

LEGISLATIVE BILL 842

Approved by the Governor April 14, 1986

Introduced by Nichol, 48, Speaker, for the Governor

AN ACT relating to capital construction; to amend section 85-122, Revised Statutes Supplement, 1984, sections 85-1,111 and 85-1,112, Revised Statutes Supplement, 1985, and section 77-2602, Revised Statutes Supplement, 1985, as amended by section 1, Legislative Bill 3, Eight-ninth Legislature, Second Special Session, 1985; to change provisions relating to distribution of the cigarette tax; to change provisions relating to university funds and terms of a construction contract; to authorize contracts; to create a fund; to provide powers and duties for the Board of Regents; to provide an operative date; 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, 1985, as amended by section 1, Legislative Bill 3, Eighty-ninth Legislature, Second Special Session, 1985, be amended to read as follows:

77-2602. 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-three 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. ~~Eighteen~~ Fourteen cents of such tax shall be placed in the General Fund. The remaining proceeds of such tax shall be distributed in the following order:

~~First, there shall be placed in the State Office Building Fund the sum of one million two hundred~~

thousand dollars each year for fiscal years 1974-75, 1975-76, 1976-77, and 1977-78 and three million six hundred thousand dollars for each fiscal year beginning with 1978-79 through 1983-84. Such amounts are hereby appropriated and the unexpended balances existing in such fund at the end of each fiscal year through June 30, 1984, are hereby reappropriated. Money in the State Office Building Fund may be transferred to the General Fund at the direction of the legislature;

Second, there shall be placed in the Downtown Education Center and Office Rental Fund the sum of nine hundred sixty thousand dollars each year for fiscal years 1976-77 through 1983-84 and two million two hundred eighty thousand dollars each year for fiscal years 1984-85 and 1985-86. Such amounts are hereby appropriated and the unexpended balances existing in such fund at the end of each fiscal year through June 30, 1986, are hereby reappropriated. Money in the Downtown Education Center and Office Rental Fund may be transferred to the General Fund at the direction of the legislature;

Third First, beginning July 1, 1980, the equivalent of one cent of such tax shall be placed in the Nebraska Outdoor Recreation Development Cash Fund;

Fourth Second, beginning July 1, 1983, the equivalent of one cent of such tax shall be placed in the Nebraska Cancer Research Fund to carry out the provisions of sections 81-637 to 81-640;

Fifth Third, there shall be placed 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 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; and

Fourth, beginning July 1, 1986, the equivalent of four cents of such tax, but in any event not less than four million four hundred fourteen thousand dollars, shall be placed in the University Facilities

Construction Fund each fiscal year to carry out section 3 of this act. 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 4 of this act are discharged, whichever occurs first. The unexpended balance existing in the University Facilities Construction Fund on June 15 of each year shall be transferred to the General Fund; and

Sixth Fifth, the balance of such proceeds shall be placed 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.

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, and the University Facilities 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 not be reduced until all contracts relating to the construction and financing of the projects funded from such funds are completed 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 (1) the General Fund, (2) the Nebraska Outdoor Recreation Development Cash Fund, (3) the Nebraska Cancer Research Fund, (4) the University Buildings Renovation and Land Acquisition Fund and the State College Buildings Renovation and Land Acquisition Fund, and (5) the University Facilities Construction Fund shall not be made a higher priority than or an equal priority to any of the programs or projects specified in subdivisions (1) to (5) of this section.

Sec. 2. That section 85-122, Revised Statutes Supplement, 1984, 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 Agricultural Field Laboratory Fund, (12) the Animal Research and Diagnosis Revolving Fund, and (13) the University Buildings Renovation and Land Acquisition Fund, and (14) the University Facilities Construction 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 84-306 to 84-306.05. 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 the provisions of sections 72-1237 to 72-1269.

Sec. 3. 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) 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 4 of this act 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

4 of this act shall be lapsed to the General Fund either on June 15, 1997, or when all financial obligations incurred in the contracts entered into by the Board of Regents pursuant to section 4 of this act are discharged, whichever occurs first.

Sec. 4. In order to accomplish any projects authorized by section 3 of this act, 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. 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 3 of this act 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. That section 85-1,111, Revised Statutes Supplement, 1985, be amended to read as follows:

85-1,111. There is hereby created a University Buildings Renovation and Land Acquisition Fund. All money accruing to this fund is hereby appropriated to the Board of Regents of the University of Nebraska and shall be used exclusively for those projects of repair, remodeling, and renovation of buildings of the university and for those equipment and land acquisition projects of the university authorized

pursuant to this section, as long as no such repair, remodeling, or renovation project shall provide for construction of an addition to any building, unless required by any federal law or law of this state relating to building safety or relating to building access for handicapped persons. 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 Buildings Renovation and Land Acquisition Fund for the following projects and associated expenses: (1) Repair, remodel, and renovate Bessey Hall, three million four hundred fifty-seven thousand eight hundred seventy dollars, and Architectural Hall and Former Law Building, four million three hundred twenty-six thousand two hundred sixty-six dollars at the University of Nebraska-Lincoln; (2) repair, remodel, and renovate Arts and Sciences Hall at the University of Nebraska at Omaha, eight hundred eighty-eight thousand five hundred fifty one million three hundred eighty-five thousand five hundred dollars; (3) repair, remodel, and renovate the Nebraska Psychiatric Institute at the University of Nebraska Medical Center, one million fifty thousand dollars; (4) acquire certain real property for public use by the University of Nebraska at Omaha, three million two hundred eighty-two thousand four hundred dollars; (5) purchase moveable equipment for Bessey Hall and Architecture Hall and Former Law Building at the University of Nebraska-Lincoln, and Arts and Sciences Hall at the University of Nebraska at Omaha, one million four hundred thousand dollars; and ~~(5)~~ (6) administrative and financing costs associated with any contract which the Board of Regents may enter into pursuant to section 85-1,112 to implement any of the projects listed in subdivisions (1) to ~~(4)~~ (5) of this section, an amount not to exceed four hundred ten thousand dollars.

In addition to those building repair, remodeling, or renovation projects, and equipment and land acquisition projects specifically listed in this section, the Board of Regents is further authorized to make expenditures from the University Buildings Renovation and Land Acquisition Fund, which shall include any investment income received from the investment of such fund, for any other building repair, remodeling, or renovation project or land acquisition project which shall be specifically approved by the Legislature.

Sec. 6. That section 85-1,112, Revised Statutes Supplement, 1985, be amended to read as follows:

85-1,112. In order to accomplish any projects authorized by section 85-1,111, 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 Buildings Renovation and Land Acquisition Fund. In no case shall any such contract run for a period longer than ten years or exceed ~~thirteen million five thousand eighty-six~~ fourteen million nine hundred two thousand thirty-six dollars, exclusive of administrative costs, financing costs, and reserves dedicated to secure payment of contracts. 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.

Sec. 7. In order to accomplish the construction of the Lied Center for Performing Arts, the Board of Regents of the University of Nebraska may enter into contracts with any person, firm, corporation, or foundation providing for the implementation of such project of the university and providing for the long-term payment of the cost of such project. In no case shall any such contract run for a period longer than twenty years or exceed twenty million dollars, exclusive of administrative costs, credit enhancement costs, financing costs, and reserves dedicated to secure payment of contracts. 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.

Sec. 8. This act shall become operative on July 1, 1986.

Sec. 9. That original section 85-122, Revised Statutes Supplement, 1984, sections 85-1,111 and 85-1,112, Revised Statutes Supplement, 1985, and section 77-2602, Revised Statutes Supplement, 1985, as amended

by section 1, Legislative Bill 3, Eighty-ninth Legislature, Second Special Session, 1985, are repealed.

Sec. 10. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.