

## LEGISLATIVE BILL 1091

Approved by the Governor April 13, 1988

Introduced by Scofield, 49; Bernard-Stevens, 42; Remmers, 1; Nelson, 35; Weihsing, 48; Morehead, 30; Baack, 47; Miller, 37; McFarland, 28; Moore, 24; R. Johnson, 34; Barrett, 39; Langford, 36; Smith, 33; Hartnett, 45; Lamb, 43; Coordsen, 32; L. Johnson, 15; Haberman, 44

AN ACT relating to railroads; to amend section 84-612, Reissue Revised Statutes of Nebraska, 1943; to create a fund; to provide for distribution of money in such fund; to provide duties; to provide for reimbursements and the transfer of funds; to provide a termination date; to repeal the original section; and to declare an emergency.

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

Section 1. There is hereby created the Railroad and Car Company Personal Property Tax Reimbursement Fund to be administered by the State Treasurer. Any money in the fund available for investment shall be invested by the state investment officer pursuant to sections 72-1237 to 72-1269. Any balance in the fund on June 30, 1989, shall lapse to the Cash Reserve Fund.

Sec. 2. (1) On August 31, 1988, the State Treasurer shall make the following distributions from the Railroad and Car Company Personal Property Tax Reimbursement Fund to the taxing subdivisions of the state:

(a) To the school districts in Nebraska, as reimbursement of the dollar loss resulting from the injunction granted to the railroads in the discrimination lawsuits for tax year 1987, an amount equal to the amount that exceeds one percent of the tax dollars anticipated from property tax sources, excluding bonded indebtedness, as determined by the Tax Commissioner;

(b) To the cities, technical community colleges, and natural resources districts in Nebraska, as reimbursement for the dollar loss resulting from the injunction granted to the railroads in the discrimination lawsuits for tax year 1987, an amount

equal to the amount that exceeds one percent of the tax dollars anticipated from property tax sources as determined by the Tax Commissioner;

(c) To the counties in Nebraska, as reimbursement for the dollar loss resulting from the injunctions granted to the railroads and the car companies in the discrimination lawsuits for tax year 1987, an amount equal to the amount that exceeds one percent of the tax dollars anticipated from property tax sources as determined by the Tax Commissioner; and

(d) To all subdivisions other than school districts, cities, technical community colleges, natural resources districts, and counties, as reimbursement for the dollar loss resulting from the injunction granted to the railroads in the discrimination lawsuit for tax year 1987, an amount equal to the tax loss of such subdivisions as determined by the Tax Commissioner.

If the amount appropriated is not sufficient to cover the reimbursement provided for in this subsection, the amount shall be prorated as determined by the Tax Commissioner.

(2) Except as provided in Legislative Bill 1091A, Ninetieth Legislature, Second Session, 1988, of the amount remaining after the distributions made pursuant to subsection (1) of this section, the State Treasurer shall distribute to all qualifying school districts, cities, technical community colleges, natural resources districts, and counties in the state an amount equal to the dollar loss resulting from the injunctions granted to the railroads and car companies in the discrimination lawsuits for tax year 1987, except that the amount shall not exceed one percent of the tax dollars anticipated from property tax sources, as determined by the Tax Commissioner. If the amount appropriated is not sufficient to cover the reimbursement provided for in this subsection, the amount shall be prorated as determined by the Tax Commissioner.

(3) For purposes of determining tax dollars anticipated as provided in subsection (1) of this section, anticipated car company receipts shall be equal to the amount distributed during calendar year 1987 as determined by the Tax Commissioner.

(4) If any of the lawsuits pending on the effective date of this act challenging the taxation of railroad and car company personal property are resolved or settled prior to the distribution of funds as provided in this section so that such taxation is retained in whole or in part, the State Treasurer shall

adjust the payments, in amounts determined by the Tax Commissioner, to the extent to which the funds have not already been distributed in order to make the distribution consistent with the amount of tax revenue actually lost by the subdivision for railroad and car company personal property for tax year 1987.

Sec. 3. If any of the lawsuits pending as of the effective date of this act challenging the taxation of railroad and car company personal property are resolved or settled so that such taxation is retained in whole or in part, then state aid to any taxing subdivision which has received from the state any funds to reimburse the subdivision for the loss of taxes from such property shall be reduced for the first fiscal year following resolution of the lawsuit. The reduction shall be in an amount equal to that certified by the Tax Commissioner to the State Treasurer as being the amount received by the subdivision as reimbursement for losses of taxes which the resolution or settlement of the lawsuit later upheld. The State Treasurer is hereby directed to so reduce from the amount appropriated for state aid for that fiscal year the aid to those subdivisions. For purposes of this section, state aid shall mean appropriations and distributions made pursuant to sections 77-27.136 to 77-27.137.02 and 79-2651 and the School Foundation and Equalization Act.

Sec. 4. That section 84-612, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

84-612. (1) There is hereby created within the state treasury a fund known as the Cash Reserve Fund which shall be under the direction of the State Treasurer. The fund shall only be used pursuant to subsections (2), (4), and (5), and (6) of this section.

(2) The State Treasurer shall transfer funds from the Cash Reserve Fund to the General Fund upon certification by the Director of Administrative Services that the current cash balance in the General Fund is inadequate to meet current obligations. Such certification shall include the dollar amount to be transferred.

(3) Any transfers made pursuant to subsection (2) of this section shall be reversed upon notification by the Director of Administrative Services that sufficient funds are available.

(4) On September 15, 1985, the State Treasurer shall transfer eight million five hundred thousand dollars from the Cash Reserve Fund to the General Fund to pay Tort Claim Number 4-302. Such transfer shall be

reversed after July 1, 1989, but before September 1, 1989.

(5) For the period July 1, 1985, to June 30, 1986, the State Treasurer shall transfer five million dollars from the Cash Reserve Fund to the General Fund. Such transfer shall be reversed after July 1, 1989, but before September 1, 1989.

(6) On June 15, 1988, the State Treasurer shall transfer from the Cash Reserve Fund to the Railroad and Car Company Personal Property Tax Reimbursement Fund the amount specified in Legislative Bill 1091A, Ninetieth Legislature, Second Session, 1988.

Sec. 5. Sections 1 and 2 of this act shall terminate on July 1, 1989.

Sec. 6. That original section 84-612, Reissue Revised Statutes of Nebraska, 1943, is repealed.

Sec. 7. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.