

LEGISLATURE OF NEBRASKA  
ONE HUNDREDTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 961**

Introduced by Speaker Flood, 19; at the request of the Governor.

Read first time January 15, 2008

Committee: Appropriations

A BILL

1 FOR AN ACT relating to the transfer of funds; to amend sections  
2 77-4212 and 84-612, Revised Statutes Supplement, 2007,  
3 and Laws 2007, LB 321, section 281; to increase the  
4 amount of property tax relief granted for tax year 2008;  
5 to provide for transfers of funds; to repeal the original  
6 sections; and to declare an emergency.  
7 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 77-4212, Revised Statutes Supplement,  
2 2007, is amended to read:

3           77-4212 (1) For tax year 2007, the amount of relief  
4 granted under the Property Tax Credit Act shall be one hundred five  
5 million dollars. For tax year 2008, the amount of relief granted  
6 under the act shall be one hundred ~~fifteen~~ ninety million dollars.  
7 It is the intent of the Legislature to fund the Property Tax Credit  
8 Act for tax years after tax year 2008 using available revenue. The  
9 relief shall be in the form of a property tax credit which appears  
10 on the property tax statement.

11           (2) To determine the amount of the property tax credit,  
12 the county treasurer shall multiply the amount disbursed to the  
13 county under subsection (4) of this section by the ratio of the  
14 real property valuation of the parcel to the total real property  
15 valuation in the county. The amount determined shall be the  
16 property tax credit for the property.

17           (3) If the real property owner qualifies for a homestead  
18 exemption under sections 77-3501 to 77-3529, the owner shall also  
19 be qualified for the relief provided in the act to the extent of  
20 any remaining liability after calculation of the relief provided by  
21 the homestead exemption. If the credit results in a property tax  
22 liability on the homestead that is less than zero, the amount of  
23 the credit which cannot be used by the taxpayer shall be returned  
24 to the State Treasurer by July 1 of the year the amount disbursed  
25 to the county was disbursed. The State Treasurer shall immediately

1 credit any funds returned under this section to the Property Tax  
2 Credit Cash Fund.

3 (4) The amount disbursed to each county shall be equal to  
4 the amount available for disbursement determined under subsection  
5 (1) of this section multiplied by the ratio of the real property  
6 valuation in the county to the real property valuation in the  
7 state. By September 15, the Property Tax Administrator shall  
8 determine the amount to be disbursed under this subsection to each  
9 county and certify such amounts to the State Treasurer and to each  
10 county. The disbursements to the counties shall occur in two equal  
11 payments, the first on or before January 31 and the second on or  
12 before April 1. After retaining one percent of the receipts for  
13 costs, the county treasurer shall allocate the remaining receipts  
14 to each taxing unit levying taxes on taxable property in the  
15 tax district in which the real property is located in the same  
16 proportion that the levy of such taxing unit bears to the total  
17 levy on taxable property of all the taxing units in the tax  
18 district in which the real property is located.

19 (5) The State Treasurer shall transfer from the General  
20 Fund to the Property Tax Credit Cash Fund one hundred five million  
21 dollars by August 1, 2007, and one hundred fifteen million dollars  
22 by ~~August 1, 2008.~~ December 31, 2008.

23 (6) The Legislature shall have the power to transfer  
24 funds from the Property Tax Credit Cash Fund to the General Fund.

25 Sec. 2. Section 84-612, Revised Statutes Supplement,

1 2007, is amended to read:

2           84-612 (1) There is hereby created within the state  
3 treasury a fund known as the Cash Reserve Fund which shall be under  
4 the direction of the State Treasurer. The fund shall only be used  
5 pursuant to this section.

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

14           (3) The State Treasurer, at the direction of the  
15 budget administrator of the budget division of the Department  
16 of Administrative Services, shall transfer such amounts not to  
17 exceed seven million seven hundred fifty-three thousand two hundred  
18 sixty-three dollars in total from the Cash Reserve Fund to the  
19 Nebraska Capital Construction Fund between July 1, 2003, and June  
20 30, 2007.

21           (4) The State Treasurer, at the direction of the budget  
22 administrator, shall transfer an amount equal to the total amount  
23 transferred pursuant to subsection (3) of this section from the  
24 General Fund to the Cash Reserve Fund on or before June 30, 2008.

25           (5) In addition to receiving transfers from other funds,

1 the Cash Reserve Fund shall receive federal funds received by the  
2 State of Nebraska for undesignated general government purposes,  
3 federal revenue sharing, or general fiscal relief of the state.

4 (6) On June 15, 2007, the State Treasurer shall transfer  
5 fifteen million six hundred seventy-four thousand one hundred seven  
6 dollars from the Cash Reserve Fund to the General Fund.

7 (7) On June 16, 2008, the State Treasurer shall transfer  
8 seventeen million nine hundred thirty-one thousand thirty dollars  
9 from the Cash Reserve Fund to the General Fund.

10 (8) On June 15, 2009, the State Treasurer shall transfer  
11 four million nine hundred ninety thousand five hundred five dollars  
12 from the Cash Reserve Fund to the General Fund.

13 (9) On or before June 16, 2008, the State Treasurer, at  
14 the direction of the budget administrator, shall transfer fifty  
15 million dollars from the Cash Reserve Fund to the General Fund.

16 (10) On or before June 16, 2009, the State Treasurer,  
17 at the direction of the budget administrator, shall transfer fifty  
18 million dollars from the Cash Reserve Fund to the General Fund.

19 (11) From the effective date of an endowment agreement  
20 as defined in subdivision (3)(c) of section 79-1101 until June  
21 30, 2007, forty million dollars of the Cash Reserve Fund shall be  
22 deemed to constitute the Early Childhood Education Endowment Fund.  
23 Such funds shall remain part of the Cash Reserve Fund for all  
24 purposes, except that the interest earned on such forty million  
25 dollars shall accrue as provided in section 84-613.

1           (12) The State Treasurer, at the direction of the budget  
2 administrator, shall transfer such amounts, as certified by the  
3 Director of Administrative Services, for employee health insurance  
4 claims and expenses, not to exceed twelve million dollars in total  
5 from the Cash Reserve Fund to the State Employees Insurance Fund  
6 between May 1, 2007, and June 30, 2011.

7           (13) On July 9, 2007, the State Treasurer shall transfer  
8 twelve million dollars from the Cash Reserve Fund to the Nebraska  
9 Capital Construction Fund.

10           (14) On July 9, 2007, the State Treasurer shall transfer  
11 five million dollars from the Cash Reserve Fund to the Job Training  
12 Cash Fund. The State Treasurer shall transfer from the Job Training  
13 Cash Fund to the Cash Reserve Fund such amounts as directed in  
14 section 81-1201.21.

15           (15) On July 7, 2008, the State Treasurer shall transfer  
16 five million dollars from the Cash Reserve Fund to the Job Training  
17 Cash Fund. The State Treasurer shall transfer from the Job Training  
18 Cash Fund to the Cash Reserve Fund such amounts as directed in  
19 section 81-1201.21.

20           (16) On or before August 1, 2007, the State Treasurer,  
21 at the direction of the budget administrator, shall transfer  
22 seventy-five million dollars from the Cash Reserve Fund to the  
23 Nebraska Capital Construction Fund.

24           (17) On or before June 30, 2009, the State Treasurer  
25 shall transfer nine million five hundred ninety thousand dollars

1 from the Cash Reserve Fund to the Nebraska Capital Construction  
2 Fund.

3 (18) The State Treasurer, at the direction of the budget  
4 administrator, shall transfer an amount equal to the total amount  
5 transferred pursuant to subsection (12) of this section from  
6 the appropriate health insurance accounts of the State Employees  
7 Insurance Fund in such amounts as certified by the Director of  
8 Administrative Services to the Cash Reserve Fund on or before June  
9 30, 2011.

10 (19) On July 9, 2007, the State Treasurer shall  
11 transfer one million dollars from the Cash Reserve Fund to the  
12 Microenterprise Development Cash Fund.

13 (20) On July 9, 2007, the State Treasurer shall transfer  
14 two hundred fifty thousand dollars from the Cash Reserve Fund to  
15 the Building Entrepreneurial Communities Cash Fund.

16 (21) On July 7, 2008, the State Treasurer shall  
17 transfer one million dollars from the Cash Reserve Fund to the  
18 Microenterprise Development Cash Fund.

19 (22) On July 7, 2008, the State Treasurer shall transfer  
20 two hundred fifty thousand dollars from the Cash Reserve Fund to  
21 the Building Entrepreneurial Communities Cash Fund.

22 (23) On or before December 31, 2008, the State Treasurer  
23 shall transfer seventy-five million dollars from the Cash Reserve  
24 Fund to the Property Tax Credit Cash Fund.

25 Sec. 3. Laws 2007, LB 321, section 281, is amended to

1 read:

2 Sec. 281. FUND LAPSES AND TRANSFERS.

3 The State Treasurer shall make the transfers specified  
4 in this section between funds, in the amounts indicated. Unless  
5 otherwise noted, transfers for FY2007-08 shall occur on July  
6 1, 2007, or as soon thereafter as administratively possible,  
7 and transfers for FY2008-09 shall occur on July 1, 2008, or as  
8 soon thereafter as administratively possible. All agencies with  
9 administrative responsibilities for these funds shall assist the  
10 State Treasurer as needed in implementing the transfers.

11 (1) Transfers for FY2007-08 shall include:

12 (a) From the General Fund to the Nebraska State Patrol  
13 Cash Fund: \$115,000 less the unexpended balance existing on June  
14 30, 2007, in (i) the Nebraska State Patrol Cash Fund, (ii)  
15 the Investigation Petty Cash Fund, (iii) any special checking  
16 account or accounts used by the Nebraska State Patrol, and (iv)  
17 the possession of agency personnel involved in investigations,  
18 when the unexpended balances resulted from General Fund transfers  
19 to the Nebraska State Patrol Cash Fund or from General Fund  
20 appropriations. Any transfers made shall be subject to a final  
21 reconciliation of available investigation cash fund balances as of  
22 June 30, 2007, by the Nebraska State Patrol.

23 It is the intent of the Legislature that the Nebraska  
24 State Patrol have available a total of \$115,000 from the General  
25 Fund for FY2007-08 to be used in making drug purchases, for

1 enforcing Nebraska laws relating to felonies, for enforcing the  
2 Nebraska liquor laws, and for payment of investigative expenses;

3 (b) From the Tobacco Products Administration Cash Fund to  
4 the General Fund: ~~0~~ \$6,000,000 on or before June 15, 2008, on  
5 such date as directed by the budget administrator;

6 (c) From the Securities Act Cash Fund to the General  
7 Fund: \$7,500,000 on or before September 30, 2007, and ~~\$3,500,000~~  
8 \$7,500,000 on or before ~~March 31, 2008~~, May 30, 2008, on such dates  
9 as directed by the budget administrator;

10 (d) From the Department of Health and Human Services Cash  
11 Fund to the University of Nebraska Eppley Institute for Research in  
12 Cancer and Allied Diseases Cash Fund: \$500,000, pursuant to Laws  
13 1983, LB 192, section 2;

14 (e) From the Department of Insurance Cash Fund to the  
15 General Fund: \$1,500,000 on or before September 30, 2007, and  
16 \$1,500,000 on or before March 31, 2008, on such dates as directed  
17 by the budget administrator;

18 (f) From the Roads Operations Cash Fund to the Carrier  
19 Enforcement Cash Fund: \$6,757,436 less the June 30, 2007,  
20 unobligated Carrier Enforcement Cash Fund balance. Transfers shall  
21 be made in four equal quarterly amounts on or before July 15,  
22 October 15, January 15, and April 15;

23 (g) From the Petroleum Release Remedial Action Cash Fund  
24 to the Underground Storage Tank Fund: \$50,000 on or before July 5,  
25 2007;

1           (h) From the State Building Revolving Fund to the Capitol  
2 Security Revolving Fund: \$507,950. Transfers shall be made in four  
3 equal quarterly amounts on or before July 15, October 15, January  
4 15, and April 15.

5           Transfers shall be made to pay non-General Fund costs  
6 associated with the operation of the State Capitol Security  
7 Division of the Nebraska State Patrol;

8           (i) From the Highway Trust Fund to the Motor Fuel Tax  
9 Enforcement and Collection Cash Fund: \$2,000,000. Transfers shall  
10 be made in twelve equal monthly amounts;

11           (j) From the Highway Trust Fund to the Motor Carrier  
12 Division Cash Fund: Up to a maximum of \$750,000. Transfers shall be  
13 made as required by the Department of Motor Vehicles to operate the  
14 Division of Motor Carrier Services;

15           (k) From the Highway Trust Fund to the License Plate  
16 Cash Fund: \$250,000. Transfers shall be made as required by the  
17 Department of Motor Vehicles to meet the expenditures of plate and  
18 sticker production, except that the total \$250,000 aggregate amount  
19 shall be transferred by the State Treasurer on or before June 1,  
20 2008;

21           (l) From the Flexible Spending Trust Fund to the Health  
22 and Life Benefit Administration Cash Fund: \$68,000, except if the  
23 total available unobligated balance of forfeitures in the Flexible  
24 Spending Trust Fund as of June 30, 2007, is less than \$68,000, then  
25 the State Treasurer shall transfer the difference, not to exceed

1 \$68,000, from the Health History Account of the State Employees  
2 Insurance Fund. Transfers shall be made to pay the costs associated  
3 with the administration of the Flexible Spending Account program;

4 (m) From the Health History Account of the State  
5 Employees Insurance Fund to the Health and Life Benefit  
6 Administration Cash Fund: \$631,981, less the June 30, 2007,  
7 unobligated Health and Life Benefit Administration Cash Fund  
8 balance;

9 (n) From the Severance Tax Fund to the Municipal Rate  
10 Negotiations Revolving Loan Fund: \$30,000, pursuant to section  
11 57-705;

12 (o) From the Severance Tax Fund to the State Energy  
13 Office Cash Fund: \$300,000, pursuant to section 57-705. Transfers  
14 shall be made in twelve equal monthly amounts; and

15 (p) From the Nebraska Collection Agency Fund to the  
16 General Fund: \$350,000.

17 (2) Transfers for FY2008-09 shall include:

18 (a) From the General Fund to the Nebraska State Patrol  
19 Cash Fund: \$115,000 less the unexpended balance existing on June  
20 30, 2008, in (i) the Nebraska State Patrol Cash Fund, (ii)  
21 the Investigation Petty Cash Fund, (iii) any special checking  
22 account or accounts used by the Nebraska State Patrol, and (iv)  
23 the possession of agency personnel involved in investigations,  
24 when the unexpended balances resulted from General Fund transfers  
25 to the Nebraska State Patrol Cash Fund or from General Fund

1 appropriations. Any transfers made shall be subject to a final  
2 reconciliation of available investigation cash fund balances as of  
3 June 30, 2008, by the Nebraska State Patrol.

4 It is the intent of the Legislature that the Nebraska  
5 State Patrol have available a total of \$115,000 from the General  
6 Fund for FY2008-09 to be used in making drug purchases, for  
7 enforcing Nebraska laws relating to felonies, for enforcing the  
8 Nebraska liquor laws, and for payment of investigative expenses;

9 (b) From the General Fund to the Roads Operations Cash  
10 Fund: \$15,000,000 on or before June 15, 2009, on such date as  
11 directed by the budget administrator;

12 ~~(b)~~ (c) From the Tobacco Products Administration Cash  
13 Fund to the General Fund: \$-0- on or before June 15, 2009, on such  
14 date as directed by the budget administrator;

15 ~~(e)~~ (d) From the Securities Act Cash Fund to the General  
16 Fund: \$7,500,000 on or before September 30, 2008, and \$3,500,000 on  
17 or before March 31, 2009, on such dates as directed by the budget  
18 administrator;

19 ~~(d)~~ (e) From the Department of Health and Human Services  
20 Cash Fund to the University of Nebraska Eppley Institute for  
21 Research in Cancer and Allied Diseases Cash Fund: \$500,000,  
22 pursuant to Laws 1983, LB 192, section 2;

23 ~~(e)~~ (f) From the Department of Insurance Cash Fund to  
24 the General Fund: \$1,500,000 on or before September 30, 2008, and  
25 \$1,500,000 on or before March 31, 2009, on such dates as directed

1 by the budget administrator;

2 ~~(f)~~ (g) From the Roads Operations Cash Fund to the  
3 Carrier Enforcement Cash Fund: ~~\$7,055,791.~~ \$7,433,932. Transfers  
4 shall be made in four equal quarterly amounts on or before July 15,  
5 October 15, January 15, and April 15;

6 ~~(g)~~ (h) From the Carrier Enforcement Cash Fund to the  
7 Nebraska Public Safety Communication System Cash Fund: \$378,141 on  
8 or before July 5, 2008;

9 ~~(h)~~ (i) From the Petroleum Release Remedial Action Cash  
10 Fund to the Underground Storage Tank Fund: \$50,000 on or before  
11 July 5, 2008;

12 ~~(i)~~ (j) From the State Building Revolving Fund to the  
13 Capitol Security Revolving Fund: \$533,619. Transfers shall be made  
14 in four equal quarterly amounts on or before July 15, October 15,  
15 January 15, and April 15.

16 Transfers shall be made to pay non-General Fund costs  
17 associated with the operation of the State Capitol Security  
18 Division of the Nebraska State Patrol;

19 ~~(j)~~ (k) From the Highway Trust Fund to the Motor Fuel Tax  
20 Enforcement and Collection Cash Fund: \$2,000,000. Transfers shall  
21 be made in twelve equal monthly amounts;

22 ~~(k)~~ (l) From the Highway Trust Fund to the Motor Carrier  
23 Division Cash Fund: Up to a maximum of \$900,000. Transfers shall be  
24 made as required by the Department of Motor Vehicles to operate the  
25 Division of Motor Carrier Services;

1           ~~(l)~~ (m) From the Highway Trust Fund to the License Plate  
2 Cash Fund: Up to a maximum of \$1,950,000. Transfers shall be  
3 made as required by the Department of Motor Vehicles to meet the  
4 expenditures of plate and sticker production;

5           ~~(m)~~ (n) From the Flexible Spending Trust Fund to the  
6 Health and Life Benefit Administration Cash Fund: \$68,000, except  
7 if the total available unobligated balance of forfeitures in the  
8 Flexible Spending Trust Fund as of June 30, 2008, is less than  
9 \$68,000, then the State Treasurer shall transfer the difference,  
10 not to exceed \$68,000, from the Health History Account of the State  
11 Employees Insurance Fund. Transfers shall be made to pay the costs  
12 associated with the administration of the Flexible Spending Account  
13 program;

14           ~~(n)~~ (o) From the Health History Account of the  
15 State Employees Insurance Fund to the Health and Life Benefit  
16 Administration Cash Fund: \$644,252;

17           ~~(o)~~ (p) From the Severance Tax Fund to the Municipal  
18 Rate Negotiations Revolving Loan Fund: \$30,000, pursuant to section  
19 57-705; and

20           ~~(p)~~ (q) From the Severance Tax Fund to the State Energy  
21 Office Cash Fund: \$300,000, pursuant to section 57-705. Transfers  
22 shall be made in twelve equal monthly amounts.

23           Sec. 4. Original sections 77-4212 and 84-612, Revised  
24 Statutes Supplement, 2007, and Laws 2007, LB 321, section 281, are  
25 repealed.

LB 961

LB 961

1                   Sec. 5. Since an emergency exists, this act takes effect  
2 when passed and approved according to law.