

LEGISLATURE OF NEBRASKA  
NINETY-SEVENTH LEGISLATURE  
SECOND SPECIAL SESSION

**LEGISLATIVE BILL 1**

FINAL READING

Introduced by Speaker Bromm, 23; Wehrbein, 2;  
at the request of the Governor

Read first time July 30, 2002

Committee: Appropriations

A BILL

1 FOR AN ACT relating to state government; to amend section  
2 81-2004.02, Reissue Revised Statutes of Nebraska,  
3 sections 72-816, 79-810, and 81-15,174, Revised Statutes  
4 Supplement, 2000, sections 66-1345.04 and 81-15,160,  
5 Revised Statutes Supplement, 2001, section 39-2215,  
6 Reissue Revised Statutes of Nebraska, as amended by Laws  
7 2002, LB 989, section 7, section 81-188.01, Revised  
8 Statutes Supplement, 2000, as amended by Laws 2002, LB  
9 1310, section 13, section 81-1195, Revised Statutes  
10 Supplement, 2000, as amended by Laws 2002, LB 1105,  
11 section 297, section 9-812, Revised Statutes Supplement,  
12 2001, as amended by Laws 2001, First Special Session, LB  
13 3, section 1, Laws 2002, LB 1105, section 418, and Laws  
14 2002, LB 1310, section 3, Laws 2000, LB 1216, section 3,  
15 and Laws 2001, LB 536A, section 1; to provide for,

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1 change, and eliminate transfers of funds; to create and  
2 eliminate funds; to state intent; to harmonize  
3 provisions; to repeal the original sections; to outright  
4 repeal section 83-905.01, Reissue Revised Statutes of  
5 Nebraska, and Laws 2000, LB 1216, section 6; and to  
6 declare an emergency.  
7 Be it enacted by the people of the State of Nebraska,

1                   Section 1.    Section 9-812, Revised Statutes Supplement,  
2   2001, as amended by Laws 2001, First Special Session, LB 3, section  
3   1, Laws 2002, LB 1105, section 418, and Laws 2002, LB 1310, section  
4   3, is amended to read:

5                   9-812.   (1) All money received from the operation of  
6   lottery games conducted pursuant to the State Lottery Act in  
7   Nebraska shall be credited to the State Lottery Operation Trust  
8   Fund, which fund is hereby created. All payments of expenses of  
9   the operation of the lottery games shall be made from the State  
10   Lottery Operation Cash Fund. In accordance with legislative  
11   appropriations, money for payments for expenses of the division  
12   shall be transferred from the State Lottery Operation Trust Fund to  
13   the State Lottery Operation Cash Fund, which fund is hereby  
14   created. All money necessary for the payment of lottery prizes  
15   shall be transferred from the State Lottery Operation Trust Fund to  
16   the State Lottery Prize Trust Fund, which fund is hereby created.  
17   The amount used for the payment of lottery prizes shall not be less  
18   than forty percent of the dollar amount of the lottery tickets  
19   which have been sold. At least twenty-five percent of the dollar  
20   amount of the lottery tickets which have been sold on an annualized  
21   basis shall be transferred from the State Lottery Operation Trust  
22   Fund to the Education Innovation Fund, the Nebraska Environmental  
23   Trust Fund, and the Compulsive Gamblers Assistance Fund. Of the  
24   money available to be transferred to the Education Innovation Fund,  
25   the Nebraska Environmental Trust Fund, and the Compulsive Gamblers  
26   Assistance Fund, the first five hundred thousand dollars shall be  
27   transferred to the Compulsive Gamblers Assistance Fund to be used  
28   as provided in sections 83-162.01 to 83-162.04. Thereafter,

1 forty-nine and one-half percent of the money remaining after the  
2 payment of prizes and operating expenses and the initial transfer  
3 to the Compulsive Gamblers Assistance Fund shall be transferred to  
4 the Education Innovation Fund. Forty-nine and one-half percent of  
5 the money remaining after the payment of prizes and operating  
6 expenses and the initial transfer to the Compulsive Gamblers  
7 Assistance Fund shall be transferred to the Nebraska Environmental  
8 Trust Fund to be used as provided in the Nebraska Environmental  
9 Trust Act. One percent of the money remaining after the payment of  
10 prizes and operating expenses and the initial transfer to the  
11 Compulsive Gamblers Assistance Fund shall be transferred to the  
12 Compulsive Gamblers Assistance Fund to be used as provided in  
13 sections 83-162.01 to 83-162.04.

14 (2) The Education Innovation Fund is hereby created. At  
15 least seventy-five percent of the lottery proceeds allocated to the  
16 Education Innovation Fund shall be available for disbursement. For  
17 each fiscal year except fiscal years 2001-02, 2002-03, 2003-04, and  
18 2004-05, and ~~2002-03,~~ the Education Innovation Fund shall be  
19 allocated in the following manner: Up to ten percent to fund the  
20 mentor teacher program pursuant to the Quality Education  
21 Accountability Act; up to sixty percent as quality education  
22 incentives pursuant to the act; up to twenty percent to the  
23 Attracting Excellence to Teaching Program Cash Fund to fund the  
24 Attracting Excellence to Teaching Program Act; and up to ten  
25 percent of the fund shall be allocated by the Governor. For fiscal  
26 years 2001-02 and 2002-03, the Education Innovation Fund shall be  
27 allocated in the following manner by the Excellence in Education  
28 Council: Up to one million five hundred thousand dollars per fiscal

1 year, as a distance education network completion grant pursuant to  
2 section 79-1328; and, after operating expenses for the Excellence  
3 in Education Council are deducted, the remainder to the General  
4 Fund. ~~The State Treasurer shall transfer one million six hundred~~  
5 ~~thousand dollars from the Education Innovation Fund to the General~~  
6 ~~Fund within fifteen days after July 1, 2002.~~ For fiscal years  
7 2003-04 and 2004-05, the Education Innovation Fund shall be  
8 allocated to the General Fund after operating expenses for the  
9 Excellence in Education Council are deducted. The State Treasurer  
10 shall transfer two million eighteen thousand one hundred  
11 ninety-nine dollars from the Education Innovation Fund to the  
12 General Fund within five days after the effective date of this act.

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

25 From the funds allocated by the Governor, minigrants  
26 shall be available to school districts to support the development  
27 of strategic school improvement plans which shall include  
28 statements of purposes and goals for the districts. The plans

1 shall also include the specific statements of improvement or  
2 strategic initiatives designed to improve quality learning for  
3 every student.

4           In addition to the minigrants granted for the development  
5 of strategic school improvement plans, school districts with annual  
6 budget expenditures of three hundred fifty thousand dollars or less  
7 are eligible for minigrants from the funds allocated by the  
8 Governor for the purposes allowed in subdivisions (2)(a) through  
9 (q) of this section. The amount of this type of minigrant shall  
10 not exceed five thousand dollars. The school district shall  
11 present a curriculum support plan with its application for the  
12 grant. The curriculum support plan must show how the district is  
13 working to achieve one or more of the allowed purposes and how the  
14 grant will be used to directly advance the plan to achieve one or  
15 more of these purposes. The plan must be signed by the school  
16 administrator and a school board representative. The application  
17 for the grant shall be brief. The Excellence in Education Council  
18 shall select the recipients of this type of minigrant and shall  
19 administer such minigrants.

20           From the funds allocated by the Governor, major  
21 competitive grants shall be available to support innovative  
22 programs which are directly related to the strategic school  
23 improvement plans. The development of a strategic school  
24 improvement plan by a school district shall be required before a  
25 grant is awarded. Annual reports shall be made by program  
26 recipients documenting the effectiveness of the program in  
27 improving the quality of education as designed in the strategic  
28 school improvement plans. Special consideration shall be given to

1 plans which contain public or private matching funds and  
2 cooperative agreements, including agreements for in-kind services.  
3 Purposes for which such major competitive grants would be offered  
4 shall include:

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

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

10 (c) Educational technology assistance to public schools  
11 for the purchase and operation of computers, telecommunications  
12 equipment and services, and other forms of technological innovation  
13 which may enhance classroom teaching, instructional management, and  
14 districtwide administration. Telecommunications equipment,  
15 services, and forms of technical innovation shall be approved only  
16 after review by the technical panel created in section 291 of this  
17 act;

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

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

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

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

28 (h) Programs using decisionmaking models that increase

1 involvement of parents, teachers, and students in school  
2 management;

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

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

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

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

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

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

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

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

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

27 The Governor shall establish the Excellence in Education  
28 Council. The Governor shall appoint eleven members to the council

1 including representatives of educational organizations,  
2 postsecondary educational institutions, the business community, and  
3 the general public, members of school boards and parent education  
4 associations, school administrators, and at least four teachers who  
5 are engaged in classroom teaching. The State Department of  
6 Education shall provide staff support for the council to administer  
7 the Education Innovation Fund, including the Quality Education  
8 Accountability Act. The council shall have the following powers  
9 and duties:

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

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

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

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

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

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

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

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

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

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

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

27 Sec. 2. Section 39-2215, Reissue Revised Statutes of  
28 Nebraska, as amended by Laws 2002, LB 989, section 7, is amended to

1 read:

2 39-2215. (1) There is hereby created in the state  
3 treasury a special fund to be known as the Highway Trust Fund.

4 (2) All funds credited to the Highway Trust Fund pursuant  
5 to sections 66-4,140, 66-4,147, 66-669, and 66-6,108, and related  
6 penalties and interest, shall be allocated as provided in such  
7 sections. The State Treasurer shall make the transfer to the  
8 General Fund required by section 66-499.

9 (3) All other motor vehicle fuel taxes, diesel fuel  
10 taxes, compressed fuel taxes, and alternative fuel taxes related to  
11 highway use retained by the state, all motor vehicle registration  
12 fees retained by the state other than those fees credited to the  
13 State Recreation Road Fund pursuant to section 60-302, and other  
14 highway-user taxes imposed by state law and allocated to the  
15 Highway Trust Fund, except for the proceeds of the sales and use  
16 taxes derived from motor vehicles, trailers, and semitrailers  
17 credited to the fund pursuant to section 77-27,132, are hereby  
18 irrevocably pledged for the terms of the bonds issued prior to  
19 January 1, 1988, to the payment of the principal, interest, and  
20 redemption premium, if any, of such bonds as they mature and become  
21 due at maturity or prior redemption and for any reserves therefor  
22 and shall, as received by the State Treasurer, be deposited in the  
23 fund for such purpose.

24 (4) Of the money in the fund specified in subsection (3)  
25 of this section which is not required for the use specified in such  
26 subsection, (a) an amount equal to three dollars times the number  
27 of motorcycles registered during the previous month shall be placed  
28 in the Motorcycle Safety Education Fund, (b) an amount to be

1 determined annually by the Legislature through the appropriations  
2 process may be transferred to the Motor Fuel Tax Enforcement and  
3 Collection Cash Fund for use as provided in section 66-738 on a  
4 monthly or other less frequent basis as determined by the  
5 appropriation language, (c) an amount to be determined annually by  
6 the Legislature through the appropriations process shall be  
7 transferred to the License Plate Cash Fund as needed to meet the  
8 current obligations associated with the manufacture of license  
9 plates and stickers or tabs provided for in sections 60-311,  
10 60-311.02, and 60-1804, as certified by the Director of Motor  
11 Vehicles, and (d) the remaining money may be used for the purchase  
12 for retirement of the bonds issued prior to January 1, 1988, in the  
13 open market.

14 (5) The State Treasurer shall monthly transfer, from the  
15 proceeds of the sales and use taxes credited to the Highway Trust  
16 Fund and any money remaining in the fund after the requirements of  
17 subsections (2) through (4) of this section are satisfied, (a)  
18 thirty thousand dollars to the Grade Crossing Protection Fund, ~~and~~  
19 (b) the amount calculated pursuant to section 13-1210 for financing  
20 the operating costs of public transportation systems to the Highway  
21 Cash Fund, and (c) each month beginning October 2002 through June  
22 2003, one million six hundred thousand dollars to the Cash Reserve  
23 Fund.

24 (6) Except as provided in subsection (7) of this section,  
25 the balance of the Highway Trust Fund shall be allocated  
26 fifty-three and one-third percent, less the amount provided for in  
27 section 39-847.01, to the Department of Roads, twenty-three and  
28 one-third percent, less the amount provided for in section

1 39-847.01, to the various counties for road purposes, and  
2 twenty-three and one-third percent to the various municipalities  
3 for street purposes. If bonds are issued pursuant to subsection  
4 (2) of section 39-2223, the portion allocated to the Department of  
5 Roads shall be credited monthly to the Highway Restoration and  
6 Improvement Bond Fund, and if no bonds are issued pursuant to such  
7 subsection, the portion allocated to the department shall be  
8 credited monthly to the Highway Cash Fund. The portions allocated  
9 to the counties and municipalities shall be credited monthly to the  
10 Highway Allocation Fund and distributed monthly as provided by law.  
11 Vehicles accorded prorated registration pursuant to section  
12 60-305.09 shall not be included in any formula involving motor  
13 vehicle registrations used to determine the allocation and  
14 distribution of state funds for highway purposes to political  
15 subdivisions.

16 (7) If it is determined by December 20 of any year that a  
17 county will receive from its allocation of state-collected highway  
18 revenue and from any funds relinquished to it by municipalities  
19 within its boundaries an amount in such year which is less than  
20 such county received in state-collected highway revenue in calendar  
21 year 1969, based upon the 1976 tax rates for highway-user fuels and  
22 registration fees, the Department of Roads shall notify the State  
23 Treasurer that an amount equal to the sum necessary to provide such  
24 county with funds equal to such county's 1969 highway allocation  
25 for such year shall be transferred to such county from the Highway  
26 Trust Fund. Such makeup funds shall be matched by the county as  
27 provided in sections 39-2501 to 39-2510. The balance remaining in  
28 the fund after such transfer shall then be reallocated as provided

1 in subsection (6) of this section.

2 (8) The State Treasurer shall disburse the money in the  
3 Highway Trust Fund as directed by resolution of the commission.  
4 All disbursements from the fund shall be made upon warrants drawn  
5 by the Director of Administrative Services. Any money in the fund  
6 available for investment shall be invested by the state investment  
7 officer pursuant to the Nebraska Capital Expansion Act and the  
8 Nebraska State Funds Investment Act and the earnings, if any,  
9 credited to the fund.

10 Sec. 3. Section 66-1345.04, Revised Statutes Supplement,  
11 2001, is amended to read:

12 66-1345.04. (1) The State Treasurer shall transfer from  
13 the General Fund to the Ethanol Production Incentive Cash Fund, on  
14 or before the end of each of fiscal years 1995-96 and 1996-97,  
15 \$8,000,000 per fiscal year.

16 (2) It is the intent of the Legislature that the  
17 following General Fund amounts be appropriated to the Ethanol  
18 Production Incentive Cash Fund in each of the following years:

19 (a) For each of fiscal years 1997-98 and 1998-99,  
20 \$7,000,000 per fiscal year;

21 (b) For fiscal year 1999-2000, \$6,000,000;

22 (c) For fiscal year 2000-01, \$5,000,000; and

23 (d) For ~~each of fiscal years~~ fiscal year 2001-02 and for  
24 each of fiscal years 2003-04 through 2007-08, \$1,500,000.

25 It is further the intent of the Legislature that the  
26 \$1,500,000 General Fund appropriation that was not made in fiscal  
27 year 2002-03 as a result of changes made by this legislative bill  
28 be reimbursed to the Ethanol Production Incentive Cash Fund by June

1 30, 2008.

2           Sec. 4.     Section 72-816, Revised Statutes Supplement,  
3 2000, is amended to read:

4           72-816. (1) The Vacant Building and Excess Land Cash  
5 Fund is created. The fund shall consist of proceeds credited to  
6 the fund pursuant to section 72-815. The fund shall be used to pay  
7 for the maintenance of vacant state buildings and excess state land  
8 and for expenses related to the disposal of state buildings and  
9 land referred to the Department of Administrative Services by the  
10 committee pursuant to sections 72-811 to 72-818, except through  
11 July 14, 2003, funds shall only be used as provided in subsection  
12 (4) of this section. The fund shall be administered by the state  
13 building division of the Department of Administrative Services.  
14 Any money in the fund available for investment shall be invested by  
15 the state investment officer pursuant to the Nebraska Capital  
16 Expansion Act and the Nebraska State Funds Investment Act.

17           Funds may be transferred from the Vacant Building and  
18 Excess Land Cash Fund to the General Fund at the direction of the  
19 Legislature.

20           (2) If there are insufficient funds in the fund to enable  
21 the division to fully implement the orders of the committee issued  
22 pursuant to sections 72-811 to 72-818, the division shall implement  
23 them in the order which most efficiently meets the purposes of such  
24 sections.

25           (3) Funds appropriated to the Task Force for Building  
26 Renewal shall not be used to carry out any of the purposes of such  
27 sections (a) unless the building would otherwise qualify for the  
28 use of such funds pursuant to the Deferred Building Renewal Act and

1 (b) except for any expenses incurred by the administrator of the  
2 Task Force for Building Renewal in fulfilling his or her duties  
3 under such sections.

4 (4) Through July 14, 2003, the Vacant Building and Excess  
5 Land Cash Fund, subject to an available fund balance, shall only be  
6 used in the following priority order:

7 (a) First, to address any immediate life safety concerns  
8 of vacant state buildings and excess state land, including the  
9 costs of daily maintenance, but excluding any renovation costs;

10 (b) Second, to complete any authorized transfers to the  
11 General Fund at the direction of the Legislature;

12 (c) Third, to fully complete the maximum cumulative  
13 transfers as authorized by Laws 1999, LB 873, section 2;

14 (d) Fourth, to complete the transfer amount as authorized  
15 by Laws 2000, LB 1216, section 4;

16 (e) Fifth, to complete the transfer amount as authorized  
17 by Laws 2000, LB 1216, section 5; and

18 (f) Sixth, ~~to complete the transfer amount as authorized~~  
19 ~~by Laws 2000, LB 1216, section 6, and~~

20 ~~(g) Seventh,~~ after completing the purposes of  
21 subdivisions (b) through ~~(f)~~ (e) of this subsection, utilize the  
22 fund consistent with existing provisions of law.

23 This subsection shall terminate on July 15, 2003.

24 Sec. 5. Section 79-810, Revised Statutes Supplement,  
25 2000, is amended to read:

26 79-810. (1) The certificates and permits provided for in  
27 section 79-808 shall be issued by the commissioner upon application  
28 on forms to be prescribed and provided by him or her, which shall

1 include the applicant's social security number, and upon the  
2 payment by the applicant of a nonrefundable fee of forty-five  
3 dollars, except as provided in subsection ~~(4)~~ (5) of this section,  
4 for each application for a certificate or permit. The board may  
5 waive the fee for the holder of any certificate issued in another  
6 state which is determined to have validity in this state based on  
7 provisions in agreements between the states which have been  
8 approved by the board.

9 (2) Each such certificate or permit issued by the  
10 commissioner shall indicate the grade levels, subjects, subject  
11 fields, or areas of specialization for which the holder was  
12 specifically prepared by a standard institution of higher education  
13 or authorized by the board to teach, counsel, supervise, and  
14 administer. During the term of any certificate or permit issued by  
15 the commissioner, additional endorsements may be made on the  
16 certificate or permit for a nonrefundable fee of thirty dollars.  
17 Such additional endorsements shall indicate only the grade levels,  
18 subjects, subject fields, or areas of specialization for which the  
19 holder was specifically prepared by a standard institution of  
20 higher education or authorized by the board pursuant to section  
21 79-808.

22 (3) The Teachers' Certification Fund is created. Any fee  
23 received by the State Department of Education under this section  
24 shall be remitted to the State Treasurer for credit to the  
25 Teachers' Certification Fund. The fund shall be used by the  
26 department in paying the costs of certifying educators pursuant to  
27 sections 79-808 to 79-816, except that fifteen dollars of the  
28 forty-five-dollar fee specified in subsection (1) of this section

1 shall be credited to the Professional Practices Commission Fund  
2 which is created for use by the department to pay for the  
3 provisions of sections 79-859 to 79-871. Money in the Teachers'  
4 Certification Fund shall not be used for any purpose other than the  
5 direct certification of educators and shall not be used for  
6 accreditation visits. Any money in the Teachers' Certification  
7 Fund or the Professional Practices Commission Fund available for  
8 investment shall be invested by the state investment officer  
9 pursuant to the Nebraska Capital Expansion Act and the Nebraska  
10 State Funds Investment Act.

11 (4) The State Treasurer shall transfer three hundred  
12 fifty thousand dollars from the Professional Practices Commission  
13 Fund to the General Fund on September 1, 2002.

14 (5) Since nonpublic schools and their teachers do not  
15 receive the benefits of sections 79-859 to 79-871, a special  
16 certificate or permit restricted to use in nonpublic schools only  
17 shall be issued upon payment of a nonrefundable fee of thirty  
18 dollars and the applicant providing his or her social security  
19 number. Such certificate or permit shall have plainly stamped or  
20 otherwise written on its face the words nonpublic school only.  
21 Upon surrender of such a certificate or permit and the payment of  
22 the fee provided in subsection (1) of this section by the holder of  
23 the certificate or permit, a regular certificate or permit shall be  
24 issued. Such fee shall be remitted and credited as directed in  
25 subsection (3) of this section.

26 ~~(5)~~ (6) Upon payment by the applicant of a nonrefundable  
27 fee of thirty dollars, a duplicate certificate or permit to which  
28 the holder is entitled may be issued by the commissioner.

1                   Sec. 6. Section 81-188.01, Revised Statutes Supplement,  
2 2000, as amended by Laws 2002, LB 1310, section 13, is amended to  
3 read:

4                   81-188.01. (1) The State Building Renewal Assessment  
5 Fund is created. The fund shall be under the control of the  
6 Governor for allocation to building renewal projects of the various  
7 agencies and shall be administered in a manner consistent with the  
8 administration of the Building Renewal Allocation Fund pursuant to  
9 the Deferred Building Renewal Act. No amounts accruing to the  
10 State Building Renewal Assessment Fund ~~shall be transferred to any~~  
11 ~~other fund and no amounts accruing to the fund~~ shall be expended in  
12 any manner for purposes other than as provided in this section.  
13 Subject to appropriations approved by the Legislature, for any  
14 fiscal year an amount not to exceed two percent of the total  
15 revenue credited to the fund in the second preceding fiscal year  
16 may be expended to meet the cost of administering the act.

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

22                   (3) Amounts appropriated from the fund shall be expended  
23 to conduct renewal work as defined in section 81-173 and to  
24 complete other improvements incident to such renewal work as deemed  
25 necessary or appropriate by the task force. From amounts accruing  
26 to the fund as the result of depreciation charges assessed pursuant  
27 to subdivision (6)(b) of section 81-1108.17, expenditures for  
28 capital improvements shall be limited to improvements to only those

1 facilities for which such charges have been assessed and remitted.  
2 From amounts accruing to the fund as the result of depreciation  
3 charges assessed pursuant to section 81-188.02, expenditures for  
4 capital improvement projects shall be limited to exclude (a)  
5 capital improvement projects relating to facilities, structures, or  
6 buildings owned, leased, or operated by the (i) University of  
7 Nebraska, (ii) Nebraska state colleges, (iii) Department of  
8 Aeronautics, (iv) Department of Roads, (v) Game and Parks  
9 Commission, or (vi) Board of Educational Lands and Funds and (b)  
10 capital improvement projects relating to facilities, structures, or  
11 buildings for which depreciation charges are assessed pursuant to  
12 subdivision (6)(b) of section 81-1108.17. Except to conduct  
13 renewal work of an emergency nature and to meet the cost of  
14 administering the act, no amounts accruing to the fund as the  
15 result of depreciation charges assessed pursuant to section  
16 81-188.02 shall be expended prior to July 1, 2003. For each of  
17 fiscal years 2003-04 through 2008-09, expenditure of amounts  
18 accruing to the fund as the result of depreciation charges assessed  
19 pursuant to section 81-188.02 shall not exceed fifty percent of  
20 such revenue credited to the fund in the second preceding fiscal  
21 year. For fiscal year 2009-10 and each fiscal year thereafter,  
22 expenditure of amounts accruing to the fund as the result of  
23 depreciation charges assessed pursuant to section 81-188.02 shall  
24 not exceed the total of such revenue credited to the fund in the  
25 second preceding fiscal year.

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

1 Investment Act.

2           (5) The State Treasurer shall transfer one million nine  
3 hundred forty-seven thousand one hundred dollars from the State  
4 Building Renewal Assessment Fund to the Nebraska Capital  
5 Construction Fund within five days after January 1, 2003.

6           (6) The State Treasurer shall transfer one million nine  
7 hundred forty-seven thousand one hundred dollars from the State  
8 Building Renewal Assessment Fund to the Nebraska Capital  
9 Construction Fund within five days after May 1, 2003.

10           Sec. 7. Section 81-15,160, Revised Statutes Supplement,  
11 2001, is amended to read:

12           81-15,160. (1) The Waste Reduction and Recycling  
13 Incentive Fund is created. The department shall deduct from the  
14 fund amounts sufficient to reimburse itself for its costs of  
15 administration of the fund. The fund shall be administered by the  
16 Department of Environmental Quality. The fund shall consist of  
17 proceeds from the fees imposed pursuant to the Waste Reduction and  
18 Recycling Incentive Act.

19           (2) The fund may be used for purposes which include, but  
20 are not limited to:

21           (a) Technical and financial assistance to political  
22 subdivisions for creation of recycling systems and for modification  
23 of present recycling systems;

24           (b) Recycling and waste reduction projects, including  
25 public education, planning, and technical assistance;

26           (c) Market development for recyclable materials separated  
27 by generators, including public education, planning, and technical  
28 assistance;

1           (d) Capital assistance for establishing private and  
2 public intermediate processing facilities for recyclable materials  
3 and facilities using recyclable materials in new products;

4           (e) Programs which develop and implement composting of  
5 yard waste and composting with sewage sludge;

6           (f) Technical assistance for waste reduction and waste  
7 exchange for waste generators;

8           (g) Programs to assist communities and counties to  
9 develop and implement household hazardous waste management  
10 programs;

11           (h) Incentive grants to political subdivisions to assist  
12 and encourage the closure of landfills operating without a permit,  
13 the regional consolidation of solid waste disposal facilities  
14 operating with a permit, and the use of transfer stations. Grants  
15 awarded for programs involving land disposal shall include  
16 provisions for waste reduction and recycling; and

17           (i) Capital assistance for establishing private and  
18 public facilities to manufacture combustible waste products and to  
19 incinerate waste to generate and recover energy resources, except  
20 that no disbursements shall be made under this section for scrap  
21 tire processing related to tire-derived fuel.

22           The State Treasurer shall transfer two million one  
23 hundred thousand dollars from the Waste Reduction and Recycling  
24 Incentive Fund to the General Fund within five days after the  
25 effective date of this act.

26           (3) No grant shall be made under section 81-15,161 to a  
27 political subdivision which operates a landfill operating without a  
28 permit unless the grant will be used to meet permit standards and

1 the landfill is issued a permit within two years after the award of  
2 the grant.

3 (4) Grants up to one million dollars annually shall be  
4 available until June 1, 2004, for new scrap tire projects only, if  
5 acceptable scrap tire project applications are received. Eligible  
6 categories of disbursement under section 81-15,161 may include, but  
7 are not limited to:

8 (a) Reimbursement for the purchase of crumb rubber  
9 generated and used in Nebraska, with disbursements not to exceed  
10 fifty percent of the cost of the crumb rubber;

11 (b) Reimbursement for the purchase of tire-derived  
12 product which utilizes a minimum of twenty-five percent recycled  
13 tire content, with disbursements not to exceed twenty-five percent  
14 of the product's retail cost, except that persons who applied for a  
15 grant between June 1, 1999, and May 31, 2001, for the purchase of  
16 tire-derived product which utilizes a minimum of twenty-five  
17 percent recycled tire content may apply for reimbursement on or  
18 before July 1, 2002. Reimbursement shall not exceed twenty-five  
19 percent of the product's retail cost and may be funded in fiscal  
20 years 2001-02 and 2002-03;

21 (c) Participation in the capital costs of building,  
22 equipment, and other capital improvement needs or startup costs for  
23 scrap tire processing or manufacturing of tire-derived product,  
24 with disbursements not to exceed fifty percent of such costs or  
25 five hundred thousand dollars, whichever is less;

26 (d) Participation in the capital costs of building,  
27 equipment, or other startup costs needed to establish collection  
28 sites or to collect and transport scrap tires, with disbursements

1 not to exceed fifty percent of such costs;

2 (e) Cost-sharing for the manufacturing of tire-derived  
3 product, with disbursements not to exceed twenty dollars per ton or  
4 two hundred fifty thousand dollars, whichever is less, to any  
5 person annually;

6 (f) Cost-sharing for the processing of scrap tires, with  
7 disbursements not to exceed twenty dollars per ton or two hundred  
8 fifty thousand dollars, whichever is less, to any person annually;

9 (g) Cost-sharing for the use of scrap tires for civil  
10 engineering applications for specified projects, with disbursements  
11 not to exceed twenty dollars per ton or two hundred fifty thousand  
12 dollars, whichever is less, to any person annually; and

13 (h) Disbursement to a political subdivision up to one  
14 hundred percent of costs incurred in cleaning up scrap tire  
15 collection sites.

16 The director shall give preference to projects which  
17 utilize scrap tires generated and used in Nebraska.

18 (5) Priority for grants made under section 81-15,161  
19 shall be given to grant proposals demonstrating a formal  
20 public/private partnership except for grants awarded from fees  
21 collected under subsection (6) of section 13-2042.

22 (6) Grants awarded from fees collected under subsection  
23 (6) of section 13-2042 may be renewed for up to a five-year grant  
24 period. Such applications shall include an updated integrated  
25 solid waste management plan pursuant to section 13-2032. Annual  
26 disbursements are subject to available funds and the grantee  
27 meeting established grant conditions. Priority for such grants  
28 shall be given to grant proposals showing regional participation

1 and programs which address the first integrated solid waste  
2 management hierarchy as stated in section 13-2018 which shall  
3 include toxicity reduction. Disbursements for any one year shall  
4 not exceed fifty percent of the total fees collected after rebates  
5 under subsection (6) of section 13-2042 during that year.

6 (7) Any person who operates a scrap tire collection site  
7 in violation of state law which is the subject of abatement or  
8 cleanup shall be liable to the State of Nebraska for the  
9 reimbursement of expenses of such abatement or cleanup paid by the  
10 Department of Environmental Quality.

11 (8) The Department of Environmental Quality may receive  
12 gifts, bequests, and any other contributions for deposit in the  
13 ~~fund~~ Waste Reduction and Recycling Incentive Fund. Any money in  
14 the fund available for investment shall be invested by the state  
15 investment officer pursuant to the Nebraska Capital Expansion Act  
16 and the Nebraska State Funds Investment Act.

17 Sec. 8. Section 81-15,174, Revised Statutes Supplement,  
18 2000, is amended to read:

19 81-15,174. ~~There is hereby established the~~ The Nebraska  
20 Environmental Trust Fund which shall be is created. The fund shall  
21 be maintained in the state accounting system as a cash fund. ~~The~~  
22 Except as otherwise provided in this section, the fund shall be  
23 used to carry out the purposes of the Nebraska Environmental Trust  
24 Act, including the payment of administrative costs. Money in the  
25 fund shall include proceeds credited pursuant to section 9-812 and  
26 proceeds designated by the board pursuant to section 81-15,173.  
27 Any money in the fund available for investment shall be invested by  
28 the state investment officer pursuant to the Nebraska Capital

1 Expansion Act and the Nebraska State Funds Investment Act.

2 The State Treasurer shall transfer two million five  
3 hundred eighty-five thousand dollars from the Nebraska  
4 Environmental Trust Fund to the Department of Natural Resources  
5 Interstate Water Rights Cash Fund within five days after the  
6 effective date of this act.

7 The State Treasurer shall transfer two hundred  
8 twenty-five thousand nine hundred twenty-nine dollars from the  
9 Nebraska Environmental Trust Fund to the Low-Level Radioactive  
10 Waste Cash Fund within five days after the effective date of this  
11 act.

12 Sec. 9. Section 81-2004.02, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14 81-2004.02. There is hereby created the Nebraska State  
15 Patrol Cash Fund. Money from this fund shall be used to defray  
16 expenses incident to the administration of the Nebraska State  
17 Patrol. All funds received by the Nebraska State Patrol for  
18 services rendered shall be remitted to the State Treasurer for  
19 credit to the Nebraska State Patrol Cash Fund. Such fund shall be  
20 administered by the Superintendent of Law Enforcement and Public  
21 Safety. ~~Any money in the fund available for investment shall be~~  
22 ~~invested by the state investment officer pursuant to the Nebraska~~  
23 ~~Capital Expansion Act and the Nebraska State Funds Investment Act.~~

24 Allowable uses of the fund shall include, but not be  
25 limited to, defraying the cost of:

26 (1) The vehicle identification inspection program  
27 established in sections 60-118 to 60-127;

28 (2) Investigations of odometer and motor vehicle fraud,

1 motor vehicle licensing violations, and motor vehicle theft; and

2 (3) Other investigative expenses when money is  
3 specifically appropriated by the Legislature for such purposes.

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

7 The State Treasurer shall transfer five hundred thousand  
8 dollars from the Nebraska State Patrol Cash Fund to the General  
9 Fund within five days after the effective date of this act.

10 Sec. 10. Section 81-1195, Revised Statutes Supplement,  
11 2000, as amended by Laws 2002, LB 1105, section 297, is amended to  
12 read:

13 ~~81-1195.~~ The Information Technology Infrastructure Fund  
14 is hereby created. The fund shall contain revenue from the special  
15 privilege tax as provided in section 77-2602, gifts, grants, and  
16 such other money as is appropriated or transferred by the  
17 Legislature. The fund shall be used to attain the goals listed in  
18 section 296 of this act and the goals and priorities identified in  
19 the statewide technology plan. The fund shall be administered by  
20 the department. Expenditures shall be made from the fund to  
21 finance the operations of the Information Technology Infrastructure  
22 Act in accordance with the appropriations made by the Legislature.  
23 Any money in the fund available for investment shall be invested by  
24 the state investment officer pursuant to the Nebraska Capital  
25 Expansion Act and the Nebraska State Funds Investment Act.

26 The Supreme Court is hereby authorized to expend seven  
27 hundred sixteen thousand eight hundred dollars directly from the  
28 Information Technology Infrastructure Fund in fiscal year 2002-03,

1 for the Supreme Court Automation program, for program costs  
2 authorized by the Legislature, which funds shall not require any  
3 further administrative reviews or approvals prior to their  
4 expenditure.

5           Sec. 11. The Department of Natural Resources Interstate  
6 Water Rights Cash Fund is created. The fund shall be used  
7 exclusively for the payment of expenses directly related to  
8 interstate water rights litigation. The fund shall contain  
9 proceeds transferred from the Nebraska Environmental Trust Fund,  
10 gifts, grants, and such other money as is appropriated or  
11 transferred by the Legislature. Any money in the fund available  
12 for investment shall be invested by the state investment officer  
13 pursuant to the Nebraska Capital Expansion Act and the Nebraska  
14 State Funds Investment Act. This fund terminates on June 30, 2003.

15           Sec. 12. Laws 2000, LB 1216, section 3, is amended to  
16 read:

17           Sec. 3. The State Treasurer shall transfer \$1,713,587  
18 from the General Fund to the State Building Revolving Fund within  
19 five days after May 19, 1999, except that from the proceeds of this  
20 original transfer, the State Treasurer shall transfer back (1)  
21 \$839,330 from the State Building Revolving Fund to the General Fund  
22 within five days after ~~the effective date of this act~~ March 31,  
23 2000, and (2) \$874,257 from the State Building Revolving Fund to  
24 the General Fund within five days after the effective date of this  
25 act.

26           Sec. 13. Laws 2001, LB 536A, section 1, is amended to  
27 read as follows:

28           Section 1. On or before September 15, 2001, the State

1 Treasurer shall transfer \$1,500,000 from the General Fund to the  
2 Ethanol Production Incentive Cash Fund.

3 On or before September 15, 2002, the State Treasurer  
4 shall transfer ~~\$1,500,000~~ -0- from the General Fund to the Ethanol  
5 Production Incentive Cash Fund.

6 The transfers made pursuant to this section are made to  
7 aid in carrying out the provisions of Legislative Bill 536,  
8 Ninety-seventh Legislature, First Session, 2001.

9 Sec. 14. Original section 81-2004.02, Reissue Revised  
10 Statutes of Nebraska, sections 72-816, 79-810, and 81-15,174,  
11 Revised Statutes Supplement, 2000, sections 66-1345.04 and  
12 81-15,160, Revised Statutes Supplement, 2001, section 39-2215,  
13 Reissue Revised Statutes of Nebraska, as amended by Laws 2002, LB  
14 989, section 7, section 81-188.01, Revised Statutes Supplement,  
15 2000, as amended by Laws 2002, LB 1310, section 13, section  
16 81-1195, Revised Statutes Supplement, 2000, as amended by Laws  
17 2002, LB 1105, section 297, section 9-812, Revised Statutes  
18 Supplement, 2001, as amended by Laws 2001, First Special Session,  
19 LB 3, section 1, Laws 2002, LB 1105, section 418, and Laws 2002, LB  
20 1310, section 3, Laws 2000, LB 1216, section 3, and Laws 2001, LB  
21 536A, section 1, are repealed.

22 Sec. 15. The following sections are outright repealed:  
23 Section 83-905.01, Reissue Revised Statutes of Nebraska, and Laws  
24 2000, LB 1216, section 6.

25 Sec. 16. Since an emergency exists, this act takes  
26 effect when passed and approved according to law.