

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

**LEGISLATIVE BILL 318**

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

Read first time January 15, 2009

Committee: Appropriations

A BILL

1 FOR AN ACT relating to capital improvement projects; to amend  
2 sections 81-188.02, 81-188.04, and 81-188.06, Reissue  
3 Revised Statutes of Nebraska; to change provisions  
4 governing depreciation charges; to repeal the original  
5 sections; to provide an operative date; and to declare an  
6 emergency.  
7 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 81-188.02, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           81-188.02 (1) For purposes of this section, capital  
4 improvement project means (a) construction of a new facility,  
5 structure, or building, (b) construction of additions to an  
6 existing facility, structure, or building, (c) renovation of an  
7 existing facility, structure, or building if the total project  
8 cost of such renovation represents not less than fifteen percent  
9 of the value of the existing facility, structure, or building  
10 as determined by the Department of Administrative Services, (d)  
11 purchase of an existing facility, structure, or building, and (e)  
12 acquisition of a facility, structure, or building through means of  
13 conveyance other than sale and purchase.

14           (2) Beginning with the fiscal year that commences  
15 subsequent to the calendar year in which has occurred substantial  
16 completion of a capital improvement project as defined in  
17 subdivisions (1)(a) through (1)(c) of this section or acquisition  
18 of a capital improvement project as defined in subdivisions (1)(d)  
19 and (1)(e) of this section, the department shall assess a capital  
20 improvement depreciation charge to the agency maintaining ownership  
21 or control of the related facility, structure, or building and  
22 shall assess such charge for each fiscal year thereafter, except  
23 that no depreciation charges shall be assessed or paid pursuant  
24 to this section for the period beginning July 1, 2009, and ending  
25 June 30, 2011.

1           (3) The annual depreciation charge for a capital  
2 improvement project as defined in subdivisions (1)(a) through  
3 (1)(c) of this section shall be computed as one percent of the  
4 total project cost of the capital improvement project. The annual  
5 depreciation charge for a capital improvement project as defined  
6 in subdivision (1)(d) of this section shall be computed as one  
7 percent of the greater of the purchase price or the value, as  
8 determined by the department, of the capital improvement project  
9 at the time of acquisition. The annual depreciation charge for a  
10 capital improvement project as defined in subdivision (1)(e) of  
11 this section shall be computed as one percent of the value, as  
12 determined by the department, of the capital improvement project  
13 at the time of acquisition. The department may assess the charge  
14 annually or in monthly, quarterly, or semiannual installments.

15           (4) Depreciation charges shall not be assessed pursuant  
16 to this section for capital improvement projects relating to  
17 facilities, structures, or buildings owned, leased, or operated  
18 by the: (i) University of Nebraska; (ii) Nebraska state colleges;  
19 (iii) Department of Aeronautics; (iv) Department of Roads; (v)  
20 Game and Parks Commission; or (vi) Board of Educational Lands and  
21 Funds or to other buildings or grounds owned, leased, or operated  
22 by the State of Nebraska which are specifically exempted by the  
23 Department of Administrative Services because the assessment of  
24 such depreciation charges would result in the ineligibility for  
25 federal funding or would result in hardship on an agency, board, or

1 commission due to other exceptional or unusual circumstances.  
2 Depreciation charges shall not be assessed pursuant to this  
3 section for capital improvement projects relating to facilities,  
4 structures, or buildings of which the department is custodian  
5 pursuant to section 81-1108.17 and for which charges are assessed  
6 pursuant to subdivision (4) (b) of such section.

7 (5) Payment of depreciation charges assessed pursuant to  
8 this section shall be remitted to the State Treasurer for credit to  
9 the State Building Renewal Assessment Fund.

10 Sec. 2. Section 81-188.04, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

12 81-188.04 (1) For purposes of this section, capital  
13 improvement project means (a) construction of a new facility,  
14 structure, or building, (b) construction of additions to an  
15 existing facility, structure, or building, (c) renovation of an  
16 existing facility, structure, or building if the total project  
17 cost of such renovation represents not less than fifteen percent  
18 of the value of the existing facility, structure, or building  
19 as determined by the Department of Administrative Services, (d)  
20 purchase of an existing facility, structure, or building, and (e)  
21 acquisition of a facility, structure, or building through means of  
22 conveyance other than sale and purchase.

23 (2) Beginning with the fiscal year that commences  
24 subsequent to the calendar year in which has occurred substantial  
25 completion of a capital improvement project by the University of

1 Nebraska as defined in subdivisions (1)(a) through (1)(c) of this  
2 section or acquisition of a capital improvement project by the  
3 University of Nebraska as defined in subdivisions (1)(d) and (1)(e)  
4 of this section, the department shall assess a capital improvement  
5 depreciation charge to the Board of Regents of the University  
6 of Nebraska and shall assess such charge for each fiscal year  
7 thereafter, except that no depreciation charges shall be assessed  
8 or paid pursuant to this section for the period beginning July 1,  
9 2009, and ending June 30, 2011.

10 (3) The annual depreciation charge for a capital  
11 improvement project as defined in subdivisions (1)(a) through  
12 (1)(c) of this section shall be computed as one percent of the  
13 total project cost of the capital improvement project. The annual  
14 depreciation charge for a capital improvement project as defined  
15 in subdivision (1)(d) of this section shall be computed as one  
16 percent of the greater of the purchase price or the value, as  
17 determined by the department, of the capital improvement project  
18 at the time of acquisition. The annual depreciation charge for a  
19 capital improvement project as defined in subdivision (1)(e) of  
20 this section shall be computed as one percent of the value, as  
21 determined by the department, of the capital improvement project  
22 at the time of acquisition. The department may assess the charge  
23 annually or in monthly, quarterly, or semiannual installments.

24 (4) Depreciation charges shall not be assessed pursuant  
25 to this section for capital improvement projects relating to

1 facilities, structures, or buildings from which revenue is derived  
2 and pledged for the retirement of revenue bonds issued under  
3 sections 85-403 to 85-411.

4 (5) Payment of depreciation charges assessed pursuant to  
5 this section shall be remitted to the State Treasurer for credit to  
6 the University Building Renewal Assessment Fund.

7 Sec. 3. Section 81-188.06, Reissue Revised Statutes of  
8 Nebraska, is amended to read:

9 81-188.06 (1) For purposes of this section, capital  
10 improvement project means (a) construction of a new facility,  
11 structure, or building, (b) construction of additions to an  
12 existing facility, structure, or building, (c) renovation of an  
13 existing facility, structure, or building if the total project  
14 cost of such renovation represents not less than fifteen percent  
15 of the value of the existing facility, structure, or building  
16 as determined by the Department of Administrative Services, (d)  
17 purchase of an existing facility, structure, or building, and (e)  
18 acquisition of a facility, structure, or building through means of  
19 conveyance other than sale and purchase.

20 (2) Beginning with the fiscal year that commences  
21 subsequent to the calendar year in which has occurred substantial  
22 completion of a capital improvement project by the Nebraska state  
23 colleges as defined in subdivisions (1)(a) through (1)(c) of this  
24 section or acquisition of a capital improvement project by the  
25 Nebraska state colleges as defined in subdivisions (1)(d) and

1 (1) (e) of this section, the department shall assess a depreciation  
2 charge to the Board of Trustees of the Nebraska State Colleges and  
3 shall assess such charge for each fiscal year thereafter, except  
4 that no depreciation charges shall be assessed or paid pursuant  
5 to this section for the period beginning July 1, 2009, and ending  
6 June 30, 2011.

7 (3) The annual depreciation charge for a capital  
8 improvement project as defined in subdivisions (1) (a) through  
9 (1) (c) of this section shall be computed as one percent of the  
10 total project cost of the capital improvement project. The annual  
11 depreciation charge for a capital improvement project as defined  
12 in subdivision (1) (d) of this section shall be computed as one  
13 percent of the greater of the purchase price or the value, as  
14 determined by the department, of the capital improvement project  
15 at the time of acquisition. The annual depreciation charge for a  
16 capital improvement project as defined in subdivision (1) (e) of  
17 this section shall be computed as one percent of the value, as  
18 determined by the department, of the capital improvement project  
19 at the time of acquisition. The department may assess the charge  
20 annually or in monthly, quarterly, or semiannual installments.

21 (4) Depreciation charges shall not be assessed pursuant  
22 to this section for capital improvement projects relating to  
23 facilities, structures, or buildings from which revenue is derived  
24 and pledged for the retirement of revenue bonds issued under  
25 sections 85-403 to 85-411.

1                   (5) Payment of depreciation charges assessed pursuant to  
2 this section shall be remitted to the State Treasurer for credit to  
3 the State College Building Renewal Assessment Fund.

4                   Sec. 4. This bill becomes operative on July 1, 2009.

5                   Sec. 5. Original sections 81-188.02, 81-188.04, and  
6 81-188.06, Reissue Revised Statutes of Nebraska, are repealed.

7                   Sec. 6. Since an emergency exists, this act takes effect  
8 when passed and approved according to law.