

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 1037

Introduced by Nelson, 6; Avery, 28; Hansen, 42; Harms, 48; Mello, 5;
Nordquist, 7; Wightman, 36.

Read first time January 17, 2012

Committee: Appropriations

A BILL

1 FOR AN ACT relating to the arts; to amend section 82-332, Revised
2 Statutes Cumulative Supplement, 2010, and section 82-331,
3 Revised Statutes Supplement, 2011; to change provisions
4 relating to dollar-for-dollar matches; and to repeal the
5 original sections.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 82-331, Revised Statutes Supplement,
2 2011, is amended to read:

3 82-331 (1) There is hereby established in the state
4 treasury a trust fund to be known as the Nebraska Cultural
5 Preservation Endowment Fund. The fund shall consist of funds
6 appropriated or transferred by the Legislature, and only the earnings
7 of the fund may be used as provided in this section.

8 (2) On August 1, 1998, the State Treasurer shall transfer
9 five million dollars from the General Fund to the Nebraska Cultural
10 Preservation Endowment Fund.

11 (3) Except as provided in subsection (4) of this section,
12 it is the intent of the Legislature that the State Treasurer shall
13 transfer (a) an amount not to exceed five hundred thousand dollars
14 from the General Fund to the Nebraska Cultural Preservation Endowment
15 Fund on December 31 of 2009 and 2010 and (b) an amount not to exceed
16 five hundred thousand dollars from the General Fund to the Nebraska
17 Cultural Preservation Endowment Fund on December 31 of 2013, 2014,
18 2015, 2016, 2017, and 2018.

19 (4) Prior to the transfer of funds from any state account
20 into the Nebraska Cultural Preservation Endowment Fund, the Nebraska
21 Arts Council shall provide documentation to the budget division of
22 the Department of Administrative Services that qualified endowments
23 have generated a dollar-for-dollar match of new money, up to the
24 amount of state funds authorized by the Legislature to be transferred
25 to the Nebraska Cultural Preservation Endowment Fund. For purposes of

1 this section, new money means a contribution to a qualified endowment
2 generated after July 1, 2011. Contributions not fully matched by
3 state funds shall be carried forward to succeeding years and remain
4 available to provide a dollar-for-dollar match for state funds. For
5 an endowment to be a qualified endowment (a) the endowment must meet
6 the standards set by the Nebraska Arts Council or Nebraska Humanities
7 Council, (b) the endowment must be intended for long-term
8 stabilization of the organization, and (c) the funds of the endowment
9 must be endowed and only the earnings thereon expended. The budget
10 division of the Department of Administrative Services shall notify
11 the State Treasurer to execute a transfer of state funds up to the
12 amount specified by the Legislature, but only to the extent that the
13 Nebraska Arts Council has provided documentation of a dollar-for-
14 dollar match. ~~Funds~~ State funds not transferred shall be carried
15 forward to the succeeding year and be added to the funds authorized
16 for a dollar-for-dollar match during that year.

17 (5) The Legislature shall not appropriate or transfer
18 money from the Nebraska Cultural Preservation Endowment Fund for any
19 purpose other than the purposes stated in sections 82-330 to 82-333,
20 except that the Legislature may appropriate or transfer money from
21 the fund upon a finding that the purposes of such sections are not
22 being accomplished by the fund.

23 (6) Any money in the Nebraska Cultural Preservation
24 Endowment Fund available for investment shall be invested by the
25 state investment officer pursuant to the Nebraska Capital Expansion

1 Act and the Nebraska State Funds Investment Act.

2 (7) All investment earnings from the Nebraska Cultural
3 Preservation Endowment Fund shall be credited to the Nebraska Arts
4 and Humanities Cash Fund.

5 Sec. 2. Section 82-332, Revised Statutes Cumulative
6 Supplement, 2010, is amended to read:

7 82-332 (1) The Nebraska Arts and Humanities Cash Fund is
8 created. The fund shall consist of all funds credited from the
9 Nebraska Cultural Preservation Endowment Fund pursuant to section
10 82-331. The Nebraska Arts Council shall administer and distribute the
11 Nebraska Arts and Humanities Cash Fund. All disbursements from the
12 Nebraska Arts and Humanities Cash Fund shall be matched dollar-for-
13 dollar by sources other than state funds. The match funds shall be
14 new money generated for endowments established by the Nebraska Arts
15 Council or Nebraska Humanities Council or qualified endowments of
16 their constituent organizations, new money generated as a result of
17 seed grants to recipients, or new money generated by the Nebraska
18 Arts Council or Nebraska Humanities Council for arts or humanities
19 education. Matching funds shall also include earnings generated by
20 qualified private endowments formed in accordance with this section.
21 ~~New money used as a match shall not be limited to matching the~~
22 ~~Nebraska Arts and Humanities Cash Fund in the state fiscal year the~~
23 ~~new money is received, but it shall be used as a match no later than~~
24 ~~the subsequent fiscal year. For the purposes of this section, new~~
25 ~~money means a contribution to a qualified endowment generated after~~

1 July 1, 2011. Contributions not fully matched by state funds shall be
2 carried forward to succeeding years and remain available to provide a
3 dollar-for-dollar match for state funds. For an endowment to be a
4 qualified endowment (a) the endowment must meet the standards set by
5 the Nebraska Arts Council or Nebraska Humanities Council, (b) the
6 endowment must be intended for long-term stabilization of the
7 organization, and (c) the funds of the endowment must be endowed and
8 only the earnings thereon expended. An organization is a constituent
9 organization if it receives funding from the Nebraska Arts Council or
10 Nebraska Humanities Council and is tax exempt under section 501 of
11 the Internal Revenue Code. The match funds required by this section
12 shall not include in-kind contributions. The budget division of the
13 Department of Administrative Services shall approve allotment and
14 disbursement of funds from the Nebraska Arts and Humanities Cash Fund
15 only to the extent the Nebraska Arts Council has provided
16 documentation of the dollar-for-dollar match required by this
17 section. Funds from the Nebraska Arts and Humanities Cash Fund may be
18 used for the purpose of obtaining challenge grants from the National
19 Endowment for the Humanities or the National Endowment for the Arts.

20 (2) Rules and regulations of the Nebraska Arts Council
21 shall provide that the ultimate use of disbursements from the
22 Nebraska Arts and Humanities Cash Fund shall be in a ratio of seventy
23 percent to projects, endowments, or programs designated by the
24 Nebraska Arts Council and thirty percent to projects, endowments, or
25 programs designated by the Nebraska Humanities Council.

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

4 Sec. 3. Original section 82-332, Revised Statutes
5 Cumulative Supplement, 2010, and section 82-331, Revised Statutes
6 Supplement, 2011, are repealed.