

## LEGISLATIVE BILL 22

Approved by the Governor June 8, 1993

Introduced by Warner, 25

AN ACT relating to revenue and taxation; to amend section 77-2602, Revised Statutes Supplement, 1992, as amended by section 1, Legislative Bill 9, Ninety-second Legislature, Third Special Session, 1992, and section 1, Legislative Bill 11, Ninety-second Legislature, Third Special Session, 1992; to increase the cigarette tax; to provide an operative date; to repeal the original section; and to declare an emergency.

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

Section 1. That section 77-2602, Revised Statutes Supplement, 1992, as amended by section 1, Legislative Bill 9, Ninety-second Legislature, Third Special Session, 1992, and section 1, Legislative Bill 11, Ninety-second Legislature, Third Special Session, 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~~ thirty-two 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~~ twenty-one cents of such tax less three million seven hundred fifty thousand dollars in the General Fund. Commencing July 1, 1994, and continuing until July 1, 2009, the State Treasurer shall place the equivalent of ~~sixteen~~ twenty-one cents of such tax less 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~~ twenty-one 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~~ thirty-two. 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, 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;

(e) Fifth, the State Treasurer shall place two million eight hundred six thousand two hundred seventy dollars in the University Facilities Fund and one million two hundred five thousand ninety-eight dollars in the State College Facility Fund each fiscal year for fiscal year 1993-94 through fiscal year 1996-97 to carry out sections 85-1,113 and 85-1,114 and sections 5 and 6 of this act. The Legislature shall appropriate the sum of two million eight hundred six thousand two hundred seventy dollars from the University Facilities Fund to the Board of Regents of the University of Nebraska each year for fiscal year 1993-94 through fiscal year 1996-97 or until all financial obligations incurred in contracts entered into by the board pursuant to section 85-1,114 are

discharged, whichever occurs first. The Legislature shall appropriate the sum of one million two hundred five thousand ninety-eight dollars from the State College Facility Fund to the Board of Trustees of the Nebraska State Colleges each year for fiscal year 1993-94 through fiscal year 1996-97 or until all financial obligations incurred in contracts entered into by the board pursuant to section 6 of this act are discharged, whichever occurs first. The State Treasurer shall transfer any unobligated balance existing in the University Facilities Fund and the State College Facility Fund to the General Fund on June 15 of each year;

(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, 1994, and continuing until July 1, 2009, the State Treasurer shall place in the fund the sum of three million dollars each fiscal year to carry out the 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 three million dollars each year for fiscal year 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 Facility Improvement Fund, the State College Facilities Improvement Fund, the University Facilities Fund, the State College Facility Fund, and the Municipal Infrastructure Redevelopment 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 Facility Improvement Fund and the State College Facilities Improvement Fund, (f) the University Facilities Fund and the State College Facility Fund, and (g) the Municipal Infrastructure Redevelopment 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) 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, as amended by section 1, Legislative Bill 9, Ninety-second Legislature, Third Special Session, 1992, and section 1, Legislative Bill 11, Ninety-second Legislature, Third Special Session, 1992, is repealed.

Sec. 4. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.