

## LEGISLATIVE BILL 1310

Approved by the Governor April 8, 2002

Introduced by Speaker Kristensen, 37; at the request of the Governor

AN ACT relating to funds; to amend sections 43-1906, 48-1,116, 60-1409, 77-4025, and 81-1188, Reissue Revised Statutes of Nebraska, sections 71-5714, 81-179, 81-184, 81-188.01, and 81-188.03 to 81-188.06, Revised Statutes Supplement, 2000, sections 9-1,101, 66-1519, 77-1342, 81-188.02, and 84-612, Revised Statutes Supplement, 2001, and section 9-812, Revised Statutes Supplement, 2001, as amended by section 1, Legislative Bill 3, Ninety-seventh Legislature, First Special Session, 2001; to provide for interfund transfers; to change provisions relating to the use of funds; to harmonize provisions; to repeal the original sections; and to declare an emergency.

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

Section 1. The State Treasurer shall transfer four million dollars from the Bureau of Examining Boards' Cash Fund to the General Fund within fifteen days after July 1, 2002.

Sec. 2. Section 9-1,101, Revised Statutes Supplement, 2001, is amended to read:

9-1,101. (1) The Nebraska Bingo Act, the Nebraska County and City Lottery Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle Card Lottery Act, the Nebraska Small Lottery and Raffle Act, and section 9-701 shall be administered and enforced by the Charitable Gaming Division of the Department of Revenue, which division is hereby created. The Department of Revenue shall make annual reports to the Governor, Legislature, Auditor of Public Accounts, and Attorney General on all tax revenue received, expenses incurred, and other activities relating to the administration and enforcement of such acts.

(2) The Charitable Gaming Operations Fund is hereby created. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(3) (a) Forty percent of the taxes collected pursuant to sections 9-239, 9-344, 9-429, and 9-648 shall be available to the Charitable Gaming Division for administering and enforcing the acts listed in subsection (1) of this section and section 81-8,128. The remaining sixty percent shall be transferred to the General Fund. Any portion of the forty percent not used by the division in the administration and enforcement of such acts and section shall be ~~transferred to the Compulsive Gamblers Assistance Fund and the General Fund distributed~~ as provided in this subsection. ~~Within fifteen days after May 15, 2001, and on~~

~~(b) On or before November 1, 2002, and on November 1 of each year, thereafter, (a)~~ the State Treasurer shall transfer fifty thousand dollars from the Charitable Gaming Operations Fund to the Compulsive Gamblers Assistance Fund, except that no transfer shall occur if the Charitable Gaming Operations Fund contains less than fifty thousand dollars.

~~(c) Any and (b) the State Treasurer shall transfer to the General Fund any money remaining in the Charitable Gaming Operations Fund after the transfer pursuant to subdivision (a) (b) of this subsection not used by the Charitable Gaming Division in its administration and enforcement duties pursuant to this section may be transferred to the General Fund at the direction of the Legislature.~~

(4) The Tax Commissioner shall employ investigators who shall be vested with the authority and power of a law enforcement officer to carry out the laws of this state administered by the Tax Commissioner or the Department of Revenue.

(5) The Charitable Gaming Division may charge a fee for publications and listings it produces. The fee shall not exceed the cost of publication and distribution of such items. The division may also charge a fee for making a copy of any record in its possession equal to the actual cost per page. The division shall remit the fees to the State Treasurer for credit to the Charitable Gaming Operations Fund.

(6) The State Treasurer shall transfer two hundred ninety-two thousand dollars from the Charitable Gaming Operations Fund to the General Fund on or before November 1, 2002.

Sec. 3. Section 9-812, Revised Statutes Supplement, 2001, as amended by section 1, Legislative Bill 3, Ninety-seventh Legislature, First

Special Session, 2001, is amended to read:

9-812. (1) All money received from the operation of lottery games conducted pursuant to the State Lottery Act in Nebraska shall be credited to the State Lottery Operation Trust Fund, which fund is hereby created. All payments of expenses of the operation of the lottery games shall be made from the State Lottery Operation Cash Fund. In accordance with legislative appropriations, money for payments for expenses of the division shall be transferred from the State Lottery Operation Trust Fund to the State Lottery Operation Cash Fund, which fund is hereby created. All money necessary for the payment of lottery prizes shall be transferred from the State Lottery Operation Trust Fund to the State Lottery Prize Trust Fund, which fund is hereby created. The amount used for the payment of lottery prizes shall not be less than forty percent of the dollar amount of the lottery tickets which have been sold. At least twenty-five percent of the dollar amount of the lottery tickets which have been sold on an annualized basis shall be transferred from the State Lottery Operation Trust Fund to the Education Innovation Fund, the Nebraska Environmental Trust Fund, and the Compulsive Gamblers Assistance Fund. Of the money available to be transferred to the Education Innovation Fund, the Nebraska Environmental Trust Fund, and the Compulsive Gamblers Assistance Fund, the first five hundred thousand dollars shall be transferred to the Compulsive Gamblers Assistance Fund to be used as provided in sections 83-162.01 to 83-162.04. Thereafter, forty-nine and one-half percent of the money remaining after the payment of prizes and operating expenses and the initial transfer to the Compulsive Gamblers Assistance Fund shall be transferred to the Education Innovation Fund. Forty-nine and one-half percent of the money remaining after the payment of prizes and operating expenses and the initial transfer to the Compulsive Gamblers Assistance Fund shall be transferred to the Nebraska Environmental Trust Fund to be used as provided in the Nebraska Environmental Trust Act. One percent of the money remaining after the payment of prizes and operating expenses and the initial transfer to the Compulsive Gamblers Assistance Fund shall be transferred to the Compulsive Gamblers Assistance Fund to be used as provided in sections 83-162.01 to 83-162.04.

(2) The Education Innovation Fund is hereby created. At least seventy-five percent of the lottery proceeds allocated to the Education Innovation Fund shall be available for disbursement. For each fiscal year except fiscal years 2001-02 and 2002-03, the Education Innovation Fund shall be allocated in the following manner: Up to ten percent to fund the mentor teacher program pursuant to the Quality Education Accountability Act; up to sixty percent as quality education incentives pursuant to the act; up to twenty percent to the Attracting Excellence to Teaching Program Cash Fund to fund the Attracting Excellence to Teaching Program Act; and up to ten percent of the fund shall be allocated by the Governor. For fiscal years 2001-02 and 2002-03, the Education Innovation Fund shall be allocated in the following manner by the Excellence in Education Council: Up to one million five hundred thousand dollars per fiscal year, as a distance education network completion grant pursuant to section 79-1328; and, after operating expenses for the Excellence in Education Council are deducted, the remainder to the General Fund. The State Treasurer shall transfer one million six hundred thousand dollars from the Education Innovation Fund to the General Fund within fifteen days after July 1, 2002.

Allocations by the Governor shall be through incentive grants to encourage the development of strategic school improvement plans by school districts for accomplishing high performance learning and to encourage schools to establish innovations in programs or practices that result in restructuring of school organization, school management, and instructional programs which bring about improvement in the quality of education. Such incentive grants allocated by the Governor are intended to provide selected school districts, teachers or groups of teachers, nonprofit educational organizations, educational service units, or cooperatives funding for the allowable costs of implementing pilot projects and model programs.

From the funds allocated by the Governor, minigrants shall be available to school districts to support the development of strategic school improvement plans which shall include statements of purposes and goals for the districts. The plans shall also include the specific statements of improvement or strategic initiatives designed to improve quality learning for every student.

In addition to the minigrants granted for the development of strategic school improvement plans, school districts with annual budget expenditures of three hundred fifty thousand dollars or less are eligible for minigrants from the funds allocated by the Governor for the purposes allowed in subdivisions (2)(a) through (q) of this section. The amount of this type

of minigrant shall not exceed five thousand dollars. The school district shall present a curriculum support plan with its application for the grant. The curriculum support plan must show how the district is working to achieve one or more of the allowed purposes and how the grant will be used to directly advance the plan to achieve one or more of these purposes. The plan must be signed by the school administrator and a school board representative. The application for the grant shall be brief. The Excellence in Education Council shall select the recipients of this type of minigrant and shall administer such minigrants.

From the funds allocated by the Governor, major competitive grants shall be available to support innovative programs which are directly related to the strategic school improvement plans. The development of a strategic school improvement plan by a school district shall be required before a grant is awarded. Annual reports shall be made by program recipients documenting the effectiveness of the program in improving the quality of education as designed in the strategic school improvement plans. Special consideration shall be given to plans which contain public or private matching funds and cooperative agreements, including agreements for in-kind services. Purposes for which such major competitive grants would be offered shall include:

(a) Professional staff development programs to provide funds for teacher and administrator training and continuing education to upgrade teaching and administrative skills;

(b) The development of strategic school improvement plans by school districts;

(c) Educational technology assistance to public schools for the purchase and operation of computers, telecommunications equipment and services, and other forms of technological innovation which may enhance classroom teaching, instructional management, and districtwide administration. Telecommunications equipment, services, and forms of technical innovation shall be approved only after review by the technical panel created in section 86-1511;

(d) An educational accountability program to develop an educational indicators system to measure the performance and outcomes of public schools and to ensure efficiency in operations;

(e) Alternative programs for students, including underrepresented groups, at-risk students, and dropouts;

(f) Programs that demonstrate improvement of student performance against valid national and international achievement standards;

(g) Early childhood and parent education which emphasizes child development;

(h) Programs using decisionmaking models that increase involvement of parents, teachers, and students in school management;

(i) Increased involvement of the community in order to achieve increased confidence in and satisfaction with its schools;

(j) Development of magnet or model programs designed to facilitate desegregation;

(k) Programs that address family and social issues impairing the learning productivity of students;

(l) Programs enhancing critical and higher-order thinking capabilities;

(m) Programs which produce the quality of education necessary to guarantee a competitive work force;

(n) Programs designed to increase productivity of staff and students through innovative use of time;

(o) Training programs designed to benefit teachers at all levels of education by increasing their ability to work with educational technology in the classroom;

(p) Approved accelerated or differentiated curriculum programs under sections 79-1106 to 79-1108.03; and

(q) Programs for children from birth to age twenty-one years with disabilities receiving special education under the Special Education Act and children from birth to age twenty-one years needing support services as defined in section 79-1125.01, which programs demonstrate improved outcomes for children from birth to age twenty-one years through emphasis on prevention and collaborative planning.

The Governor shall establish the Excellence in Education Council. The Governor shall appoint eleven members to the council including representatives of educational organizations, postsecondary educational institutions, the business community, and the general public, members of school boards and parent education associations, school administrators, and at least four teachers who are engaged in classroom teaching. The State Department of Education shall provide staff support for the council to

administer the Education Innovation Fund, including the Quality Education Accountability Act. The council shall have the following powers and duties:

(i) In consultation with the department, develop and publish criteria for the awarding of incentive grants allocated by the Governor for programs pursuant to this subsection, including minigrants;

(ii) Provide recommendations to the Governor regarding the selection of projects to be funded and the distribution and duration of project funding;

(iii) Establish standards, formats, procedures, and timelines for the successful implementation of approved programs funded by incentive grants allocated by the Governor from the Education Innovation Fund;

(iv) Assist school districts in determining the effectiveness of the innovations in programs and practices and measure the subsequent degree of improvement in the quality of education;

(v) Consider the reasonable distribution of funds across the state and all classes of school districts;

(vi) Carry out its duties pursuant to the Quality Education Accountability Act; and

(vii) Provide annual reports to the Governor concerning programs funded by the fund. Each report shall include the number of applicants and approved applicants, an overview of the various programs, objectives, and anticipated outcomes, and detailed reports of the cost of each program.

To assist the council in carrying out its duties, the State Board of Education shall, in consultation with the council, adopt and promulgate rules and regulations establishing criteria, standards, and procedures regarding the selection and administration of programs funded from the Education Innovation Fund, including the Quality Education Accountability Act.

(3) Recipients of incentive grants allocated by the Governor from the Education Innovation Fund shall be required to provide, upon request, such data relating to the funded programs and initiatives as the Governor deems necessary.

(4) Any money in the State Lottery Operation Trust Fund, the State Lottery Operation Cash Fund, the State Lottery Prize Trust Fund, or the Education Innovation Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(5) Unclaimed prize money on a winning lottery ticket shall be retained for a period of time prescribed by rules and regulations. If no claim is made within such period, the prize money shall be used at the discretion of the Tax Commissioner for any of the purposes prescribed in this section.

Sec. 4. Section 43-1906, Reissue Revised Statutes of Nebraska, is amended to read:

43-1906. (1) There is hereby established the Nebraska Child Abuse Prevention Fund. The Legislature shall appropriate two hundred fifty thousand dollars each year from the General Fund to the Nebraska Child Abuse Prevention Fund except for fiscal year 2002-03. All amounts which may be received from grants, gifts, bequests, the federal government, or other sources granted or given for the purposes specified in sections 43-1901 to 43-1906 shall be remitted to the State Treasurer for credit to the Nebraska Child Abuse Prevention Fund. The fund shall be administered and disbursed by the department.

(2) Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(3) Until the amount in the fund exceeds two and one-half million dollars, not more than seventy-five percent of the money credited to the fund each year plus seventy-five percent of all earnings from the investment of money in the fund credited during the previous fiscal year shall be available for disbursement by the board in accordance with sections 43-1901 to 43-1906, except that any amounts which may be received from any grants, gifts, bequests, the federal government, or other sources shall be disbursed pursuant to the conditions imposed by such sources. For fiscal year 2002-03 only, the principal of the fund may be disbursed by the board in accordance with such sections in an amount not to exceed two hundred fifty thousand dollars. Money not available for disbursement shall be retained and accumulated in the fund. When the assets in the fund exceed two and one-half million dollars, only the earnings from the investment of money in the fund credited during the previous fiscal year or other income credited to the fund shall be available for disbursement by the board in accordance with such sections.

(4) In any one fiscal year, no more than twenty percent of the annually available funds as provided in subsection (3) of this section shall be disbursed to any one agency, organization, or individual.

(5) Funds allocated from the fund shall only be used for purposes authorized under such sections and shall not be used to supplant any existing governmental program or service. No grants may be made to any state department or agency.

(6) When the State Treasurer certifies that the assets in the fund exceed two and one-half million dollars, the additional docket fees prescribed in section 33-106.03 and the additional charge for supplying a certified copy of the record of any birth as provided in sections 71-612, 71-617.15, 71-627, and 71-628 shall be terminated.

Sec. 5. Section 48-1,116, Reissue Revised Statutes of Nebraska, is amended to read:

48-1,116. The Compensation Court Cash Fund is hereby created. The fund shall be used to aid in providing for the expense of administering the Nebraska Workers' Compensation Act and the payment of the salaries and expenses of the personnel of the Nebraska Workers' Compensation Court.

All fees received pursuant to sections 48-120, 48-120.02, 48-138, 48-139, 48-145.04, 48-157, 48-162, and 48-165 shall be remitted to the State Treasurer for credit to the ~~fund~~ Compensation Court Cash Fund. The fund shall also consist of amounts credited to the fund pursuant to sections 48-1,113, 48-1,114, and 77-912. The State Treasurer may receive and credit to the fund any money which may at any time be contributed to the state or the fund by the federal government or any agency thereof to which the state may be or become entitled under any act of Congress or otherwise by reason of any payment made from the fund.

Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

The State Treasurer shall transfer four million dollars from the Compensation Court Cash Fund to the General Fund within fifteen days after July 1, 2002.

Sec. 6. Section 60-1409, Reissue Revised Statutes of Nebraska, is amended to read:

60-1409. The Nebraska Motor Vehicle Industry Licensing Fund is created. All fees collected under Chapter 60, article 14, shall be remitted by the board, as collected, to the State Treasurer for credit to the fund. Such fund shall be appropriated by the Legislature for the operations of the Nebraska Motor Vehicle Industry Licensing Board and shall be paid out from time to time by warrants of the Director of Administrative Services on the State Treasurer for authorized expenditures upon duly itemized vouchers executed as provided by law and approved by the chairperson of the board or the executive secretary, except that transfers from the fund to the General Fund may be made at the direction of the Legislature. The expenses of conducting the office must always be kept within the income collected and reported to the State Treasurer by such board. Such office and expense thereof shall not be supported or paid from the General Fund, and all money deposited in the Nebraska Motor Vehicle Industry Licensing Fund shall be expended only for such office and expense thereof and, unless determined by the board, it shall not be required to expend any funds to any person or any other governmental agency.

Any money in the ~~fund~~ Nebraska Motor Vehicle Industry Licensing Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. ~~The Nebraska Motor Vehicle Industry Licensing Fund~~ fund shall be audited annually by the Auditor of Public Accounts.

The State Treasurer shall transfer five hundred thousand dollars from the Nebraska Motor Vehicle Industry Licensing Fund to the General Fund within fifteen days after July 1, 2002.

Sec. 7. Section 66-1519, Revised Statutes Supplement, 2001, is amended to read:

66-1519. There is hereby created the Petroleum Release Remedial Action Cash Fund to be administered by the department. Revenue from the following sources shall be remitted to the State Treasurer for credit to the fund:

- (1) The fees imposed by sections 66-1520 and 66-1521;
- (2) Money paid under an agreement, stipulation, cost-recovery award under section 66-1529.02, or settlement; and
- (3) Money received by the department in the form of gifts, grants, reimbursements, property liquidations, or appropriations from any source intended to be used for the purposes of the fund.

Money in the fund may ~~only~~ be spent for: (a) Reimbursement for the costs of remedial action by a responsible person or his or her designated representative and costs of remedial action undertaken by the department in

response to a release first reported after July 17, 1983, and on or before June 30, 2005, including reimbursement for damages caused by the department or a person acting at the department's direction while investigating or inspecting or during remedial action on property other than property on which a release or suspected release has occurred; (b) payment of any amount due from a third-party claim; (c) fee collection expenses incurred by the State Fire Marshal; (d) direct expenses incurred by the department in carrying out the Petroleum Release Remedial Action Act; (e) other costs related to fixtures and tangible personal property as provided in section 66-1529.01; (f) interest payments as allowed by section 66-1524; (g) expenses incurred by the technical advisory committee created in section 81-15,189 in carrying out its duties pursuant to section 81-15,190; (h) claims approved by the State Claims Board authorized under section 66-1531; and (i) methyl tertiary butyl ether testing, to be conducted randomly at terminals within the state for up to two years ending June 30, 2003. The amount expended on the testing shall not exceed forty thousand dollars. The testing shall be conducted by the Department of Agriculture. The department may enter into contractual arrangements for such purpose. The results of the tests shall be made available to the Department of Environmental Quality.

Transfers may be made from the Petroleum Release Remedial Action Cash Fund to the General Fund at the direction of the Legislature. Any money in the ~~fund~~ Petroleum Release Remedial Action Cash Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. Within fifteen days after July 1, 2002, the State Treasurer shall transfer six million dollars from the Petroleum Release Remedial Action Cash Fund to the General Fund.

Sec. 8. Section 71-5714, Revised Statutes Supplement, 2000, is amended to read:

71-5714. The Tobacco Prevention and Control Cash Fund is created. The Except as otherwise provided in this section, the fund shall be appropriated by the Legislature for a comprehensive statewide tobacco-related public health program, including, but not limited to: (1) Community programs to reduce tobacco use, (2) chronic disease programs, (3) school programs, (4) statewide programs, (5) enforcement, (6) counter marketing, (7) cessation programs, (8) surveillance and evaluation, (9) administration, and (10) the Teen Tobacco Education and Prevention Project. The Legislature is not required to appropriate all available revenue from the ~~fund~~ Tobacco Prevention and Control Cash Fund for such purpose in any given year. The Health and Human Services Committee of the Legislature shall make annual recommendations for appropriations from the fund. The State Treasurer shall transfer five million dollars from the Tobacco Prevention and Control Cash Fund to the Department of Health and Human Services Finance and Support Cash Fund within five days after the effective date of this act. Any money in the ~~fund~~ Tobacco Prevention and Control Cash Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 9. Section 77-1342, Revised Statutes Supplement, 2001, is amended to read:

77-1342. There is hereby created a fund to be known as the Department of Property Assessment and Taxation Cash Fund to which shall be credited all money received by the Department of Property Assessment and Taxation for services performed for county and multicounty assessment districts, for charges for publications, manuals, and lists, as an assessor's examination fee authorized by section 77-421, and under the provisions of sections 60-305.15, 77-684, and 77-1250. ~~The fund shall be used to develop assessment manuals, including the manual required by section 77-1362, and distribute them to the counties, to implement sections 77-415 and 77-420, to develop programs or models to improve the assessment of taxable property, to institute a program for land record modernization, and to engage competent counsel to carry out any duties and responsibilities of the department.~~ The county or multicounty assessment district shall be billed by the department for services rendered. Reimbursements to the department shall be credited to the fund, and expenditures therefrom shall be made only when such funds are available. The department shall only bill for the actual amount expended in performing the service.

The fund shall not, at the close of each year, be lapsed to the General Fund. Any money in the Department of Property Assessment and Taxation Cash Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 10. Section 77-4025, Reissue Revised Statutes of Nebraska, is

amended to read:

77-4025. There is hereby created a cash fund in the Department of Revenue to be known as the Tobacco Products Administration Cash Fund. All revenue collected or received by the Tax Commissioner from the license fees and taxes imposed by the Tobacco Products Tax Act shall be remitted to the State Treasurer for credit to the Tobacco Products Administration Cash Fund. All costs required for administration of the Tobacco Products Tax Act shall be paid from such fund. Credits and refunds allowed under the act shall be paid from the Tobacco Products Administration Cash Fund. Any receipts, after credits and refunds, in excess of the amounts sufficient to cover the costs of administration ~~shall lapse~~ may be transferred to the General Fund at the direction of the Legislature. The State Treasurer shall transfer two million five hundred thousand dollars from the Tobacco Products Administration Cash Fund to the General Fund within fifteen days after November 1, 2002. Any money in the Tobacco Products Administration Cash Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 11. Section 81-179, Revised Statutes Supplement, 2000, is amended to read:

81-179. (1) There is hereby created under the control of the Governor, for allocation to building renewal projects of the various agencies, a fund to be known as the Building Renewal Allocation Fund. The fund shall contain the revenue from the special privilege tax as provided in section 77-2602 and such other money as is appropriated by the Legislature. Such appropriation is declared to consist of building renewal funds which shall be kept separate and distinct from the program continuation funds and project construction funds.

(2) Separate subfunds, subprograms, projects, or accounts shall be established to separately account for any expenditures on state buildings or facilities to comply with the federal Americans with Disabilities Act of 1990. A minimal amount of the funds contained in the subfunds, subprograms, projects, or accounts may be used for planning and evaluation of buildings and facilities.

(3) The budget division of the Department of Administrative Services may administratively transfer funds to appropriate accounting entities to correctly account for the operating expenditures. A separate fund, cash fund, project, or other account may be administratively established for such purpose.

(4) Subject to appropriations approved by the Legislature, for any fiscal year an amount not to exceed two percent of the total revenue credited to the Building Renewal Allocation Fund in the second preceding fiscal year may be expended to meet the cost of administering the Deferred Building Renewal Act.

(5) Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. ~~On or after July 1, 2001, and before July 15, 2001, the State Treasurer shall transfer the unexpended balance in the Century Date Change subfund of the Building Renewal Allocation Fund to the Information Technology Infrastructure Fund.~~

Sec. 12. Section 81-184, Revised Statutes Supplement, 2000, is amended to read:

81-184. The cost of administration of the Deferred Building Renewal Act shall be paid from the General Fund, the Building Renewal Allocation Fund, the State Building Renewal Assessment Fund, the University Building Renewal Assessment Fund, and the State College Building Renewal Assessment Fund in such amounts as may be appropriated by the Legislature. ~~as the Legislature shall appropriate.~~ The Governor shall each odd-numbered year submit a specific itemized appropriation request to cover such administrative costs.

Sec. 13. Section 81-188.01, Revised Statutes Supplement, 2000, is amended to read:

81-188.01. (1) The State Building Renewal Assessment Fund is created. The fund shall be under the control of the Governor for allocation to building renewal projects of the various agencies and shall be administered in a manner consistent with the administration of the Building Renewal Allocation Fund pursuant to the Deferred Building Renewal Act. No amounts accruing to the State Building Renewal Assessment Fund shall be transferred to any other fund and no amounts accruing to the fund shall be expended in any manner for purposes other than as provided in this section. Subject to appropriations approved by the Legislature, for any fiscal year an amount not to exceed two percent of the total revenue credited to the fund in the second preceding fiscal year may be expended to meet the cost of administering the act.

(2) Revenue credited to the fund shall include amounts derived from charges assessed pursuant to subdivision (6)(b) of section 81-1108.17, depreciation charges remitted pursuant to section 81-188.02, and such other revenue as may be incident to the administration of the fund.

(3) Amounts appropriated from the fund shall be expended to conduct renewal work as defined in section 81-173 and to complete other improvements incident to such renewal work as deemed necessary or appropriate by the task force. ~~Expenditures from the fund~~ From amounts accruing to the fund as the result of depreciation charges assessed pursuant to subdivision (6)(b) of section 81-1108.17, expenditures for capital improvements shall be limited to improvements to only those facilities for which such charges ~~or fees imposed pursuant to section 81-188.02 or subdivision (6)(b) of section 81-1108.17~~ have been assessed and remitted. From amounts accruing to the fund as the result of depreciation charges assessed pursuant to section 81-188.02, expenditures for capital improvement projects shall be limited to exclude (a) capital improvement projects relating to facilities, structures, or buildings owned, leased, or operated by the (i) University of Nebraska, (ii) Nebraska state colleges, (iii) Department of Aeronautics, (iv) Department of Roads, (v) Game and Parks Commission, or (vi) Board of Educational Lands and Funds and (b) capital improvement projects relating to facilities, structures, or buildings for which depreciation charges are assessed pursuant to subdivision (6)(b) of section 81-1108.17. Except to conduct renewal work of an emergency nature and to meet the cost of administering the act, no amounts accruing to the fund as the result of depreciation charges assessed pursuant to section 81-188.02 shall be expended prior to July 1, 2003. For each of fiscal years 2003-04 through 2008-09, expenditure of amounts accruing to the fund as the result of depreciation charges assessed pursuant to section 81-188.02 shall not exceed fifty percent of such revenue credited to the fund in the second preceding fiscal year. For fiscal year 2009-10 and each fiscal year thereafter, expenditure of amounts accruing to the fund as the result of depreciation charges assessed pursuant to section 81-188.02 shall not exceed the total of such revenue credited to the fund in the second preceding fiscal year. ~~For facilities for which charges have been assessed only pursuant to section 81-188.02, no amounts shall be expended from the fund for any such facility for a period of not less than five fiscal years from the initial assessment of the depreciation charge for any such facility, except to conduct renewal work, as defined in section 81-173, of an emergency nature.~~

(4) Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 14. Section 81-188.02, Revised Statutes Supplement, 2001, is amended to read:

81-188.02. (1) For purposes of this section, capital improvement project means (a) construction of a new facility, structure, or building, (b) construction of additions to an existing facility, structure, or building, (c) renovation of an existing facility, structure, or building if the total project cost of such renovation represents not less than fifteen percent of the value of the existing facility, structure, or building as determined by the Department of Administrative Services, (d) purchase of an existing facility, structure, or building, and (e) acquisition of a facility, structure, or building through means of conveyance other than sale and purchase.

(2) Beginning with the fiscal year that commences subsequent to the calendar year in which has occurred substantial completion of a capital improvement project as defined in subdivisions (1)(a) through (1)(c) of this section or acquisition of a capital improvement project as defined in subdivisions (1)(d) and (1)(e) of this section, the department shall assess a capital improvement depreciation charge to the agency maintaining ownership or control of the related facility, structure, or building and shall assess such charge for each fiscal year thereafter.

(3) The annual depreciation charge for a capital improvement project as defined in subdivisions (1)(a) through (1)(c) of this section shall be computed as two percent of the total project cost of the capital improvement project. The annual depreciation charge for a capital improvement project as defined in subdivision (1)(d) of this section shall be computed as two percent of the greater of the purchase price or the value, as determined by the department, of the capital improvement project at the time of acquisition. The annual depreciation charge for a capital improvement project as defined in subdivision (1)(e) of this section shall be computed as two percent of the value, as determined by the department, of the capital improvement project at the time of acquisition. The department may assess the charge annually or in monthly, quarterly, or semiannual installments.



(4)(a) Depreciation charges shall be assessed for capital improvement projects as defined in subdivisions (1)(a) through (1)(d) of this section (i) for which funds have been appropriated for fiscal year 1997-98 and fiscal years thereafter, excluding reappropriation of fiscal year 1996-97 or prior period undisbursed appropriation balances, or (ii) which are to be completed or acquired by means other than the expenditure of appropriated funds and which are either initiated or acquired in fiscal year 1997-98 and fiscal years thereafter.

(b) Depreciation charges shall be assessed for capital improvement projects as defined in subdivision (1)(e) of this section for capital improvement projects acquired, either by expenditure of appropriated funds or other means, in fiscal year 1997-98 and fiscal years thereafter. Depreciation charges shall not be assessed pursuant to this section for capital improvement projects relating to facilities, structures, or buildings owned, leased, or operated by the: (i) University of Nebraska; (ii) Nebraska state colleges; (iii) Department of Aeronautics; (iv) Department of Roads; (v) Game and Parks Commission; or (vi) Board of Educational Lands and Funds or to other buildings or grounds owned, leased, or operated by the State of Nebraska which are specifically exempted by the Department of Administrative Services because the assessment of such depreciation charges would result in the ineligibility for federal funding or would result in hardship on an agency, board, or commission due to other exceptional or unusual circumstances. Depreciation charges shall not be assessed pursuant to this section for capital improvement projects relating to facilities, structures, or buildings of which the department is custodian pursuant to section 81-1108.17 and for which charges are assessed pursuant to subdivision (6)(b) of such section.

(5) Payment of depreciation charges assessed pursuant to this section shall be remitted to the State Treasurer for credit to the State Building Renewal Assessment Fund.

Sec. 15. Section 81-188.03, Revised Statutes Supplement, 2000, is amended to read:

81-188.03. (1) The University Building Renewal Assessment Fund is created. The fund shall be under the control of the Governor for allocation to building renewal projects of the University of Nebraska and shall be administered in a manner consistent with administration of the Building Renewal Allocation Fund pursuant to the Deferred Building Renewal Act. No amounts accruing to the University Building Renewal Assessment Fund shall be transferred to any other fund and no amounts accruing to the fund shall be expended in any manner for purposes other than as provided in this section. Subject to appropriations approved by the Legislature, for any fiscal year an amount not to exceed two percent of the total revenue credited to the fund in the second preceding fiscal year may be expended to meet the cost of administering the act.

(2) Revenue credited to the fund shall include amounts derived from depreciation charges remitted pursuant to section 81-188.04 and such other revenue as may be incident to the administration of the fund.

(3) Amounts appropriated from the fund shall be expended to conduct renewal work as defined in section 81-173 and to complete other improvements incident to such renewal work as deemed necessary or appropriate by the task force. Expenditures from the fund for capital improvements shall be limited to improvements to only those facilities for which depreciation charges imposed pursuant to section 81-188.04 have been assessed and remitted for a period of not less than five fiscal years exclude expenditures for capital improvement projects relating to facilities, structures, or buildings from which revenue is derived and pledged for the retirement of revenue bonds issued under sections 85-403 to 85-411. Except to conduct renewal work of an emergency nature and to meet the cost of administering the act, no amounts shall be expended from the fund prior to July 1, 2003. For each of fiscal years 2003-04 through 2008-09, appropriations from the fund shall not exceed fifty percent of total revenue credited to the fund in the second preceding fiscal year. For fiscal year 2009-10 and each fiscal year thereafter, appropriations from the fund shall not exceed total revenue credited to the fund in the second preceding fiscal year.

(4) Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 16. Section 81-188.04, Revised Statutes Supplement, 2000, is amended to read:

81-188.04. (1) For purposes of this section, capital improvement project means (a) construction of a new facility, structure, or building, (b) construction of additions to an existing facility, structure, or building, (c) renovation of an existing facility, structure, or building if the total

project cost of such renovation represents not less than fifteen percent of the value of the existing facility, structure, or building as determined by the Department of Administrative Services, (d) purchase of an existing facility, structure, or building, and (e) acquisition of a facility, structure, or building through means of conveyance other than sale and purchase.

(2) Beginning with the fiscal year that commences subsequent to the calendar year in which has occurred substantial completion of a capital improvement project by the University of Nebraska as defined in subdivisions (1)(a) through (1)(c) of this section or acquisition of a capital improvement project by the University of Nebraska as defined in subdivisions (1)(d) and (1)(e) of this section, the department shall assess a capital improvement depreciation charge to the Board of Regents of the University of Nebraska and shall assess such charge for each fiscal year thereafter.

(3) The annual depreciation charge for a capital improvement project as defined in subdivisions (1)(a) through (1)(c) of this section shall be computed as two percent of the total project cost of the capital improvement project. The annual depreciation charge for a capital improvement project as defined in subdivision (1)(d) of this section shall be computed as two percent of the greater of the purchase price or the value, as determined by the department, of the capital improvement project at the time of acquisition. The annual depreciation charge for a capital improvement project as defined in subdivision (1)(e) of this section shall be computed as two percent of the value, as determined by the department, of the capital improvement project at the time of acquisition. The department may assess the charge annually or in monthly, quarterly, or semiannual installments.

(4) Depreciation charges shall be assessed for capital improvement projects as defined in subdivisions (1)(a) through (1)(d) of this section (a) for which funds have been appropriated for fiscal year 1997-98 and fiscal years thereafter, excluding reappropriation of fiscal year 1996-97 or prior period undisbursed appropriation balances, or (b) which are to be completed or acquired by means other than the expenditure of appropriated funds and which are either initiated or acquired in fiscal year 1997-98 and fiscal years thereafter. Depreciation charges shall be assessed for capital improvement projects as defined in subdivision (1)(e) of this section for capital improvement projects acquired, either by expenditure of appropriated funds or other means, in fiscal year 1997-98 and fiscal years thereafter. Depreciation charges shall not be assessed pursuant to this section for capital improvement projects relating to facilities, structures, or buildings from which revenue is derived and pledged for the retirement of revenue bonds issued under sections 85-403 to 85-411.

(5) Payment of depreciation charges assessed pursuant to this section shall be remitted to the State Treasurer for credit to the University Building Renewal Assessment Fund.

Sec. 17. Section 81-188.05, Revised Statutes Supplement, 2000, is amended to read:

81-188.05. (1) The State College Building Renewal Assessment Fund is created. The fund shall be under the control of the Governor for allocation to building renewal projects of the Nebraska state colleges and shall be administered in a manner consistent with the administration of the Building Renewal Allocation Fund pursuant to the Deferred Building Renewal Act. No amounts accruing to the State College Building Renewal Assessment Fund shall be transferred to any other fund and no amounts accruing to the fund shall be expended in any manner for purposes other than as provided in this section. Subject to appropriations approved by the Legislature, for any fiscal year an amount not to exceed two percent of the total revenue credited to the fund in the second preceding fiscal year may be expended to meet the cost of administering the act.

(2) Revenue credited to the fund shall include amounts derived from depreciation charges remitted pursuant to section 81-188.06 and such other revenue as may be incident to administration of the fund.

(3) Amounts appropriated from the fund shall be expended to conduct renewal work as defined in section 81-173 and to complete other improvements incident to such renewal work as deemed necessary or appropriate by the task force. Expenditures from the fund for capital improvements shall be limited to improvements to only those facilities for which depreciation charges imposed pursuant to section 81-188.06 have been assessed and remitted for a period of not less than five fiscal years exclude expenditures for capital improvement projects relating to facilities, structures, or buildings from which revenue is derived and pledged for the retirement of revenue bonds issued under sections 85-403 to 85-411. Except to conduct renewal work of an emergency nature and to meet the cost of administering the act, no amounts

shall be expended from the fund prior to July 1, 2003. For each of fiscal years 2003-04 through 2008-09, appropriations from the fund shall not exceed fifty percent of total revenue credited to the fund in the second preceding fiscal year. For fiscal year 2009-10 and each fiscal year thereafter, appropriations from the fund shall not exceed total revenue credited to the fund in the second preceding fiscal year.

(4) Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 18. Section 81-188.06, Revised Statutes Supplement, 2000, is amended to read:

81-188.06. (1) For purposes of this section, capital improvement project means (a) construction of a new facility, structure, or building, (b) construction of additions to an existing facility, structure, or building, (c) renovation of an existing facility, structure, or building if the total project cost of such renovation represents not less than fifteen percent of the value of the existing facility, structure, or building as determined by the Department of Administrative Services, (d) purchase of an existing facility, structure, or building, and (e) acquisition of a facility, structure, or building through means of conveyance other than sale and purchase.

(2) Beginning with the fiscal year that commences subsequent to the calendar year in which has occurred substantial completion of a capital improvement project by the Nebraska state colleges as defined in subdivisions (1) (a) through (1) (c) of this section or acquisition of a capital improvement project by the Nebraska state colleges as defined in subdivisions (1) (d) and (1) (e) of this section, the department shall assess a depreciation charge to the Board of Trustees of the Nebraska State Colleges and shall assess such charge for each fiscal year thereafter.

(3) The annual depreciation charge for a capital improvement project as defined in subdivisions (1) (a) through (1) (c) of this section shall be computed as two percent of the total project cost of the capital improvement project. The annual depreciation charge for a capital improvement project as defined in subdivision (1) (d) of this section shall be computed as two percent of the greater of the purchase price or the value, as determined by the department, of the capital improvement project at the time of acquisition. The annual depreciation charge for a capital improvement project as defined in subdivision (1) (e) of this section shall be computed as two percent of the value, as determined by the department, of the capital improvement project at the time of acquisition. The department may assess the charge annually or in monthly, quarterly, or semiannual installments.

(4) Depreciation charges shall be assessed for capital improvement projects as defined in subdivisions (1) (a) through (1) (d) of this section (a) for which funds have been appropriated for fiscal year 1997-98 and fiscal years thereafter, excluding reappropriation of fiscal year 1996-97 or prior period undisbursed appropriation balances, or (b) which are to be completed or acquired by means other than the expenditure of appropriated funds and which are either initiated or acquired in fiscal year 1997-98 and fiscal years thereafter. Depreciation charges shall be assessed for capital improvement projects as defined in subdivision (1) (e) of this section for capital improvement projects acquired, either by expenditure of appropriated funds or other means, in fiscal year 1997-98 and fiscal years thereafter. Depreciation charges shall not be assessed pursuant to this section for capital improvement projects relating to facilities, structures, or buildings from which revenue is derived and pledged for the retirement of revenue bonds issued under sections 85-403 to 85-411.

(5) Payment of depreciation charges assessed pursuant to this section shall be remitted to the State Treasurer for credit to the State College Building Renewal Assessment Fund.

Sec. 19. Section 81-1188, Reissue Revised Statutes of Nebraska, is amended to read:

81-1188. All proceeds from the program required by section 81-1186 and fifteen percent of all proceeds from the sale of surplus property sold to be remanufactured or reprocessed shall be deposited in the Resource Recovery Fund, which fund is hereby created. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. The fund shall be used for the administration and implementation of the program. Any excess funds, as determined by the Director of Administrative Services, not necessary for implementation of the program shall be remitted to the State Treasurer for credit to the General Fund. The Resource Recovery Fund is created. The fund shall be administered by the Department of

Administrative Services. All proceeds from the program required by section 81-1186 and fifteen percent of all proceeds from the sale of surplus property sold to be remanufactured or reprocessed shall be deposited in the fund. The fund shall be used for the administration and implementation of the program, except that transfers from the fund to the General Fund may be made at the direction of the Legislature.

Any money in the Resource Recovery Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

The State Treasurer shall transfer two hundred fifty thousand dollars from the Resource Recovery Fund to the General Fund within fifteen days after July 1, 2002.

Sec. 20. Section 84-612, Revised Statutes Supplement, 2001, is amended to read:

84-612. (1) There is hereby created within the state treasury a fund known as the Cash Reserve Fund which shall be under the direction of the State Treasurer. The fund shall only be used pursuant to this section.

(2) The State Treasurer shall transfer funds from the Cash Reserve Fund to the General Fund upon certification by the Director of Administrative Services that the current cash balance in the General Fund is inadequate to meet current obligations. Such certification shall include the dollar amount to be transferred. Any transfers made pursuant to this subsection shall be reversed upon notification by the Director of Administrative Services that sufficient funds are available.

~~(3) On June 15, 2001, the State Treasurer shall transfer twenty-eight million dollars from the Cash Reserve Fund to the General Fund.~~

~~(4) On July 23, 2001, the State Treasurer shall transfer three hundred seventy thousand dollars from the Cash Reserve Fund to the Municipal Natural Gas Regulation Revolving Loan Fund for purposes of loaning to Nebraska communities that seek to review natural gas rates. Any transfer made pursuant to this subsection shall be reversed upon notification by the Director of Policy Research that a sufficient court judgment has been obtained.~~

~~(5) On July 23, 2001, the State Treasurer shall transfer twenty-four million eight hundred thousand dollars from the Cash Reserve Fund to the General Fund.~~

~~(6) On August 1, 2001, the State Treasurer shall transfer thirty-five million dollars from the Cash Reserve Fund to the General Fund for purposes of funding the Tax Equity and Educational Opportunities Support Act.~~

~~(7) (4) Within fifteen days after July 1, 2002, the State Treasurer shall transfer twenty-two million five hundred thousand dollars from the Cash Reserve Fund to the General Fund.~~

~~(5) On June 15, 2003, the State Treasurer shall transfer sixty-four million nine hundred thousand dollars from the Cash Reserve Fund to the General Fund.~~

~~(6) On June 15, 2005, the State Treasurer shall transfer twenty-two million five hundred thousand dollars from the General Fund to the Cash Reserve Fund.~~

Sec. 21. Original sections 43-1906, 48-1,116, 60-1409, 77-4025, and 81-1188, Reissue Revised Statutes of Nebraska, sections 71-5714, 81-179, 81-184, 81-188.01, and 81-188.03 to 81-188.06, Revised Statutes Supplement, 2000, sections 9-1,101, 66-1519, 77-1342, 81-188.02, and 84-612, Revised Statutes Supplement, 2001, and section 9-812, Revised Statutes Supplement, 2001, as amended by section 1, Legislative Bill 3, Ninety-seventh Legislature, First Special Session, 2001, are repealed.

Sec. 22. Since an emergency exists, this act takes effect when passed and approved according to law.