

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

SECOND SESSION

**LEGISLATIVE BILL 722**

Introduced by Avery, 28.

Read first time January 06, 2010

Committee: Government, Military and Veterans Affairs

A BILL

1 FOR AN ACT relating to state government; to amend sections  
2 11-201, 72-815, and 81-1017, Reissue Revised Statutes  
3 of Nebraska; to change a bonding requirement; to change  
4 a provision relating to sale of state real property;  
5 to eliminate an exception relating to state-owned motor  
6 vehicles; and to repeal the original sections.  
7 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 11-201, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           11-201 It shall be the duty of the Risk Manager:

4           (1) To prescribe the amount, terms, and conditions of  
5 any bond or equivalent commercial insurance when the amount or  
6 terms are not fixed by any specific statute. The Risk Manager, in  
7 prescribing the amount, deductibles, conditions, and terms, shall  
8 consider the type of risks, the relationship of the premium to  
9 risks involved, the past and projected trends for premiums, the  
10 ability of the Tort Claims Fund, the State Self-Insured Property  
11 Fund, and state agencies to pay the deductibles, and any other  
12 factors the manager may, in his or her discretion, deem necessary  
13 in order to accomplish the provisions of sections 2-1201, 3-103,  
14 8-104, 8-105, 9-807, 11-119, 11-121, 11-201, 11-202, 37-110,  
15 48-158, 48-609, 48-618, 48-721, 48-804.03, 53-109, 54-191, 55-123,  
16 55-126, 55-127, 55-150, 57-917, 60-1303, 60-1502, 71-222.01,  
17 72-1241, 77-366, 80-401.02, 81-111, 81-151, 81-8,128, 81-8,141,  
18 81-1108.14, 81-2002, 83-128, 84-106, 84-206, and 84-801;

19           (2) To pass upon the sufficiency of and approve the  
20 surety on the bonds or equivalent commercial insurance of all  
21 officers and employees of the state, when approval is not otherwise  
22 prescribed by any specific statute;

23           (3) To arrange for the writing of corporate surety  
24 bonds or equivalent commercial insurance for all the officers and  
25 employees of the state who are required by statute to furnish

1 bonds;

2 (4) To arrange for the writing of the blanket corporate  
3 surety bond or equivalent commercial insurance required by this  
4 section; and

5 (5) To order the payment of corporate surety bond or  
6 equivalent commercial insurance premiums out of the State Insurance  
7 Fund created by section 81-8,239.02.

8 All state employees not specifically required to give  
9 bond by section 11-119 shall be bonded under a blanket corporate  
10 surety bond or insured under equivalent commercial insurance for  
11 faithful performance and honesty in an amount ~~not to exceed one~~  
12 ~~million dollars.~~ determined by the Risk Manager.

13 The Risk Manager may separately bond any officer,  
14 employee, or group thereof under a separate corporate surety bond  
15 or equivalent commercial insurance policy for performance and  
16 honesty pursuant to the standards set forth in subdivision (1) of  
17 this section if the corporate surety or commercial insurer will not  
18 bond or insure or excludes from coverage any officer, employee,  
19 or group thereof under the blanket bond or commercial insurance  
20 required by this section, or if the Risk Manager finds that the  
21 reasonable availability or cost of the blanket bond or commercial  
22 insurance required under this section is adversely affected by any  
23 of the following factors: The loss experience, types of risks to be  
24 bonded or insured, relationship of premium to risks involved, past  
25 and projected trends for premiums, or any other factors.

1           Surety bonds of collection agencies, as required by  
2 section 45-608, and detective agencies, as required by section  
3 71-3207, shall be approved by the Secretary of State. The Attorney  
4 General shall approve all bond forms distributed by the Secretary  
5 of State.

6           Sec. 2. Section 72-815, Reissue Revised Statutes of  
7 Nebraska, is amended to read:

8           72-815 (1) The state building division of the Department  
9 of Administrative Services shall be responsible for the sale,  
10 lease, or other disposal of a building or land, whichever action is  
11 ordered by the committee.

12           (2) If a building is to be demolished, section 72-810  
13 shall not apply, but the state building division shall notify the  
14 State Historic Preservation Officer of such demolition at least  
15 thirty days prior to the beginning of the demolition or disassembly  
16 so that the officer may collect any photographic or other evidence  
17 he or she may find of historic value.

18           (3) (a) If a building or land is to be sold or leased,  
19 the state building division shall cause an appraisal to be made of  
20 the building or land. The sale, lease, or other disposal of the  
21 building or land shall comply with all relevant statutes pertaining  
22 to the sale or lease of surplus state property, except that if  
23 the state building division fails to receive an offer from a state  
24 agency in which the agency certifies that it (i) intends to use  
25 the building for the purposes for which it was designed, intended,

1 or remodeled or to remodel the building for uses which will serve  
2 the agency's purposes or (ii) intends to use the land for the  
3 purposes for which it was acquired or received, the state building  
4 division shall then notify the Department of Economic Development  
5 that the building or land is available for sale or lease so  
6 that the department may refer to the state building division any  
7 potential buyers or lessees of which the department may be aware.  
8 The state building division may then sell or lease the building  
9 or land by such method as is to the best advantage of the State  
10 of Nebraska, including auction, sealed bid, or public sale and,  
11 if necessary, by private sale, but in all situations only after  
12 notice of the property sale is publicly advertised on at least two  
13 separate occasions in the newspaper with the largest circulation  
14 in the county where the surplus property is located and not less  
15 than thirty days prior to the sale of the property. The state  
16 building division may use the services of a real estate broker  
17 licensed under the Nebraska Real Estate License Act. Priority shall  
18 be given to other political subdivisions of state government, then  
19 to persons contracting with the state or political subdivisions of  
20 the state who will use the building or land for middle-income or  
21 low-income rental housing for at least fifteen years, and finally  
22 to referrals from the Department of Economic Development.

23 (b) When a building designated for sale is listed in the  
24 National Register of Historic Places, the state building division,  
25 in its discretion and based on the best interests of the state,

1 may follow the procedure outlined in subdivision (3)(a) of this  
2 section or may sell the building by any method deemed in the best  
3 interests of the state to a not-for-profit community organization  
4 that intends to use the building for the purposes for which it was  
5 designed or intended.

6           ~~(b)~~ (c) All sales and leases shall be in the name of the  
7 State of Nebraska. The state building division may provide that  
8 a deed of sale include restrictions on the building or land to  
9 ensure that the use and appearance of the building or land remain  
10 compatible with any adjacent state-owned property.

11           ~~(e)~~ (d) Except as otherwise provided in subsection (4) of  
12 this section, the proceeds of the sale or lease shall be remitted  
13 to the State Treasurer for credit to the Vacant Building and Excess  
14 Land Cash Fund unless the state agency formerly responsible for  
15 the building or land certifies to the state building division that  
16 the building or land was purchased in part or in total from cash,  
17 federal, or revolving funds, in which event, after the costs of  
18 selling or leasing the building or land are deducted from the  
19 proceeds of the sale or lease and such amount is credited to the  
20 fund, the remaining proceeds of the sale or lease shall be credited  
21 to the cash, federal, or revolving fund in the percentage used in  
22 originally purchasing the building or land.

23           (4) Any state-owned military property, including any  
24 armories considered surplus property, shall be sold by such method  
25 as is to the best advantage of the State of Nebraska, including

1 auction, sealed bid, or public sale, and if necessary, by private  
2 sale, but in all situations only after notice of the property sale  
3 is publicly advertised on at least two separate occasions in the  
4 newspaper with the largest circulation in the county where the  
5 surplus property is located and not less than thirty days prior  
6 to the sale of the property, and pursuant to section 72-816, all  
7 proceeds from the sale of the property, less maintenance expenses  
8 pending the sale and selling expenses, but including investment  
9 income on the sale proceeds of the property, shall be promptly  
10 transferred from the Vacant Building and Excess Land Cash Fund to  
11 the General Fund by the State Building Administrator.

12 (5) The state building division shall be responsible for  
13 the maintenance of the building or land if maintenance is ordered  
14 by the committee and shall be responsible for maintenance of the  
15 building or land pending sale or lease of the building or land.

16 Sec. 3. Section 81-1017, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18 81-1017 The provisions of sections 81-1008 to 81-1017  
19 shall not apply to any court or the motor vehicles thereof, ~~nor to~~  
20 ~~vehicles acquired through the federal surplus property program,~~ but  
21 such vehicles shall be titled as provided in section 81-1013.

22 Sec. 4. Original sections 11-201, 72-815, and 81-1017,  
23 Reissue Revised Statutes of Nebraska, are repealed.