

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 461

Introduced by Arch, 14.

Read first time January 13, 2023

Committee: Government, Military and Veterans Affairs

1 A BILL FOR AN ACT relating to the Department of Administrative Services;
2 to amend sections 16-321.01, 17-568.02, 57-1503, 60-3,100, 70-1033,
3 71-5666, 71-5667, 71-5669.01, 73-101, 73-101.01, 73-301, 73-501,
4 73-502, 73-503, 73-504, 73-505, 73-506, 73-507, 73-508, 73-509,
5 73-510, 81-145, 81-154.01, 81-156, 81-161, 81-161.01, 81-161.02,
6 81-162, 81-1101, 81-1102, 81-1108.10, 81-1108.16, 81-1109,
7 81-1118.01, 81-1118.02, 81-1118.05, 81-1118.07, and 83-145, Reissue
8 Revised Statutes of Nebraska, and sections 66-1009, 71-5668,
9 79-8,137, 79-8,137.04, 81-153, 81-161.03, 81-1118, 81-1119, 81-1120,
10 and 81-3721, Revised Statutes Cumulative Supplement, 2022; to name
11 an act; to change, transfer, and eliminate provisions relating to
12 the materiel division of the Department of Administrative Services
13 and procurement of services and personal property; to provide,
14 change, and eliminate definitions; to eliminate obsolete provisions;
15 to harmonize provisions; to repeal the original sections; and to
16 outright repeal sections 81-146, 81-159, 81-1118.03, 81-1118.04, and
17 81-1118.06, Reissue Revised Statutes of Nebraska, and sections
18 73-701 and 81-154, Revised Statutes Cumulative Supplement, 2022.
19 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 19 of this act shall be known and may be
2 cited as the State Procurement Act.

3 Sec. 2. Section 73-501, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 ~~73-501~~ The purposes of the State Procurement Act ~~sections 73-501 to~~
6 ~~73-510~~ are to establish a standardized, open, and fair process for
7 selection of contracts ~~contractual services, using performance-based~~
8 ~~contracting methods to the maximum extent practicable,~~ and to create an
9 accurate reporting of expended funds for such contracts ~~contractual~~
10 ~~services~~. This process shall promote a standardized method of selection
11 for state contracts ~~for services~~, assuring a fair assessment of
12 qualifications and capabilities for project completion or compliance with
13 specifications. There shall also be an accountable, efficient reporting
14 method of expenditures for these contracts ~~services~~.

15 Sec. 3. Section 73-502, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 ~~73-502~~ For purposes of the State Procurement Act ~~sections 73-501 to~~
18 ~~73-510~~:

19 (1) Contract includes any contract for services and contract for
20 personal property;

21 (2) Contract for personal property means any contract entered into
22 by the state with another party for a stated consideration, which
23 provides that the state agency is to receive the personal property or use
24 of such personal property furnished by the other party. Contract for
25 personal property includes leases;

26 (3) (1) Contract for services means any contract that directly
27 engages the time or effort of an independent contractor whose purpose is
28 to perform an identifiable task, study, or report rather than to furnish
29 an end item of supply, goods, equipment, or material;

30 (4) Cooperative agreement means a legal instrument reflecting a
31 relationship between the State of Nebraska and any other entity where (a)

1 the principal purpose of the relationship is to transfer a thing of value
2 to the entity to carry out a public purpose of support or stimulation by
3 law instead of acquiring property or services for the direct benefit of
4 the State of Nebraska and (b) substantial involvement is expected between
5 the State of Nebraska and the entity when carrying out the activity
6 contemplated in the agreement;

7 (5) ~~(2)~~ Division means the materiel division of the Department of
8 Administrative Services;

9 (6) ~~(3)~~ Emergency means necessary to meet an urgent or unexpected
10 requirement or when health and public safety or the conservation of
11 public resources is at risk;

12 (7) Grant agreement means a legal instrument reflecting a
13 relationship between the State of Nebraska and any other entity where (a)
14 the principal purpose of the relationship is to transfer a thing of value
15 to the entity to carry out a public purpose of support or stimulation by
16 law instead of acquiring property or services for the direct benefit of
17 the State of Nebraska and (b) substantial involvement is not expected
18 between the State of Nebraska and the entity when carrying out the
19 activity contemplated in the agreement;

20 (8) ~~(4)~~ Occasional means seasonal, irregular, or fluctuating in
21 nature;

22 (9) Personal property includes all materials, supplies, furniture,
23 equipment, printing, stationery, automotive and road equipment, and other
24 chattels, goods, wares, and merchandise;

25 (10) ~~(5)~~ Sole source means of such a unique nature that the
26 contractor selected is clearly and justifiably the only practicable
27 source to provide the service or personal property. Determination that
28 the contractor selected is justifiably the sole source is based on either
29 the uniqueness of the service or personal property or sole availability
30 at the location required;

31 (11) ~~(6)~~ State agency means any agency, board, or commission of this

1 state, except for the University of Nebraska. For purposes of procurement
2 of services, state agency does not include other than the University of
3 Nebraska, the Nebraska state colleges, the courts, the Legislature, or
4 any officer or state agency established by the Constitution of Nebraska;
5 and

6 (12) (7) Temporary means a finite period of time with respect to a
7 specific task or result relating to a contract for services.

8 Sec. 4. Section 81-1118.05, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 ~~81-1118.05~~ The materiel division of the Department of Administrative
11 Services shall:

12 (1) Establish by rules and regulations a process for resolving
13 complaints from both vendors and state agencies;

14 (2) Maintain a record and written justification of purchases as
15 follows:

16 (a) A list of and explanation for emergency purchases;

17 (b) A list of open market purchases made by the division; and

18 (c) A list of all purchases waived from the minimum time period
19 requirement between bid advertisement and bid opening; and

20 (3) Have the authority to enter into joint purchasing agreements
21 with political subdivisions in the state.

22 Sec. 5. Section 73-505, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 ~~73-505~~ State agency directors shall be responsible for maintaining
25 accurate documentation of the process used for selection of all contracts
26 ~~for services~~ and for ensuring and documenting that services and personal
27 property required under the contract are being performed or provided in
28 compliance with the terms of the contract ~~for services~~. Such
29 documentation shall be kept with each contract ~~for services~~.

30 Sec. 6. Section 73-503, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 ~~73-503~~ (1) All state agencies shall process and document all
2 contracts ~~for services~~ through the state accounting system. The Director
3 of Administrative Services shall specify the format and type of
4 information for state agencies to provide and approve any alternatives to
5 such formats. All state agencies shall enter the information on new
6 contracts ~~for services~~ and amendments to existing contracts ~~for services~~.
7 State agency directors shall ensure that contracts ~~for services~~ are coded
8 appropriately into the state accounting system.

9 (2) The requirements of this section also apply to the courts, the
10 Legislature, and any officer or state agency established by the
11 Constitution of Nebraska, but not to the University of Nebraska.

12 (3) The Nebraska state colleges shall document all contracts ~~for~~
13 ~~services~~ through the state accounting system.

14 (4) The Director of Administrative Services shall establish a
15 centralized database, either through the state accounting system or
16 through an alternative system, which specifically identifies where a copy
17 of each contract ~~for services~~ may be found.

18 Sec. 7. Section 73-504, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 ~~73-504~~ Except as provided in section 13 of this act ~~73-507~~:

21 (1) All state agencies shall comply with the review and competitive
22 bidding processes provided in this section ~~for contracts for services~~.
23 Unless otherwise exempt, no state agency shall expend funds for contracts
24 ~~for services~~ without complying with this section;

25 (2) All proposed state agency contracts ~~for services~~ in excess of
26 fifty thousand dollars shall be bid by a competitive formal bidding
27 process in the manner prescribed by the division procurement manual or a
28 process approved by the Director of Administrative Services. Bidding for
29 contracts for services may be performed at the state agency level or by
30 the division. The division shall administer the public notice and bidding
31 procedures for any contract for personal property Any state agency may

1 ~~request that the division conduct the competitive bidding process;~~

2 (3) If the bidding process is at the state agency level, then state
3 agency directors shall ensure that bid documents for each contract ~~for~~
4 ~~services~~ in excess of fifty thousand dollars are prereviewed by the
5 division and that any changes to the proposed contract that differ from
6 the bid documents in the proposed contract ~~for services~~ are reviewed by
7 the division before signature by the parties;

8 (4) State agency directors, ~~in cooperation with the division,~~ shall
9 be responsible for appropriate public notice of an impending contract
10 ~~contractual services project~~ in excess of fifty thousand dollars in
11 accordance with the division's procurement manual and the State
12 Procurement Act sections 73-501 to 73-510; and

13 (5) State agency directors, ~~in cooperation with the division,~~ shall
14 be responsible for ensuring that a request for a contract ~~contractual~~
15 ~~services~~ in excess of fifty thousand dollars is filed with the division
16 for dissemination or website access to vendors interested in competing
17 for contracts; and for services.

18 (6) When the division is responsible for the procurement of services
19 or personal property, the state agency shall at the time, in the form,
20 and for the periods prescribed by the division, present to the division a
21 detailed requisition for all services and personal property to be
22 contracted.

23 Sec. 8. Section 81-161, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 ~~81-161~~ (1) All ~~purchases, leases, or~~ contracts which by law are
26 required to be based on competitive bids shall be made only to the lowest
27 responsible bidders bidder, taking into consideration, as applicable:

28 (a) ~~The~~ the best interests of the state; ~~τ~~

29 (b) ~~The~~ the quality or performance of the personal property or
30 services proposed to be supplied; ~~τ~~

31 (c) ~~The~~ its conformity with the solicitation; specifications,

1 ~~(d) The the purposes for which required; 7~~

2 ~~(e) The and the times of delivery; 7~~

3 ~~(f) The life-cycle costs of the personal property in relation to the~~
4 ~~purchase price and specific use of the item;~~

5 ~~(g) The performance of the personal property, taking into~~
6 ~~consideration any commonly accepted tests and standards of product~~
7 ~~usability and user requirements;~~

8 ~~(h) The energy efficiency ratio as stated by the bidder for~~
9 ~~alternative choices of appliances or equipment;~~

10 ~~(i) The information furnished by each bidder concerning life-cycle~~
11 ~~costs between alternatives for all classes of equipment, evidence of~~
12 ~~expected life, repair and maintenance costs, and energy consumption on a~~
13 ~~per-year basis;~~

14 ~~(j) The results of the United States Environmental Protection Agency~~
15 ~~tests on fleet performance of motor vehicles. Each bidder shall furnish~~
16 ~~information relating to such results; and~~

17 ~~(k) Such other information as may be secured having a bearing on the~~
18 ~~decision to award the contract.~~

19 ~~(2) In determining responsibility the lowest responsible bidder, in~~
20 ~~addition to price, the following elements shall be given consideration:~~

21 ~~(a) The ability, capacity, and skill of the bidder to perform the~~
22 ~~contract required;~~

23 ~~(b) The character, integrity, reputation, judgment, experience, and~~
24 ~~efficiency of the bidder;~~

25 ~~(c) Whether the bidder can perform the contract within the time~~
26 ~~specified;~~

27 ~~(d) The quality of performance of previous contracts; and~~

28 ~~(e) The previous and existing compliance by the bidder with laws~~
29 ~~relating to the contract. 7~~

30 ~~(f) The life-cycle costs of the personal property in relation to the~~
31 ~~purchase price and specific use of the item;~~

1 ~~(g) The performance of the personal property, taking into~~
2 ~~consideration any commonly accepted tests and standards of product~~
3 ~~usability and user requirements;~~

4 ~~(h) Energy efficiency ratio as stated by the bidder for alternative~~
5 ~~choices of appliances or equipment;~~

6 ~~(i) The information furnished by each bidder concerning life-cycle~~
7 ~~costs between alternatives for all classes of equipment, evidence of~~
8 ~~expected life, repair and maintenance costs, and energy consumption on a~~
9 ~~per-year basis;~~

10 ~~(j) The results of the United States Environmental Protection Agency~~
11 ~~tests on fleet performance of motor vehicles. Each bidder shall furnish~~
12 ~~information relating to such results; and~~

13 ~~(k) Such other information as may be secured having a bearing on the~~
14 ~~decision to award the contract.~~

15 (3) ~~(2)~~ Any appliance purchased or leased pursuant to this section
16 shall be energy star certified, except that the materiel administrator
17 may exempt the purchase or lease of an appliance from this subsection if
18 he or she determines that the cost of compliance would exceed the
19 projected energy cost savings.

20 (4) ~~(3)~~ All political subdivisions may follow the procurement
21 principles set forth in this section if they are deemed applicable by the
22 official authorized to make purchases for such political subdivision.

23 (5) ~~(4)~~ For purposes of this section, energy star certified means
24 approval of energy usage by the United States Environmental Protection
25 Agency and the United States Department of Energy. Such approval may be
26 signified by the display of the energy star label.

27 Sec. 9. Section 81-161.01, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 ~~81-161.01~~ (1) A minimum of fifteen days shall elapse between the
30 time formal bids are advertised and the time of their opening, except
31 that this requirement may be waived by the materiel administrator upon a

1 showing by the state ~~using~~ agency of an emergency, sole or specialized
2 source, or other unique requirement.

3 (2) A solicitation shall be in the form of a public notice of the
4 proposed purchase or lease and a general description of the personal
5 property or services needed in a paper of general circulation in the area
6 where the agency will be operating or by any other method approved by the
7 materiel administrator.

8 Sec. 10. Section 81-161.02, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 ~~81-161.02~~ (1) For the purposes of this section:

11 (a) Realistic price means a price at which the goods or services can
12 actually and sufficiently be provided in accordance with the awarded
13 contract and price bid; and

14 (b) Reasonable price means the price of the goods or services is
15 fair compensation for such goods or services.

16 (2) Any or all bids may be rejected by the state agency in
17 accordance with the procurement manual. A state agency may reject a bid
18 if the price is not reasonable or is not realistic.

19 (3) In considering whether a bid's price is not reasonable or not
20 realistic, a state agency may consider factors, including prices bid by
21 other bidders, the fair market value of the products or services, the
22 availability of the products or services, historical prices, or
23 independent cost estimates materiel division. ~~The materiel division may~~
24 reject the bid of any bidder who has failed to perform a previous
25 contract with the state. In any case where competitive bids are required
26 and all bids are rejected, and the proposed purchase is not abandoned,
27 new bids shall be solicited.

28 Sec. 11. Section 81-162, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 ~~81-162~~ A contract for personal property ~~Contracts for purchases or~~
31 leases may be made in any of the following forms:

1 (1) For the furnishing of specific personal property at specific
2 prices;

3 (2) For the furnishing of personal property, according to the
4 specifications, at a fixed rate for a minimum quantity, subject to
5 furnishing a greater quantity at the same or a lesser rate; or

6 (3) For the furnishing of personal property, according to the
7 specifications without a stated minimum at a rate stated, commonly known
8 as a price agreement.

9 The form of the contract to be used in any case shall be subject to
10 the discretion of the ~~materiel~~ division.

11 Sec. 12. Section 73-506, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 ~~73-506~~ State agency contracts ~~for services~~ shall be subject to the
14 following requirements:

15 (1) Payments shall be made when contractual deliverables are
16 received or in accordance with specific contractual terms and conditions;

17 (2) State agencies shall not enter into contracts ~~for services~~ with
18 an unspecified or unlimited duration, and no contract ~~for services~~ shall
19 be amended to extend the duration of the contract for a period of more
20 than fifty percent of the initial contract term. Following the adoption
21 of any amendment to extend the contract for a period of fifty percent or
22 less of the initial contract term, no further extensions of the original
23 contract shall be permitted. This subdivision does not prohibit the
24 exercise of any renewal option expressly provided in the original
25 contract;

26 (3) State agencies shall not structure contracts ~~for services~~ to
27 avoid any of the requirements of the State Procurement Act ~~sections~~
28 ~~73-501 to 73-510~~; and

29 (4) State agencies shall not enter into contracts ~~for services~~ in
30 excess of fifteen million dollars unless the state agency has complied
31 with section 17 of this act; ~~73-510~~.

1 (5) A state agency shall not enter into a contract that purports to:

2 (a) Obligate the state to indemnify a contracting party from that
3 party's own errors, omissions, or negligence;

4 (b) Consent to the jurisdiction of another state for the purposes of
5 court proceedings; or

6 (c) Consent to venue in another state for the purposes of court
7 proceedings;

8 (6) The Department of Administrative Services shall be the sole and
9 final authority on contracts for personal property by a state agency.
10 When the approval of the Governor is required, the Governor may confer
11 complete authority upon the Department of Administrative Services in the
12 review and approval for contract proposals;

13 (7) The Department of Administrative Services may adopt and
14 promulgate rules and regulations to (a) develop and implement purchasing
15 and leasing policies and procedures that ensure economical and efficient
16 operations of state agencies and (b) carry out the State Procurement Act;

17 (8) State agencies shall use contracts designated by the division
18 for statewide use, unless otherwise permitted by the materiel
19 administrator; and

20 (9) The Director of Administrative Services shall not issue any
21 warrant for the disbursement of money to pay for any contract that is not
22 approved according to law.

23 Sec. 13. Section 73-507, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 ~~73-507~~ (1) Subject to review by the Director of Administrative
26 Services, the division shall provide procedures to grant limited
27 exceptions from sections 7, 15, and 16 of this act ~~73-504, 73-508, and~~
28 ~~73-509~~ for:

29 (a) Sole source contracts, emergency contracts, and contracts ~~for~~
30 ~~services~~ when the price has been established by the federal General
31 Services Administration or competitively bid by another state or group of

1 states, a group of states and any political subdivision of any other
2 state, a political subdivision of another state, or a cooperative
3 purchasing organization on behalf of a group of states or political
4 subdivisions of other states; and

5 (b) Other circumstances or specific contracts when any of the
6 requirements of sections 7, 15, and 16 of this act ~~73-504, 73-508, and~~
7 ~~73-509~~ are not appropriate for or are not compatible with the
8 circumstances or contract. The division shall provide a written rationale
9 which shall be kept on file when granting an exception under this
10 subdivision.

11 (2) The following types of contracts ~~for services~~ are not subject to
12 sections 7, 15, 16, and 17 of this act ~~73-504, 73-508, 73-509, and~~
13 ~~73-510~~:

14 (a) Contracts for services subject to the Nebraska Consultants'
15 Competitive Negotiation Act;

16 (b) Contracts for services subject to federal law, regulation, or
17 policy or state statute, under which a state agency is required to use a
18 different selection process or to contract with an identified contractor
19 or type of contractor;

20 (c) Contracts for professional legal services and services of expert
21 witnesses, hearing officers, or administrative law judges retained by
22 state agencies for administrative or court proceedings;

23 (d) Grant agreements or cooperative agreements ~~Contracts involving~~
24 ~~state or federal financial assistance passed through by a state agency to~~
25 ~~a political subdivision;~~

26 (e) Contracts with a value of fifteen million dollars or less with
27 direct providers of medical, behavioral, or developmental health
28 services, child care, or child welfare services to an individual;

29 (f) Agreements for services to be performed for a state agency by
30 another state or local government agency or contracts made by a state
31 agency with a local government agency for the direct provision of

1 services to the public;

2 (g) Agreements for services between a state agency and the
3 University of Nebraska, the Nebraska state colleges, the courts, the
4 Legislature, or other officers or state agencies established by the
5 Constitution of Nebraska;

6 (h) Department of Insurance contracts for financial or actuarial
7 examination, for rehabilitation, conservation, reorganization, or
8 liquidation of licensees, and for professional services related to
9 residual pools or excess funds under the agency's control;

10 (i) Department of Transportation contracts for all road and bridge
11 projects;

12 (j) Nebraska Investment Council contracts; ~~and~~

13 (k) Contracts under section 57-1503; ~~+~~

14 (l) Contracts for the erection of, construction of, renovation of,
15 repair of, or addition to any building; for original equipment for any
16 building; for the construction of any road or bridge; or for the
17 performance of any work related to such contracts;

18 (m) Subject to section 83-146, contracts for the purchase or use of
19 the products of the labor of the inmates of any charitable, reformatory,
20 or penal institution of the state;

21 (n) Contracts for leases by the state or a state agency of real
22 property;

23 (o) Contracts for works of art;

24 (p) Contracts for advertising or public announcements; and

25 (q) Direct or miscellaneous purchases pursuant to section 14 of this
26 act.

27 Sec. 14. Section 81-161.03, Revised Statutes Cumulative Supplement,
28 2022, is amended to read:

29 ~~81-161.03~~ (1) The materiel division may, by written order, permit
30 ~~purchases, contracts, or leases~~ to be made by any state using agency
31 directly with the vendor or supplier whenever it appears to the

1 satisfaction of the ~~materiel~~ division that, because of the unique nature
2 of the personal property, the price in connection therewith, the quantity
3 to be purchased, the location of the state ~~using~~ agency, the time of the
4 use of the personal property, or any other circumstance, the interests of
5 the state will be served better by purchasing or contracting direct ~~than~~
6 ~~through the materiel division.~~

7 (2) Such permission shall be revocable and shall be operative for a
8 period not exceeding twelve months from the date of issue. Upon the
9 request of the division, state ~~Using~~ agencies receiving such permission
10 shall report their acts and expenditures under such orders to the
11 ~~materiel~~ division in writing and ~~furnish proper evidence that competition~~
12 ~~has been secured~~ at such time and covering such period as may be required
13 by the ~~materiel~~ division.

14 (3) The ~~materiel~~ division shall adopt and promulgate rules and
15 regulations establishing criteria which must be met by any agency seeking
16 direct market purchase authorization. Purchases for miscellaneous needs
17 may be made directly by any agency without prior approval from the
18 ~~materiel~~ division for purchases of less than fifty ~~twenty-five~~ thousand
19 dollars if the agency has completed a certification program as prescribed
20 by the ~~materiel~~ division.

21 (4) The Department of Correctional Services may purchase raw
22 materials, supplies, component parts, and equipment perishables directly
23 for industries established pursuant to section 83-183, whether such
24 purchases are made to fill specific orders or for general inventories.
25 Any such purchase shall not exceed fifty thousand dollars. The department
26 shall comply with the bidding process of the ~~materiel~~ division and shall
27 be subject to audit by the ~~materiel~~ division for such purchases.

28 Sec. 15. Section 73-508, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 ~~73-508~~ Except as provided in section 13 of this act ~~73-507~~, all
31 proposals for sole source contracts for services in excess of fifty

1 thousand dollars shall be preapproved by the division except in
2 emergencies. In case of an emergency, contract approval by the state
3 agency director or his or her designee is required. A copy of the
4 contract and state agency justification of the emergency shall be
5 provided to the Director of Administrative Services within three business
6 days after contract approval. The state agency shall retain a copy of the
7 justification with the contract in the state agency files. The Director
8 of Administrative Services shall maintain a complete record of such sole
9 source contracts for services.

10 Sec. 16. Section 73-509, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 ~~73-509~~ Each proposed contract for services in excess of fifty
13 thousand dollars which requests services that are now performed or have,
14 within the year immediately preceding the date of the proposed contract,
15 been performed by a state employee covered by the classified personnel
16 system or by any labor contract shall use a pre-process prescribed by the
17 division. The pre-process shall include evaluation of the displacement of
18 the employee of the state agency or position held by the employee of the
19 state agency within the preceding year and of the disadvantages of such a
20 contract for services against the expected advantages, whether economic
21 or otherwise. Documentation of each evaluation shall be maintained in the
22 contract file by the state agency.

23 Sec. 17. Section 73-510, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 ~~73-510~~ (1) A state agency shall not enter into a new proposed
26 contract for services in excess of fifteen million dollars unless until
27 the state agency has conducted, prior to the advertisement for bids or
28 the execution of the contract when section 13 of this act applies, a
29 submitted to the division a copy of the proposed contract and proof-of-
30 need analysis described in this section and has subsequently received
31 certification from the division to enter into the contract.

1 (2) The proof-of-need analysis shall require state agencies to
2 provide a review of any expected long-term actual cost savings and an
3 explanation of the analysis used to determine such savings or a
4 justification for contracting the service if the proposed contract is not
5 expected to result in cost savings to the state. ~~the following~~
6 ~~information:~~

7 (3) Upon conclusion of the contract, if the contract was expected to
8 result in long-term actual cost savings, the state agency shall submit an
9 analysis of whether the contract actually produced such cost savings. If
10 the contract did not produce the expected cost savings, the state agency
11 shall receive certification from the division prior to entering into
12 another contract in excess of fifteen million dollars for the same
13 services.

14 ~~(a) A description of the service that is the subject of the proposed~~
15 ~~contract;~~

16 ~~(b) The reason for purchase of the service rather than the use or~~
17 ~~hiring of state employees, including, but not limited to, whether there~~
18 ~~is an administrative restriction on hiring additional state employees;~~

19 ~~(c) A review of any long-term actual cost savings of the contract~~
20 ~~and an explanation of the analysis used to determine such savings;~~

21 ~~(d) An explanation of the process by which the state agency will~~
22 ~~include adequate control mechanisms to ensure that the services are~~
23 ~~provided pursuant to the terms of the contract, including a description~~
24 ~~of the method by which the control mechanisms will ensure the quality of~~
25 ~~services provided by the contract;~~

26 ~~(e) Identification of the specific state agency employee who will~~
27 ~~monitor the contract for services for performance;~~

28 ~~(f) Identification and description of whether the service requested~~
29 ~~is temporary or occasional;~~

30 ~~(g) An assessment of the feasibility of alternatives within the~~
31 ~~state agency to contract for performance of the services;~~

- 1 ~~(h) A justification for entering into the contract for services if:~~
- 2 ~~(i) The proposed contract will not result in cost savings to the~~
- 3 ~~state; and~~
- 4 ~~(ii) The public's interest in having the particular service~~
- 5 ~~performed directly by the state agency exceeds the public's interest in~~
- 6 ~~the proposed contract;~~
- 7 ~~(i) Any federal requirements that the service be provided by a~~
- 8 ~~person other than the state agency;~~
- 9 ~~(j) Demonstration by the state agency that it has taken formal and~~
- 10 ~~positive steps to consider alternatives to such contract, including~~
- 11 ~~reorganization, reevaluation of services, and reevaluation of~~
- 12 ~~performance; and~~
- 13 ~~(k) A description of any relevant legal issues, including barriers~~
- 14 ~~to contracting for the service or requirements that the state agency~~
- 15 ~~contract for the service.~~
- 16 ~~(3) The division shall certify receipt of a proof-of-need analysis~~
- 17 ~~and shall report its receipt of the proof of need analysis to the state~~
- 18 ~~agency no more than thirty days after receiving the analysis.~~
- 19 ~~Certification of the proof-of-need analysis means that all information~~
- 20 ~~required by this section has been provided to the division by the state~~
- 21 ~~agency. If the division certifies the analysis, the state agency may~~
- 22 ~~enter into the proposed contract. If the division does not certify the~~
- 23 ~~analysis, it shall inform the state agency of the additional information~~
- 24 ~~required.~~
- 25 ~~(4) If the division certifies a proof-of-need analysis pursuant to~~
- 26 ~~this section, the state agency shall file the proposed contract, proof-~~
- 27 ~~of-need analysis, and proof of certification with the Legislative Fiscal~~
- 28 ~~Analyst.~~

29 Sec. 18. Section 81-154.01, Reissue Revised Statutes of Nebraska, is

30 amended to read:

31 ~~81-154.01~~ The materiel division shall make available copies of

1 current purchase agreements and standard specifications to the University
2 of Nebraska. The University of Nebraska may utilize such purchase
3 agreements if it determines that it would be to its advantage to do so.
4 The ~~materiel~~ division may utilize purchase agreements entered into by the
5 University of Nebraska upon a finding by the materiel administrator that
6 the use of such agreements would be in the best interests of the state.
7 For purposes of this section, purchase agreements do not include
8 contracts for personal services subject to sections 73-301 to 73-307.

9 Sec. 19. Section 81-156, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 ~~81-156~~ The fee, required by any state or other laboratory for any
12 analysis or test made by any prospective vendor prior to the award of a
13 contract, shall be paid by such prospective vendor.

14 Sec. 20. Section 81-145, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 81-145 As used in sections 81-145 to 81-161.06 and sections 21 to 26
17 of this act ~~81-162~~, unless the context otherwise requires:

18 (1) Materiel division means ~~shall mean the head of~~ the division of
19 the state government charged with the administration of sections 81-145
20 to 81-161.06 and sections 21 to 26 of this act ~~81-162~~ and ~~81-1118~~ to
21 ~~81-1118.06~~, which division shall be a part of and subject to the
22 supervision of the office of the Director of Administrative Services; and

23 ~~(2) Personal property shall include all materials, supplies,~~
24 ~~furniture, equipment, printing, stationery, automotive and road~~
25 ~~equipment, and other chattels, goods, wares, and merchandise whatsoever;~~

26 ~~(2) (3)~~ Using agencies means ~~shall mean~~ and includes ~~include~~ all
27 officers of the state, departments, bureaus, boards, commissions,
28 councils, and institutions receiving legislative appropriations. ~~;~~ and

29 ~~(4) Lease or contract shall mean an agreement entered into by the~~
30 ~~state or using agency with another party whereby, for a stated~~
31 ~~consideration, the state or using agency is to receive the personal~~

1 ~~property or use thereof furnished by the other party.~~

2 Sec. 21. Section 81-1118, Revised Statutes Cumulative Supplement,
3 2022, is amended to read:

4 ~~81-1118~~ The materiel division of the Department of Administrative
5 Services is hereby established and shall be managed by the materiel
6 administrator.

7 There are hereby established the following seven branches of the
8 materiel division of the Department of Administrative Services which
9 shall have the following duties, powers, and responsibilities:

10 (1) The office supplies bureau shall be responsible for providing
11 office supplies, paper, and forms to state using agencies other than the
12 University of Nebraska;

13 (2) Central mail shall be responsible for all mailing operations,
14 transportation of material, tracking shipments, and making freight
15 claims;

16 (3) The print shop shall be responsible for specifications and for
17 receiving bids and placing orders to the lowest and best commercial
18 bidder for all printing and reproduction operations for the state. The
19 print shop shall also be responsible for coordinating all existing
20 printing and reproduction operations of the state;

21 (4) Copy services shall be responsible for the purchasing and
22 placement of all copier requirements;

23 (5) The state purchasing bureau shall be responsible for all
24 purchases of personal property by all state agencies other than the
25 University of Nebraska; ~~. The materiel division shall administer the~~
26 ~~public notice and bidding procedures and any other areas designated by~~
27 ~~the Director of Administrative Services to carry out the lease or~~
28 ~~purchase of personal property. All purchases of and contracts for~~
29 ~~materials, supplies, or equipment and all leases of personal property~~
30 ~~shall be made in the following manner except in emergencies approved by~~
31 ~~the Governor:~~

1 ~~(a) By a competitive formal sealed bidding process through the~~
2 ~~materiel division in all cases in which the purchases are of estimated~~
3 ~~value exceeding fifty thousand dollars;~~

4 ~~(b) By a competitive informal bidding process through the materiel~~
5 ~~division in all cases in which the purchases are of estimated value equal~~
6 ~~to or exceeding twenty-five thousand dollars but equal to or less than~~
7 ~~fifty thousand dollars;~~

8 ~~(c) By unrestricted open market purchases through the materiel~~
9 ~~division in all cases in which purchases are of estimated value of less~~
10 ~~than twenty-five thousand dollars;~~

11 ~~(d) All requisitions for whatever purpose coming to the state~~
12 ~~purchasing bureau shall be in conformance with the approved budget of the~~
13 ~~requisitioning department or agency;~~

14 ~~(e) All contracts for purchases and leases shall be bid as a single~~
15 ~~whole item. In no case shall contracts be divided or fractionated in~~
16 ~~order to produce several contracts which are of an estimated value below~~
17 ~~that required for competitive bidding; and~~

18 ~~(f) No contract for purchase or lease shall be amended to extend the~~
19 ~~duration of the contract for a period of more than fifty percent of the~~
20 ~~initial contract term. Following the adoption of any amendment to extend~~
21 ~~the contract for a period of fifty percent or less of the initial~~
22 ~~contract term, no further extensions of the original contract shall be~~
23 ~~permitted. This subdivision (f) does not prohibit the exercise of any~~
24 ~~renewal option expressly provided in the original contract;~~

25 (6) The state recycling office shall be responsible for the
26 administration and operation of the State Government Recycling Management
27 Act; and

28 (7) State surplus property shall be responsible for the disposition
29 of the state's surplus property and the maintenance of all inventory
30 records.

31 ~~Nothing in this section shall be construed to require that works of~~

1 ~~art must be procured through the materiel division.~~

2 Sec. 22. Section 81-1118.01, Reissue Revised Statutes of Nebraska,
3 is amended to read:

4 ~~81-1118.01~~ The materiel administrator shall have complete control of
5 all furniture and equipment in the capitol, state laboratory, Governor's
6 Mansion, and all other buildings owned or leased by the State of
7 Nebraska, except telephone and telecommunications equipment and equipment
8 and furniture of the Legislature and the Supreme Court. The materiel
9 administrator shall keep in his or her office a complete record
10 containing an itemized account of all state property, including furniture
11 and equipment under his or her care and control. Such inventory record
12 shall be maintained as a management system to assure efficient
13 utilization of state property with particular emphasis on identification
14 of surpluses. Such system shall be designed so as to provide the materiel
15 administrator with the knowledge of potential surplus property available.
16 The materiel administrator under the authority of the Director of
17 Administrative Services shall have complete control and all powers
18 necessary to assure efficient utilization of state property.

19 Sec. 23. Section 81-1118.02, Reissue Revised Statutes of Nebraska,
20 is amended to read:

21 ~~81-1118.02~~ (1) Each executive, department, commission, or other
22 state agency, including the Supreme Court, the Board of Regents of the
23 University of Nebraska, and the Board of Trustees of the Nebraska State
24 Colleges, shall annually make or cause to be made an inventory of all
25 property, including furniture and equipment, belonging to the State of
26 Nebraska and in the possession, custody, or control of any executive,
27 department, commission, or other state agency. The inventory shall
28 include property in the possession, custody, or control of each
29 executive, department, commission, or other state agency as of June 30
30 and shall be completed and filed with the materiel administrator by
31 August 31 of each year.

1 (2) If any of the property of the state, referred to in subsection
2 (1) of this section, is lost, destroyed, or unaccounted for by the
3 negligence or carelessness of the executive, department, commission, or
4 other state agency, the State Building Administrator ~~administrator~~ shall,
5 with the advice of the Attorney General, take the proper steps to recover
6 such state property or the reasonable value thereof from the executive,
7 department, commission, or other state agency charged with the same and
8 from the person bonding such executive, department, commission, or other
9 state agency, if any.

10 (3) Each such executive, department, commission, or other state
11 agency shall indelibly tag, mark, or stamp all such property belonging to
12 the State of Nebraska, with the following: Property of the State of
13 Nebraska. In the inventory required by subsection (1) of this section,
14 each such executive, department, commission, or other state agency shall
15 state positively that each item of such property has been so tagged,
16 marked, or stamped.

17 Sec. 24. Section 81-1118.07, Reissue Revised Statutes of Nebraska,
18 is amended to read:

19 ~~81-1118.07~~ (1) Notwithstanding any other provision of law, the state
20 purchasing bureau created by section 21 of this act ~~81-1118~~ may use a
21 reverse auction for the acquisition of goods if the bureau determines
22 that the use of a reverse auction would be advantageous to the state.

23 (2) If the bureau conducts a reverse auction, the bureau shall
24 provide notification of the intent to use the reverse auction process in
25 the bid solicitation documents and, unless the solicitation is canceled,
26 an award shall be made to the bidder determined by the bureau to be the
27 lowest responsible bidder at the close of the bidding process. The bureau
28 may require bidders to register before the opening date and time of the
29 reverse auction.

30 (3) The bureau may contract with a third-party vendor to conduct a
31 reverse auction pursuant to this section.

1 (4) The bureau may adopt and promulgate rules and regulations to
2 implement this section.

3 (5) For purposes of this section, reverse auction means a process in
4 which (a) bidders compete to provide goods in an open and interactive
5 environment, which may include the use of electronic media, (b) bids are
6 opened and made public immediately, and (c) bidders are given opportunity
7 to submit revised bids until the bidding process is complete.

8 Sec. 25. Section 81-1119, Revised Statutes Cumulative Supplement,
9 2022, is amended to read:

10 ~~81-1119~~ The Department of Administrative Services may purchase real
11 property needed by the state which costs an amount equal to or less than
12 ten percent of the amount set forth in subdivision (1)(a) of section
13 81-1108.43 as adjusted by subsection (2) of section 81-1108.43 without
14 legislative approval or a specific appropriation for such purchase unless
15 the purchase is made to evade the dollar limitation in this section and
16 additional unapproved purchases will be made which, when considered
17 together, would exceed the dollar limitation.

18 Sec. 26. Section 81-1120, Revised Statutes Cumulative Supplement,
19 2022, is amended to read:

20 ~~81-1120~~ (1) ~~The~~ ~~There is hereby created~~ the Materiel Division
21 Revolving Fund is created. The fund shall be administered by the materiel
22 division of the Department of Administrative Services. The fund shall
23 consist of (a) fees paid for printing, copying, central supply, and
24 mailing services provided to state agencies and local subdivisions by the
25 division, (b) assessments charged by the materiel administrator to state
26 agencies, boards, and commissions for purchasing services provided by the
27 division, and (c) any money collected pursuant to subdivision (9) ~~(10)~~ of
28 section 81-153. Such assessments shall be adequate to cover actual and
29 necessary expenses that are associated with providing the service and not
30 otherwise covered by the money collected pursuant to subdivision (9) ~~(10)~~
31 of section 81-153. The fund shall be used to pay for expenses incurred by

1 the division to provide such services.

2 (2) State agencies, boards, and commissions shall make the materiel
3 division assessment payments to the fund no later than August 1 of each
4 year, or in four equal payments to be made no later than August 1,
5 October 1, February 1, and April 1 of each year, at the discretion of the
6 materiel administrator.

7 (3) Any money in the fund available for investment shall be invested
8 by the state investment officer pursuant to the Nebraska Capital
9 Expansion Act and the Nebraska State Funds Investment Act.

10 Sec. 27. Section 81-153, Revised Statutes Cumulative Supplement,
11 2022, is amended to read:

12 81-153 The materiel division shall have the power and duty to:

13 (1) Purchase or contract for, in the name of the state, the personal
14 property required by the using agencies and the state;

15 ~~(2) Promulgate, apply, and enforce standard specifications~~
16 ~~established as provided in section 81-154;~~

17 ~~(2) (3)~~ Sell and dispose of personal property that is not needed by
18 the state or its using agencies as provided in section 81-161.04 or
19 initiate trade-ins when determined to be in the best interest of the
20 state;

21 ~~(3) (4)~~ Determine the utility, quality, fitness, and suitability of
22 all personal property tendered or furnished;

23 ~~(4) (5)~~ Make rules and regulations consistent with sections 81-145
24 to 81-161.06 and sections 21 to 26 of this act ~~81-171 and 81-1118 to~~
25 ~~81-1118.06~~ to carry into effect the provisions thereof. Such rules and
26 regulations shall include provisions for modifying and terminating
27 purchase contracts and the cost principles to be used in such
28 modification or termination;

29 ~~(5) (6)~~ Employ such clerical, technical, and other assistants as may
30 be necessary to properly administer such sections, fix their
31 compensation, and prescribe their duties in connection therewith, subject

1 to existing laws and appropriations;

2 ~~(6)~~ ~~(7)~~ Allow the purchase of personal property without competitive
3 bidding when the price has been established by the federal General
4 Services Administration or to allow the purchase of personal property by
5 participation in a contract competitively bid by another state or group
6 of states, a group of states and any political subdivision of any other
7 state, or a cooperative purchasing organization on behalf of a group of
8 states. The division may also give consideration to a sheltered workshop
9 pursuant to section 48-1503 in making such purchases;

10 ~~(7)~~ ~~(8)~~ Enter into any personal property lease agreement when it
11 appears to be in the best interest of the state;

12 ~~(8)~~ ~~(9)~~ Negotiate purchases and contracts when conditions exist to
13 defeat the purpose and principles of public competitive bidding; and

14 ~~(9)~~ ~~(10)~~ Obtain an electronic procurement system, which shall be
15 funded or paid for by providing the system provider with, as determined
16 by the materiel administrator, a percentage or portion of identified
17 transactions. Such percentage or portion may be collected by the system
18 provider from contractors and bidders.

19 Sec. 28. Section 16-321.01, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 16-321.01 Any municipal bidding procedure may be waived by the city
22 council or board of public works of a city of the first class (1) when
23 materials or equipment are purchased at the same price and from the same
24 seller as materials or equipment which have formerly been obtained
25 pursuant to the state bidding procedure in the State Procurement Act
26 ~~sections 81-145 to 81-162~~, (2) when the contract is negotiated directly
27 with a sheltered workshop pursuant to section 48-1503, or (3) when
28 required to comply with any federal grant, loan, or program.

29 Sec. 29. Section 17-568.02, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 17-568.02 Any municipal bidding procedure may be waived by the city

1 council, village board of trustees, or board of public works (1) when
2 materials or equipment are purchased at the same price and from the same
3 seller as materials or equipment which have formerly been obtained
4 pursuant to the state bidding procedure in the State Procurement Act
5 ~~sections 81-145 to 81-162~~, (2) when the contract is negotiated directly
6 with a sheltered workshop pursuant to section 48-1503, or (3) when
7 required to comply with any federal grant, loan, or program.

8 Sec. 30. Section 57-1503, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 57-1503 (1)(a) The department may:

11 (i) Evaluate any route for an oil pipeline within, through, or
12 across the state and submitted by a pipeline carrier for the stated
13 purpose of being included in a federal agency's or agencies' National
14 Environmental Policy Act review process. Any such evaluation shall
15 include at least one public hearing, provide opportunities for public
16 review and comment, and include, but not be limited to, an analysis of
17 the environmental, economic, social, and other impacts associated with
18 the proposed route and route alternatives in Nebraska. The department may
19 collaborate with a federal agency or agencies and set forth the
20 responsibilities and schedules that will lead to an effective and timely
21 evaluation; or

22 (ii) Collaborate with a federal agency or agencies in a review under
23 the National Environmental Policy Act involving a supplemental
24 environmental impact statement for oil pipeline projects within, through,
25 or across the state. Prior to entering into such shared jurisdiction and
26 authority, the department shall collaborate with such agencies to set
27 forth responsibilities and schedules for an effective and timely review
28 process.

29 (b) A pipeline carrier that has submitted a route for evaluation or
30 review pursuant to subdivision (1)(a) of this section shall reimburse the
31 department for the cost of the evaluation or review within sixty days

1 after notification from the department of the cost. The department shall
2 remit any reimbursement to the State Treasurer for credit to the
3 Environmental Cash Fund.

4 (2) The department may contract with outside vendors in the process
5 of preparation of a supplemental environmental impact statement or an
6 evaluation conducted under subdivision (1)(a) of this section. The
7 department shall make every reasonable effort to ensure that each vendor
8 has no conflict of interest or relationship to any pipeline carrier that
9 applies for an oil pipeline permit.

10 (3) In order for the process to be efficient and expeditious, the
11 department's contracts with vendors pursuant to this section for a
12 supplemental environmental impact statement or an evaluation conducted
13 under subdivision (1)(a) of this section shall not be subject to the
14 Nebraska Consultants' Competitive Negotiation Act, the State Procurement
15 Act, or sections 73-301 to 73-306 ~~or 73-501 to 73-510~~.

16 (4) After the supplemental environmental impact statement or the
17 evaluation conducted under subdivision (1)(a) of this section is
18 prepared, the department shall submit it to the Governor. Within thirty
19 days after receipt of the supplemental environmental impact statement or
20 the evaluation conducted under subdivision (1)(a) of this section from
21 the department, the Governor shall indicate, in writing, to the federal
22 agency or agencies involved in the review or any other appropriate
23 federal agency or body as to whether he or she approves any of the routes
24 reviewed in the supplemental environmental impact statement or the
25 evaluation conducted under subdivision (1)(a) of this section. If the
26 Governor does not approve any of the reviewed routes, he or she shall
27 notify the pipeline carrier that in order to obtain approval of a route
28 in Nebraska the pipeline carrier is required to file an application with
29 the Public Service Commission pursuant to the Major Oil Pipeline Siting
30 Act.

31 (5) The department shall not withhold any documents or records

1 relating to an oil pipeline from the public unless the documents or
2 records are of the type that can be withheld under section 84-712.05 or
3 unless federal law provides otherwise.

4 Sec. 31. Section 60-3,100, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 60-3,100 (1) The department shall issue to every person whose motor
7 vehicle or trailer is registered one or two fully reflectorized license
8 plates upon which shall be displayed (a) the registration number
9 consisting of letters and numerals assigned to such motor vehicle or
10 trailer in figures not less than two and one-half inches nor more than
11 three inches in height and (b) also the word Nebraska suitably lettered
12 so as to be attractive. The license plates shall be of a color designated
13 by the director. The color of the plates shall be changed each time the
14 license plates are changed. Each time the license plates are changed, the
15 director shall secure competitive bids for materials pursuant to the
16 State Procurement Act ~~sections 81-145 to 81-162~~. Autocycle, motorcycle,
17 minitruck, low-speed vehicle, and trailer license plate letters and
18 numerals may be one-half the size of those required in this section.

19 (2)(a) Except as otherwise provided in this subsection, two license
20 plates shall be issued for every motor vehicle.

21 (b) One license plate shall be issued for (i) apportionable
22 vehicles, (ii) buses, (iii) dealers, (iv) minitrucks, (v) motorcycles,
23 other than autocycles, (vi) special interest motor vehicles that use the
24 special interest motor vehicle license plate authorized by and issued
25 under section 60-3,135.01, (vii) trailers, and (viii) truck-tractors.

26 (c)(i) One license plate shall be issued, upon request and
27 compliance with this subdivision, for any passenger car which is not
28 manufactured to be equipped with a bracket on the front of the vehicle to
29 display a license plate. A license decal shall be issued with the license
30 plate as provided in subdivision (ii) of this subdivision and shall be
31 displayed on the driver's side of the windshield. In order to request a

1 single license plate and license decal, there shall be an additional
2 annual nonrefundable registration fee of fifty dollars plus the cost of
3 the decal paid to the county treasurer at the time of registration. All
4 fees collected under this subdivision shall be remitted to the State
5 Treasurer for credit to the Highway Trust Fund.

6 (ii) The department shall design, procure, and furnish to the county
7 treasurers a license decal which shall be displayed as evidence that a
8 license plate has been obtained under this subdivision. Each county
9 treasurer shall furnish a license decal to the person obtaining the
10 plate.

11 (d) When two license plates are issued, one shall be prominently
12 displayed at all times on the front and one on the rear of the registered
13 motor vehicle or trailer. When only one plate is issued, it shall be
14 prominently displayed on the rear of the registered motor vehicle or
15 trailer. When only one plate is issued for motor vehicles registered
16 pursuant to section 60-3,198 and truck-tractors, it shall be prominently
17 displayed on the front of the apportionable vehicle.

18 Sec. 32. Section 66-1009, Revised Statutes Cumulative Supplement,
19 2022, is amended to read:

20 66-1009 (1) A customer borrowing from a utility under a plan adopted
21 pursuant to sections 66-1001 to 66-1011 shall be allowed to contract with
22 the utility for a repayment plan and shall be offered a repayment period
23 of not less than three years and not more than twenty years.

24 (2) Upon default on a loan by a customer, after expending reasonable
25 efforts to collect, a utility may treat the entire unpaid contract amount
26 as due, but services to a residential, agricultural, or commercial
27 customer may not be terminated as a result of such default. Default
28 occurs when any amount due a utility under a plan adopted pursuant to
29 sections 66-1001 to 66-1011, 70-625, 70-704, ~~81-161~~, 81-1606 to 81-1626,
30 and 84-162 to 84-167 is not paid within sixty days of the due date.

31 (3) Any customer obtaining a loan pursuant to section 66-1007 shall

1 only use the funds to accomplish the purposes agreed upon at the time of
2 the loan. If the borrower of any funds obtained pursuant to sections
3 66-1001 to 66-1011 uses such funds in a manner or for a purpose not
4 authorized by this section, the total amount of the loan shall
5 immediately become due and payable.

6 (4) Any amount due a utility on a loan pursuant to sections 66-1001
7 to 66-1011 which is not paid in full within sixty days of the due date
8 shall become a lien as provided in this section on the real property
9 concerned as to the full unpaid balance. No lien under this section shall
10 be valid unless (a) the loan was signed by the party or parties shown on
11 the indexes of the register of deeds to be the owners of record of such
12 real property on the date of the loan and (b) the lien is filed not more
13 than four months after the date of default, in the same office and in the
14 same manner as mortgages in the county in which the real property is
15 located. Such lien shall take effect and be in force from and after the
16 time of delivering the same to the register of deeds for recording, and
17 not before, as to all creditors and subsequent purchasers in good faith
18 without notice, and such lien shall be adjudged void as to all such
19 creditors and subsequent purchasers without notice whose deeds,
20 mortgages, or other instruments shall be first recorded, except that such
21 lien shall be valid between the parties. A publicly owned utility shall
22 not maintain possession of any property which it may acquire pursuant to
23 a lien authorized by this section for a period of time longer than is
24 reasonably necessary to dispose of such property.

25 (5) Any loan made under a plan adopted pursuant to sections 66-1001
26 to 66-1011 shall not exceed fifteen thousand dollars, subject to any
27 existing limitations under federal law. Any loan to be made by a utility
28 which exceeds ten thousand dollars shall only be made in participation
29 with a bank pursuant to a contract. The utility and the participating
30 bank shall determine the terms and conditions of the contract.

31 (6) The Director of Environment and Energy may adopt and promulgate

1 rules and regulations to carry out sections 66-1001 to 66-1011.

2 Sec. 33. Section 70-1033, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 70-1033 (1) The Nebraska Power Review Board shall issue a request
5 for proposals to conduct the study provided for under sections 70-1029 to
6 70-1033 after consultation with the working group as provided for in
7 section 70-1032.

8 (2) Any contracts or agreements entered into under this section
9 shall not be subject to the Nebraska Consultants' Competitive Negotiation
10 Act, the State Procurement Act, or sections 73-301 to 73-306 ~~or 73-501 to~~
11 ~~73-510~~.

12 (3) The Nebraska Power Review Board shall present the results of the
13 study to the Executive Board of the Legislative Council with a copy to
14 the Clerk of the Legislature and the Governor on or before December 15,
15 2014. The report shall be submitted electronically.

16 Sec. 34. Section 71-5666, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 71-5666 Each student loan recipient shall execute an agreement with
19 the state. Such agreement shall be exempt from the requirements of the
20 State Procurement Act ~~sections 73-501 to 73-510~~ and shall include the
21 following terms, as appropriate:

22 (1) The borrower agrees to practice the equivalent of one year of
23 full-time practice of an approved specialty in a designated health
24 profession shortage area in Nebraska for each year of education for which
25 a loan is received and agrees to accept medicaid patients in his or her
26 practice;

27 (2) If the borrower practices an approved specialty in a designated
28 health profession shortage area in Nebraska, the loan shall be forgiven
29 as provided in this section. Practice in a designated area shall commence
30 within three months of the completion of formal education, which may
31 include a period not to exceed five years to complete specialty training

1 in an approved specialty. The commission may approve exceptions to any
2 period required for completion of training upon showing good cause. Loan
3 forgiveness shall occur on a quarterly basis, with completion of the
4 equivalent of three months of full-time practice resulting in the
5 cancellation of one-fourth of the annual loan amount. Part-time practice
6 in a shortage area shall result in a prorated reduction in the
7 cancellation of the loan amount;

8 (3) If the borrower practices an approved specialty in Nebraska but
9 not in a designated health profession shortage area, practices a
10 specialty other than an approved specialty in Nebraska, does not practice
11 the profession for which the loan was given, discontinues practice of the
12 profession for which the loan was given, or practices outside Nebraska,
13 the borrower shall repay one hundred fifty percent of the outstanding
14 loan principal with interest at a rate of eight percent simple interest
15 per year from the date of default. Such repayment shall commence within
16 six months of the completion of formal education, which may include a
17 period not to exceed five years to complete specialty training in an
18 approved specialty, and shall be completed within a period not to exceed
19 twice the number of years for which loans were awarded;

20 (4) If a borrower who is a medical, dental, or doctorate-level
21 mental health student determines during the first or second year of
22 medical, dental, or doctorate-level mental health education that his or
23 her commitment to the loan program cannot be honored, the borrower may
24 repay the outstanding loan principal, plus six percent simple interest
25 per year from the date the loan was granted, prior to graduation from
26 medical or dental school or a mental health practice program without
27 further penalty or obligation. Master's level mental health and physician
28 assistant student loan recipients shall not be eligible for this
29 provision;

30 (5) If the borrower discontinues the course of study for which the
31 loan was granted, the borrower shall repay one hundred percent of the

1 outstanding loan principal. Such repayment shall commence within six
2 months of the date of discontinuation of the course of study and shall be
3 completed within a period of time not to exceed the number of years for
4 which loans were awarded; and

5 (6) Any practice or payment obligation incurred by the student loan
6 recipient under the student loan program is canceled in the event of the
7 student loan recipient's total and permanent disability or death.

8 Sec. 35. Section 71-5667, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 71-5667 Agreements executed prior to July 1, 2007, under the Rural
11 Health Systems and Professional Incentive Act may be renegotiated and new
12 agreements executed to reflect the terms required by section 71-5666. No
13 funds repaid by borrowers under the terms of agreements executed prior to
14 July 1, 2007, shall be refunded. Any repayments being made under the
15 terms of prior agreements may be discontinued upon execution of a new
16 agreement if conditions permit. Any agreement renegotiated pursuant to
17 this section shall be exempt from the requirements of the State
18 Procurement Act ~~sections 73-501 to 73-510~~.

19 Sec. 36. Section 71-5668, Revised Statutes Cumulative Supplement,
20 2022, is amended to read:

21 71-5668 Each loan repayment recipient shall execute an agreement
22 with the department and a local entity. Such agreement shall be exempt
23 from the requirements of the State Procurement Act ~~sections 73-501 to~~
24 ~~73-510~~ and shall include, at a minimum, the following terms:

25 (1) The loan repayment recipient agrees to practice his or her
26 profession, and a physician, dentist, nurse practitioner, or physician
27 assistant also agrees to practice an approved specialty, in a designated
28 health profession shortage area for at least three years and to accept
29 medicaid patients in his or her practice;

30 (2) In consideration of the agreement by the recipient, the State of
31 Nebraska and a local entity within the designated health profession

1 shortage area will provide equal funding for the repayment of the
2 recipient's qualified educational debts except as provided in subdivision
3 (5) of this section, in amounts up to thirty thousand dollars per year
4 per recipient for physicians, dentists, and psychologists and up to
5 fifteen thousand dollars per year per recipient for physician assistants,
6 nurse practitioners, pharmacists, physical therapists, occupational
7 therapists, and mental health practitioners toward qualified educational
8 debts for up to three years. The department shall make payments directly
9 to the recipient;

10 (3) If the loan repayment recipient discontinues practice in the
11 shortage area prior to completion of the three-year requirement, the
12 recipient shall repay to the state one hundred fifty percent of the total
13 amount of funds provided to the recipient for loan repayment with
14 interest at a rate of eight percent simple interest per year from the
15 date of default. Upon repayment by the recipient to the department, the
16 department shall reimburse the local entity its share of the funds which
17 shall not be more than the local entity's share paid to the loan
18 repayment recipient;

19 (4) Any practice or payment obligation incurred by the loan
20 repayment recipient under the loan repayment program is canceled in the
21 event of the loan repayment recipient's total and permanent disability or
22 death; and

23 (5) Beginning on July 1, 2022, any agreements entered into by
24 December 31, 2024, shall first use federal funds from the federal
25 American Rescue Plan Act of 2021 for the purposes of repaying qualified
26 educational debts prior to using any state or local funds. Agreements
27 using federal funds from the federal American Rescue Plan Act of 2021
28 shall not require equal funding from a local entity. Any federal funds
29 from the act committed to agreements during this time period shall be
30 used by December 31, 2026.

31 Sec. 37. Section 71-5669.01, Reissue Revised Statutes of Nebraska,

1 is amended to read:

2 71-5669.01 Each medical resident incentive recipient shall execute
3 an agreement with the department. Such agreement shall be exempt from the
4 requirements of the State Procurement Act ~~sections 73-501 to 73-510~~ and
5 shall include, at a minimum, the following terms:

6 (1) The medical resident incentive recipient agrees to practice an
7 approved medical specialty the equivalent of one year of full-time
8 practice in a designated health profession shortage area and to accept
9 medicaid patients in his or her practice;

10 (2) In consideration of the agreement by the medical resident
11 incentive recipient, the State of Nebraska will provide funding for the
12 repayment of the recipient's qualified educational debts, in amounts up
13 to forty thousand dollars per year for up to three years while in an
14 approved medical specialty residency program in Nebraska. The department
15 shall make payments directly to the medical resident incentive recipient;

16 (3) If the medical resident incentive recipient extends his or her
17 residency training but not in an approved specialty, practices an
18 approved specialty in Nebraska but not in a designated health profession
19 shortage area, practices a specialty other than an approved specialty in
20 Nebraska, does not practice the profession for which the loan was given,
21 discontinues practice of the profession for which the loan was given, or
22 practices outside Nebraska, the medical resident incentive recipient
23 shall repay to the state one hundred fifty percent of the outstanding
24 loan principal with interest at a rate of eight percent simple interest
25 per year from the date of default. Such repayment shall commence within
26 six months of the completion or discontinuation of an approved specialty
27 residency training in Nebraska and shall be completed within a period not
28 to exceed twice the number of years for which the medical resident
29 incentive recipient received awards; and

30 (4) Any practice or payment obligation incurred by the medical
31 resident incentive recipient under the medical resident incentive program

1 is canceled in the event of the medical resident incentive recipient's
2 total and permanent disability or death.

3 Sec. 38. Section 73-101, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 73-101 Whenever the State of Nebraska, or any department or any
6 agency thereof, any county board, county clerk, county highway
7 superintendent, the mayor and city council or commissioner of any
8 municipality, any entity created pursuant to the Interlocal Cooperation
9 Act or the Joint Public Agency Act, or the officers of any school
10 district, township, or other governmental subdivision, shall advertise
11 for bids in pursuance of any statutes of the State of Nebraska, on any
12 road contract work or any public improvements work, or for supplies,
13 construction, repairs, and improvements, and in all other cases where
14 bids for supplies or work, of any character whatsoever, are received for
15 the various departments and agencies of the state, and other subdivisions
16 and agencies enumerated in this section, they shall fix not only the day
17 upon which such bids shall be returned, received, or opened, as provided
18 by other statutes, but shall also fix the hour at which such bids shall
19 close, or be received or opened, and they shall also provide that such
20 bids shall be immediately and simultaneously opened in the presence of
21 the bidders, or representatives of the bidders, when the hour is reached
22 for the bids to close. Such bids may be withheld from disclosure until an
23 intent to award is issued. If bids are being opened on more than one
24 contract, the officials having in charge the opening of such bids may, if
25 they deem it advisable, award each contract as the bids are opened.
26 Sections 73-101 to 73-106 shall not apply to the State Park System
27 Construction Alternatives Act or sections 39-2808 to 39-2823.

28 Sec. 39. Section 73-101.01, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 73-101.01 When a public contract is to be awarded by a competitive
31 formal bidding process, a state agency may limit bidding or give

1 ~~preference to resident bidders by specifying such limitation or~~
2 ~~preference in the solicitation, as prescribed by the division procurement~~
3 ~~manual. to the lowest responsible bidder, a resident bidder shall be~~
4 ~~allowed a preference over a nonresident bidder from a state which gives~~
5 ~~or requires a preference to bidders from that state. The preference shall~~
6 ~~be equal to the preference given or required by the state of the~~
7 ~~nonresident bidder. Resident bidder as used in sections 73-101.01 and~~
8 ~~73-101.02 shall mean any person, partnership, foreign or domestic limited~~
9 ~~liability company, association, or foreign or domestic corporation~~
10 ~~authorized to engage in business in the State of Nebraska and which has~~
11 ~~met the residency requirement of the state of the nonresident bidder~~
12 ~~necessary for receiving the benefit of that state's preference law on the~~
13 ~~date when any bid for a public contract is first advertised or announced~~
14 ~~or has had a bona fide establishment for doing business within this state~~
15 ~~for the length of time established by the state of the nonresident bidder~~
16 ~~necessary for receiving the benefit of that state's preference law on the~~
17 ~~date when any bid for a public contract is first advertised or announced.~~
18 ~~Any contract entered into without compliance with sections 73-101.01 and~~
19 ~~73-101.02 shall be null and void.~~

20 Sec. 40. Section 73-301, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 73-301 The Director of Administrative Services shall review and
23 approve or disapprove any contract for personal services between a
24 private entity and any state agency, other than (1) the University of
25 Nebraska, (2) the Nebraska state colleges, and (3) any other board,
26 commission, or agency established by the Constitution of Nebraska, if, on
27 the effective date of the contract, the personal services are performed
28 by permanent state employees of the agency and will be replaced by
29 services performed by the private entity. The contract shall be subject
30 to the public bidding procedures established in the State Procurement Act
31 ~~sections 81-145 to 81-162~~ except in emergencies approved by the Governor.

1 For purposes of this section, contract for personal services means
2 an agreement by a contractor to provide human labor but does not mean a
3 contract to supply only goods or personal property. The term includes
4 contracts with private service providers, consultants, and independent
5 service contractors.

6 Sec. 41. Section 79-8,137, Revised Statutes Cumulative Supplement,
7 2022, is amended to read:

8 79-8,137 (1)(a) Prior to receiving any money from a loan pursuant to
9 the Attracting Excellence to Teaching Program, an eligible student shall
10 enter into a contract with the department. Such contract shall be exempt
11 from the requirements of the State Procurement Act sections 73-501 to
12 73-510.

13 (b) For eligible students who applied for the first time prior to
14 April 23, 2009, the contract shall require that if (i) the borrower is
15 not employed as a teacher in Nebraska for a time period equal to the
16 number of years required for loan forgiveness pursuant to subsection (2)
17 of this section and is not enrolled as a full-time student in a graduate
18 program within six months after obtaining an undergraduate degree for
19 which a loan from the program was obtained or (ii) the borrower does not
20 complete the requirements for graduation within five consecutive years
21 after receiving the initial loan under the program, then the loan must be
22 repaid, with interest at the rate fixed pursuant to section 45-103
23 accruing as of the date the borrower signed the contract, and an
24 appropriate penalty as determined by the department may be assessed. If a
25 borrower fails to remain enrolled at an eligible institution or otherwise
26 fails to meet the requirements of an eligible student, repayment of the
27 loan shall commence within six months after such change in eligibility.
28 The State Board of Education may by rules and regulations provide for
29 exceptions to the conditions of repayment pursuant to this subdivision
30 based upon mitigating circumstances.

31 (c) For eligible students who apply for the first time on or after

1 April 23, 2009, the contract shall require that if (i) the borrower is
2 not employed as a full-time teacher teaching in an approved or accredited
3 school in Nebraska and teaching at least a portion of the time in the
4 shortage area for which the loan was received for a time period equal to
5 the number of years required for loan forgiveness pursuant to subsection
6 (3) of this section or is not enrolled as a full-time student in a
7 graduate program within six months after obtaining an undergraduate
8 degree for which a loan from the program was obtained or (ii) the
9 borrower does not complete the requirements for graduation within five
10 consecutive years after receiving the initial loan under the program,
11 then the loan shall be repaid with interest at the rate fixed pursuant to
12 section 45-103 accruing as of the date the borrower signed the contract
13 and actual collection costs as determined by the department. If a
14 borrower fails to remain enrolled at an eligible institution or otherwise
15 fails to continue to be an eligible student, repayment of the loan shall
16 commence within six months after such change in eligibility. The State
17 Board of Education may by rule and regulation provide for exceptions to
18 the conditions of repayment pursuant to this subdivision based upon
19 mitigating circumstances.

20 (2) If the borrower applied for the first time prior to April 23,
21 2009, and (a) successfully completes the teacher education program and
22 becomes certified pursuant to sections 79-806 to 79-815, (b) becomes
23 employed as a teacher in this state within six months of becoming
24 certified, and (c) otherwise meets the requirements of the contract,
25 payments shall be suspended for the number of years that the borrower is
26 required to remain employed as a teacher in this state under the
27 contract. For each year that the borrower teaches in Nebraska pursuant to
28 the contract, payments shall be forgiven in an amount equal to the amount
29 borrowed for one year, except that if the borrower teaches in a school
30 district that is in a local system classified as very sparse as defined
31 in section 79-1003 or teaches in a school district in which at least

1 forty percent of the students are poverty students as defined in section
2 79-1003, payments shall be forgiven each year in an amount equal to the
3 amount borrowed for two years.

4 (3)(a) If the borrower applies for the first time on or after April
5 23, 2009, and (i) successfully completes the teacher education program
6 and major for which the borrower is receiving a forgivable loan pursuant
7 to the program and becomes certified pursuant to sections 79-806 to
8 79-815 with an endorsement in the shortage area for which the loan was
9 received, (ii) becomes employed as a full-time teacher teaching at least
10 a portion of the time in the shortage area for which the loan was
11 received in an approved or accredited school in this state within six
12 months of becoming certified, and (iii) otherwise meets the requirements
13 of the contract, payments shall be suspended for the number of years that
14 the borrower is required to remain employed as a teacher in this state
15 under the contract.

16 (b) Beginning after the first two years of teaching full-time in
17 Nebraska following graduation for the degree for which the loan was
18 received, for each year that the borrower teaches full-time in Nebraska
19 pursuant to the contract, the loan shall be forgiven in an amount equal
20 to three thousand dollars, except that if the borrower teaches full-time
21 in a school district that is in a local system classified as very sparse
22 as defined in section 79-1003, teaches in a school building that provides
23 free meals to all students pursuant to the community eligibility
24 provision, teaches in a school building in which at least forty percent
25 of the formula students are poverty students as defined in section
26 79-1003, or teaches in an accredited or approved private school in
27 Nebraska in which at least forty percent of the enrolled students
28 qualified for free lunches as determined by the most recent data
29 available from the department, payments shall be forgiven each year in an
30 amount equal to six thousand dollars.

31 (4) Beginning on August 1, 2022, if the borrower provides service as

1 a pre-service teacher intern for a full academic semester as part of a
2 clinical experience within an accredited or approved public, private,
3 denominational, or parochial school in Nebraska and subsequently passes
4 all related semester requirements, then the loan shall be forgiven in an
5 amount equal to one thousand dollars for such borrower.

6 Sec. 42. Section 79-8,137.04, Revised Statutes Cumulative
7 Supplement, 2022, is amended to read:

8 79-8,137.04 (1) Prior to receiving any money from a loan pursuant to
9 the Enhancing Excellence in Teaching Program, an eligible student shall
10 enter into a contract with the department. Such contract shall be exempt
11 from the requirements of the State Procurement Act sections 73-501 to
12 ~~73-510~~. The contract shall require that if (a) the borrower is not
13 employed as a full-time teacher teaching in an approved or accredited
14 school in Nebraska for a time period equal to the number of years
15 required for loan forgiveness pursuant to subsection (2) of this section
16 or (b) the borrower does not complete the requirements for graduation
17 within five consecutive years after receiving the initial loan under the
18 program, then the loan shall be repaid, with interest at the rate fixed
19 pursuant to section 45-103 accruing as of the date the borrower signed
20 the contract and actual collection costs as determined by the department.
21 If a borrower fails to remain enrolled at an eligible institution or
22 otherwise fails to meet the requirements of an eligible student,
23 repayment of the loan shall commence within six months after such change
24 in eligibility. The State Board of Education may by rules and regulations
25 provide for exceptions to the conditions of repayment pursuant to this
26 subsection based upon mitigating circumstances.

27 (2)(a) If the borrower (i) successfully completes the eligible
28 graduate program for which the borrower is receiving a forgivable loan
29 pursuant to the Enhancing Excellence in Teaching Program and maintains
30 certification pursuant to sections 79-806 to 79-815, (ii) maintains
31 employment as a teacher in an approved or accredited school in this

1 state, and (iii) otherwise meets the requirements of the contract,
2 payments shall be suspended for the number of years that the borrower is
3 required to remain employed as a teacher in this state under the
4 contract.

5 (b) For recipients who received funds for the first time prior to
6 July 1, 2016, beginning after the first two years of teaching full-time
7 in Nebraska following graduation for the degree for which the loan was
8 received, for each year that the borrower teaches full-time in Nebraska
9 pursuant to the contract, the loan shall be forgiven in an amount equal
10 to three thousand dollars, except that if the borrower teaches full-time
11 in a school district that is in a local system classified as very sparse
12 as defined in section 79-1003, teaches in a school building that provides
13 free meals to all students pursuant to the community eligibility
14 provision, teaches in a school building in which at least forty percent
15 of the students are poverty students as defined in section 79-1003, or
16 teaches in an accredited or approved private school in Nebraska in which
17 at least forty percent of the enrolled students qualified for free
18 lunches as determined by the most recent data available from the
19 department, payments shall be forgiven each year in an amount equal to
20 six thousand dollars.

21 (c) For recipients who received funds for the first time on or after
22 July 1, 2016, beginning after the first two years of teaching full-time
23 in Nebraska following completion of the eligible graduate program for
24 which the loan was received, for each year that the borrower teaches
25 full-time in Nebraska pursuant to the contract, the loan shall be
26 forgiven in an amount equal to one thousand five hundred dollars, except
27 that if the borrower teaches full-time in a school district that is in a
28 local system classified as very sparse as defined in section 79-1003,
29 teaches in a school building in which at least forty percent of the
30 students are poverty students as defined in section 79-1003, teaches in a
31 school building that provides free meals to all students pursuant to the

1 community eligibility provision, or teaches in an accredited private
2 school or educational service unit or an approved private school in
3 Nebraska in which at least forty percent of the enrolled students
4 qualified for free lunches as determined by the most recent data
5 available from the department, payments shall be forgiven each year in an
6 amount equal to one thousand five hundred dollars for the first year of
7 loan forgiveness and three thousand dollars for each year of loan
8 forgiveness thereafter.

9 Sec. 43. Section 81-1101, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 81-1101 The purposes of sections ~~11-119, 81-106,~~ 81-1101 to
12 81-1117.05 and ~~81-1118,~~ 81-1121, ~~81-1170.01, 81-1170.02,~~ and ~~84-304~~ are
13 to:

14 (1) Provide for the development and maintenance of a modern system
15 of budgetary, inventory, and financial accounting;

16 (2) Provide for development and maintenance of such modern and
17 economical methods and systems for record keeping, accounting,
18 expenditure planning and control as may be possible through timely
19 adoption of modern technological developments;

20 (3) Provide for centralized direction of services and service
21 agencies;

22 (4) Assure the development and operation of organizational and
23 procedural innovations as may be expected to provide acceptable internal
24 control of the handling and processing of public funds; and

25 (5) Focus responsibility for execution of the financial policies of
26 this state on the chief executive and provide assistants having the
27 necessary technical skills for the achievement of that end.

28 Sec. 44. Section 81-1102, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 81-1102 For purposes of sections ~~11-119, 81-106,~~ 81-1101 to
31 81-1117.05 and ~~81-1118,~~ 81-1121, ~~81-1170.01, 81-1170.02,~~ and ~~84-304,~~

1 unless the context otherwise requires:

2 (1) Gender with reference to the masculine or feminine gender shall
3 be construed to apply to either or both genders;

4 (2) Executive budget means ~~shall mean~~ the budget proposed by the
5 Governor to the Legislature as the basis of appropriations for the
6 operation of and capital outlay by state government during the period
7 covered by such budget;

8 (3) Approved budget means ~~shall mean~~ the executive or Governor's
9 budget as modified by appropriations actions of the Legislature;

10 (4) Budgetary allotments means ~~shall mean~~ the plan of expenditures,
11 by program, subprogram, activity, or object of expenditure under the
12 approved budget for monthly or other applicable periods of time within
13 each fiscal year, to which a department or agency may be held during such
14 period of time within the fiscal year;

15 (5) Accrual system means ~~shall mean~~ the recording of revenue when
16 earned and the recording of expenditures as soon as they result in
17 liabilities, notwithstanding the fact that the receipt of the revenue or
18 payment of the expenditure may take place, in whole or in part, in
19 another accounting period;

20 (6) Double entry system means ~~shall mean~~ a system of bookkeeping
21 which requires for every entry made to the debit side of an account or
22 accounts an entry for a corresponding amount or amounts to the credit
23 side of another account or accounts resulting in a self-balancing
24 accounting system;

25 (7) Disbursement means ~~shall mean~~ payment from the state treasury;

26 (8) Expenditure means ~~shall mean~~, when an accrual system has been
27 established, total liability incurred by contract, purchase order, or
28 payroll commitments or as otherwise provided by law, whether or not
29 related disbursement has been made from the state treasury, and shall
30 mean, until an accrual system has been established, disbursements from
31 the state treasury;

1 (9) Revenue means ~~shall mean~~, when an accrual system has been
2 established, additions to assets which do not increase any liability or
3 represent the recovery of an expenditure or disbursement or any part
4 thereof or the cancellation of liabilities without a corresponding
5 increase in other liabilities or a decrease in assets. Until an accrual
6 system has been established, this term means ~~shall mean~~ additions to cash
7 in the state treasury or for deposit in the state treasury only;

8 (10) Receipts means ~~shall mean~~ cash received, unless otherwise
9 qualified;

10 ~~(11) Budgetary accounting shall mean a system of accounts designed~~
11 ~~to reflect budget operations and conditions such as estimated revenue,~~
12 ~~appropriations, and encumbrances as distinct from proprietary accounts~~
13 ~~designed to show the status of the assets, liabilities, and surplus of~~
14 ~~the state and its departments and agencies;~~

15 ~~(11)~~ (12) Encumbrances means ~~shall mean~~ charges to appropriation
16 accounts to reflect obligations for which a part of the appropriation is
17 reserved and which shall cease to be encumbrances when paid or when an
18 actual liability is established in a proprietary account;

19 ~~(12)~~ (13) Financing agreement means ~~shall mean~~ any bond, lease-
20 purchase obligation, installment sales contract, or similar financial
21 arrangement, for a period greater than one year, which is entered into by
22 the state or any agency, board, or commission thereof, not including the
23 University of Nebraska or state colleges, in accordance with the
24 Constitution of Nebraska and statutes of this state, relating to capital
25 construction, real property acquisition, and personal property
26 acquisition;

27 ~~(13)~~ (14) Proprietary account means ~~shall mean~~ those accounts
28 designed to show actual financial position and operations such as actual
29 assets, liabilities, surplus, revenue, and expenditures, as distinguished
30 from budgetary accounts;

31 ~~(14)~~ (15) Program means ~~shall mean~~ a major operation of the state

1 government directed toward the achievement of a definite legal objective
2 and which, in most instances, could be carried on independently of other
3 major operations of the state as defined and described in the accounting
4 and budgeting manuals on file in the office of the Director of
5 Administrative Services;

6 ~~(15) (16)~~ Subprogram means ~~shall mean~~ one or more operations of a
7 department or agency of the state designed jointly to accomplish a major
8 program objective as defined in the accounting and budgeting manuals on
9 file in the office of the Director of Administrative Services;

10 ~~(16) (17)~~ Activity means ~~shall mean~~ one or more operations of a
11 department or agency of the state designed jointly to accomplish the
12 objective of a subprogram to which it is related as defined in the
13 accounting and budgeting manual on file in the office of the Director of
14 Administrative Services;

15 ~~(18)~~ Staffing pattern ~~shall mean the number of positions in each~~
16 ~~class and the specific classes of positions as may be authorized for each~~
17 ~~department or agency for such department or agency programs, subprograms,~~
18 ~~and activities;~~

19 ~~(19)~~ Approved project ~~shall mean any acquisition of land or~~
20 ~~buildings, any construction or major remodeling of new or newly acquired~~
21 ~~buildings or structures or of existing state-owned buildings or~~
22 ~~structures, excluding state highways or state roads or aeronautical~~
23 ~~projects, or any additions to buildings or structures of land owned by~~
24 ~~the state or its departments or agencies for which an appropriation or~~
25 ~~other act of the Legislature makes provision;~~

26 ~~(20)~~ Machine time ~~shall mean the hours or fractions thereof of~~
27 ~~operation of each component of a machine data processing system together~~
28 ~~with the hours or fractions thereof of machine operator time for each~~
29 ~~such component devoted to the production of a report or tabulation or the~~
30 ~~processing of data necessary to such production and shall also include a~~
31 ~~proportional reflection of the hours or fractions thereof of supervisory~~

1 ~~time so that all costs of operation of the information management~~
2 ~~services division may be reflected in billings to benefiting departments~~
3 ~~or agencies;~~

4 (17) ~~(21)~~ Budget request means ~~shall mean~~ the complete recitation,
5 on forms prescribed by the budget division and in the manner prescribed
6 by such division, of the operating and construction funds requests of a
7 department or agency for the biennium next following the then current
8 biennium;

9 (18) ~~(22)~~ Department means ~~shall mean~~ the Department of
10 Administrative Services; and

11 (19) ~~(23)~~ Director means ~~shall mean~~ the Director of Administrative
12 Services.

13 Sec. 45. Section 81-1108.10, Reissue Revised Statutes of Nebraska,
14 is amended to read:

15 81-1108.10 As used in sections ~~81-1108, 81-1108.02,~~ 81-1108.09 to
16 81-1108.43, ~~81-1118.01, 81-1118.02, and 81-1120.22,~~ unless the context
17 otherwise requires:

18 (1) Division means ~~shall mean~~ the state building division charged
19 with the responsibility of statewide facilities planning, facilities
20 construction, and statewide facilities administration, which division
21 shall be a part of and subject to the supervision of the office of the
22 Director of Administrative Services; and

23 (2) Administrator means ~~shall mean~~ the State Building Administrator.

24 Sec. 46. Section 81-1108.16, Reissue Revised Statutes of Nebraska,
25 is amended to read:

26 81-1108.16 (1) The administrator shall review program statements and
27 contracts and file a written report on each program statement and
28 contract reviewed pursuant to the provisions of section 81-1108.41. Such
29 administrator shall file subsequent reviews and reports upon completion
30 of the planning or design phase of the project indicating the
31 compatibility of the project with capital construction plans, probable

1 cost of the project, accepted cost standard, and the relationship of the
2 project to the state comprehensive capital facilities plan and to other
3 agency or departmental capital facilities pursuant to the provisions of
4 section 81-1108.41.

5 (2) No contract for the leasing of real property shall be awarded
6 without the approval of the Department of Administrative Services, and no
7 such contract shall be awarded if:

8 (a) There is state-owned property which is adequate or which through
9 cost-effective renovation, as determined by the division, could be made
10 adequate to meet the using agency's needs; or

11 (b) It has not been arranged through the bidding process provided in
12 rules and regulations adopted by the division. The rules and regulations
13 shall be in accordance with sections 73-101, 81-1108.55, and 81-1108.56
14 and shall be otherwise consistent with sections 81-145 to 81-161.06 and
15 sections 21 to 26 of this act ~~81-162~~ to the greatest extent possible.

16 All contracts for purchases or leases shall be open to inspection by
17 the Legislature during normal business hours.

18 Sec. 47. Section 81-1109, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 81-1109 The Director of Administrative Services shall be responsible
21 to the Governor for provision of technical assistance, advice, and
22 information concerning the financial and administrative operations of all
23 agencies of the state, for provision of technical assistance and advice
24 on the preparation of the Governor's budget, otherwise referred to in
25 sections ~~11-119, 81-106,~~ 81-1101 to 81-1117.05 ~~81-1118, 81-1121,~~
26 ~~81-1170.01, 81-1170.02,~~ and ~~84-304~~ as the executive budget, and for
27 administration of the approved budget within the limits of appropriations
28 provided except as otherwise provided by law. He or she shall be
29 responsible to the Governor for the provision of current reports of the
30 financial condition of the state and each of its departments and agencies
31 and for the provision of timely recommendations for dealing with

1 financial, management, and organizational problems affecting the
2 administration of the business of the state and its departments and
3 agencies.

4 Sec. 48. Section 81-3721, Revised Statutes Cumulative Supplement,
5 2022, is amended to read:

6 81-3721 All contracts awarded by the commission shall be subject to
7 the State Procurement Act sections 73-501 to 73-510. The commission shall
8 comply with the rules, regulations, procedures, and guidelines
9 established by the Department of Administrative Services for contracts.

10 Sec. 49. Section 83-145, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 83-145 All departments, institutions, and agencies of this state
13 which are supported in whole or in part by taxation for state purposes
14 and all counties and other political subdivisions of this state shall
15 purchase from the Department of Correctional Services all articles
16 required by them produced, printed, or manufactured by offenders confined
17 in facilities of the Department of Correctional Services, or elsewhere,
18 including products of any farms operated by the department unless such
19 articles of equal quality and materials could be purchased from another
20 supplier at a lesser cost. The quality and materials must be certified as
21 being equal by the materiel division of the Department of Administrative
22 Services. No such article shall be purchased by any department,
23 institution, or agency of the state from any other source unless excepted
24 from the provisions of this section as provided in sections 83-144 to
25 83-152. Printing by offenders shall be restricted to such as may be
26 required at the various institutions under the jurisdiction of the
27 department and such other printing requirements as may be determined by
28 the materiel division of the Department of Administrative Services
29 pursuant to subdivision (3) of section 21 of this act ~~81-1118~~. No
30 products of any institutional printing plant, other than that used by
31 departments, institutions, agencies, and other political subdivisions of

1 the state, shall be sold in competition with outside labor. Nothing in
2 this section shall be construed to prohibit the department from
3 exchanging Department of Correctional Services-made goods with other
4 states. Goods received from divisions of corrections outside of Nebraska
5 shall be of the same status and will be subject to the same restrictions
6 and penalties as if they had been manufactured in the Nebraska Department
7 of Correctional Services. In cases of exchange of Department of
8 Correctional Services-made goods with other states, the department is
9 authorized to pay or receive in cash any differences that may exist in
10 the articles exchanged, the amounts paid or received to be charged or
11 credited to the Correctional Industries Revolving Fund. In exchange of
12 Department of Correctional Services-made goods with other states, the
13 goods received in exchange shall be restricted to such use and needs as
14 may be required in the various institutions under the jurisdiction of the
15 department. Any authorized agency, bureau, commission, or department of
16 the federal government or any charitable, fraternal, or nonprofit
17 corporation may purchase from the Department of Correctional Services
18 goods produced or manufactured by offenders confined in facilities of the
19 Department of Correctional Services, or elsewhere, including products of
20 any farms operated by the department.

21 Sec. 50. The Revisor of Statutes shall assign:

22 (1) Sections 1 to 19 of this act to a new article in Chapter 73; and

23 (2) Sections 21 to 26 of this act to Chapter 81, article 1.

24 Sec. 51. Original sections 16-321.01, 17-568.02, 57-1503, 60-3,100,
25 70-1033, 71-5666, 71-5667, 71-5669.01, 73-101, 73-101.01, 73-301, 73-501,
26 73-502, 73-503, 73-504, 73-505, 73-506, 73-507, 73-508, 73-509, 73-510,
27 81-145, 81-154.01, 81-156, 81-161, 81-161.01, 81-161.02, 81-162, 81-1101,
28 81-1102, 81-1108.10, 81-1108.16, 81-1109, 81-1118.01, 81-1118.02,
29 81-1118.05, 81-1118.07, and 83-145, Reissue Revised Statutes of Nebraska,
30 and sections 66-1009, 71-5668, 79-8,137, 79-8,137.04, 81-153, 81-161.03,
31 81-1118, 81-1119, 81-1120, and 81-3721, Revised Statutes Cumulative

1 Supplement, 2022, are repealed.

2 Sec. 52. The following sections are outright repealed: Sections
3 81-146, 81-159, 81-1118.03, 81-1118.04, and 81-1118.06, Reissue Revised
4 Statutes of Nebraska, and sections 73-701 and 81-154, Revised Statutes
5 Cumulative Supplement, 2022.