

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 945**

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

Read first time January 10, 2018

Committee: Appropriations

1 A BILL FOR AN ACT relating to appropriations; to amend section 81-1121,  
2 Reissue Revised Statutes of Nebraska, sections 49-14,140, 61-224,  
3 81-2,162.27, and 84-1227, Revised Statutes Cumulative Supplement,  
4 2016, sections 37-327.02, 59-1608.04, 71-7611, and 81-3714, Revised  
5 Statutes Supplement, 2017, and Laws 2017, LB331, sections 3, 4, and  
6 11; to provide for transfers of funds; to change transfer  
7 provisions; to harmonize provisions; to repeal the original  
8 sections; and to declare an emergency.  
9 Be it enacted by the people of the State of Nebraska,

1           Section 1. The State Treasurer shall transfer \$170,325 from the  
2 Underground Storage Tank Cash Fund to the General Fund on or before June  
3 30, 2019, on such dates and in such amounts as directed by the budget  
4 administrator of the budget division of the Department of Administrative  
5 Services.

6           Sec. 2. The State Treasurer shall transfer \$1,300,000 from the  
7 Health and Human Services Cash Fund to the General Fund on or before June  
8 30, 2019, on such dates and in such amounts as directed by the budget  
9 administrator of the budget division of the Department of Administrative  
10 Services. It is the intent of the Legislature that the transfer to the  
11 General Fund in this section be from funds credited to the X-Ray Cash  
12 Fund, a subfund of the Health and Human Services Cash Fund.

13           Sec. 3. The State Treasurer shall transfer \$520,000 from the Health  
14 and Human Services Cash Fund to the General Fund on or before June 30,  
15 2019, on such dates and in such amounts as directed by the budget  
16 administrator of the budget division of the Department of Administrative  
17 Services. It is the intent of the Legislature that the transfer to the  
18 General Fund in this section be from funds credited to the Emergency  
19 Preparedness Cash Fund, a subfund of the Health and Human Services Cash  
20 Fund.

21           Sec. 4. The State Treasurer shall transfer \$750,000 from the Health  
22 and Human Services Cash Fund to the General Fund on or before June 30,  
23 2019, on such dates and in such amounts as directed by the budget  
24 administrator of the budget division of the Department of Administrative  
25 Services. It is the intent of the Legislature that the transfer to the  
26 General Fund in this section be from funds credited to the Radioactive  
27 Materials Cash Fund, a subfund of the Health and Human Services Cash  
28 Fund.

29           Sec. 5. The State Treasurer shall transfer the unobligated balance  
30 on September 30, 2017, of the Nebraska Progress Loan Fund to the General  
31 Fund on or after June 30, 2018, on such date as directed by the budget

1 administrator of the budget division of the Department of Administrative  
2 Services.

3       Sec. 6. The State Treasurer shall transfer \$50,000 from the  
4 Nebraska Accountability and Disclosure Commission Cash Fund to the  
5 General Fund on or before June 30, 2019, on such dates and in such  
6 amounts as directed by the budget administrator of the budget division of  
7 the Department of Administrative Services.

8       Sec. 7. The State Treasurer shall transfer \$250,000 from the  
9 Commission on Public Advocacy Operations Cash Fund to the General Fund on  
10 or before June 30, 2019, on such dates and in such amounts as directed by  
11 the budget administrator of the budget division of the Department of  
12 Administrative Services.

13       Sec. 8. Section 37-327.02, Revised Statutes Supplement, 2017, is  
14 amended to read:

15       37-327.02 The Game and Parks Commission Capital Maintenance Fund is  
16 created. The fund shall consist of money credited to the fund pursuant to  
17 section 77-27,132, transfers authorized by the Legislature, and any  
18 gifts, grants, bequests, or donations to the fund. The fund shall be  
19 administered by the commission and shall be used to build, repair,  
20 renovate, rehabilitate, restore, modify, or improve any infrastructure  
21 within the statutory authority and administration of the commission. Any  
22 money in the fund available for investment shall be invested by the state  
23 investment officer pursuant to the Nebraska Capital Expansion Act and the  
24 Nebraska State Funds Investment Act.

25       Transfers may be made from the Game and Parks Commission Capital  
26 Maintenance Fund to the General Fund at the direction of the Legislature  
27 through June 30, 2019. The State Treasurer shall transfer four million  
28 five hundred thousand dollars from the Game and Parks Commission Capital  
29 Maintenance Fund to the General Fund between June 1, 2018, and June 30,  
30 2018, on such date as directed by the budget administrator of the budget  
31 division of the Department of Administrative Services. The State

1 Treasurer shall transfer nine ~~four~~ million ~~five hundred thousand~~ dollars  
2 from the Game and Parks Commission Capital Maintenance Fund to the  
3 General Fund between June 1, 2019, and June 30, 2019, on such date as  
4 directed by the budget administrator of the budget division of the  
5 Department of Administrative Services.

6 Sec. 9. Section 49-14,140, Revised Statutes Cumulative Supplement,  
7 2016, is amended to read:

8 49-14,140 The Nebraska Accountability and Disclosure Commission Cash  
9 Fund is hereby created. The fund shall consist of funds received by the  
10 commission pursuant to sections 49-1449.01, 49-1470, 49-1480.01, 49-1482,  
11 49-14,123, and 49-14,123.01 and subdivision (4) of section 49-14,126. The  
12 fund shall be used by the commission in administering the Nebraska  
13 Political Accountability and Disclosure Act. Any money in the Nebraska  
14 Accountability and Disclosure Commission Cash Fund available for  
15 investment shall be invested by the state investment officer pursuant to  
16 the Nebraska Capital Expansion Act and the Nebraska State Funds  
17 Investment Act. Transfers may be made from the fund to the General Fund  
18 at the direction of the Legislature.

19 On April 25, 2013, the State Treasurer shall transfer \$630,870 from  
20 the Campaign Finance Limitation Cash Fund to the Nebraska Accountability  
21 and Disclosure Commission Cash Fund to be used for development,  
22 implementation, and maintenance of an electronic filing system for  
23 campaign statements and other reports under the Nebraska Political  
24 Accountability and Disclosure Act and for making such statements and  
25 reports available to the public on the web site of the commission. The  
26 State Treasurer shall transfer the balance of the Campaign Finance  
27 Limitation Cash Fund to the Election Administration Fund on or before  
28 July 5, 2013, or as soon thereafter as administratively possible.

29 Sec. 10. Section 59-1608.04, Revised Statutes Supplement, 2017, is  
30 amended to read:

31 59-1608.04 (1) The State Settlement Cash Fund is created. The fund

1 shall be maintained by the Department of Justice and administered by the  
2 Attorney General. Except as otherwise provided by law, the fund shall  
3 consist of all recoveries received pursuant to the Consumer Protection  
4 Act, including any money, funds, securities, or other things of value in  
5 the nature of civil damages or other payment, except criminal penalties,  
6 whether such recovery is by way of verdict, judgment, compromise, or  
7 settlement in or out of court, or other final disposition of any case or  
8 controversy, or any other payments received on behalf of the state by the  
9 Department of Justice and administered by the Attorney General for the  
10 benefit of the state or the general welfare of its citizens, but  
11 excluding all funds held in a trust capacity where specific benefits  
12 accrue to specific individuals, organizations, or governments. The fund  
13 may be expended for any allowable legal purposes as determined by the  
14 Attorney General. Transfers from the State Settlement Cash Fund may be  
15 made at the direction of the Legislature to the Nebraska Capital  
16 Construction Fund and the General Fund. To provide necessary financial  
17 accountability and management oversight, revenue from individual  
18 settlement agreements or other separate sources credited to the State  
19 Settlement Cash Fund may be tracked and accounted for within the state  
20 accounting system through the use of separate and distinct funds,  
21 subfunds, or any other available accounting mechanism specifically  
22 approved by the Accounting Administrator for use by the Department of  
23 Justice. Any money in the fund available for investment shall be invested  
24 by the state investment officer pursuant to the Nebraska Capital  
25 Expansion Act and the Nebraska State Funds Investment Act.

26 (2) The State Treasurer shall transfer two million five hundred  
27 thousand dollars from the State Settlement Cash Fund to the Nebraska  
28 Capital Construction Fund on July 1, 2013, or as soon thereafter as  
29 administratively possible.

30 (3) The State Treasurer shall transfer seven hundred fifty thousand  
31 dollars from the State Settlement Cash Fund to the General Fund on or

1 before June 30, 2018, on such dates and in such amounts as directed by  
2 the budget administrator of the budget division of the Department of  
3 Administrative Services.

4 (4) The State Treasurer shall transfer one million five hundred  
5 ~~seven hundred fifty~~ thousand dollars from the State Settlement Cash Fund  
6 to the General Fund on or before June 30, 2019, on such dates and in such  
7 amounts as directed by the budget administrator of the budget division of  
8 the Department of Administrative Services.

9 Sec. 11. Section 61-224, Revised Statutes Cumulative Supplement,  
10 2016, is amended to read:

11 61-224 There is hereby created the Critical Infrastructure  
12 Facilities Cash Fund in the Department of Natural Resources. The fund  
13 shall consist of funds appropriated or transferred by the Legislature.  
14 The fund shall be used by the Department of Natural Resources to provide  
15 a grant to a natural resources district to offset costs related to soil  
16 and water improvements intended to protect critical infrastructure  
17 facilities within the district which includes military installations,  
18 transportation routes, and wastewater treatment facilities. Transfers may  
19 be made from the fund to the General Fund at the direction of the  
20 Legislature. The State Treasurer shall transfer three hundred eighty-four  
21 thousand, two hundred twenty-two dollars plus any accrued interest  
22 through the effective date of this act, on or before June 30, 2019, on  
23 such dates and in such amounts as directed by the budget administrator of  
24 the budget division of the Department of Administrative Services. Any  
25 money in the fund available for investment shall be invested by the state  
26 investment officer pursuant to the Nebraska Capital Expansion Act and the  
27 Nebraska State Funds Investment Act, and any interest earned by the fund  
28 shall be credited to the General Fund.

29 Sec. 12. Section 71-7611, Revised Statutes Supplement, 2017, is  
30 amended to read:

31 71-7611 (1) The Nebraska Health Care Cash Fund is created. The State

1 Treasurer shall transfer (a) sixty million three hundred thousand dollars  
2 on or before July 15, 2014, (b) sixty million three hundred fifty  
3 thousand dollars on or before July 15, 2015, (c) sixty million three  
4 hundred fifty thousand dollars on or before July 15, 2016, (d) sixty  
5 million seven hundred thousand dollars on or before July 15, 2017, (e)  
6 sixty million seven hundred thousand dollars on or before July 15, 2018,  
7 and (f) sixty million four hundred fifty thousand dollars on or before  
8 every July 15 thereafter from the Nebraska Medicaid Intergovernmental  
9 Trust Fund and the Nebraska Tobacco Settlement Trust Fund to the Nebraska  
10 Health Care Cash Fund, except that such amount shall be reduced by the  
11 amount of the unobligated balance in the Nebraska Health Care Cash Fund  
12 at the time the transfer is made. The state investment officer shall  
13 advise the State Treasurer on the amounts to be transferred first from  
14 the Nebraska Medicaid Intergovernmental Trust Fund until the fund balance  
15 is depleted and from the Nebraska Tobacco Settlement Trust Fund  
16 thereafter in order to sustain such transfers in perpetuity. The state  
17 investment officer shall report electronically to the Legislature on or  
18 before October 1 of every even-numbered year on the sustainability of  
19 such transfers. The Nebraska Health Care Cash Fund shall also include  
20 money received pursuant to section 77-2602. Except as otherwise provided  
21 by law, no more than the amounts specified in this subsection may be  
22 appropriated or transferred from the Nebraska Health Care Cash Fund in  
23 any fiscal year.

24 The State Treasurer shall transfer ten million dollars from the  
25 Nebraska Medicaid Intergovernmental Trust Fund to the General Fund on  
26 June 28, 2018, and June 28, 2019.

27 The State Treasurer shall transfer not to exceed fifteen million  
28 dollars from the Nebraska Medicaid Intergovernmental Trust Fund to the  
29 Health and Human Services Cash Fund on or before June 15, 2019, as  
30 directed by the budget administrator of the budget division of the  
31 Department of Administrative Services. The transfer shall not occur

1 before the chief executive officer of the Department of Health and Human  
2 Services has certified to the budget administrator of the budget division  
3 of the Department of Administrative Services the amount of FY2017-18  
4 General Fund encumbrances for Child Welfare Aid that are in excess of the  
5 available General Fund appropriation balance existing on June 30, 2018.  
6 The transfer shall be the lesser of fifteen million dollars or the  
7 certified amount of FY2017-18 General Fund encumbrances for Child Welfare  
8 Aid that are in excess of the available General Fund appropriation  
9 balance existing on June 30, 2018.

10 It is the intent of the Legislature that no additional programs are  
11 funded through the Nebraska Health Care Cash Fund until funding for all  
12 programs with an appropriation from the fund during FY2012-13 are  
13 restored to their FY2012-13 levels.

14 (2) Any money in the Nebraska Health Care Cash Fund available for  
15 investment shall be invested by the state investment officer pursuant to  
16 the Nebraska Capital Expansion Act and the Nebraska State Funds  
17 Investment Act.

18 (3) The University of Nebraska and postsecondary educational  
19 institutions having colleges of medicine in Nebraska and their affiliated  
20 research hospitals in Nebraska, as a condition of receiving any funds  
21 appropriated or transferred from the Nebraska Health Care Cash Fund,  
22 shall not discriminate against any person on the basis of sexual  
23 orientation.

24 (4) The State Treasurer shall transfer fifty thousand dollars on or  
25 before July 15, 2016, from the Nebraska Health Care Cash Fund to the  
26 Board of Regents of the University of Nebraska for the University of  
27 Nebraska Medical Center. It is the intent of the Legislature that these  
28 funds be used by the College of Public Health for workforce training.

29 Sec. 13. Section 81-2,162.27, Revised Statutes Cumulative  
30 Supplement, 2016, is amended to read:

31 81-2,162.27 (1) All money received under the Nebraska Commercial

1 Fertilizer and Soil Conditioner Act and the Agricultural Liming Materials  
2 Act shall be remitted to the State Treasurer for credit to the  
3 Fertilizers and Soil Conditioners Administrative Fund, which fund is  
4 hereby created. Transfers may be made from the fund to the General Fund  
5 at the direction of the Legislature. The State Treasurer shall transfer  
6 two hundred seventy-five thousand dollars from the fund to the General  
7 Fund on or before June 30, 2019, on such dates and in such amounts as  
8 directed by the budget administrator of the budget division of the  
9 Department of Administrative Services. All money so received shall be  
10 used by the department for defraying the expenses of administering the  
11 Nebraska Commercial Fertilizer and Soil Conditioner Act and the  
12 Agricultural Liming Materials Act.

13 (2) Any unexpended balance in the Fertilizers and Soil Conditioners  
14 Administrative Fund at the close of any biennium shall, when  
15 reappropriated, be available for the uses and purposes of the fund for  
16 the succeeding biennium. Any money in the fund available for investment  
17 shall be invested by the state investment officer pursuant to the  
18 Nebraska Capital Expansion Act and the Nebraska State Funds Investment  
19 Act.

20 Sec. 14. Section 81-1121, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 81-1121 (1)(a) The Director of Administrative Services shall have  
23 power to develop and implement a system of warrant preparation and  
24 issuance in accordance with acceptable accounting and internal control  
25 safeguards and by use of such mechanical means as may be most economical.

26 (b) Warrant or state warrant shall include an order drawn by the  
27 director upon the State Treasurer, directing the latter to pay a  
28 specified amount to a specified payee by the use of a dual signature  
29 negotiable instrument as provided for in subsections (2) and (3) of this  
30 section, electronic funds transfer system, telephonic funds transfer  
31 system, electric funds transfer system, funds transfers as provided for

1 in article 4A, Uniform Commercial Code, mechanical funds transfer system,  
2 or other funds transfer system established by the director and the State  
3 Treasurer. The warrant, when it is an order drawn by the director upon  
4 the State Treasurer directing the latter to pay a specified amount to a  
5 specified payee by the use of a dual signature negotiable instrument as  
6 provided for in subsections (2) and (3) of this section, shall affect the  
7 state's cash balance in the bank when redeemed by the State Treasurer,  
8 not when cashed by a financial institution.

9 (2) The director shall sign each warrant or shall cause each warrant  
10 to be signed in his or her behalf either personally, by delegation of  
11 authority, or by facsimile signature as will assure the most economical,  
12 timely, and practical means for making payments from the state treasury  
13 and which means provides the most acceptable safeguarding of public  
14 funds. The signature of the director shall signify that the payment  
15 intended by a warrant bearing such signature is proper under the  
16 appropriate laws of the state.

17 (3) The State Treasurer shall countersign all warrants issued by the  
18 director.

19 (4) The State Treasurer shall make such arrangements for facsimile  
20 signature of warrants as will assure the most economical, timely, and  
21 practical means for making payments from the state treasury.

22 (5) The director and the State Treasurer may establish and operate  
23 an electronic funds transfer system, telephonic funds transfer system,  
24 electric funds transfer system, funds transfers as provided for in  
25 article 4A, Uniform Commercial Code, mechanical funds transfer system, or  
26 other funds transfer system established by the director and the State  
27 Treasurer for the payment of funds from and the deposit of receipts into  
28 the state treasury. Any state agency that wishes to establish and operate  
29 such a system shall jointly establish the procedures necessary to  
30 implement such a system with the cooperation of the director and the  
31 State Treasurer. The system shall be designed to be compatible with state

1 accounting procedures. Such a system as established by the director shall  
2 employ internal control safeguards and after meeting such safeguards  
3 shall be deemed to satisfy any signature requirements. The use of an  
4 electronic funds transfer system, telephonic funds transfer system,  
5 electric funds transfer system, funds transfers as provided for in  
6 article 4A, Uniform Commercial Code, mechanical funds transfer system, or  
7 other funds transfer system established by the director and the State  
8 Treasurer or any state agency shall not create any rights that would not  
9 have been created had an order, drawn by the director upon the State  
10 Treasurer directing the latter to pay a specified amount to a specified  
11 payee by the use of a dual signature negotiable instrument as provided  
12 for in subsections (2) and (3) of this section, been used as the payment  
13 medium.

14 (6) Whenever it is ascertained that by mistake or otherwise any  
15 county treasurer or other person has paid into the state treasury any sum  
16 not due the state, the director shall refund to such county treasurer or  
17 other person the amount so paid. Such refund shall be carried on the  
18 books of the state as an adjustment to income and not as an expenditure  
19 or disbursement.

20 (7) Whenever it is ascertained that by mistake or otherwise the  
21 State of Nebraska or any of its departments, agencies, or officers shall  
22 have caused to be made a disbursement which for any reason is refunded to  
23 the state, the amount so disbursed and refunded to the state shall be  
24 credited to the fund and account from which the disbursement was made as  
25 an adjustment of expenditures and disbursements and not as a receipt.  
26 Such credited refund shall be considered part of the original  
27 appropriation to the department or agency and to the appropriate program  
28 and may be expended therefrom without further or additional  
29 appropriation. When a refund to the state or any of its departments or  
30 agencies is related to a transaction which occurred during a prior fiscal  
31 period, the refund shall be credited to the unappropriated surplus

1 account of the fund from which the disbursement was originally made,  
2 except (a) that medicaid refunds or rebates for (i) ~~(a)~~ pharmaceuticals,  
3 (ii) ~~(b)~~ third-party liability recoveries, and (iii) ~~(c)~~ surveillance and  
4 utilization reviews which have occurred during a prior fiscal period  
5 shall be treated as an adjustment to expenditures in the year in which  
6 the refund or rebate is received and (b) reimbursement to the State of  
7 Nebraska from other member states operating in accordance with the  
8 Emergency Management Assistance Compact shall be credited as receipts to  
9 the Governor's Emergency Cash Fund.

10 Sec. 15. Section 81-3714, Revised Statutes Supplement, 2017, is  
11 amended to read:

12 81-3714 The State Visitors Promotion Cash Fund is created. The fund  
13 shall be administered by the commission. The fund shall consist of  
14 revenue deposited into the fund pursuant to section 81-3715 and money  
15 donated as gifts, bequests, or other contributions from public or private  
16 entities. Funds made available by any department or agency of the United  
17 States may also be credited to the fund if so directed by such department  
18 or agency. The commission shall use the proceeds of the fund to generally  
19 promote, encourage, and attract visitors to and within the State of  
20 Nebraska, to erect and replace highway tourism markers, to enhance the  
21 use of travel and tourism facilities within the state, to provide grants  
22 to communities and organizations, and to contract with the Department of  
23 Administrative Services to provide support services to the commission,  
24 including, but not limited to, accounting and personnel functions. The  
25 proceeds of the fund shall be in addition to funds appropriated to the  
26 commission from the General Fund. Transfers may be made from the State  
27 Visitors Promotion Cash Fund to the General Fund at the direction of the  
28 Legislature. The State Treasurer shall transfer one million dollars from  
29 the State Visitors Promotion Cash Fund to the General Fund on or before  
30 June 30, 2019, on such dates and in such amounts as directed by the  
31 budget administrator of the budget division of the Department of

1 Administrative Services. Any money in the State Visitors Promotion Cash  
2 Fund available for investment shall be invested by the state investment  
3 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska  
4 State Funds Investment Act.

5 Sec. 16. Section 84-1227, Revised Statutes Cumulative Supplement,  
6 2016, is amended to read:

7 84-1227 There is hereby established in the state treasury a special  
8 fund to be known as the Records Management Cash Fund which, when  
9 appropriated by the Legislature, shall be expended by the Secretary of  
10 State for the purposes of providing records management services and  
11 assistance to local agencies, for development and maintenance of the  
12 portal for providing electronic access to public records or electronic  
13 information and services, and for grants to a state or local agency as  
14 provided in subdivision (1)(j) of section 84-1204. All fees and charges  
15 for the purpose of records management services and analysis received by  
16 the Secretary of State from the local agencies shall be remitted to the  
17 State Treasurer for credit to such fund. Transfers may be made from the  
18 fund to the General Fund or the Secretary of State Administration Cash  
19 Fund at the direction of the Legislature. The State Treasurer, at the  
20 direction of the budget administrator of the budget division of the  
21 Department of Administrative Services, shall transfer five hundred  
22 thousand dollars from the Records Management Cash Fund to the Information  
23 Management Revolving Fund on or before June 30, 2016. Any money in the  
24 Records Management Cash Fund available for investment shall be invested  
25 by the state investment officer pursuant to the Nebraska Capital  
26 Expansion Act and the Nebraska State Funds Investment Act.

27 Sec. 17. Laws 2017, LB331, section 3, is amended to read:

28 Sec. 3. The State Treasurer shall transfer ~~\$9,170,000~~ ~~\$10,670,000~~  
29 from the General Fund to the Water Sustainability Fund on or before June  
30 30, 2018, on such dates and in such amounts as directed by the budget  
31 administrator of the budget division of the Department of Administrative

1 Services.

2 Sec. 18. Laws 2017, LB331, section 4, is amended to read:

3 Sec. 4. The State Treasurer shall transfer \$6,000,000 ~~\$9,470,000~~  
4 from the General Fund to the Water Sustainability Fund on or before June  
5 30, 2019, on such dates and in such amounts as directed by the budget  
6 administrator of the budget division of the Department of Administrative  
7 Services.

8 Sec. 19. Laws 2017, LB331, section 11, is amended to read:

9 Sec. 11. The State Treasurer shall transfer \$700,000 ~~\$200,000~~ from  
10 the Nebraska Litter Reduction and Recycling Fund to the General Fund on  
11 or before June 30, 2019, on such dates and in such amounts as directed by  
12 the budget administrator of the budget division of the Department of  
13 Administrative Services.

14 Sec. 20. Original section 81-1121, Reissue Revised Statutes of  
15 Nebraska, sections 49-14,140, 61-224, 81-2,162.27, and 84-1227, Revised  
16 Statutes Cumulative Supplement, 2016, sections 37-327.02, 59-1608.04,  
17 71-7611, and 81-3714, Revised Statutes Supplement, 2017, and Laws 2017,  
18 LB331, sections 3, 4, and 11, are repealed.

19 Sec. 21. Since an emergency exists, this act takes effect when  
20 passed and approved according to law.