

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 151**

FINAL READING

Introduced by Stinner, 48.

Read first time January 09, 2017

Committee: Government, Military and Veterans Affairs

1 A BILL FOR AN ACT relating to state and local government; to amend  
2 sections 35-507, 81-1118, 81-1348, and 84-321, Reissue Revised  
3 Statutes of Nebraska, and sections 13-506, 13-511, 13-513, 73-506,  
4 84-304, 84-305, and 84-311, Revised Statutes Cumulative Supplement,  
5 2016; to change provisions relating to notice requirements for  
6 certain hearings and meetings; to change procedures and provide for  
7 remedial and late fees under the Nebraska Budget Act; to change  
8 provisions relating to the duration of certain state agency  
9 contracts and membership on the Suggestion Award Board; to change  
10 powers and duties of the Auditor of Public Accounts, require  
11 descriptions of corrective action, provide for liability for fees  
12 and interest, provide for suitable accommodations for auditor  
13 employees by public entities, and authorize the sharing of auditor  
14 working papers as prescribed; to harmonize provisions; to repeal the  
15 original sections; and to declare an emergency.  
16 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-506, Revised Statutes Cumulative Supplement,  
2 2016, is amended to read:

3 13-506 (1) Each governing body shall each year or biennial period  
4 conduct a public hearing on its proposed budget statement. Notice of  
5 place and time of such hearing, together with a summary of the proposed  
6 budget statement, shall be published at least four calendar ~~five~~ days  
7 prior to the date set for hearing in a newspaper of general circulation  
8 within the governing body's jurisdiction. For purposes of such notice,  
9 the four calendar days shall include the day of publication but not the  
10 day of hearing. When the total operating budget, not including reserves,  
11 does not exceed ten thousand dollars per year or twenty thousand dollars  
12 per biennial period, the proposed budget summary may be posted at the  
13 governing body's principal headquarters. After such hearing, the proposed  
14 budget statement shall be adopted, or amended and adopted as amended, and  
15 a written record shall be kept of such hearing. The amount to be received  
16 from personal and real property taxation shall be certified to the  
17 levying board after the proposed budget statement is adopted or is  
18 amended and adopted as amended. If the levying board represents more than  
19 one county, a member or a representative of the governing board shall,  
20 upon the written request of any represented county, appear and present  
21 its budget at the hearing of the requesting county. The certification of  
22 the amount to be received from personal and real property taxation shall  
23 specify separately (a) the amount to be applied to the payment of  
24 principal or interest on bonds issued by the governing body and (b) the  
25 amount to be received for all other purposes. If the adopted budget  
26 statement reflects a change from that shown in the published proposed  
27 budget statement, a summary of such changes shall be published within  
28 twenty calendar days after its adoption in the manner provided in this  
29 section, but without provision for hearing, setting forth the items  
30 changed and the reasons for such changes.

31 (2) Upon approval by the governing body, the budget shall be filed

1 with the auditor. The auditor may review the budget for errors in  
2 mathematics, improper accounting, and noncompliance with the Nebraska  
3 Budget Act or sections 13-518 to 13-522. If the auditor detects such  
4 errors, he or she shall immediately notify the governing body of such  
5 errors. The governing body shall correct any such error as provided in  
6 section 13-511. Warrants for the payment of expenditures provided in the  
7 budget adopted under this section shall be valid notwithstanding any  
8 errors or noncompliance for which the auditor has notified the governing  
9 body.

10 Sec. 2. Section 13-511, Revised Statutes Cumulative Supplement,  
11 2016, is amended to read:

12 13-511 (1) Unless otherwise provided by law, whenever during the  
13 current fiscal year or biennial period it becomes apparent to a governing  
14 body that (a) there are circumstances which could not reasonably have  
15 been anticipated at the time the budget for the current year or biennial  
16 period was adopted, (b) the budget adopted violated sections 13-518 to  
17 13-522, such that the revenue of the current fiscal year or biennial  
18 period for any fund thereof will be insufficient, additional expenses  
19 will be necessarily incurred, or there is a need to reduce the budget  
20 requirements to comply with sections 13-518 to 13-522, or (c) the  
21 governing body has been notified by the auditor of a mathematical or  
22 accounting error or noncompliance with the Nebraska Budget Act, such  
23 governing body may propose to revise the previously adopted budget  
24 statement and shall conduct a public hearing on such proposal. The public  
25 hearing requirement shall not apply to emergency expenditures pursuant to  
26 section 81-829.51.

27 (2) Notice of the time and place of the hearing shall be published  
28 at least four calendar ~~five~~ days prior to the date set for hearing in a  
29 newspaper of general circulation within the governing body's  
30 jurisdiction. For purposes of such notice, the four calendar days shall  
31 include the day of publication but not the day of hearing. Such published

1 notice shall set forth (a) the time and place of the hearing, (b) the  
2 amount in dollars of additional or reduced money required and for what  
3 purpose, (c) a statement setting forth the nature of the unanticipated  
4 circumstances and, if the budget requirements are to be increased, the  
5 reasons why the previously adopted budget of expenditures cannot be  
6 reduced during the remainder of the current year or biennial period to  
7 meet the need for additional money in that manner, (d) a copy of the  
8 summary of the originally adopted budget previously published, and (e) a  
9 copy of the summary of the proposed revised budget.

10 (3) At such hearing any taxpayer may appear or file a written  
11 statement protesting any application for additional money. A written  
12 record shall be kept of all such hearings.

13 (4) Upon conclusion of the public hearing on the proposed revised  
14 budget and approval of the proposed revised budget by the governing body,  
15 the governing body shall file with the county clerk of the county or  
16 counties in which such governing body is located, with the learning  
17 community coordinating council for fiscal years prior to fiscal year  
18 2017-18 for school districts that are members of learning communities,  
19 and with the auditor, a copy of the revised budget, as adopted. The  
20 governing body may then issue warrants in payment for expenditures  
21 authorized by the adopted revised budget. Such warrants shall be referred  
22 to as registered warrants and shall be repaid during the next fiscal year  
23 or biennial period from funds derived from taxes levied therefor.

24 (5) Within thirty calendar days after the adoption of the budget  
25 under section 13-506, a governing body may, or within thirty calendar  
26 days after notification of an error by the auditor, a governing body  
27 shall, correct an adopted budget which contains a clerical, mathematical,  
28 or accounting error which does not affect the total amount budgeted by  
29 more than one percent or increase the amount required from property  
30 taxes. No public hearing shall be required for such a correction. After  
31 correction, the governing body shall file a copy of the corrected budget

1 with the county clerk of the county or counties in which such governing  
2 body is located and with the auditor. The governing body may then issue  
3 warrants in payment for expenditures authorized by the budget.

4 Sec. 3. Section 13-513, Revised Statutes Cumulative Supplement,  
5 2016, is amended to read:

6 13-513 (1) The auditor shall, on or before August ~~December~~ 1 each  
7 year, request information from each governing body in a form prescribed  
8 by the auditor regarding (a) ~~(1)~~ trade names, corporate names, or other  
9 business names under which the governing body operates and (b) ~~(2)~~  
10 agreements to which the governing body is a party under the Interlocal  
11 Cooperation Act and the Joint Public Agency Act. Each governing body  
12 shall provide such information to the auditor on or before ~~September 20~~  
13 ~~December 31~~.

14 (2) Information requested pursuant to this section that is not  
15 received by the auditor on or before September 20 shall be delinquent.  
16 The auditor shall notify the political subdivision by facsimile  
17 transmission, email, or first-class mail of such delinquency. Beginning  
18 on the day that such notification is sent, the auditor may assess the  
19 political subdivision a late fee of twenty dollars per day for each  
20 calendar day the requested information remains delinquent. The total late  
21 fee assessed to a political subdivision under this section shall not  
22 exceed two thousand dollars per delinquency.

23 (3) The auditor shall remit to the State Treasurer for credit to the  
24 Auditor of Public Accounts Cash Fund a remedial fee sufficient to  
25 reimburse the direct costs of administering and enforcing this section,  
26 but such remedial fee shall not exceed one hundred dollars from any late  
27 fee received under this section. The auditor shall remit any late fee  
28 amount in excess of one hundred dollars received under this section to  
29 the State Treasurer to be distributed in accordance with Article VII,  
30 section 5, of the Constitution of Nebraska.

31 (4) If a political subdivision fails to provide the information

1 requested under this section on or before September 20, the auditor may,  
2 at his or her discretion, audit such political subdivision. The expense  
3 of such audit shall be paid by the political subdivision.

4 Sec. 4. Section 35-507, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 35-507 A regular meeting of the registered voters who are residing  
7 within the boundaries of a district shall be held at the time of the  
8 budget hearing as provided by the Nebraska Budget Act, and special  
9 meetings may be called by the board of directors at any time. Notice of a  
10 meeting shall be given by the secretary-treasurer by one publication in a  
11 legal newspaper of general circulation in each county in which such  
12 district is situated. Notice of the place and time of a meeting shall be  
13 published at least four calendar five days prior to the date set for  
14 meeting. For purposes of such notice, the four calendar days shall  
15 include the day of publication but not the day of the meeting.

16 Sec. 5. Section 73-506, Revised Statutes Cumulative Supplement,  
17 2016, is amended to read:

18 73-506 State agency contracts for services shall be subject to the  
19 following requirements:

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

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

31 (3) State agencies shall not structure contracts for services to

1 avoid any of the requirements of sections 73-501 to 73-510; and

2 (4) State agencies shall not enter into contracts for services in  
3 excess of fifteen million dollars unless the state agency has complied  
4 with section 73-510.

5 Sec. 6. Section 81-1118, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 81-1118 The materiel division of the Department of Administrative  
8 Services is hereby established and shall be managed by the materiel  
9 administrator.

10 There are hereby established the following seven branches of the  
11 materiel division of the Department of Administrative Services which  
12 shall have the following duties, powers, and responsibilities:

13 (1) The office supplies bureau shall be responsible for providing  
14 office supplies, paper, and forms to using agencies;

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

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

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

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

1 following manner except in emergencies approved by the Governor:

2 (a) By a competitive formal sealed bidding process through the  
3 materiel division in all cases in which the purchases are of estimated  
4 value in the amount of twenty-five thousand dollars or more;

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

9 (c) By unrestricted open market purchases through the materiel  
10 division in all cases in which purchases are of estimated value of less  
11 than ten thousand dollars;

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

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

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

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

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



1           Nothing in this section shall be construed to require that works of  
2 art must be procured through the materiel division.

3           Sec. 7. Section 81-1348, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5           81-1348 There is hereby created the Suggestion Award Board. The  
6 membership of such board shall consist of the Director of Personnel, the  
7 Director of Administrative Services, the Auditor of Public Accounts or  
8 his or her designee, and three persons, each to serve a term of three  
9 years, selected and appointed by the Governor from the bargaining units  
10 listed in section 81-1373, except that the first three appointments made  
11 after February 23, 2000, shall be for terms of one year, two years, and  
12 three years, as designated by the Governor. Of the persons selected from  
13 such bargaining units, one person shall be selected from each of such  
14 bargaining units as follows:

15           (1) The first term from the bargaining units listed in subdivisions  
16 (1)(a), (b), and (1) of such section;

17           (2) The second term from the bargaining units listed in subdivisions  
18 (1)(c), (d), and (g) of such section;

19           (3) The third term from the bargaining units listed in subdivisions  
20 (1)(e), (f), and (h) of such section; and

21           (4) The fourth term from the bargaining units listed in subdivisions  
22 (1)(i), (j), and (k) of such section.

23           After the fourth term, the appointments shall be made starting from  
24 subdivision (1) of this section and following the same sequence.

25           Whenever a vacancy occurs on the board for any reason, the Governor  
26 shall appoint an individual to fill such vacancy from the same bargaining  
27 unit in which the vacancy exists.

28           The members shall be reimbursed for their actual and necessary  
29 expenses as provided in sections 81-1174 to 81-1177.

30           The board shall adopt and promulgate rules and regulations to aid in  
31 carrying out sections 81-1350 and 81-1351.

1           Sec. 8. Section 84-304, Revised Statutes Cumulative Supplement,  
2 2016, is amended to read:

3           84-304 It shall be the duty of the Auditor of Public Accounts:

4           (1) To give information electronically to the Legislature, whenever  
5 required, upon any subject relating to the fiscal affairs of the state or  
6 with regard to any duty of his or her office;

7           (2) To furnish offices for himself or herself and all fuel, lights,  
8 books, blanks, forms, paper, and stationery required for the proper  
9 discharge of the duties of his or her office;

10          ~~(3)(a) (3)~~ To examine or cause to be examined, at such time as he or  
11 she shall determine, books, accounts, vouchers, records, and expenditures  
12 of all state officers, state bureaus, state boards, state commissioners,  
13 the state library, societies and associations supported by the state,  
14 state institutions, state colleges, and the University of Nebraska,  
15 except when required to be performed by other officers or persons. Such  
16 examinations shall be done in accordance with generally accepted  
17 government auditing standards for financial audits and attestation  
18 engagements set forth in Government Auditing Standards (2011 Revision),  
19 published by the Comptroller General of the United States, Government  
20 Accountability Office, and except as provided in subdivision ~~(10) (11)~~ of  
21 this section, subdivision (16) of section 50-1205, and section 84-322,  
22 shall not include performance audits, whether conducted pursuant to  
23 attestation engagements or performance audit standards as set forth in  
24 Government Auditing Standards (2011 Revision), published by the  
25 Comptroller General of the United States, Government Accountability  
26 Office. ÷

27          (b) Any entity, excluding the state colleges and the University of  
28 Nebraska, that is audited or examined pursuant to subdivision (3)(a) of  
29 this section and that is the subject of a comment and recommendation in a  
30 management letter or report issued by the Auditor of Public Accounts  
31 shall, on or before six months after the issuance of such letter or

1 report, provide to the Auditor of Public Accounts a detailed written  
2 description of any corrective action taken or to be taken in response to  
3 the comment and recommendation. The Auditor of Public Accounts may  
4 investigate and evaluate the corrective action. The Auditor of Public  
5 Accounts shall then electronically submit a report of any findings of  
6 such investigation and evaluation to the Governor, the appropriate  
7 standing committee of the Legislature, and the Appropriations Committee  
8 of the Legislature. The Auditor of Public Accounts shall also ensure that  
9 the report is delivered to the Appropriations Committee for entry into  
10 the record during the committee's budget hearing process;

11 (4)(a) To examine or cause to be examined, at the expense of the  
12 political subdivision, when the Auditor of Public Accounts determines  
13 such examination necessary or when requested by the political  
14 subdivision, the books, accounts, vouchers, records, and expenditures of  
15 any agricultural association formed under Chapter 2, article 20, any  
16 county agricultural society, any joint airport authority formed under the  
17 Joint Airport Authorities Act, any city or county airport authority, any  
18 bridge commission created pursuant to section 39-868, any cemetery  
19 district, any community redevelopment authority or limited community  
20 redevelopment authority established under the Community Development Law,  
21 any development district, any drainage district, any health district, any  
22 local public health department as defined in section 71-1626, any  
23 historical society, any hospital authority or district, any county  
24 hospital, any housing agency as defined in section 71-1575, any  
25 irrigation district, any county or municipal library, any community  
26 mental health center, any railroad transportation safety district, any  
27 rural water district, any township, Wyuka Cemetery, the Educational  
28 Service Unit Coordinating Council, any entity created pursuant to the  
29 Interlocal Cooperation Act, any educational service unit, any village,  
30 any service contractor or subrecipient of state or federal funds, any  
31 political subdivision with the authority to levy a property tax or a

1 toll, or any entity created pursuant to the Joint Public Agency Act.

2 For purposes of this subdivision, service contractor or subrecipient  
3 means any nonprofit entity that expends state or federal funds to carry  
4 out a state or federal program or function, but it does not include an  
5 individual who is a direct beneficiary of such a program or function or a  
6 licensed health care provider or facility receiving direct payment for  
7 medical services provided for a specific individual.

8 (b) The Auditor of Public Accounts may waive the audit requirement  
9 of subdivision (4)(a) of this section upon the submission by the  
10 political subdivision of a written request in a form prescribed by the  
11 auditor. The auditor shall notify the political subdivision in writing of  
12 the approval or denial of the request for a waiver.

13 (c) The Auditor of Public Accounts may conduct audits under this  
14 subdivision for purposes of sections 2-3228, 12-101, 13-2402, 14-567,  
15 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037, 19-3501, 23-1118,  
16 23-3526, and 71-1631.02;

17 (5) To report promptly to the Governor and the appropriate standing  
18 committee of the Legislature the fiscal condition shown by such  
19 examinations conducted by the auditor, including any irregularities or  
20 misconduct of officers or employees, any misappropriation or misuse of  
21 public funds or property, and any improper system or method of  
22 bookkeeping or condition of accounts. The report submitted to the  
23 committee shall be submitted electronically. In addition, if, in the  
24 normal course of conducting an audit in accordance with subdivision (3)  
25 of this section, the auditor discovers any potential problems related to  
26 the effectiveness, efficiency, or performance of state programs, he or  
27 she shall immediately report them electronically to the Legislative  
28 Performance Audit Committee which may investigate the issue further,  
29 report it electronically to the appropriate standing committee of the  
30 Legislature, or both;

31 (6)(a) To examine or cause to be examined the books, accounts,

1 vouchers, records, and expenditures of a fire protection district. The  
2 expense of the examination shall be paid by the political subdivision.

3 (b) Whenever the expenditures of a fire protection district are one  
4 hundred fifty thousand dollars or less per fiscal year, the fire  
5 protection district shall be audited no more than once every five years  
6 except as directed by the board of directors of the fire protection  
7 district or unless the auditor receives a verifiable report from a third  
8 party indicating any irregularities or misconduct of officers or  
9 employees of the fire protection district, any misappropriation or misuse  
10 of public funds or property, or any improper system or method of  
11 bookkeeping or condition of accounts of the fire protection district. In  
12 the absence of such a report, the auditor may waive the five-year audit  
13 requirement upon the submission of a written request by the fire  
14 protection district in a form prescribed by the auditor. The auditor  
15 shall notify the fire protection district in writing of the approval or  
16 denial of a request for waiver of the five-year audit requirement. Upon  
17 approval of the request for waiver of the five-year audit requirement, a  
18 new five-year audit period shall begin.

19 (c) Whenever the expenditures of a fire protection district exceed  
20 one hundred fifty thousand dollars in a fiscal year, the auditor may  
21 waive the audit requirement upon the submission of a written request by  
22 the fire protection district in a form prescribed by the auditor. The  
23 auditor shall notify the fire protection district in writing of the  
24 approval or denial of a request for waiver. Upon approval of the request  
25 for waiver, a new five-year audit period shall begin for the fire  
26 protection district if its expenditures are one hundred fifty thousand  
27 dollars or less per fiscal year in subsequent years;

28 (7) To appoint two or more assistant deputies (a) whose entire time  
29 shall be devoted to the service of the state as directed by the auditor,  
30 (b) who shall be certified public accountants with at least five years'  
31 experience, (c) who shall be selected without regard to party affiliation

1 or to place of residence at the time of appointment, (d) who shall  
2 promptly report ~~in duplicate~~ to the auditor the fiscal condition shown by  
3 each examination, including any irregularities or misconduct of officers  
4 or employees, any misappropriation or misuse of public funds or property,  
5 and any improper system or method of bookkeeping or condition of  
6 accounts, and it shall be the duty of the auditor to file promptly with  
7 the Governor a duplicate of such report, and (e) who shall qualify by  
8 taking an oath which shall be filed in the office of the Secretary of  
9 State;

10 (8) To conduct audits and related activities for state agencies,  
11 political subdivisions of this state, or grantees of federal funds  
12 disbursed by a receiving agency on a contractual or other basis for  
13 reimbursement to assure proper accounting by all such agencies, political  
14 subdivisions, and grantees for funds appropriated by the Legislature and  
15 federal funds disbursed by any receiving agency. The auditor may contract  
16 with any political subdivision to perform the audit of such political  
17 subdivision required by or provided for in section 23-1608 or 79-1229 or  
18 this section and charge the political subdivision for conducting the  
19 audit. The fees charged by the auditor for conducting audits on a  
20 contractual basis shall be in an amount sufficient to pay the cost of the  
21 audit. The fees remitted to the auditor for such audits and services  
22 shall be deposited in the Auditor of Public Accounts Cash Fund;

23 ~~(9) To conduct all audits and examinations in a timely manner and in~~  
24 ~~accordance with the standards for audits of governmental organizations,~~  
25 ~~programs, activities, and functions published by the Comptroller General~~  
26 ~~of the United States;~~

27 (9) ~~(10)~~ To develop and maintain an annual budget and actual  
28 financial information reporting system for political subdivisions that is  
29 accessible online by the public; ~~and~~

30 (10) ~~(11)~~ When authorized, to conduct joint audits with the  
31 Legislative Performance Audit Committee as described in section 50-1205;

1 and -

2 (11) Unless otherwise specifically provided, to assess the interest  
3 rate on delinquent payments of any fees for audits and services owing to  
4 the Auditor of Public Accounts at a rate of fourteen percent per annum  
5 from the date of billing unless paid within thirty days after the date of  
6 billing. For an entity created pursuant to the Interlocal Cooperation Act  
7 or the Joint Public Agency Act, any participating public agencies shall  
8 be jointly and severally liable for the fees and interest owed if such  
9 entity is defunct or unable to pay.

10 Sec. 9. Section 84-305, Revised Statutes Cumulative Supplement,  
11 2016, is amended to read:

12 84-305 (1) The Auditor of Public Accounts shall have access to any  
13 and all information and records, confidential or otherwise, of any public  
14 entity, in whatever form or mode the records may be, unless the auditor  
15 is denied such access by federal law or explicitly named and denied such  
16 access by state law. If such a law exists, the public entity shall  
17 provide the auditor with a written explanation of its inability to  
18 produce such information and records and, after reasonable accommodations  
19 are made, shall grant the auditor access to all information and records  
20 or portions thereof that can legally be reviewed.

21 (2) Upon receipt of a written request by the Auditor of Public  
22 Accounts for access to any information or records, the public entity  
23 shall provide to the auditor as soon as is practicable and without delay,  
24 but not more than three business days after actual receipt of the  
25 request, either (a) the requested materials or (b)(i) if there is a legal  
26 basis for refusal to comply with the request, a written denial of the  
27 request together with the information specified in subsection (1) of this  
28 section or (ii) if the entire request cannot with reasonable good faith  
29 efforts be fulfilled within three business days after actual receipt of  
30 the request due to the significant difficulty or the extensiveness of the  
31 request, a written explanation, including the earliest practicable date

1 for fulfilling the request, and an opportunity for the auditor to modify  
2 or prioritize the items within the request. No delay due to the  
3 significant difficulty or the extensiveness of any request for access to  
4 information or records shall exceed three calendar weeks after actual  
5 receipt of such request by any public entity. The three business days  
6 shall be computed by excluding the day the request is received, after  
7 which the designated period of time begins to run. Business day does not  
8 include a Saturday, a Sunday, or a day during which the offices of the  
9 custodian of the public records are closed.

10 (3) When any employee of the Auditor of Public Accounts conducts an  
11 audit or examination of any public entity, the public entity shall  
12 provide suitable accommodations for such employee of the auditor at the  
13 location where the requested information and records are kept or stored.  
14 Such accommodations shall include desks or tables and chairs, electrical  
15 outlets, and Internet access if such access is available.

16 (4) ~~(3)~~ The Auditor of Public Accounts may issue subpoenas to compel  
17 the attendance of witnesses and the production of any papers, books,  
18 accounts, documents, and testimony, and cause the depositions of  
19 witnesses either residing within or without the state to be taken in the  
20 manner prescribed by law for taking depositions in civil actions in the  
21 district court.

22 (5) ~~(4)~~ In case of disobedience on the part of any person to comply  
23 with any subpoena issued by the Auditor of Public Accounts or of the  
24 refusal of any witness to testify on any matters regarding which he or  
25 she may be lawfully interrogated, the district court of Lancaster County  
26 or the judge thereof, on application of the Auditor of Public Accounts,  
27 shall compel obedience by proceedings for contempt as in the case of  
28 disobedience of the requirements of a subpoena issued from such court or  
29 a refusal to testify therein.

30 (6) ~~(5)~~ If a witness refuses to testify before the Auditor of Public  
31 Accounts on the basis of the privilege against self-incrimination, the



1 Auditor of Public Accounts may request a court order pursuant to sections  
2 29-2011.02 and 29-2011.03.

3 (7) ~~(6)~~ No provisions of state law shall be construed to change the  
4 nonpublic nature of the data obtained as a result of the access. When an  
5 audit or investigative finding emanates from nonpublic data which is  
6 nonpublic pursuant to federal or state law, all the nonpublic information  
7 shall not be made public.

8 Sec. 10. Section 84-311, Revised Statutes Cumulative Supplement,  
9 2016, is amended to read:

10 84-311 (1)(a) ~~(1)~~ All final audit reports issued by the Auditor of  
11 Public Accounts shall be maintained permanently as a public record in the  
12 office of the Auditor of Public Accounts.

13 (b) Working papers and other audit files maintained by the Auditor  
14 of Public Accounts are not public records and are exempt from sections  
15 84-712 to 84-712.05. The information contained in working papers and  
16 audit files prepared pursuant to a specific audit is not subject to  
17 disclosure except to a county attorney or the Attorney General in  
18 connection with an investigation made or action taken in the course of  
19 the attorney's official duties or to the Legislative Performance Audit  
20 Committee in the course of the committee's official duties and pursuant  
21 to the requirements of subdivision (16) of section 50-1205 or subdivision  
22 (5) of section 84-304.

23 (c) A public entity being audited and any federal agency that has  
24 made a grant to such public entity shall also have access to the relevant  
25 working papers and audit files, except that such access shall not include  
26 information that would disclose or otherwise indicate the identity of any  
27 individual who has confidentially provided the Auditor of Public Accounts  
28 with allegations of wrongdoing regarding, or other information pertaining  
29 to, the public entity being audited.

30 (d) The Auditor of Public Accounts may, at his or her discretion,  
31 share working papers, other than personal information and telephone

1 records, with the Legislative Council. The Auditor of Public Accounts  
2 may, at his or her discretion, share working papers with the Attorney  
3 General, the Internal Revenue Service, the Tax Commissioner, the Federal  
4 Bureau of Investigation, a law enforcement agency as defined in section  
5 28-359, and the Nebraska Accountability and Disclosure Commission. The  
6 working papers may be shared with such entities during an ongoing audit  
7 or after the final audit report is issued. The Auditor of Public Accounts  
8 shall not, under the authority granted in this subdivision, reveal sealed  
9 or confidential court records contained in working papers.

10 (e) For purposes of this subsection, working papers means those  
11 documents containing evidence to support the auditor's findings,  
12 opinions, conclusions, and judgments and includes the collection of  
13 evidence prepared or obtained by the auditor during the audit.

14 (f) The Auditor of Public Accounts may make the working papers  
15 available for purposes of an external quality control review as required  
16 by generally accepted government auditing standards. However, any reports  
17 made from such external quality control review shall not make public any  
18 information which would be considered confidential under this section  
19 when in the possession of the Auditor of Public Accounts.

20 (2) If the Auditor of Public Accounts or any employee of the Auditor  
21 of Public Accounts knowingly divulges or makes known in any manner not  
22 permitted by law any record, document, or information, the disclosure of  
23 which is restricted by law, he or she is subject to the same penalties  
24 provided in section 84-712.09.

25 Sec. 11. Section 84-321, Reissue Revised Statutes of Nebraska, is  
26 amended to read:

27 84-321 There is hereby created in the office of the Auditor of  
28 Public Accounts a cash fund to be known as the Auditor of Public Accounts  
29 Cash Fund. The fund shall be used for payment for services performed by  
30 the Auditor of Public Accounts for state agencies, political  
31 subdivisions, and grantees of federal funds disbursed by a receiving

1 agency for which he or she is entitled to reimbursement on a contractual  
2 or other basis for such reimbursement.

3       Sec. 12. Original sections 35-507, 81-1118, 81-1348, and 84-321,  
4 Reissue Revised Statutes of Nebraska, and sections 13-506, 13-511,  
5 13-513, 73-506, 84-304, 84-305, and 84-311, Revised Statutes Cumulative  
6 Supplement, 2016, are repealed.

7       Sec. 13. Since an emergency exists, this act takes effect when  
8 passed and approved according to law.