

## LEGISLATIVE BILL 1

Approved by the Governor August 15, 2002

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

AN ACT relating to state government; to amend section 81-2004.02, Reissue Revised Statutes of Nebraska, sections 72-816, 79-810, and 81-15,174, Revised Statutes Supplement, 2000, sections 66-1345.04 and 81-15,160, Revised Statutes Supplement, 2001, section 39-2215, Reissue Revised Statutes of Nebraska, as amended by Laws 2002, LB 989, section 7, section 81-188.01, Revised Statutes Supplement, 2000, as amended by Laws 2002, LB 1310, section 13, section 81-1195, Revised Statutes Supplement, 2000, as amended by Laws 2002, LB 1105, section 297, section 9-812, Revised Statutes Supplement, 2001, as amended by Laws 2001, First Special Session, LB 3, section 1, Laws 2002, LB 1105, section 418, and Laws 2002, LB 1310, section 3, Laws 2000, LB 1216, section 3, and Laws 2001, LB 536A, section 1; to provide for, change, and eliminate transfers of funds; to create and eliminate funds; to state intent; to harmonize provisions; to repeal the original sections; to outright repeal section 83-905.01, Reissue Revised Statutes of Nebraska, and Laws 2000, LB 1216, section 6; and to declare an emergency.

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

Section 1. Section 9-812, Revised Statutes Supplement, 2001, as amended by Laws 2001, First Special Session, LB 3, section 1, Laws 2002, LB 1105, section 418, and Laws 2002, LB 1310, section 3, 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, 2002-03, 2003-04, and 2004-05, ~~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.~~ For fiscal years 2003-04 and 2004-05, the Education Innovation Fund shall be allocated to the General Fund after operating expenses for the Excellence in Education Council are deducted. The State Treasurer shall transfer two million eighteen thousand one hundred ninety-nine dollars from the Education Innovation Fund to the General Fund within five days after the effective date of this act.

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 291 of this act;

(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. 2. Section 39-2215, Reissue Revised Statutes of Nebraska, as amended by Laws 2002, LB 989, section 7, is amended to read:

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

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

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

(4) Of the money in the fund specified in subsection (3) of this section which is not required for the use specified in such subsection, (a) an amount equal to three dollars times the number of motorcycles registered during the previous month shall be placed in the Motorcycle Safety Education Fund, (b) an amount to be determined annually by the Legislature through the appropriations process may be transferred to the Motor Fuel Tax Enforcement and Collection Cash Fund for use as provided in section 66-738 on a monthly or other less frequent basis as determined by the appropriation language, (c) an amount to be determined annually by the Legislature through the appropriations process shall be transferred to the License Plate Cash Fund as needed to meet the current obligations associated with the manufacture of license plates and stickers or tabs provided for in sections 60-311, 60-311.02, and 60-1804, as certified by the Director of Motor Vehicles, and (d) the remaining money may be used for the purchase for retirement of the bonds issued prior to January 1, 1988, in the open market.

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

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

(7) If it is determined by December 20 of any year that a county will receive from its allocation of state-collected highway revenue and from any funds relinquished to it by municipalities within its boundaries an amount in such year which is less than such county received in state-collected highway revenue in calendar year 1969, based upon the 1976 tax rates for highway-user fuels and registration fees, the Department of Roads shall notify the State Treasurer that an amount equal to the sum necessary to provide such county with funds equal to such county's 1969 highway allocation for such year shall be transferred to such county from the Highway Trust Fund. Such makeup

funds shall be matched by the county as provided in sections 39-2501 to 39-2510. The balance remaining in the fund after such transfer shall then be reallocated as provided in subsection (6) of this section.

(8) The State Treasurer shall disburse the money in the Highway Trust Fund as directed by resolution of the commission. All disbursements from the fund shall be made upon warrants drawn by the Director of Administrative Services. 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 and the earnings, if any, credited to the fund.

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

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

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

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

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

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

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

It is further the intent of the Legislature that the \$1,500,000 General Fund appropriation that was not made in fiscal year 2002-03 as a result of changes made by this legislative bill be reimbursed to the Ethanol Production Incentive Cash Fund by June 30, 2008.

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

72-816. (1) The Vacant Building and Excess Land Cash Fund is created. The fund shall consist of proceeds credited to the fund pursuant to section 72-815. The fund shall be used to pay for the maintenance of vacant state buildings and excess state land and for expenses related to the disposal of state buildings and land referred to the Department of Administrative Services by the committee pursuant to sections 72-811 to 72-818, except through July 14, 2003, funds shall only be used as provided in subsection (4) of this section. The fund shall be administered by the state building division of the Department of Administrative Services. 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.

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

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

(3) Funds appropriated to the Task Force for Building Renewal shall not be used to carry out any of the purposes of such sections (a) unless the building would otherwise qualify for the use of such funds pursuant to the Deferred Building Renewal Act and (b) except for any expenses incurred by the administrator of the Task Force for Building Renewal in fulfilling his or her duties under such sections.

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

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

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

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

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

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

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

~~(g) Seventh,~~ after completing the purposes of subdivisions (b) through ~~(f)~~ (e) of this subsection, utilize the fund consistent with existing

provisions of law.

This subsection shall terminate on July 15, 2003.

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

79-810. (1) The certificates and permits provided for in section 79-808 shall be issued by the commissioner upon application on forms to be prescribed and provided by him or her, which shall include the applicant's social security number, and upon the payment by the applicant of a nonrefundable fee of forty-five dollars, except as provided in subsection ~~(4)~~ (5) of this section, for each application for a certificate or permit. The board may waive the fee for the holder of any certificate issued in another state which is determined to have validity in this state based on provisions in agreements between the states which have been approved by the board.

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

(3) The Teachers' Certification Fund is created. Any fee received by the State Department of Education under this section shall be remitted to the State Treasurer for credit to the Teachers' Certification Fund. The fund shall be used by the department in paying the costs of certifying educators pursuant to sections 79-808 to 79-816, except that fifteen dollars of the forty-five-dollar fee specified in subsection (1) of this section shall be credited to the Professional Practices Commission Fund which is created for use by the department to pay for the provisions of sections 79-859 to 79-871. Money in the Teachers' Certification Fund shall not be used for any purpose other than the direct certification of educators and shall not be used for accreditation visits. Any money in the Teachers' Certification Fund or the Professional Practices Commission 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.

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

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

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

Sec. 6. Section 81-188.01, Revised Statutes Supplement, 2000, as amended by Laws 2002, LB 1310, section 13, 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. 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 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.

(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.

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Capital assistance for establishing private and public facilities to manufacture combustible waste products and to incinerate waste to generate and recover energy resources, except that no disbursements shall

be made under this section for scrap tire processing related to tire-derived fuel.

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

(3) No grant shall be made under section 81-15,161 to a political subdivision which operates a landfill operating without a permit unless the grant will be used to meet permit standards and the landfill is issued a permit within two years after the award of the grant.

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

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

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

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

(d) Participation in the capital costs of building, equipment, or other startup costs needed to establish collection sites or to collect and transport scrap tires, with disbursements not to exceed fifty percent of such costs;

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

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

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

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

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

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

(6) Grants awarded from fees collected under subsection (6) of section 13-2042 may be renewed for up to a five-year grant period. Such applications shall include an updated integrated solid waste management plan pursuant to section 13-2032. Annual disbursements are subject to available funds and the grantee meeting established grant conditions. Priority for such grants shall be given to grant proposals showing regional participation and programs which address the first integrated solid waste management hierarchy as stated in section 13-2018 which shall include toxicity reduction. Disbursements for any one year shall not exceed fifty percent of the total fees collected after rebates under subsection (6) of section 13-2042 during that year.

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

(8) The Department of Environmental Quality may receive gifts, bequests, and any other contributions for deposit in the ~~fund~~ Waste Reduction and Recycling Incentive 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.

Sec. 8. Section 81-15,174, Revised Statutes Supplement, 2000, is

amended to read:

81-15,174. ~~There is hereby established the~~ The Nebraska Environmental Trust Fund ~~which shall be~~ is created. ~~The fund shall be maintained in the state accounting system as a cash fund.~~ Except as otherwise provided in this section, the fund shall be used to carry out the purposes of the Nebraska Environmental Trust Act, including the payment of administrative costs. Money in the fund shall include proceeds credited pursuant to section 9-812 and proceeds designated by the board pursuant to section 81-15,173. 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 two million five hundred eighty-five thousand dollars from the Nebraska Environmental Trust Fund to the Department of Natural Resources Interstate Water Rights Cash Fund within five days after the effective date of this act.

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

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

81-2004.02. ~~There is hereby created the Nebraska State Patrol Cash Fund. Money from this fund shall be used to defray expenses incident to the administration of the Nebraska State Patrol. All funds received by the Nebraska State Patrol for services rendered shall be remitted to the State Treasurer for credit to the Nebraska State Patrol Cash Fund. Such fund shall be administered by the Superintendent of Law Enforcement and Public Safety. 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.~~

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

- (1) The vehicle identification inspection program established in sections 60-118 to 60-127;
- (2) Investigations of odometer and motor vehicle fraud, motor vehicle licensing violations, and motor vehicle theft; and
- (3) Other investigative expenses when money is specifically appropriated by the Legislature for such purposes.

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 five hundred thousand dollars from the Nebraska State Patrol Cash Fund to the General Fund within five days after the effective date of this act.

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

~~81-1195.~~ The Information Technology Infrastructure Fund is hereby created. The fund shall contain revenue from the special privilege tax as provided in section 77-2602, gifts, grants, and such other money as is appropriated or transferred by the Legislature. The fund shall be used to attain the goals listed in section 296 of this act and the goals and priorities identified in the statewide technology plan. The fund shall be administered by the department. Expenditures shall be made from the fund to finance the operations of the Information Technology Infrastructure Act in accordance with the appropriations made by the Legislature. 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 Supreme Court is hereby authorized to expend seven hundred sixteen thousand eight hundred dollars directly from the Information Technology Infrastructure Fund in fiscal year 2002-03, for the Supreme Court Automation program, for program costs authorized by the Legislature, which funds shall not require any further administrative reviews or approvals prior to their expenditure.

Sec. 11. The Department of Natural Resources Interstate Water Rights Cash Fund is created. The fund shall be used exclusively for the payment of expenses directly related to interstate water rights litigation. The fund shall contain proceeds transferred from the Nebraska Environmental Trust Fund, gifts, grants, and such other money as is appropriated or transferred by the Legislature. 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.

This fund terminates on June 30, 2003.

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

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

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

Section 1. On or before September 15, 2001, the State Treasurer shall transfer \$1,500,000 from the General Fund to the Ethanol Production Incentive Cash Fund.

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

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

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

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

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