the University Facility Improvement Fund and 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 shall be placed 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 unexpended balance existing in the University Facility Improvement Fund and the State College Facilities Improvement Fund on June 15 of each year shall be transferred to the General Fund;

(f) Sixth, 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 shall be placed 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, 1989, and continuing until July 1, 2009, there shall be placed in the Municipal Infrastructure Redevelopment Fund the sum of four million five hundred thousand dollars each fiscal year to carry out the Municipal Infrastructure Redevelopment Fund Act. The Legislature shall appropriate the sum of four million five hundred thousand dollars each year for fiscal year 1989-90 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, ~~and~~ 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 Nebraska Cancer Research 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, ~~and~~ (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 ~~(g)~~ (h) of this subsection.

Sec. 2. That section 85-122, Revised Statutes Supplement, 1989, be amended to read as follows:

85-122. The several funds for the support of the university shall be constituted and designated as follows: (1) The Permanent Endowment Fund; (2) the Temporary University Fund; (3) the University Cash Fund; (4) the United States Morrill Fund; (5) the United States Experiment Station Fund; (6) the University Trust Fund; (7) the United States Agricultural Extension Fund;

(8) the Veterinary School Fund; (9) the University of Nebraska at Omaha Cash Fund; (10) the University of Nebraska at Omaha Trust Fund; (11) the University of Nebraska at Kearney Cash Fund; (12) the University of Nebraska at Kearney Trust Fund; (13) the Agricultural Field Laboratory Fund; (14) the Animal Research and Diagnosis Revolving Fund; (15) the University Buildings Renovation and Land Acquisition Fund; (16) the University Facilities Construction Fund; and (17) the University Facility Improvement Fund; and (18) the University of Nebraska Eppley Science Hall Construction Fund. No portion of the funds designated above derived from taxation shall be disbursed for mileage or other traveling expenses except as authorized by sections 81-1174 to 81-1177. No expenditures shall be made for or on behalf of the School of Veterinary Medicine and Surgery except from money appropriated to the Veterinary School Fund. Any money in the funds designated in this section available for investment shall be invested by the state investment officer pursuant to sections 72-1237 to 72-1276.

Sec. 3. There is hereby created the University of Nebraska Eppley Science Hall Construction Fund. All money accruing to the fund is hereby appropriated to the Board of Regents of the University of Nebraska and shall be used exclusively for the project authorized pursuant to this section. No expenditures shall be made from such fund without prior approval by a resolution of the Board of Regents. Any money in the fund available for investment shall be invested by the state investment officer pursuant to sections 72-1237 to 72-1276.

The Board of Regents may make expenditures from the University of Nebraska Eppley Science Hall Construction Fund for the following project:

University of Nebraska Eppley Science Hall construction project, four hundred seventy-five thousand dollars, excluding federal funds, institutional cash funds, and private donations. The total cost of the project is currently estimated at eight million seven hundred forty thousand dollars, which amount also includes five million dollars of federal funds and two million dollars of private donations. Any unexpended balance existing in the University of Nebraska Eppley Science Hall Construction Fund shall be transferred to the General Fund either on June 15, 1993, or when any financial obligations incurred in the contracts entered into by the Board of Regents for the completion of the University of Nebraska Eppley Science Hall construction

project are discharged, whichever occurs first.

Sec. 4. It is the intent of the Legislature that four hundred seventy-five thousand dollars be appropriated from the University of Nebraska Eppley Science Hall Construction Fund for fiscal year 1991-92, for the University of Nebraska Eppley Science Hall construction project, which project shall include the addition of five floors in the existing Eppley Science Hall to expand research and related activities at the University of Nebraska Medical Center.

Sec. 5. That Laws 1989, LB 814, section 47, be amended to read as follows:

Sec. 47. Program 903. The Legislature acknowledges and reaffirms the appropriations to complete the construction of the University of Nebraska-Lincoln Animal Science Complex and the University of Nebraska at Omaha Lab Science Building under section 85-1,113 pursuant to section 77-2602 which places the equivalent of four cents of the special privilege tax on cigarettes, but in any event not less than \$4,414,000, each fiscal 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 of the University of Nebraska pursuant to section 85-1,114 are discharged, whichever occurs first, in the University Facilities Construction Fund, with the unexpended balance existing in the University Facilities Construction Fund on June 15 of each year being transferred to the General Fund, except that of the balance existing on June 15, 1991, an amount not to exceed \$475,000 shall be transferred 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. There is hereby appropriated \$4,414,000 from the University Facilities Construction Fund for the fiscal year ending June 30, 1990, to the Board of Regents of the University of Nebraska, to aid in carrying out the provisions of sections 85-1,113 and 85-1,114. There is hereby appropriated \$4,414,000 from the University Facilities Construction Fund for the fiscal year ending June 30, 1991, to the Board of Regents of the University of Nebraska, to aid in carrying out the provisions of sections 85-1,113 and 85-1,114. The University of Nebraska shall continue to report the total project cost expenditures for each component of this project on the Grant Project Status Report in the State Accounting System.

Sec. 6. That Laws 1989, LB 814, section 62, be amended to read as follows:

Sec. 62. There is hereby appropriated, unless otherwise specified, for the fiscal year ending June 30, 1990, and for the fiscal year ending June 30, 1991, from undisbursed balances existing on June 30, 1989, and on June 30, 1990, respectively, to each agency for each program from the respective funds for capital construction as listed below, as well as the undisbursed balances of those appropriations made in sections 3, 4, and 17 to 61 of this act, which programs are not listed in this section:

(1) Agency No. 25 -- Department of Public Institutions
Programs 902, 903, 911, 950, 956, and 990.

(2) Agency No. 27 -- Department of Roads
Program 901. The undisbursed June 30, 1989, balance appropriated for the fiscal year ending June 30, 1990, shall be reduced by \$78,812.

(3) Agency No. 33 -- Game and Parks Commission
Programs 901, 919, and 924.

Program 967. Only the undisbursed balances for the following projects shall be appropriated:

Mahoney State Park - general development of new park
Chadron State Park - construction of a modern campground and related facilities

Niobrara State Park - general development of new park
Program 968. Only the undisbursed balances for the following projects shall be appropriated:

Ft. Atkinson - reconstruction of stockade

Ft. Hartsuff - reconstruction materials

Rock Creek Station - reconstruction materials

Program 969. Only the undisbursed balances for the following projects shall be appropriated:

Fremont State Recreation Area - construction of a shower and latrine building with a well, replacement of obsolete campground electrical hookups, and the installation of additional electrical hookups

Enders State Recreation Area - electrical hookups

Schramm State Recreation Area - foot bridges.

Program 971. Only the undisbursed balances for the following projects shall be appropriated:

Meridian Wildlife Management Area - restoration of house, garage, and barns to include a workshop

Oak Glen Wildlife Management Area - dam repair

George Syas Wildlife Management Area - renovation of

building for use as a shop/storage facility
Twin Lakes Wildlife Management Area - island
construction and creation of deep water areas.

Program 972. Only the undisbursed balance for
modification of elevators and front doors in the central
office shall be appropriated.

Program 973. Only the undisbursed
balances for the following projects shall be
appropriated:

Acquisition and development of Missouri River and
statewide river and stream access.

Lake acquisition and development for fishing.

Lake rehabilitation for fisheries enhancement.

Reservoir construction for fisheries enhancement.

Two Rivers State Recreation Area - aeration system

Twin Lakes Wildlife Management Area - boat ramp and
shoreline riprap.

Program 928. The undisbursed balance
existing on June 30, 1989, and on June 30, 1990, plus
any investment income or other receipts credited to the
Niobrara State Park Fund are hereby appropriated.

(4) Agency No. 46 -- Department of
Correctional Services

Programs 906, 909, and 930.

(5) Agency No. 47 -- Nebraska Educational
Telecommunications Commission

Programs 901, 902, and 907.

(6) Agency No. 49 -- Board of Trustees of the
Nebraska State Colleges

Programs 901, 902, 906, 907, and 921.

(7) Agency No. 50 -- Nebraska State Colleges

Programs 902, 904, 909, 910, 911, 931, and

933.

Programs 953, 955, 956, 957, 958, 990,
991, 992, 993, and 994 and any additional construction
programs administratively created relating to energy
grants received from the federal government.

(8) Agency No. 51 -- University of Nebraska

Programs 902, 903, 905, 907, 908, 909,
915, 922, 923, 924, 926, 934, 935, 936, and 937.

Programs 901, 912, 918, 921, 927, 932,
933, 940, 941, 942, 943, 945, 946, 947, 948, 949, 985,
986, 987, 994, and 995 and any additional construction
programs administratively created relating to the
University of Nebraska-Lincoln, the University of
Nebraska at Omaha, and the University of Nebraska
Medical Center which are funded through cash funds,
federal funds, or revolving funds from the operating
budget.

Programs 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 982, 990, 996, 997, and 998 and any additional construction programs administratively created relating to energy grants received from the federal government.

Program 982. The University of Nebraska Eppley Science Hall Construction Fund.

(9) Agency No. 52 -- State Board of Agriculture

Programs 901, 902, and 919.

(10) Agency No. 54 -- Nebraska State Historical Society

Programs 900 and 904.

(11) Agency No. 65 -- Department of Administrative Services

Programs 900, 905, and 940.

Appropriations to program numbers pertaining to funding for the Deferred Building Renewal Act are hereby reappropriated.

(12) Agency No. 72 -- Department of Economic Development

Program 990.

(13) Agency No. 78 -- Nebraska Commission on Law Enforcement and Criminal Justice

Programs 901 and 905.

Sec. 7. That original sections 77-2602 and 85-122, Revised Statutes Supplement, 1989, and Laws 1989, LB 814, sections 47 and 62, are repealed.