

LEGISLATIVE BILL 9

Approved by the Governor October 5, 1992

Introduced by Appropriations Committee: Moore, 24,
Chairperson; Ashford, 6;
Bernard-Stevens, 42; Crosby, 29;
Hillman, 48; L. Johnson, 15; Robinson, 16

AN ACT relating to state colleges and universities; to amend sections 85-1,113 and 85-1,114, Reissue Revised Statutes of Nebraska, 1943, and sections 77-2602 and 85-122, Revised Statutes Supplement, 1992; to change the distribution of cigarette tax proceeds; to create and rename funds; to change and provide for capital construction projects; to authorize contracts; to require reports; to harmonize provisions; to repeal the original sections; and to declare an emergency.

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

Section 1. That section 77-2602, Revised Statutes Supplement, 1992, be amended to read as follows:

77-2602. (1) Every person engaged in distributing or selling cigarettes at wholesale in this state shall pay to the Tax Commissioner of this state a special privilege tax. This shall be in addition to all other taxes. It shall be paid prior to or at the time of the sale, gift, or delivery to the retail dealer in the several amounts as follows: On each package of cigarettes containing not more than twenty cigarettes, twenty-seven cents per package; and on packages containing more than twenty cigarettes, the same tax as provided on packages containing not more than twenty cigarettes for the first twenty cigarettes in each package and a tax of one-twentieth of the tax on the first twenty cigarettes on each cigarette in excess of twenty cigarettes in each package. Commencing July 1, 1989, and continuing until July 1, 2009, the State Treasurer shall place the equivalent of sixteen cents of such tax less four million five hundred thousand dollars each fiscal year of proceeds of such tax in the General Fund. Commencing July 1, 2009, the State Treasurer shall place the equivalent of sixteen cents of such tax in the General Fund. For purposes of this section, the equivalent of a specified number of cents of the tax

shall mean that portion of the proceeds of the tax equal to the specified number divided by twenty-seven. The State Treasurer shall distribute the remaining proceeds of such tax in the following order:

(a) First, beginning July 1, 1980, the State Treasurer shall place the equivalent of one cent of such tax in the Nebraska Outdoor Recreation Development Cash Fund;

(b) Second, beginning July 1, 1983, the State Treasurer shall place the equivalent of one cent of such tax in the Department of Health Cash Fund to carry out sections 81-637 to 81-640;

(c) Third, the State Treasurer shall place in the University Buildings Renovation and Land Acquisition Fund the sum of one million seven hundred sixty-five thousand one hundred fifty-three dollars and in the State College Buildings Renovation and Land Acquisition Fund the sum of three hundred sixty-one thousand two hundred twenty-two dollars each year for fiscal year 1984-85 through fiscal year 1993-94. Such amounts are hereby appropriated and the unexpended balances existing in such funds at the end of each fiscal year or biennium through June 30, 1994, are hereby reappropriated. The money in such funds shall be used for payment of the costs of building repair, remodeling, and renovation projects and equipment and land acquisition projects of the University of Nebraska and the Nebraska state colleges authorized by sections 85-1,111, 85-1,112, 85-322, and 85-323;

(d) Fourth, beginning July 1, 1986, the State Treasurer shall place the equivalent of four cents of such tax, but in any event not less than four million four hundred fourteen thousand dollars, in the University Facilities Construction Fund each fiscal year to carry out section 85-1,113. The Legislature shall appropriate the sum of four million four hundred fourteen thousand dollars each year for fiscal year 1986-87 either through fiscal year 1995-96 or until all financial obligations incurred in the contracts entered into by the Board of Regents pursuant to section 85-1,114 are discharged, whichever occurs first. The State Treasurer shall transfer the unexpended balance existing in the University Facilities Construction Fund on June 15 of each year to the General Fund, except that of the balance existing on June 15, 1991, the State Treasurer shall transfer an amount not to exceed four hundred seventy-five thousand dollars to the University of Nebraska Eppley Science Hall Construction Fund to be used as partial funding for the University of Nebraska

Eppley Science Hall construction project, with any remaining balance being transferred to the General Fund;

(e) ~~Fifth~~ (d) ~~Fourth~~, beginning July 1, 1988, the State Treasurer shall place the equivalent of one-half cent of such tax, but in any event not less than six hundred ninety-five thousand one hundred seventy-eight dollars, in the University Facility Improvement Fund and shall place the equivalent of one and one-half cents of such tax, but in any event not less than one million eight hundred fifty-seven thousand two hundred thirteen dollars, in the State College Facilities Improvement Fund for each fiscal year to carry out sections 85-1,116, 85-1,117, 85-324, and 85-325. The Legislature shall appropriate the sum of six hundred ninety-five thousand one hundred seventy-eight dollars each year for fiscal year 1988-89 through fiscal year 1997-98 or until all financial obligations incurred in the contracts entered into by the Board of Regents pursuant to section 85-1,117 are discharged, whichever occurs first. The Legislature shall appropriate the sum of one million eight hundred fifty-seven thousand two hundred thirteen dollars each year for fiscal year 1988-89 through fiscal year 1997-98 or until all financial obligations incurred in the contracts entered into by the Board of Trustees of the Nebraska State Colleges pursuant to section 85-325 are discharged, whichever occurs first. The State Treasurer shall transfer the unexpended balance existing in the University Facility Improvement Fund and the State College Facilities Improvement Fund on June 15 of each year to the General Fund;

(e) Fifth, the State Treasurer shall place two million eight hundred six thousand two hundred seventy dollars in the University Facilities Fund and one million two hundred five thousand ninety-eight dollars in the State College Facility Fund each fiscal year for fiscal year 1993-94 through fiscal year 1996-97 to carry out sections 85-1,113 and 85-1,114 and sections 5 and 6 of this act. The Legislature shall appropriate the sum of two million eight hundred six thousand two hundred seventy dollars from the University Facilities Fund to the Board of Regents of the University of Nebraska each year for fiscal year 1993-94 through fiscal year 1996-97 or until all financial obligations incurred in contracts entered into by the board pursuant to section 85-1,114 are discharged, whichever occurs first. The Legislature shall appropriate the sum of one million two hundred five thousand ninety-eight dollars from the State College Facility Fund to the Board of Trustees of the

Nebraska State Colleges each year for fiscal year 1993-94 through fiscal year 1996-97 or until all financial obligations incurred in contracts entered into by the board pursuant to section 6 of this act are discharged, whichever occurs first. The State Treasurer shall transfer any unobligated balance existing in the University Facilities Fund and the State College Facility Fund to the General Fund on June 15 of each year;

(f) Sixth, the State Treasurer shall place the difference between the equivalent of eleven cents of such tax and the sum of the amounts distributed pursuant to subdivisions (a) through (e) of this subsection in a special fund to be known as the Nebraska Capital Construction Fund, and disbursements from such fund shall be as the Legislature shall from time to time provide; and

(g) Seventh, beginning July 1, 1989, and continuing until July 1, 2009, the State Treasurer shall place in the Municipal Infrastructure Redevelopment Fund the sum of four million five hundred thousand dollars each fiscal year to carry out the Municipal Infrastructure Redevelopment Fund Act. The Legislature shall appropriate the sum of four million five hundred thousand dollars each year for fiscal year 1989-90 through fiscal year 2008-09.

(2) The Legislature hereby finds and determines that the projects funded from the University Buildings Renovation and Land Acquisition Fund, the State College Buildings Renovation and Land Acquisition Fund, the University Facilities Construction Fund, the University Facility Improvement Fund, the State College Facilities Improvement Fund, the University Facilities Fund, the State College Facility Fund, and the Municipal Infrastructure Redevelopment Fund, and the University of Nebraska Epplcy Science Hall Construction Fund are of critical importance to the State of Nebraska. It is the intent of the Legislature that the allocations and appropriations made by the Legislature to such funds or, in the case of allocations for the Municipal Infrastructure Redevelopment Fund, to the particular municipality's account not be reduced until all contracts and securities relating to the construction and financing of the projects or portions of the projects funded from such funds or accounts of such funds are completed or paid or, in the case of the Municipal Infrastructure Redevelopment Fund, the earlier of such date or July 1, 2009, and that until such time any reductions in the cigarette tax rate made by the

Legislature shall be simultaneously accompanied by equivalent reductions in the amount dedicated to the General Fund from cigarette tax revenue. Any provision made by the Legislature for distribution of the proceeds of the cigarette tax for projects or programs other than those to (a) the General Fund, (b) the Nebraska Outdoor Recreation Development Cash Fund, (c) the Department of Health Cash Fund, (d) the University Buildings Renovation and Land Acquisition Fund and the State College Buildings Renovation and Land Acquisition Fund, (e) ~~the University Facilities Construction Fund,~~ ~~(f)~~ the University Facility Improvement Fund and the State College Facilities Improvement Fund, (f) the University Facilities Fund and the State College Facility Fund, and (g) the Municipal Infrastructure Redevelopment Fund; and ~~(h) the University of Nebraska Eppley Science Hall Construction Fund~~ shall not be made a higher priority than or an equal priority to any of the programs or projects specified in subdivisions (a) through ~~(h)~~ (g) of this subsection.

Sec. 2. That section 85-122, Revised Statutes Supplement, 1992, be amended to read as follows:

85-122. The several funds for the support of the university shall be constituted and designated as follows: (1) The Permanent Endowment Fund; (2) the Temporary University Fund; (3) the University Cash Fund; (4) the United States Morrill Fund; (5) the United States Experiment Station Fund; (6) the University Trust Fund; (7) the United States Agricultural Extension Fund; (8) the Veterinary School Fund; (9) the University of Nebraska at Omaha Cash Fund; (10) the University of Nebraska at Omaha Trust Fund; (11) the University of Nebraska at Kearney Cash Fund; (12) the University of Nebraska at Kearney Trust Fund; (13) the Agricultural Field Laboratory Fund; (14) the Animal Research and Diagnosis Revolving Fund; (15) the University Buildings Renovation and Land Acquisition Fund; (16) ~~the University Facilities Construction Fund;~~ ~~(17)~~ the University Facility Improvement Fund; and ~~(18)~~ (17) the University of Nebraska Eppley Science Hall Construction Fund; and (18) the University Facilities Fund. No portion of the funds designated above derived from taxation shall be disbursed for mileage or other traveling expenses except as authorized by sections 81-1174 to 81-1177. No expenditures shall be made for or on behalf of the School of Veterinary Medicine and Surgery except from money appropriated to the Veterinary School Fund. Any money in the funds designated in this section available for investment shall be invested by

the state investment officer pursuant to sections 72-1237 to 72-1276.

Sec. 3. That section 85-1,113, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

85-1,113. There is hereby created a University Facilities ~~Construction~~ Fund. All money accruing to the fund is hereby appropriated to the Board of Regents of the University of Nebraska and shall be used exclusively for those construction projects of the university authorized pursuant to this section. No expenditure may be made from such fund without prior approval by a resolution of the Board of Regents.

The Board of Regents is authorized to make expenditures from the University Facilities ~~Construction~~ Fund for the following projects and associated expenses: (1) Renovation of the University of Nebraska at Omaha Arts and Sciences Hall, two million eight hundred forty-six thousand two dollars; (2) renovation of the University of Nebraska at Kearney Copeland Hall, two million two hundred fifty-seven thousand one hundred seventy-four dollars; and (3) University of Nebraska-Lincoln Institute of Agriculture and Natural Resources projects, including (a) construction of a Headquarters Building at the Agricultural Research and Development Center, Mead, Nebraska, two million six hundred fifteen thousand three hundred seventy-eight dollars, (b) renovation of the Elliot Building at the Panhandle Research and Extension Center, Scottsbluff, Nebraska, four hundred thirty-one thousand eight hundred seven dollars, (c) construction of a Swine Research Growing and Finishing Facility at the West Central Research and Extension Center, North Platte, Nebraska, three hundred eighteen thousand nine hundred forty-nine dollars, (d) construction of a Research and Extension Support Building at the West Central Research and Extension Center, North Platte, Nebraska, two hundred eighty-four thousand six hundred dollars, (e) construction of a Staff/Laboratory/Conference Center at the Gudmundsen Sandhill Laboratory, Whitman, Nebraska, two hundred seventy-six thousand seven hundred forty-nine dollars, and (f) construction of a Swine Research Growing and Finishing Facility at the Northeast Research and Extension Center, Concord, Nebraska, ninety-five thousand one hundred ninety-four dollars. The cost limitations set forth in this section shall be exclusive of sums previously expended from other sources for planning and administrative costs, financing costs, and other costs associated with any contract which the

Board of Regents may enter into pursuant to this section and section 85-1,114 to implement the projects listed in this section. The cost limitation set forth in subdivision (3)(a) of this section may be exceeded with private funds not to exceed two hundred twenty-five thousand dollars. The cost limitation set forth in subdivision (3)(f) of this section may be exceeded with private funds not to exceed sixty-six thousand dollars. The Board of Regents shall record and report, on the Nebraska State Accounting System, expenditure of amounts from the University Facilities Fund and expenditure of proceeds arising from any contract entered into pursuant to this section and section 85-1,114 in such manner and format as prescribed by the Department of Administrative Services. Completion of the construction of the University of Nebraska-Lincoln Animal Science Complex, eleven million one hundred sixty-six thousand eight hundred forty-five dollars; (2) completion of the construction of the University of Nebraska at Omaha Lab Science Building, seven million five hundred thousand dollars; and (3) administrative costs, credit enhancement costs, and financing costs associated with any contract which the Board of Regents may enter into pursuant to this section and section 85-1,114 to implement any of the projects listed in this section; an amount not to exceed eight hundred thousand dollars.

The Board of Regents is authorized to make expenditures for the purposes stated in this section from investment income balances in the University Facilities Construction Fund. Any balance existing in the University Facilities Construction Fund or in any reserve funds created as part of a long-term contract entered into by the Board of Regents pursuant to section 85-1,114 shall be lapsed transferred to the General Fund either on June 15, 1997 July 15, 1997, or when all financial obligations incurred in the contracts entered into by the Board of Regents pursuant to section 85-1,114 are discharged, whichever occurs first. Any balance existing in any reserve funds created as part of a long-term contract entered into by the Board of Regents pursuant to section 85-1,114 in excess of such level as may be required by such contract shall be annually transferred to the General Fund on July 15.

Sec. 4. That section 85-1,114, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

85-1,114. In order to accomplish any projects authorized by section 85-1,113, the Board of Regents of the University of Nebraska may enter into contracts with

any person, firm, or corporation providing for the implementation of any such project of the university and providing for the long-term payment of the cost of such project from the University Facilities Construction Fund. In no case shall any such contract run for a period longer than ten years or exceed eighteen million six hundred sixty-six thousand eight hundred forty-five dollars exclusive of administrative costs, credit enhancement costs, financing costs, and reserves dedicated to secure payment of contracts extend for a period beyond July 15, 1997, or obligate payments beyond those which may be satisfied with funds available pursuant to sections 77-2602 and 85-1,113. The Board of Regents shall not pledge the credit of the State of Nebraska for the payment of any sum owing on account of such contract, except that there may be pledged for the payment of any such contract any appropriations specifically made by the Legislature for such purpose. No contract shall be entered into pursuant to this section without prior approval by a resolution of the Board of Regents. The Board of Regents may also convey or lease and lease back all or any part of the projects authorized by section 85-1,113 and the land on which such projects are situated to such person, firm, or corporation as the Board of Regents may contract with pursuant to this section to facilitate the long-term payment of the cost of such projects. Any such conveyance or lease shall provide that when the cost of such projects has been paid, together with interest and other costs thereon, such projects and the land on which such projects are located shall become the property of the Board of Regents.

Sec. 5. There is hereby created a State College Facility Fund. All money accruing to the fund is hereby appropriated to the Board of Trustees of the Nebraska State Colleges and shall be used exclusively for the construction project authorized in this section. No expenditures may be made from such fund without prior approval by a resolution of the Board of Trustees.

The Board of Trustees is authorized to make expenditures from the State College Facility Fund for the following project and associated expenses: Construction of a classroom and laboratory facility to house the Division of Business at Wayne State College, three million nine hundred twenty-five thousand five hundred twenty dollars. The cost limitation set forth in this section shall be exclusive of sums previously expended from other sources for planning and administrative costs, financing costs, and other costs

associated with any contract which the Board of Trustees may enter into pursuant to this section and section 6 of this act to implement the project listed in this section. The Board of Trustees shall record and report, on the Nebraska State Accounting System, expenditure of amounts from the State College Facility Fund and expenditure of proceeds arising from any contract entered into pursuant to this section and section 6 of this act in such manner and format as prescribed by the Department of Administrative Services.

The Board of Trustees is authorized to make expenditures for the purposes stated in this section from investment income balances in the State College Facility Fund. Any balance existing in the State College Facility Fund or in any reserve funds created as part of a long-term contract entered into by the Board of Trustees pursuant to section 6 of this act shall be transferred to the General Fund either on July 15, 1997, or when all financial obligations incurred in the contracts entered into by the Board of Trustees pursuant to section 6 of this act are discharged, whichever occurs first. Any balance existing in any reserve funds created as part of a long-term contract entered into by the Board of Trustees pursuant to section 6 of this act in excess of such level as may be required by such contract shall be annually transferred to the General Fund on July 15.

Sec. 6. In order to accomplish the project authorized by section 5 of this act, the Board of Trustees of the Nebraska State Colleges may enter into contracts with any person, firm, or corporation providing for the long-term payment of the cost of such project from the State College Facility Fund. In no case shall any such contract extend for a period beyond July 15, 1997, or obligate payments beyond those which may be satisfied with funds available pursuant to section 77-2602 and section 5 of this act. The Board of Trustees shall not pledge the credit of the State of Nebraska for the payment of any sum owing on account of such contract, except that there may be pledged for the payment of any such contract any appropriations specifically made by the Legislature for such purpose. No contract shall be entered into pursuant to this section without prior approval by a resolution of the Board of Trustees. The Board of Trustees may also convey or lease and lease back all or any part of the project authorized by section 5 of this act and the land on which such project is situated to such person, firm, or corporation as the Board of Trustees may contract

with pursuant to this section to facilitate the long-term payment of the cost of such project. Any such conveyance or lease shall provide that when the cost of such project has been paid, together with interest and other costs thereon, such project and the land on which such project is located shall become the property of the Board of Trustees.

Sec. 7. That original sections 85-1,113 and 85-1,114, Reissue Revised Statutes of Nebraska, 1943, and sections 77-2602 and 85-122, Revised Statutes Supplement, 1992, are repealed.

Sec. 8. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.