

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1042**

FINAL READING

Introduced by La Grone, 49; McDonnell, 5.

Read first time January 16, 2020

Committee: Revenue

1 A BILL FOR AN ACT relating to the Nebraska educational savings plan  
2 trust; to amend sections 77-3,110, 85-1808, and 85-1810, Reissue  
3 Revised Statutes of Nebraska, and sections 77-2716, 85-1807,  
4 85-2802, and 85-2803, Revised Statutes Supplement, 2019; to change  
5 provisions relating to the Department of Revenue Miscellaneous  
6 Receipts Fund and the College Savings Plan Expense Fund; to provide  
7 tax deductions for certain contributions to the Nebraska educational  
8 savings plan trust as prescribed; to provide that certain  
9 contributions to the Nebraska educational savings plan trust not be  
10 recognized as income for certain purposes; to redefine qualified  
11 private contribution for purposes of the Meadowlark Act; to change  
12 provisions relating to the Meadowlark Endowment Fund; to harmonize  
13 provisions; to repeal the original sections; and to declare an  
14 emergency.  
15 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3,110, Reissue Revised Statutes of Nebraska,  
2 is amended to read:

3 77-3,110 (1) All funds received pursuant to sections 77-3,109 and  
4 77-3,118 shall be remitted to the State Treasurer for credit to the  
5 Department of Revenue Miscellaneous Receipts Fund which is hereby  
6 created.

7 (2) On or before September 1, 2020, the State Treasurer shall  
8 transfer fifty-nine thousand five hundred dollars from the College  
9 Savings Plan Expense Fund to the Department of Revenue Miscellaneous  
10 Receipts Fund.

11 (3) All money in the Department of Revenue Miscellaneous Receipts  
12 Fund fund shall be administered by the Department of Revenue and shall be  
13 used as follows:

14 (a) Any money transferred to the fund under subsection (2) of this  
15 section shall be used by the Department of Revenue to defray the costs  
16 incurred to implement this legislative bill; and

17 (b) All other funds shall be used to defray the cost of production  
18 of the publications listed in section 77-3,109 or of the listings  
19 described in section 77-3,118 and to carry out any administrative  
20 responsibilities of the department.

21 (4) Transfers , ~~except that transfers~~ may be made from the fund to  
22 the General Fund at the direction of the Legislature. Any money in the  
23 Department of Revenue Miscellaneous Receipts Fund available for  
24 investment shall be invested by the state investment officer pursuant to  
25 the Nebraska Capital Expansion Act and the Nebraska State Funds  
26 Investment Act.

27 Sec. 2. Section 77-2716, Revised Statutes Supplement, 2019, is  
28 amended to read:

29 77-2716 (1) The following adjustments to federal adjusted gross  
30 income or, for corporations and fiduciaries, federal taxable income shall  
31 be made for interest or dividends received:

1 (a)(i) There shall be subtracted interest or dividends received by  
2 the owner of obligations of the United States and its territories and  
3 possessions or of any authority, commission, or instrumentality of the  
4 United States to the extent includable in gross income for federal income  
5 tax purposes but exempt from state income taxes under the laws of the  
6 United States; and

7 (ii) There shall be subtracted interest received by the owner of  
8 obligations of the State of Nebraska or its political subdivisions or  
9 authorities which are Build America Bonds to the extent includable in  
10 gross income for federal income tax purposes;

11 (b) There shall be subtracted that portion of the total dividends  
12 and other income received from a regulated investment company which is  
13 attributable to obligations described in subdivision (a) of this  
14 subsection as reported to the recipient by the regulated investment  
15 company;

16 (c) There shall be added interest or dividends received by the owner  
17 of obligations of the District of Columbia, other states of the United  
18 States, or their political subdivisions, authorities, commissions, or  
19 instrumentalities to the extent excluded in the computation of gross  
20 income for federal income tax purposes except that such interest or  
21 dividends shall not be added if received by a corporation which is a  
22 regulated investment company;

23 (d) There shall be added that portion of the total dividends and  
24 other income received from a regulated investment company which is  
25 attributable to obligations described in subdivision (c) of this  
26 subsection and excluded for federal income tax purposes as reported to  
27 the recipient by the regulated investment company; and

28 (e)(i) Any amount subtracted under this subsection shall be reduced  
29 by any interest on indebtedness incurred to carry the obligations or  
30 securities described in this subsection or the investment in the  
31 regulated investment company and by any expenses incurred in the

1 production of interest or dividend income described in this subsection to  
2 the extent that such expenses, including amortizable bond premiums, are  
3 deductible in determining federal taxable income.

4 (ii) Any amount added under this subsection shall be reduced by any  
5 expenses incurred in the production of such income to the extent  
6 disallowed in the computation of federal taxable income.

7 (2) There shall be allowed a net operating loss derived from or  
8 connected with Nebraska sources computed under rules and regulations  
9 adopted and promulgated by the Tax Commissioner consistent, to the extent  
10 possible under the Nebraska Revenue Act of 1967, with the laws of the  
11 United States. For a resident individual, estate, or trust, the net  
12 operating loss computed on the federal income tax return shall be  
13 adjusted by the modifications contained in this section. For a  
14 nonresident individual, estate, or trust or for a partial-year resident  
15 individual, the net operating loss computed on the federal return shall  
16 be adjusted by the modifications contained in this section and any  
17 carryovers or carrybacks shall be limited to the portion of the loss  
18 derived from or connected with Nebraska sources.

19 (3) There shall be subtracted from federal adjusted gross income for  
20 all taxable years beginning on or after January 1, 1987, the amount of  
21 any state income tax refund to the extent such refund was deducted under  
22 the Internal Revenue Code, was not allowed in the computation of the tax  
23 due under the Nebraska Revenue Act of 1967, and is included in federal  
24 adjusted gross income.

25 (4) Federal adjusted gross income, or, for a fiduciary, federal  
26 taxable income shall be modified to exclude the portion of the income or  
27 loss received from a small business corporation with an election in  
28 effect under subchapter S of the Internal Revenue Code or from a limited  
29 liability company organized pursuant to the Nebraska Uniform Limited  
30 Liability Company Act that is not derived from or connected with Nebraska  
31 sources as determined in section 77-2734.01.

1           (5) There shall be subtracted from federal adjusted gross income or,  
2 for corporations and fiduciaries, federal taxable income dividends  
3 received or deemed to be received from corporations which are not subject  
4 to the Internal Revenue Code.

5           (6) There shall be subtracted from federal taxable income a portion  
6 of the income earned by a corporation subject to the Internal Revenue  
7 Code of 1986 that is actually taxed by a foreign country or one of its  
8 political subdivisions at a rate in excess of the maximum federal tax  
9 rate for corporations. The taxpayer may make the computation for each  
10 foreign country or for groups of foreign countries. The portion of the  
11 taxes that may be deducted shall be computed in the following manner:

12           (a) The amount of federal taxable income from operations within a  
13 foreign taxing jurisdiction shall be reduced by the amount of taxes  
14 actually paid to the foreign jurisdiction that are not deductible solely  
15 because the foreign tax credit was elected on the federal income tax  
16 return;

17           (b) The amount of after-tax income shall be divided by one minus the  
18 maximum tax rate for corporations in the Internal Revenue Code; and

19           (c) The result of the calculation in subdivision (b) of this  
20 subsection shall be subtracted from the amount of federal taxable income  
21 used in subdivision (a) of this subsection. The result of such  
22 calculation, if greater than zero, shall be subtracted from federal  
23 taxable income.

24           (7) Federal adjusted gross income shall be modified to exclude any  
25 amount repaid by the taxpayer for which a reduction in federal tax is  
26 allowed under section 1341(a)(5) of the Internal Revenue Code.

27           (8)(a) Federal adjusted gross income or, for corporations and  
28 fiduciaries, federal taxable income shall be reduced, to the extent  
29 included, by income from interest, earnings, and state contributions  
30 received from the Nebraska educational savings plan trust created in  
31 sections 85-1801 to 85-1817 and any account established under the

1 achieving a better life experience program as provided in sections  
2 77-1401 to 77-1409.

3 (b) Federal adjusted gross income or, for corporations and  
4 fiduciaries, federal taxable income shall be reduced by any contributions  
5 as a participant in the Nebraska educational savings plan trust or  
6 contributions to an account established under the achieving a better life  
7 experience program made for the benefit of a beneficiary as provided in  
8 sections 77-1401 to 77-1409, to the extent not deducted for federal  
9 income tax purposes, but not to exceed five thousand dollars per married  
10 filing separate return or ten thousand dollars for any other return. With  
11 respect to a qualified rollover within the meaning of section 529 of the  
12 Internal Revenue Code from another state's plan, any interest, earnings,  
13 and state contributions received from the other state's educational  
14 savings plan which is qualified under section 529 of the code shall  
15 qualify for the reduction provided in this subdivision. For contributions  
16 by a custodian of a custodial account including rollovers from another  
17 custodial account, the reduction shall only apply to funds added to the  
18 custodial account after January 1, 2014.

19 (c) For taxable years beginning or deemed to begin on or after  
20 January 1, 2021, under the Internal Revenue Code of 1986, as amended,  
21 federal adjusted gross income shall be reduced, to the extent included in  
22 the adjusted gross income of an individual, by the amount of any  
23 contribution made by the individual's employer into an account under the  
24 Nebraska educational savings plan trust owned by the individual, not to  
25 exceed five thousand dollars per married filing separate return or ten  
26 thousand dollars for any other return.

27 (d) ~~(c)~~ Federal adjusted gross income or, for corporations and  
28 fiduciaries, federal taxable income shall be increased by:

29 (i) The amount resulting from the cancellation of a participation  
30 agreement refunded to the taxpayer as a participant in the Nebraska  
31 educational savings plan trust to the extent previously deducted under

1 subdivision (8)(b) of this section; and

2 (ii) The amount of any withdrawals by the owner of an account  
3 established under the achieving a better life experience program as  
4 provided in sections 77-1401 to 77-1409 for nonqualified expenses to the  
5 extent previously deducted under subdivision (8)(b) of this section.

6 (9)(a) For income tax returns filed after September 10, 2001, for  
7 taxable years beginning or deemed to begin before January 1, 2006, under  
8 the Internal Revenue Code of 1986, as amended, federal adjusted gross  
9 income or, for corporations and fiduciaries, federal taxable income shall  
10 be increased by eighty-five percent of any amount of any federal bonus  
11 depreciation received under the federal Job Creation and Worker  
12 Assistance Act of 2002 or the federal Jobs and Growth Tax Act of 2003,  
13 under section 168(k) or section 1400L of the Internal Revenue Code of  
14 1986, as amended, for assets placed in service after September 10, 2001,  
15 and before December 31, 2005.

16 (b) For a partnership, limited liability company, cooperative,  
17 including any cooperative exempt from income taxes under section 521 of  
18 the Internal Revenue Code of 1986, as amended, limited cooperative  
19 association, subchapter S corporation, or joint venture, the increase  
20 shall be distributed to the partners, members, shareholders, patrons, or  
21 beneficiaries in the same manner as income is distributed for use against  
22 their income tax liabilities.

23 (c) For a corporation with a unitary business having activity both  
24 inside and outside the state, the increase shall be apportioned to  
25 Nebraska in the same manner as income is apportioned to the state by  
26 section 77-2734.05.

27 (d) The amount of bonus depreciation added to federal adjusted gross  
28 income or, for corporations and fiduciaries, federal taxable income by  
29 this subsection shall be subtracted in a later taxable year. Twenty  
30 percent of the total amount of bonus depreciation added back by this  
31 subsection for tax years beginning or deemed to begin before January 1,

1 2003, under the Internal Revenue Code of 1986, as amended, may be  
2 subtracted in the first taxable year beginning or deemed to begin on or  
3 after January 1, 2005, under the Internal Revenue Code of 1986, as  
4 amended, and twenty percent in each of the next four following taxable  
5 years. Twenty percent of the total amount of bonus depreciation added  
6 back by this subsection for tax years beginning or deemed to begin on or  
7 after January 1, 2003, may be subtracted in the first taxable year  
8 beginning or deemed to begin on or after January 1, 2006, under the  
9 Internal Revenue Code of 1986, as amended, and twenty percent in each of  
10 the next four following taxable years.

11 (10) For taxable years beginning or deemed to begin on or after  
12 January 1, 2003, and before January 1, 2006, under the Internal Revenue  
13 Code of 1986, as amended, federal adjusted gross income or, for  
14 corporations and fiduciaries, federal taxable income shall be increased  
15 by the amount of any capital investment that is expensed under section  
16 179 of the Internal Revenue Code of 1986, as amended, that is in excess  
17 of twenty-five thousand dollars that is allowed under the federal Jobs  
18 and Growth Tax Act of 2003. Twenty percent of the total amount of  
19 expensing added back by this subsection for tax years beginning or deemed  
20 to begin on or after January 1, 2003, may be subtracted in the first  
21 taxable year beginning or deemed to begin on or after January 1, 2006,  
22 under the Internal Revenue Code of 1986, as amended, and twenty percent  
23 in each of the next four following tax years.

24 (11)(a) For taxable years beginning or deemed to begin before  
25 January 1, 2018, under the Internal Revenue Code of 1986, as amended,  
26 federal adjusted gross income shall be reduced by contributions, up to  
27 two thousand dollars per married filing jointly return or one thousand  
28 dollars for any other return, and any investment earnings made as a  
29 participant in the Nebraska long-term care savings plan under the Long-  
30 Term Care Savings Plan Act, to the extent not deducted for federal income  
31 tax purposes.

1 (b) For taxable years beginning or deemed to begin before January 1,  
2 2018, under the Internal Revenue Code of 1986, as amended, federal  
3 adjusted gross income shall be increased by the withdrawals made as a  
4 participant in the Nebraska long-term care savings plan under the act by  
5 a person who is not a qualified individual or for any reason other than  
6 transfer of funds to a spouse, long-term care expenses, long-term care  
7 insurance premiums, or death of the participant, including withdrawals  
8 made by reason of cancellation of the participation agreement, to the  
9 extent previously deducted as a contribution or as investment earnings.

10 (12) There shall be added to federal adjusted gross income for  
11 individuals, estates, and trusts any amount taken as a credit for  
12 franchise tax paid by a financial institution under sections 77-3801 to  
13 77-3807 as allowed by subsection (5) of section 77-2715.07.

14 (13)(a) For taxable years beginning or deemed to begin on or after  
15 January 1, 2015, under the Internal Revenue Code of 1986, as amended,  
16 federal adjusted gross income shall be reduced by the amount received as  
17 benefits under the federal Social Security Act which are included in the  
18 federal adjusted gross income if:

19 (i) For taxpayers filing a married filing joint return, federal  
20 adjusted gross income is fifty-eight thousand dollars or less; or

21 (ii) For taxpayers filing any other return, federal adjusted gross  
22 income is forty-three thousand dollars or less.

23 (b) For taxable years beginning or deemed to begin on or after  
24 January 1, 2020, under the Internal Revenue Code of 1986, as amended, the  
25 Tax Commissioner shall adjust the dollar amounts provided in subdivisions  
26 (13)(a)(i) and (ii) of this section by the same percentage used to adjust  
27 individual income tax brackets under subsection (3) of section  
28 77-2715.03.

29 (14) For taxable years beginning or deemed to begin on or after  
30 January 1, 2015, under the Internal Revenue Code of 1986, as amended, an  
31 individual may make a one-time election within two calendar years after

1 the date of his or her retirement from the military to exclude income  
2 received as a military retirement benefit by the individual to the extent  
3 included in federal adjusted gross income and as provided in this  
4 subsection. The individual may elect to exclude forty percent of his or  
5 her military retirement benefit income for seven consecutive taxable  
6 years beginning with the year in which the election is made or may elect  
7 to exclude fifteen percent of his or her military retirement benefit  
8 income for all taxable years beginning with the year in which he or she  
9 turns sixty-seven years of age. For purposes of this subsection, military  
10 retirement benefit means retirement benefits that are periodic payments  
11 attributable to service in the uniformed services of the United States  
12 for personal services performed by an individual prior to his or her  
13 retirement.

14 Sec. 3. Section 85-1807, Revised Statutes Supplement, 2019, is  
15 amended to read:

16 85-1807 (1) The State Treasurer shall deposit money received by the  
17 Nebraska educational savings plan trust into three funds: The College  
18 Savings Plan Program Fund, the College Savings Plan Expense Fund, and the  
19 College Savings Plan Administrative Fund. The State Treasurer shall  
20 deposit money received by the trust into the appropriate fund. The State  
21 Treasurer and Accounting Administrator of the Department of  
22 Administrative Services shall determine the state fund types necessary to  
23 comply with section 529 of the Internal Revenue Code and state policy.  
24 The money in the funds shall be invested by the state investment officer  
25 pursuant to policies established by the Nebraska Investment Council. The  
26 program fund, the expense fund, and the administrative fund shall be  
27 separately administered. The Nebraska educational savings plan trust  
28 shall be operated with no General Fund appropriations.

29 (2) The College Savings Plan Program Fund is created. All money paid  
30 ~~by participants~~ in connection with participation agreements and all  
31 investment income earned on such money shall be deposited as received

1 into separate accounts within the program fund. Contributions to the  
2 trust ~~made by participants~~ may only be made in the form of cash. All  
3 funds generated in connection with participation agreements shall be  
4 deposited into the appropriate accounts within the program fund. A  
5 participant or beneficiary shall not provide investment direction  
6 regarding program contributions or earnings held by the trust. Money  
7 accrued ~~by participants~~ in the program fund may be used for the benefit  
8 of a beneficiary for payments to any eligible educational institution,  
9 but shall not be used to pay expenses associated with attending  
10 kindergarten through grade twelve. Any money in the program fund  
11 available for investment shall be invested by the state investment  
12 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska  
13 State Funds Investment Act.

14 (3) The College Savings Plan Administrative Fund is created. Money  
15 from the trust transferred from the expense fund to the administrative  
16 fund in an amount authorized by an appropriation from the Legislature  
17 shall be utilized to pay for the costs of administering, operating, and  
18 maintaining the trust, to the extent permitted by section 529 of the  
19 Internal Revenue Code. The administrative fund shall not be credited with  
20 any money other than money transferred from the expense fund in an amount  
21 authorized by an appropriation by the Legislature or any interest income  
22 earned on the balances held in the administrative fund. Any money in the  
23 administrative fund available for investment shall be invested by the  
24 state investment officer pursuant to the Nebraska Capital Expansion Act  
25 and the Nebraska State Funds Investment Act.

26 (4)(a) The College Savings Plan Expense Fund is created. The expense  
27 fund shall be funded with fees assessed to the program fund. The State  
28 Treasurer shall use the expense fund:

29 (i) To pay costs associated with the Nebraska educational savings  
30 plan trust;

31 (ii) For the purposes described in the Meadowlark Act; ~~and~~

1        (iii) On or before September 1, 2020, to transfer from the expense  
2 fund to the Department of Revenue Miscellaneous Receipts Fund fifty-nine  
3 thousand five hundred dollars to defray the costs incurred to implement  
4 this legislative bill; and

5        (iv) (iii) To transfer from the expense fund to the State Investment  
6 Officer's Cash Fund an amount equal to the pro rata share of the budget  
7 appropriated to the Nebraska Investment Council as permitted in section  
8 72-1249.02, to cover reasonable expenses incurred for investment  
9 management of the Nebraska educational savings plan trust. Annually and  
10 prior to such transfer to the State Investment Officer's Cash Fund, the  
11 State Treasurer shall report to the budget division of the Department of  
12 Administrative Services and to the Legislative Fiscal Analyst the amounts  
13 transferred during the previous fiscal year. The report submitted to the  
14 Legislative Fiscal Analyst shall be submitted electronically.

15        (b) Any money in the expense fund available for investment shall be  
16 invested by the state investment officer pursuant to the Nebraska Capital  
17 Expansion Act and the Nebraska State Funds Investment Act.

18        Sec. 4. Section 85-1808, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20        85-1808 (1) A participant may cancel a participation agreement at  
21 will by submitting a request to terminate the participation agreement.  
22 Additionally, if a participant requests and obtains a nonqualified  
23 withdrawal, the participation agreement shall be deemed canceled with  
24 respect to the amount of the nonqualified withdrawal. A participation  
25 agreement shall not be deemed canceled if a participant requests and  
26 obtains a distribution of his or her entire account balance for qualified  
27 higher education expenses and subsequently closes his or her account.  
28 Furthermore, the State Treasurer shall have the power to terminate,  
29 freeze, or suspend a participation agreement if he or she determines that  
30 the participant provided false or misleading information to the detriment  
31 of the Nebraska educational savings plan trust, if the participant's

1 account has a zero balance, or if the State Treasurer is unable to verify  
2 the identity of the participant.

3 (2) If a participation agreement is canceled for any of the causes  
4 listed in this subsection, the participant shall be entitled to receive  
5 the principal amount of all contributions made by the participant under  
6 the participation agreement plus the actual program fund investment  
7 income earned on the contributions, less any losses incurred on the  
8 investment, and such distribution will generally not be subject to  
9 federal tax penalty:

10 (a) Death of the beneficiary if the distribution is paid to the  
11 estate of the beneficiary or transferred to another beneficiary as set  
12 forth in subsection (10) of section 85-1809;

13 (b) Permanent disability or mental incapacity of the beneficiary;

14 (c) The beneficiary is awarded a scholarship as defined in section  
15 529 of the Internal Revenue Code, but only to the extent the distribution  
16 of earnings does not exceed the scholarship amount; or

17 (d) A qualified rollover is made as permitted by section 529 of the  
18 Internal Revenue Code, except that if a qualified rollover is made into a  
19 plan sponsored by another state or entity, the participation agreement  
20 shall be deemed to have been canceled for purposes of subdivision (8)(d)  
21 ~~(8)(c)~~ of section 77-2716 and federal adjusted gross income shall be  
22 increased to the extent previously deducted as a contribution to the  
23 trust.

24 (3) Notwithstanding any other provisions of this section, under no  
25 circumstances shall a participant or beneficiary receive a distribution  
26 that is more than the fair market value of the specific account on the  
27 applicable liquidation date.

28 (4) If a participant cancels a participation agreement, obtains a  
29 rollover into a plan sponsored by another state or entity, or obtains a  
30 distribution, a portion of which constitutes a nonqualified withdrawal,  
31 the amount of the distribution, rollover, or withdrawal will be subject

1 to recapture of previous Nebraska state income tax deductions as set  
2 forth in subdivision ~~(8)(d)~~ ~~(8)(e)~~ of section 77-2716. The transfer of  
3 assets among plans sponsored by the State of Nebraska shall be considered  
4 an investment option change and not a rollover.

5 Sec. 5. Section 85-1810, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 85-1810 (1) A student loan program, student grant program, or other  
8 program administered by any agency of the state, except as may be  
9 otherwise provided by federal law or the provisions of any specific grant  
10 applicable to the federal law, shall not take into account and shall not  
11 consider amounts available for the payment of qualified higher education  
12 expenses pursuant to the Nebraska educational savings plan trust in  
13 determining need and eligibility for student aid.

14 (2) A government program administered by any agency of the state  
15 that provides benefits or aid to individuals based on financial need,  
16 except as may be otherwise provided by federal law or the provisions of  
17 any specific grant applicable to the federal law, shall not take into  
18 account and shall not consider contributions made to a participant's  
19 account by the participant's employer in determining the income of such  
20 participant.

21 Sec. 6. Section 85-2802, Revised Statutes Supplement, 2019, is  
22 amended to read:

23 85-2802 For purposes of the Meadowlark Act:

24 (1) Eligible educational institution has the same meaning as in  
25 section 85-1802;

26 (2) Nebraska educational savings plan trust has the same meaning as  
27 in section 85-1802;

28 (3) Qualified higher education expenses has the same meaning as in  
29 section 85-1802;

30 (4) Qualified individual means an individual born on or after  
31 January 1, 2020, who is a resident of this state at the time of birth;

1 and

2 (5) Qualified private contribution means a contribution from an  
3 individual or private entity which is made for the purpose of providing a  
4 ~~an ongoing~~ source of funding for the Meadowlark Program established in  
5 section 85-2804.

6 Sec. 7. Section 85-2803, Revised Statutes Supplement, 2019, is  
7 amended to read:

8 85-2803 (1) There is hereby established in the state treasury a  
9 trust fund to be known as the Meadowlark Endowment Fund. The fund shall  
10 be administered by the State Treasurer and shall consist of qualified  
11 private contributions and any amounts appropriated or transferred to the  
12 fund by the Legislature. No General Funds shall be transferred to the  
13 Meadowlark Endowment Fund. Any money in the fund available for investment  
14 shall be invested by the state investment officer pursuant to the  
15 Nebraska Capital Expansion Act and the Nebraska State Funds Investment  
16 Act. No portion of the principal of the fund shall be expended for any  
17 purpose except investment pursuant to this subsection.

18 (2) The State Treasurer may ~~shall~~ accept qualified private  
19 contributions and shall credit all such contributions received either to  
20 the Meadowlark Endowment Fund or to accounts opened under the Meadowlark  
21 Program, at the direction of the donor. Such contributions shall not be  
22 used to pay expenses associated with attending kindergarten through grade  
23 twelve.

24 (3) On or before April 1 of each year, the The State Treasurer shall  
25 determine the total amount of qualified private contributions received  
26 under this subsection (2) of this section in the previous calendar year  
27 and shall transfer an equal amount from the College Savings Plan Expense  
28 Fund or the Unclaimed Property Escheat Trust Fund, as determined by the  
29 State Treasurer, to the Meadowlark Endowment Fund or to accounts opened  
30 under the Meadowlark Program. For any amount transferred from the College  
31 Savings Plan Expense Fund or the Unclaimed Property Escheat Trust Fund

1 that is not being transferred to the Meadowlark Endowment Fund, the State  
2 Treasurer shall evenly distribute such amount to the accounts opened  
3 under the Meadowlark Program in the previous calendar year.

4       Sec. 8. Original sections 77-3,110, 85-1808, and 85-1810, Reissue  
5 Revised Statutes of Nebraska, and sections 77-2716, 85-1807, 85-2802, and  
6 85-2803, Revised Statutes Supplement, 2019, are repealed.

7       Sec. 9. Since an emergency exists, this act takes effect when  
8 passed and approved according to law.