

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 298

Introduced by Arch, 14; Clements, 2; Hansen, 16; Holdcroft, 36; Jacobson, 42; Riepe, 12.

Read first time January 15, 2025

Committee: Executive Board

1 A BILL FOR AN ACT relating to the Legislature; to amend sections 28-711,
2 43-4302, 43-4303, 43-4317, 43-4320, 43-4321, 43-4322, 43-4324,
3 43-4326, 43-4329, 43-4330, 47-901, 47-902, 47-903, 47-904, 47-905,
4 47-907, 47-908, 47-909, 47-910, 47-911, 47-912, 47-913, 47-914,
5 47-915, 47-916, 47-917, 47-918, 47-919, 47-920, 50-406, 50-406.01,
6 50-407, 50-408, 50-409, 50-410, 50-416, 50-418, 50-420, 50-1201,
7 50-1202, 50-1203, 50-1204, 50-1205, 50-1205.01, 50-1206, 50-1210,
8 50-1211, 50-1212, 50-1303, 50-1304, 73-401, 81-8,240, 81-8,241,
9 81-8,242, 81-8,243, 81-8,244, 81-8,245, 81-8,246, 81-8,247,
10 81-8,248, 81-8,249, 81-8,250, 81-8,251, 81-8,252, 81-8,253,
11 81-8,254, 81-1114, 83-178, 83-1,125.01, 84-304, 84-311, 84-322, and
12 84-910, Reissue Revised Statutes of Nebraska, and sections
13 28-712.01, 29-2011.02, 29-2011.03, 43-2,108, 43-4301, 43-4318,
14 43-4323, 43-4325, 43-4327, 43-4328, 43-4331, 43-4332, 50-401.01,
15 50-402, 77-2711, and 77-27,119, Revised Statutes Cumulative
16 Supplement, 2024; to name the Office of Public Counsel Act; to
17 change provisions relating to the Public Counsel; to provide for
18 confidentiality of certain information; to provide for subpoenas; to
19 state legislative intent; to provide for the Division of Legislative
20 Oversight, the Director of Legislative Oversight, and the
21 Legislative Oversight Committee; to change the Office of Inspector
22 General of Nebraska Child Welfare Act and the Office of Inspector

1 General of the Nebraska Correctional System Act as prescribed; to
2 transfer provisions; to provide penalties; to change provisions
3 relating to the Legislative Council, the Legislative Research
4 Office, the Legislative Fiscal Office, and the Legislative Audit
5 Office; to change the Legislative Performance Audit Act as
6 prescribed; to eliminate the Legislative Performance Audit
7 Committee; to harmonize provisions; to provide a duty for the
8 Revisor of Statutes; to repeal the original sections; to outright
9 repeal sections 43-4304, 43-4304.01, 43-4304.02, 43-4305, 43-4306,
10 43-4306.01, 43-4307, 43-4307.01, 43-4308, 43-4309, 43-4310, 43-4311,
11 43-4312, 43-4313, 43-4314, 43-4315, 43-4316, 43-4319, 47-906, and
12 50-421, Reissue Revised Statutes of Nebraska; and to declare an
13 emergency.

14 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Sections 1 to 18 of this act shall be known and may be
2 cited as the Office of Public Counsel Act.

3 **Sec. 2.** Section 81-8,240, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 ~~81-8,240~~ As used in the Office of Public Counsel Act sections
6 ~~81-8,240 to 81-8,254~~, unless the context otherwise requires:

7 (1) Administrative agency shall mean any department, board,
8 commission, or other governmental unit, any official, any employee of the
9 State of Nebraska acting or purporting to act by reason of connection
10 with the State of Nebraska, any corporation, partnership, business, firm,
11 governmental entity, or person who is providing health and human services
12 to individuals or service delivery, service coordination, or case
13 management under contract with the State of Nebraska and who is subject
14 to the jurisdiction of the office of Public Counsel as required by
15 section 73-401, any regional behavioral health authority, any community-
16 based behavioral health services provider that contracts with a regional
17 behavioral health authority, and any county or municipal correctional or
18 jail facility and employee thereof acting or purporting to act by reason
19 of connection with the county or municipal correctional or jail facility;
20 but shall not include (a) any court, (b) any member or employee of the
21 Legislature or the Legislative Council, (c) the Governor or his or her
22 personal staff, (d) any political subdivision or entity thereof except a
23 county or municipal correctional or jail facility or a regional
24 behavioral health authority, (e) any instrumentality formed pursuant to
25 an interstate compact and answerable to more than one state, or (f) any
26 entity of the federal government; and

27 (2) Administrative act shall include every action, rule, regulation,
28 order, omission, decision, recommendation, practice, or procedure of an
29 administrative agency.

30 **Sec. 3.** Section 81-8,241, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 ~~81-8,241~~ The office of Public Counsel is hereby established to
2 exercise the authority and perform the duties under the Office of Public
3 Counsel Act ~~provided by sections 81-8,240 to 81-8,254, the Office of~~
4 ~~Inspector General of Nebraska Child Welfare Act, and the Office of~~
5 ~~Inspector General of the Nebraska Correctional System Act.~~ The Public
6 Counsel shall be appointed by the Legislature, with the vote of two-
7 thirds of the members required for approval of such appointment from
8 nominations submitted by the Executive Board of the Legislative Council.

9 **Sec. 4.** Section 81-8,242, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 ~~81-8,242~~ The Public Counsel shall be a person well equipped to
12 analyze problems of law, administration, and public policy ~~and during~~
13 such person's term of office shall not be actively involved in partisan
14 affairs. No person may serve as Public Counsel within two years of the
15 last day on which such person served as a member of the Legislature ~~or~~
16 while such person is a candidate for or holds any other state office ~~or~~
17 ~~while such person is engaged in any other occupation for reward or~~
18 ~~profit.~~

19 **Sec. 5.** Section 81-8,243, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 ~~81-8,243~~ The Public Counsel shall serve for a term of six years,
22 unless removed for cause as determined by a two-thirds vote ~~by vote of~~
23 ~~two-thirds~~ of the members of the Legislature or, if the Legislature is
24 not in session, by a two-thirds vote of the members of the Legislative
25 Council ~~upon their determining that the Public Counsel has become~~
26 ~~incapacitated or has been guilty of neglect of duty or misconduct.~~ If the
27 office of Public Counsel becomes vacant for any reason ~~cause~~, the deputy
28 public counsel shall serve as acting public counsel until a successor
29 Public Counsel is ~~has been~~ appointed ~~for a full term~~. The Public Counsel
30 shall receive such salary as is set by the Executive Board of the
31 Legislative Council.

1 **Sec. 6.** Section 81-8,244, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 ~~81-8,244 (1) (a)~~ The Public Counsel may select, appoint, and
4 compensate as the Public Counsel ~~he or she~~ sees fit, within the amount
5 available by appropriation, such assistants and employees as the Public
6 Counsel ~~he or she~~ deems necessary to discharge the responsibilities under
7 the Office of Public Counsel Act. The Public Counsel sections 81-8,240 to
8 81-8,254. ~~He or she~~ shall appoint and designate one assistant to be a
9 deputy public counsel, one assistant to be a deputy public counsel for
10 corrections, one assistant to be a deputy public counsel for
11 institutions, and one assistant to be a deputy public counsel for public
12 welfare services.

13 ~~(2) (b)~~ Such deputy public counsels shall be subject to the control
14 and supervision of the Public Counsel.

15 ~~(3) (c)~~ The authority of the deputy public counsel for corrections
16 shall extend to all facilities and parts of facilities, offices, houses
17 of confinement, and institutions which are operated by the Department of
18 Correctional Services and all county or municipal correctional or jail
19 facilities.

20 ~~(4) (d)~~ The authority of the deputy public counsel for institutions
21 shall extend to all mental health institutions and facilities operated by
22 the Department of Health and Human Services, to all veterans institutions
23 operated by the Department of Veterans' Affairs, and to all regional
24 behavioral health authorities that provide services and all community-
25 based behavioral health services providers that contract with a regional
26 behavioral health authority to provide services, for any individual who
27 was a patient within the prior twenty-four months of a state-owned and
28 state-operated regional center, and to all complaints pertaining to
29 administrative acts of the department, authority, or provider when those
30 acts are concerned with the rights and interests of individuals placed
31 within those institutions and facilities or receiving community-based

1 behavioral health services.

2 ~~(5) (e)~~ The authority of the deputy public counsel for public
3 ~~welfare services~~ shall extend to all complaints pertaining to
4 administrative acts of administrative agencies when those acts are
5 concerned with the rights and interests of individuals involved in the
6 public welfare services system of the State of Nebraska.

7 ~~(6) (f)~~ The Public Counsel may delegate to members of the staff any
8 authority or duty under the Office of Public Counsel Act sections
9 ~~81-8,240 to 81-8,254~~ except the power of delegation and the duty of
10 formally making recommendations to administrative agencies or reports to
11 the Governor or the Legislature.

12 ~~(2)~~ The Public Counsel shall appoint the Inspector General of
13 Nebraska Child Welfare as provided in section ~~43-4317~~. The Inspector
14 General of Nebraska Child Welfare shall have the powers and duties
15 provided in the Office of Inspector General of Nebraska Child Welfare
16 Act.

17 ~~(3)~~ The Public Counsel shall appoint the Inspector General of the
18 Nebraska Correctional System as provided in section ~~47-904~~. The Inspector
19 General of the Nebraska Correctional System shall have the powers and
20 duties provided in the Office of Inspector General of the Nebraska
21 Correctional System Act.

22 **Sec. 7.** Section 81-8,245, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 ~~81-8,245~~ The Public Counsel shall have the power to:

25 (1) Investigate, on complaint or on the Public Counsel's ~~his or her~~
26 own motion, any administrative act of any administrative agency;

27 (2) Prescribe the methods by which complaints are to be made,
28 received, and acted upon; determine the scope and manner of
29 investigations to be made; and, subject to the requirements of the Office
30 of Public Counsel Act sections ~~81-8,240 to 81-8,254~~, determine the form,
31 frequency, and distribution of the Public Counsel's ~~his or her~~

1 conclusions, recommendations, and proposals;

2 (3) Conduct inspections of the premises, or any parts of such
3 premises thereof, of any administrative agency or any property owned,
4 leased, or operated by any administrative agency as frequently as is
5 necessary, in the Public Counsel's ~~his or her~~ opinion, to carry out
6 duties prescribed under the Office of Public Counsel Act sections
7 ~~81-8,240 to 81-8,254~~;

8 (4) Request and receive from each administrative agency, and such
9 agency shall provide, the assistance and information the Public Counsel
10 ~~counsel~~ deems necessary for the discharge of the Public Counsel's ~~his or~~
11 ~~her~~ responsibilities; inspect and examine the records and documents of
12 all administrative agencies ~~notwithstanding any other provision of law~~;
13 and enter and inspect premises within any administrative agency's
14 control;

15 (5) Request the issuance of Issue a subpoena, enforceable by action
16 in an appropriate court, to compel any person to appear, give sworn
17 testimony, or produce documentary or other evidence deemed relevant to a
18 matter under the Public Counsel's ~~his or her~~ inquiry as provided in
19 section 18 of this act . ~~A person thus required to provide information~~
20 ~~shall be paid the same fees and travel allowances and shall be accorded~~
21 ~~the same privileges and immunities as are extended to witnesses in the~~
22 ~~district courts of this state and shall also be entitled to have counsel~~
23 ~~present while being questioned~~;

24 (6) Undertake, participate in, or cooperate with general studies or
25 inquiries, whether or not related to any particular administrative agency
26 or any particular administrative act, if the Public Counsel ~~he or she~~
27 believes that such general studies or inquiries they may assist the
28 Legislature in making ~~enhance knowledge about~~ or lead to improvements in
29 the functioning of administrative agencies;

30 (7) Make investigations, reports, and recommendations necessary to
31 carry out the Public Counsel's ~~his or her~~ duties under the State

1 Government Effectiveness Act;

2 ~~(8) Carry out his or her duties under the Office of Inspector~~
3 ~~General of Nebraska Child Welfare Act. If any of the provisions of~~
4 ~~sections 81-8,240 to 81-8,254 conflict with provisions of the Office of~~
5 ~~Inspector General of Nebraska Child Welfare Act, the provisions of such~~
6 ~~act shall control;~~

7 ~~(9) Carry out his or her duties under the Office of Inspector~~
8 ~~General of the Nebraska Correctional System Act. If any of the provisions~~
9 ~~of sections 81-8,240 to 81-8,254 conflict with the provisions of the~~
10 ~~Office of Inspector General of the Nebraska Correctional System Act, the~~
11 ~~provisions of such act shall control;~~

12 (8) ~~(10)~~ Investigate allegations of violation of subsection (2) of
13 section 84-908 by an administrative agency pursuant to a complaint made
14 to the Public Counsel's ~~his or her~~ office and make a determination as to
15 whether such administrative agency has violated such subsection. The
16 Public Counsel shall report the Public Counsel's ~~his or her~~ determination
17 in writing to the Governor, the Secretary of State, the Attorney General,
18 the Executive Board of the Legislative Council, and the director or chief
19 executive officer of the agency. The report to the executive board shall
20 be submitted electronically; and

21 (9) ~~(11)~~ Investigate and address the complaint and case of:

22 (a) Any juvenile committed to the custody of a youth rehabilitation
23 and treatment center; and

24 (b) Any juvenile released from a youth rehabilitation and treatment
25 center for reentry into the community, while that juvenile is subject to
26 the Community and Family Reentry Process and a service or treatment
27 program in which the juvenile may be involved after the juvenile's ~~his or~~
28 ~~her~~ release from a youth rehabilitation and treatment center, whether
29 that service or program is administrated by the Office of Juvenile
30 Services or a private provider in the community. The Office of Juvenile
31 Services and private providers in the community shall cooperate with any

1 investigation conducted by the Public Counsel pursuant to this
2 subdivision and provide all documentation and information requested by
3 the Public Counsel in connection with such an investigation.

4 **Sec. 8.** Section 81-8,246, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 ~~81-8,246~~ (1) In selecting matters for attention, the Public Counsel
7 shall particularly review an administrative act that might be:

8 (a) ~~(1)~~ Contrary to law or regulation;

9 (b) ~~(2)~~ Unreasonable, unfair, oppressive, or inconsistent with the
10 general course of an administrative agency's judgments;

11 (c) ~~(3)~~ Mistaken in law or arbitrary in ascertainments of fact;

12 (d) ~~(4)~~ Improper in motivation or based on irrelevant
13 considerations;

14 (e) ~~(5)~~ Unclear or inadequately explained when reasons should have
15 been revealed; or

16 (f) ~~(6)~~ Inefficiently performed.

17 (2) The Public Counsel may also work to strengthen procedures and
18 practices which lessen the risk that objectionable administrative acts
19 will occur.

20 **Sec. 9.** Section 81-8,247, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 ~~81-8,247~~ (1) The Public Counsel may receive a complaint from any
23 person concerning an administrative act. The Public Counsel shall conduct
24 a suitable investigation into the things complained of unless the Public
25 Counsel believes that:

26 (a) ~~(1)~~ The complainant has another remedy available which the
27 complainant could reasonably be expected to use;

28 (b) ~~(2)~~ The grievance pertains to a matter outside the Public
29 Counsel's power;

30 (c) ~~(3)~~ The complainant's interest is insufficiently related to the
31 subject matter;

1 (d) ~~(4)~~ The complaint is trivial, frivolous, vexatious, or not made
2 in good faith;

3 (e) ~~(5)~~ Other complaints are more worthy of attention;

4 (f) ~~(6)~~ The Public Counsel's resources are insufficient for adequate
5 investigation; or

6 (g) ~~(7)~~ The complaint has been too long delayed to justify present
7 examination of its merit.

8 (2) The Public Counsel's declining to investigate a complaint shall
9 not bar the Public Counsel from proceeding on the Public Counsel's own
10 motion to inquire into related problems. After completing consideration
11 of a complaint, whether or not it has been investigated, the Public
12 Counsel shall suitably inform the complainant and the administrative
13 agency involved.

14 **Sec. 10.** Section 81-8,248, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 ~~81-8,248~~ Before announcing a conclusion or recommendation that
17 expressly or impliedly criticizes an administrative agency or any person,
18 the Public Counsel shall consult with such ~~that~~ agency or person.

19 **Sec. 11.** Section 81-8,249, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 ~~81-8,249~~ (1) If, having considered a complaint and whatever material
22 the Public Counsel deems pertinent, the Public Counsel is of the opinion
23 that an administrative agency should (a) consider the matter further, (b)
24 modify or cancel an administrative act, (c) alter a regulation or ruling,
25 (d) explain more fully the administrative act in question, or (e) take
26 any other step, the Public Counsel shall make recommendations to the
27 administrative agency. ~~The If the Public Counsel so requests, the~~ agency
28 ~~may shall, within the time specified,~~ inform the Public Counsel about the
29 action taken on such recommendations or the reasons for not complying
30 with them.

31 (2) If the Public Counsel believes that an administrative action has

1 been dictated by a statute creating whose results that are unfair or
2 otherwise objectionable, the Public Counsel shall notify the Legislature
3 of the Public Counsel's ~~such~~ views concerning desirable statutory change.

4 **Sec. 12.** Section 81-8,250, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 ~~81-8,250~~ The Public Counsel may report conclusions and suggestions
7 by transmitting them to the Governor, the Legislature or any of its
8 committees, the press, and others who may be concerned. When publishing
9 an opinion adverse to an administrative agency, the Public Counsel shall
10 include any statement the administrative agency may have made to the
11 Public Counsel by way of explaining its past difficulties or its present
12 rejection of the Public Counsel's proposals.

13 **Sec. 13.** Section 81-8,251, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 ~~81-8,251~~ (1) In addition to whatever reports the Public Counsel ~~he~~
16 ~~or she~~ may make from time to time, the Public Counsel shall no later than
17 ~~on or about~~ February 15 of each year report to the Clerk of the
18 Legislature and to the Governor concerning the exercise of the Public
19 Counsel's ~~his or her~~ functions during the preceding calendar year. The
20 report submitted to the Clerk of the Legislature shall be submitted
21 electronically. In discussing matters with which the Public Counsel ~~he or~~
22 ~~she~~ has dealt, the Public Counsel need not identify those immediately
23 concerned if to do so would cause needless hardship. ~~If so far as~~ the
24 annual report criticizes any ~~may criticize~~ named agencies or officials,
25 the report it must ~~include~~ also include the ~~their~~ replies of the named
26 agencies or officials to such ~~the~~ criticism. Each member of the
27 Legislature shall receive an electronic copy of such report by making a
28 request for it to the Public Counsel.

29 (2) On or before December 15 of each year, the Public Counsel shall
30 submit a report electronically to the Clerk of the Legislature as
31 required under section 83-104 regarding state institutions.

1 **Sec. 14.** Section 81-8,252, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 ~~81-8,252~~ If the Public Counsel has reason to believe that any public
4 officer or employee has acted in a manner warranting criminal or
5 disciplinary proceedings, the Public Counsel shall refer the matter to
6 the appropriate authorities.

7 **Sec. 15.** Section 81-8,253, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 ~~81-8,253~~ (1) No proceeding, opinion, or expression of the Public
10 Counsel shall be reviewable in any court. Neither the Public Counsel nor
11 any member of the Public Counsel's staff shall be required to testify or
12 produce evidence in any judicial or administrative proceeding concerning
13 matters within the Public Counsel's official cognizance, except in a
14 proceeding brought to enforce the Office of Public Counsel Act sections
15 ~~81-8,240 to 81-8,254.~~

16 (2) Reports and investigations conducted by the Public Counsel are
17 not public records for purposes of sections 84-712 to 84-712.09.

18 **Sec. 16.** Section 81-8,254, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 ~~81-8,254~~ A person who willfully obstructs or hinders the proper
21 exercise of the Public Counsel's functions, or who willfully misleads or
22 attempts to mislead the Public Counsel's inquiries, shall be guilty of a
23 Class II misdemeanor. No employee of the State of Nebraska, who files a
24 complaint pursuant to the Office of Public Counsel Act sections ~~81-8,240~~
25 ~~to 81-8,254,~~ shall be subject to any penalties, sanctions, or
26 restrictions in connection with such employee's employment because of
27 such complaint.

28 **Sec. 17.** (1) Except as otherwise provided by law, any confidential
29 information or confidential records shared with the office of Public
30 Counsel shall remain confidential and shall not be shared by an employee
31 of the office with any person who is not an employee of the office,

1 including any member of the Legislative Oversight Committee.

2 (2) If any employee or former employee of the office knowingly
3 divulges or makes known, in any manner not permitted by law, confidential
4 information or confidential records, he or she shall be guilty of a Class
5 III misdemeanor and, in the case of an employee, shall be dismissed.

6 **Sec. 18.** (1) At the request of the Public Counsel, the Executive
7 Board of the Legislative Council, by a majority vote, may issue subpoenas
8 in connection with a specific inquiry or investigation undertaken
9 pursuant to the Office of Public Counsel Act to compel the production of
10 records and information and sworn testimony or other evidence deemed
11 relevant to such inquiry or investigation. The executive board shall vote
12 to determine whether to issue a subpoena within ten days after receipt of
13 the request.

14 (2) When authorized to issue subpoenas under this section, the
15 executive board may require any person to provide the records or
16 information requested within thirty days after the request except as
17 provided for in the subpoena or to appear at a hearing on the date set in
18 the subpoena.

19 (3) Litigation to compel or quash compliance with the authority
20 exercised pursuant to this section shall be advanced on the trial docket
21 and heard and decided by the court as quickly as possible. The court
22 shall issue its decision no later than twenty days after the filing of
23 the application or petition or a motion to quash, whichever is filed
24 first. Either party may appeal to the Court of Appeals within ten days
25 after a decision is rendered.

26 (4) The district court of Lancaster County has jurisdiction over all
27 litigation arising under this section. In all such litigation, the
28 executive board shall provide for legal representation for the office.

29 (5) In case of disobedience on the part of any person to comply with
30 any subpoena issued pursuant to this section, the executive board shall
31 vote on whether to find the person in contempt or to find that the

1 failure to comply was not willful.

2 (6) If the executive board finds a person in contempt as provided in
3 subsection (5) of this section, the executive board may, by application
4 or petition to the district court of Lancaster County, request that the
5 court compel obedience by proceedings for contempt as in the case of
6 disobedience of the requirements of a subpoena issued from such court.
7 The application or petition shall be filed by the chairperson of the
8 executive board.

9 (7) A person required to provide information under this section
10 shall be paid the same fees and travel allowances and shall be accorded
11 the same privileges and immunities as are extended to witnesses in the
12 district courts of this state and shall also be entitled to have counsel
13 present while being questioned. Consistent with the Nebraska Rules of
14 Professional Conduct, counsel for the agency or department that is the
15 subject of an investigation shall not represent a witness. Any fees
16 associated with counsel present under this section shall not be the
17 responsibility of the office of Public Counsel or the Legislative
18 Council.

19 **Sec. 19.** The Legislature finds and declares that:

20 (1) It is within the inherent power of the Legislature to secure
21 needed information in order to legislate, hold hearings, and conduct
22 investigations of matters related to the operation of state government.
23 This power of inquiry is broad and indispensable;

24 (2) Article IV, section 23, of the Constitution of Nebraska
25 specifically provides that the Legislature may at any time require that
26 information be provided to it from the officers and employees of state
27 agencies relating to the condition, management, and expenses of their
28 respective offices; and

29 (3) In order to assist the members of the Legislature in exercising
30 their inherent, constitutional, and statutory authority to conduct
31 investigations and provide oversight of the various agencies, branches,

1 departments, boards, bureaus, commissions, councils, subunits, and
2 committees of Nebraska state government, and to assist in the development
3 of legislation to improve and enhance the operation of state government,
4 the Legislature created the Division of Legislative Oversight.

5 **Sec. 20.** (1) The Division of Legislative Oversight is established
6 within the Legislative Council. The division shall be responsible for
7 conducting assessments, investigations, audits, inspections, and other
8 reviews of Nebraska state government to ensure the Legislature is able to
9 carry out its responsibilities to secure needed information to legislate
10 and appropriate. The Director of Legislative Oversight shall be
11 responsible for hiring, firing, and supervising division staff.

12 (2) Notwithstanding any other provision of law, the Division of
13 Legislative Oversight shall have access to confidential information and
14 confidential records necessary to carry out its responsibilities.

15 (3) Except as otherwise provided by law, any confidential
16 information or confidential records shared with the division shall remain
17 confidential and shall not be shared by an employee of the division with
18 any person who is not an employee of the division, including any member
19 of the Legislative Oversight Committee.

20 (4) If any employee or former employee of the division knowingly
21 divulges or makes known, in any manner not permitted by law, confidential
22 information or confidential records, he or she shall be guilty of a Class
23 III misdemeanor and, in the case of an employee, shall be dismissed.

24 **Sec. 21.** (1) The Director of Legislative Oversight shall be
25 appointed by the Executive Board of the Legislative Counsel as provided
26 in section 50-401.01. The Legislative Oversight Committee shall recommend
27 the person to be appointed director. The director shall be selected
28 without regard to political affiliation and on the basis of integrity,
29 capability for strong leadership, and demonstrated ability in accounting,
30 auditing, financial analysis, law, management analysis, public
31 administration, investigation, or criminal justice administration or

1 other closely related fields. No person may serve as director within two
2 years after the last day on which such person served as a member of the
3 Legislature or while such person is a candidate for or holds any other
4 state office.

5 (2) The Director of Legislative Oversight shall:

6 (a) Develop key performance indicators, with the approval of the
7 Legislative Oversight Committee, for both short-term and long-term
8 legislative oversight of state agencies and programs;

9 (b) Make recommendations to the Legislative Oversight Committee and
10 the Executive Board of the Legislative Council regarding the duties,
11 responsibilities, and activities of the division and division staff;

12 (c) Ensure that all assessments, investigations, audits,
13 inspections, and other reviews are conducted by the division without
14 regard to special or partisan interest; and

15 (d) Carry out the director's duties under the Legislative
16 Performance Audit Act, the Office of Inspector General of Nebraska Child
17 Welfare Act, and the Office of Inspector General of the Nebraska
18 Correctional System Act.

19 **Sec. 22.** (1) The Legislative Oversight Committee is hereby
20 established as a special legislative committee to exercise the authority
21 and perform the duties provided for in the Legislative Performance Audit
22 Act, the Office of Inspector General of Nebraska Child Welfare Act, and
23 the Office of Inspector General of the Nebraska Correctional System Act.
24 The committee shall be composed of the Speaker of the Legislature, the
25 chairperson of the Executive Board of the Legislative Council, the
26 chairperson of the Appropriations Committee of the Legislature, the
27 chairperson of the Judiciary Committee of the Legislature, the
28 chairperson of the Health and Human Services Committee of the
29 Legislature, and four other members of the Legislature to be chosen by
30 the Executive Board of the Legislature Council. The executive board shall
31 ensure that the Legislative Oversight Committee includes adequate

1 geographic representation. The chairperson and vice-chairperson of the
2 Legislative Oversight Committee shall be elected by a majority vote of
3 the committee.

4 (2) For purposes of tax incentive performance audits authorized
5 under the Legislative Performance Audit Act, the committee shall also
6 include as nonvoting members the chairperson of the Revenue Committee of
7 the Legislature or his or her designee and one other member of the
8 Revenue Committee, as selected by the Revenue Committee.

9 (3) The Legislative Oversight Committee shall be subject to all
10 rules prescribed by the Legislature. The committee shall be reconstituted
11 at the beginning of each Legislature and shall meet as needed.

12 **Sec. 23.** The Legislative Oversight Committee shall:

13 (1) Oversee and direct all aspects of the Division of Legislative
14 Oversight;

15 (2) Approve key performance indicators for the division;

16 (3) Receive quarterly briefings from the Director of Legislative
17 Oversight or other division staff; and

18 (4) Carry out the committee's duties under the Legislative
19 Performance Audit Act, the Office of Inspector General of Nebraska Child
20 Welfare Act, and the Office of Inspector General of the Nebraska
21 Correctional System Act.

22 **Sec. 24.** Section 43-4301, Revised Statutes Cumulative Supplement,
23 2024, is amended to read:

24 ~~43-4301~~ Sections 24 to 44 of this act ~~43-4301 to 43-4332~~ shall be
25 known and may be cited as the Office of Inspector General of Nebraska
26 Child Welfare Act.

27 **Sec. 25.** The Legislature finds and declares that:

28 (1) It is within the inherent power of the Legislature to secure
29 needed information in order to legislate, hold hearings, and conduct
30 investigations of matters related to the operation of state government.
31 This power of inquiry is broad and indispensable;

1 (2) Article IV, section 23, of the Constitution of Nebraska
2 specifically provides that the Legislature may at any time require that
3 information be provided to it from the officers and employees of state
4 agencies relating to the condition, management, and expenses of their
5 respective offices; and

6 (3) In order to establish a full-time program of investigation and
7 oversight of the Nebraska child welfare system and assist in the
8 development of legislation related to the Nebraska child welfare system,
9 the Legislature created the office of Inspector General of Nebraska Child
10 Welfare.

11 **Sec. 26.** Section 43-4302, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 ~~43-4302~~ (1) It is the intent of the Legislature that the Office of
14 Inspector General of Nebraska Child Welfare to:

15 ~~(a) Establish a full-time program of investigation and performance~~
16 ~~review to provide increased accountability and oversight of the Nebraska~~
17 ~~child welfare system;~~

18 ~~(a) (b)~~ Assist in improving operations of the Nebraska child welfare
19 system;

20 ~~(b) (c)~~ Provide an independent form of inquiry for concerns
21 regarding the actions of individuals and agencies responsible for the
22 care and protection of children and youth in the Nebraska child welfare
23 system. Confusion of the roles, responsibilities, and accountability
24 structures between individuals, private contractors, branches of
25 government, and agencies in the current system make it difficult for the
26 Legislature to monitor and oversee the Nebraska child welfare system; and

27 ~~(c) (d)~~ Provide a process for investigation and review to determine
28 if individual complaints and issues of investigation and inquiry reveal a
29 problem in the child welfare system, not just individual cases, that
30 necessitates legislative action for improved policies and restructuring
31 of the child welfare system.

1 (2) It is not the intent of the Legislature in enacting the Office
2 of Inspector General of Nebraska Child Welfare Act to interfere with the
3 duties of the Legislative Auditor or the Legislative Fiscal Analyst or to
4 interfere with the statutorily defined investigative responsibilities or
5 prerogatives of any officer, agency, board, bureau, commission,
6 association, society, or institution of the executive branch of state
7 government, except that the act does not preclude an inquiry on the sole
8 basis that another agency has the same responsibility. The act shall not
9 be construed to interfere with or supplant the responsibilities or
10 prerogatives of the Governor to investigate, monitor, and report on the
11 activities of the agencies, boards, bureaus, commissions, associations,
12 societies, and institutions of the executive branch under the Governor's
13 ~~his or her~~ administrative direction.

14 **Sec. 27.** Section 43-4303, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 ~~43-4303~~ For purposes of the Office of Inspector General of Nebraska
17 Child Welfare Act; ~~the definitions found in sections 43-4304 to 43-4316~~
18 ~~apply.~~

19 (1) Administrator means a person charged with administration of a
20 program, an office, or a division of the department or administration of
21 a private agency or licensed child care facility or the executive
22 director;

23 (2) Child welfare system means public and private agencies and
24 parties that provide or effect services or supervision to child-welfare-
25 system-involved children and their families;

26 (3) Commission means the Nebraska Commission on Law Enforcement and
27 Criminal Justice;

28 (4) Department means the Department of Health and Human Services;

29 (5) Director means the chief executive officer of the department;

30 (6) Executive director means the executive director of the
31 commission;

1 (7) Inspector General means the Inspector General of Nebraska Child
2 Welfare appointed under section 28 of this act;

3 (8) Juvenile services division means the Juvenile Services Division
4 of the Office of Probation Administration;

5 (9) Licensed child care facility means a facility or program
6 licensed under the Child Care Licensing Act, the Children's Residential
7 Facilities and Placing Licensure Act, or sections 71-1901 to 71-1906.01;

8 (10) Malfeasance means a wrongful act that the actor has no legal
9 right to do or any wrongful conduct that affects, interrupts, or
10 interferes with performance of an official duty;

11 (11) Management means supervision of subordinate employees;

12 (12) Misfeasance means the improper performance of some act that a
13 person may lawfully do;

14 (13) Obstruction means hindering an investigation, preventing an
15 investigation from progressing, stopping or delaying the progress of an
16 investigation, or making the progress of an investigation difficult or
17 slow;

18 (14) Office means the office of Inspector General of Nebraska Child
19 Welfare and includes the Inspector General and other employees of the
20 office;

21 (15) Private agency means a child welfare agency that contracts with
22 the department or the Office of Probation Administration or contracts to
23 provide services to another child welfare agency that contracts with the
24 department or the Office of Probation Administration;

25 (16) Record means any recording, in written, audio, electronic
26 transmission, or computer storage form, including, but not limited to, a
27 draft, memorandum, note, report, computer printout, notation, or message,
28 and includes, but is not limited to, medical records, mental health
29 records, case files, clinical records, financial records, and
30 administrative records; and

31 (17) Responsible individual means a foster parent, a relative

1 provider of foster care, or an employee of the department, the juvenile
2 services division, the commission, a foster home, a private agency, a
3 licensed child care facility, or another provider of child welfare
4 programs and services responsible for the care or custody of records,
5 documents, and files.

6 **Sec. 28.** Section 43-4317, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 ~~43-4317~~ (1) The office of Inspector General of Nebraska Child
9 Welfare is created within the Division of Legislative Oversight ~~office of~~
10 ~~Public Counsel~~ for the purpose of conducting investigations, audits,
11 inspections, and other oversight ~~reviews~~ of the Nebraska child welfare
12 system for the Legislature. The Inspector General shall be appointed by
13 the Director of Legislative Oversight ~~Public Counsel~~ with approval from
14 the chairperson of the Executive Board of the Legislative Council, the
15 chairperson of the Legislative Oversight Committee, and the chairperson
16 of the Health and Human Services Committee of the Legislature.

17 (2) The Inspector General shall be appointed for a term of five
18 years and may be reappointed. The Inspector General shall be selected
19 without regard to political affiliation and on the basis of integrity,
20 capability for strong leadership, and demonstrated ability in accounting,
21 auditing, financial analysis, law, management analysis, public
22 administration, investigation, or criminal justice administration or
23 other closely related fields. No former or current executive or manager
24 of the department may be appointed Inspector General within five years
25 after such former or current executive's or manager's period of service
26 with the department. Not later than two years after the date of
27 appointment, the Inspector General shall obtain certification as a
28 Certified Inspector General by the Association of Inspectors General, its
29 successor, or another nationally recognized organization that provides
30 and sponsors educational programs and establishes professional
31 qualifications, certifications, and licensing for inspectors general.

1 During the Inspector General's ~~his or her~~ employment, the Inspector
2 General shall not be actively involved in partisan affairs.

3 (3) The Inspector General shall employ such investigators and
4 support staff as the Inspector General ~~he or she~~ deems necessary to carry
5 out the duties of the office within the amount available by appropriation
6 through the Division of Legislative Oversight ~~office of Public Counsel~~
7 for the office of Inspector General of Nebraska Child Welfare. The
8 Inspector General shall be subject to the control and supervision of the
9 Director of Legislative Oversight ~~Public Counsel~~, except that removal of
10 the Inspector General shall require approval of the chairperson of the
11 Executive Board of the Legislative Council, the chairperson of the
12 Legislative Oversight Committee, and the chairperson of the Health and
13 Human Services Committee of the Legislature.

14 **Sec. 29.** Section 43-4318, Revised Statutes Cumulative Supplement,
15 2024, is amended to read:

16 ~~43-4318~~ (1) The office shall investigate:

17 (a) Allegations or incidents of possible misconduct, misfeasance,
18 malfeasance, or violations of statutes or of rules or regulations of:

19 (i) The department by an employee of or person under contract with
20 the department, a private agency, a licensed child care facility, a
21 foster parent, or any other provider of child welfare services or which
22 may provide a basis for discipline pursuant to the Uniform Credentialing
23 Act;

24 (ii) Subject to subsection (5) of this section, the juvenile
25 services division by an employee of or person under contract with the
26 juvenile services division, a private agency, a licensed facility, a
27 foster parent, or any other provider of juvenile justice services;

28 (iii) The commission by an employee of or person under contract with
29 the commission related to programs and services supported by the Nebraska
30 County Juvenile Services Plan Act, the Community-based Juvenile Services
31 Aid Program, juvenile pretrial diversion programs, or inspections of

1 juvenile facilities; and

2 (iv) A juvenile detention facility and staff secure juvenile
3 facility by an employee of or person under contract with such facilities;

4 (b) Death or serious injury in foster homes, private agencies, child
5 care facilities, juvenile detention facilities, staff secure juvenile
6 facilities, and other programs and facilities licensed by or under
7 contract with the department or the juvenile services division when the
8 office, upon review, determines the death or serious injury did not occur
9 by chance; ~~and~~

10 (c) Death or serious injury in any case in which services are
11 provided by the department or the juvenile services division to a child
12 or the child's his or her parents when the office upon review determines
13 that the death or serious injury did not occur by chance; and

14 (d) Death or serious injury in ~~or~~ any case involving an
15 investigation under the Child Protection and Family Safety Act if the
16 investigation took place within the twelve months prior to the death or
17 serious injury , ~~which case has been open for one year or less and~~ if the
18 office upon review determines the death or serious injury did not occur
19 by chance.

20 (2) The department, the juvenile services division, each juvenile
21 detention facility, and each staff secure juvenile facility shall report
22 to the office as soon as reasonably possible:

23 (a) All ~~all~~ cases of death or serious injury:

24 (i) Of ~~of~~ a child in a foster home, private agency, child care
25 facility or program, or other program or facility licensed by the
26 department or inspected through the commission;

27 (ii) In any case in which services are provided by the department to
28 a child or the child's parents; and

29 (iii) Involving an investigation under the Child Protection and
30 Family Safety Act if the investigation took place within the twelve
31 months prior to the death or serious injury and upon review determines

1 the death or serious injury did not occur by chance; and

2 ~~(b) All to the Inspector General as soon as reasonably possible~~
3 ~~after the department or the Office of Probation Administration learns of~~
4 ~~such death or serious injury and (b) all~~ allegations of sexual abuse of a
5 state ward, a juvenile on probation, a juvenile in a detention facility,
6 and a juvenile in a residential child-caring agency. ~~For purposes of this~~
7 ~~subsection, serious injury means an injury or illness caused by suspected~~
8 ~~abuse, neglect, or maltreatment which leaves a child in critical or~~
9 ~~serious condition.~~

10 (3)(a) The Office of Juvenile Services shall report to the office of
11 Inspector General of Nebraska Child Welfare as soon as reasonably
12 possible after any of the following instances occur at a youth
13 rehabilitation and treatment center:

- 14 (i) An assault;
15 (ii) An escape or elopement;
16 (iii) An attempted suicide;
17 (iv) Self-harm by a juvenile;
18 (v) Property damage not caused by normal wear and tear;
19 (vi) The use of mechanical restraints on a juvenile;
20 (vii) A significant medical event suffered by a juvenile; and
21 (viii) Internally substantiated violations of 34 U.S.C. 30301 et
22 seq.

23 (b) The Office of Juvenile Services and the office of Inspector
24 General of Nebraska Child Welfare shall, if requested by either party,
25 work in collaboration to clarify the specific parameters to comply with
26 subdivision (3)(a) of this section.

27 (4) The department shall notify the office of Inspector General of
28 Nebraska Child Welfare of any leadership changes within the Office of
29 Juvenile Services and the youth rehabilitation and treatment centers.

30 (5) With respect to any investigation conducted by the Inspector
31 General pursuant to subdivision (1)(a) of this section that involves

1 possible misconduct by an employee of the juvenile services division, the
2 Inspector General shall immediately notify the probation administrator
3 and provide the information pertaining to potential personnel matters to
4 the Office of Probation Administration.

5 (6) Any investigation conducted by the Inspector General shall be
6 independent of and separate from an investigation pursuant to the Child
7 Protection and Family Safety Act. The Inspector General and his or her
8 staff are subject to the reporting requirements of the Child Protection
9 and Family Safety Act.

10 (7) Notwithstanding the fact that a criminal investigation, a
11 criminal prosecution, or both are in progress, all law enforcement
12 agencies and prosecuting attorneys may ~~shall~~ cooperate with any
13 investigation conducted by the Inspector General and may ~~shall~~,
14 ~~immediately~~ upon request by the Inspector General, provide the Inspector
15 General with copies of all law enforcement reports which are relevant to
16 the Inspector General's investigation. All law enforcement reports which
17 have been provided to the Inspector General pursuant to this section are
18 not public records for purposes of sections 84-712 to 84-712.09 and shall
19 not be subject to discovery by any other person or entity. Except to the
20 extent that disclosure of information is otherwise provided for in the
21 Office of Inspector General of Nebraska Child Welfare Act, the Inspector
22 General shall maintain the confidentiality of all law enforcement reports
23 received pursuant to its request under this section. Law enforcement
24 agencies and prosecuting attorneys may ~~shall~~, when requested by the
25 Inspector General, collaborate with the Inspector General regarding all
26 other information relevant to the Inspector General's investigation. The
27 ~~If the Inspector General in conjunction with the Public Counsel~~
28 ~~determines it appropriate, the Inspector General~~ shall ~~may~~, when
29 requested to do so by a law enforcement agency or prosecuting attorney,
30 suspend an investigation by the office until a criminal investigation or
31 prosecution is completed or has proceeded to a point that, in the

1 judgment of the Inspector General, reinstatement of the Inspector
2 General's investigation will not impede or infringe upon the criminal
3 investigation or prosecution. Under no circumstance shall the Inspector
4 General interview any minor who has already been interviewed by a law
5 enforcement agency, personnel of the Division of Children and Family
6 Services of the department, or staff of a child advocacy center in
7 connection with a relevant ongoing investigation of a law enforcement
8 agency.

9 (8) The office may conduct audits, inspections, investigations, and
10 other oversight as necessary to perform the duties of the office and to
11 carry out the purposes of the Office of Inspector General of Nebraska
12 Child Welfare Act.

13 (9) For purposes of this section, serious injury means an injury or
14 illness caused by suspected abuse, neglect, or maltreatment.

15 **Sec. 30.** Section 43-4320, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 ~~43-4320~~ (1) Complaints to the office may be made in writing. The
18 office shall also maintain a toll-free telephone line for complaints. A
19 complaint shall be evaluated to determine if it alleges possible
20 misconduct, misfeasance, malfeasance, or violation of a statute or of
21 rules and regulations pursuant to section 29 of this act ~~43-4318~~. All
22 complaints shall be evaluated to determine whether a full investigation
23 is warranted.

24 (2) The office shall not conduct a full investigation of a complaint
25 unless:

26 (a) The complaint alleges misconduct, misfeasance, malfeasance, or
27 violation of a statute or of rules and regulations pursuant to section 29
28 of this act ~~43-4318~~;

29 (b) The complaint is against a person within the jurisdiction of the
30 office; and

31 (c) The allegations can be independently verified through

1 investigation.

2 (3) ~~After receipt of a complaint, the~~ The Inspector General shall
3 determine ~~within fourteen days after receipt of a complaint~~ whether the
4 office ~~it~~ will conduct a full investigation. A complaint alleging facts
5 which, if verified, would provide a basis for discipline under the
6 Uniform Credentialing Act shall be referred to the appropriate
7 credentialing board under the act.

8 (4) When a full investigation is opened on a private agency that
9 contracts with the Office of Probation Administration, the Inspector
10 General shall give notice of such investigation to the Office of
11 Probation Administration.

12 **Sec. 31.** Section 43-4321, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 ~~43-4321~~ (1) The office shall have access to all information and
15 personnel necessary to perform the duties of the office and to carry out
16 the Office of Inspector General of Nebraska Child Welfare Act.

17 (2) All employees of the department, the juvenile services division
18 as directed by the juvenile court or the Office of Probation
19 Administration, or the commission, all foster parents, and all owners,
20 operators, managers, supervisors, and employees of private agencies,
21 licensed child care facilities, juvenile detention facilities, staff
22 secure juvenile facilities, and other providers of child welfare services
23 or juvenile justice services shall cooperate with the office. Cooperation
24 includes, but is not limited to, the following:

25 (a) ~~(1)~~ Provision of full access to and production of records and
26 information. Providing access to and producing records and information
27 for the office is not a violation of confidentiality provisions under any
28 law, statute, rule, or regulation if done in good faith for purposes of
29 ~~an investigation under~~ the Office of Inspector General of Nebraska Child
30 Welfare Act;

31 (b) ~~(2)~~ Fair and honest disclosure of records and information

1 reasonably requested by the office pursuant to ~~in the course of an~~
2 ~~investigation under~~ the act;

3 (c) ~~(3)~~ Encouraging employees to fully comply with reasonable
4 requests of the office pursuant to ~~in the course of an investigation~~
5 ~~under~~ the act;

6 (d) ~~(4)~~ Prohibition of retaliation by owners, operators, or managers
7 against employees for providing records or information or filing or
8 otherwise making a complaint to the office;

9 (e) ~~(5)~~ Not requiring employees to gain supervisory approval prior
10 to filing a complaint with or providing records or information to the
11 office; and

12 (f) Not requiring employees to report filing a complaint with or
13 providing records or information to the office.

14 ~~(6) Provision of complete and truthful answers to questions posed by~~
15 ~~the office in the course of an investigation; and~~

16 ~~(7) Not willfully interfering with or obstructing the investigation.~~

17 **Sec. 32.** Section 43-4322, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 ~~43-4322~~ Failure to cooperate with an investigation by the office may
20 result in public disclosure of the failure to cooperate ~~discipline or~~
21 ~~other sanctions.~~

22 **Sec. 33.** Section 43-4323, Revised Statutes Cumulative Supplement,
23 2024, is amended to read:

24 ~~43-4323~~ (1) At the request of the Inspector General, and after
25 receiving prior approval by a majority vote of the Executive Board of the
26 Legislative Council, the Legislative Oversight Committee may issue
27 subpoenas in connection with a specific inquiry or investigation
28 undertaken pursuant to the Office of Inspector General of Nebraska Child
29 Welfare Act to compel the production of records and information and sworn
30 testimony or other evidence relevant to such inquiry or investigation.
31 The committee shall vote to determine whether to issue a subpoena within

1 ten days after receipt of the request.

2 (2) When authorized to issue subpoenas under this section, the
3 committee may require any employees of the department, the juvenile
4 services division, or the commission, any foster parents, or any owners,
5 operators, managers, supervisors, and employees of private agencies,
6 licensed child care facilities, juvenile detention facilities, staff
7 secure juvenile facilities, and other providers of child welfare services
8 or juvenile justice services to provide the records or information
9 requested within thirty days after the request, except as otherwise
10 provided for in the subpoena, or to appear at a hearing on the date set
11 in the subpoena.

12 (3) Litigation to compel or quash compliance with the authority
13 exercised pursuant to this section shall be advanced on the trial docket
14 and heard and decided by the court as quickly as possible. The court
15 shall issue its decision no later than twenty days after the filing of
16 the application or petition or a motion to quash, whichever is filed
17 first. Either party may appeal to the Court of Appeals within ten days
18 after a decision is rendered.

19 (4) The district court of Lancaster County has jurisdiction over all
20 litigation arising under this section. In all such litigation, the
21 executive board shall provide for legal representation for the committee.

22 (5) In case of disobedience on the part of any employees of the
23 department, the juvenile services division, or the commission, any foster
24 parents, or any owners, operators, managers, supervisors, and employees
25 of private agencies, licensed child care facilities, juvenile detention
26 facilities, staff secure juvenile facilities, and other providers of
27 child welfare services or juvenile justice services to comply with any
28 subpoena issued pursuant to this section, the committee shall vote on
29 whether to find the person in contempt or to find that the failure to
30 comply was not willful.

31 (6) If the committee finds a person in contempt as provided in

1 subsection (5) of this section, the committee may, by application or
2 petition to the district court of Lancaster County, request that the
3 court compel obedience by proceedings for contempt as in the case of
4 disobedience of the requirements of a subpoena issued from such court.
5 The application or petition shall be filed by the chairperson of the
6 committee.

7 ~~(7) The Inspector General may issue a subpoena, enforceable by~~
8 ~~action in an appropriate court, to compel any person to appear, give~~
9 ~~sworn testimony, or produce documentary or other evidence deemed relevant~~
10 ~~to a matter under his or her inquiry. A person thus required to provide~~
11 ~~information under this section shall be paid the same fees and travel~~
12 ~~allowances and shall be accorded the same privileges and immunities as~~
13 ~~are extended to witnesses in the district courts of this state and shall~~
14 ~~also be entitled to have counsel present while being questioned.~~
15 Consistent with the Nebraska Rules of Professional Conduct, counsel for
16 the agency or department that is the subject of an investigation shall
17 not represent a witness. Any fees associated with counsel present under
18 this section shall not be the responsibility of the office or the
19 Legislative Council of Inspector General of Nebraska Child Welfare.

20 **Sec. 34.** Section 43-4324, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 ~~43-4324~~ (1) A full investigation conducted by the office shall
23 consist of (a) access to, and retrieval of all, relevant records through
24 compliance with a request of the office, by voluntary production, or by
25 subpoena, (b) review of all relevant records, and (c) interviews of all
26 relevant persons ~~In conducting investigations, the office shall access~~
27 ~~all relevant records through subpoena, compliance with a request of the~~
28 ~~office, and voluntary production.~~

29 (2) The office may request or request the issuance of a subpoena for
30 any record necessary for the investigation from the department, the
31 juvenile services division as permitted by law, the commission, a foster

1 parent, a licensed child care facility, a juvenile detention facility, a
2 staff secure juvenile facility, or a private agency that is pertinent to
3 an investigation. All case files, licensing files, medical records,
4 financial and administrative records, and records required to be
5 maintained pursuant to applicable licensing rules shall be produced for
6 review by the office in the course of an investigation.

7 (3) ~~(2)~~ Compliance with a request of the office includes:

8 (a) Production of all records requested;

9 (b) A diligent search to ensure that all appropriate records are
10 included; ~~and~~

11 (c) A continuing obligation to immediately forward to the office any
12 relevant records received, located, or generated after the date of the
13 request; ~~-~~

14 (d) Provision of complete and truthful answers to questions posed by
15 the office in the course of an investigation; and

16 (e) Not willfully interfering with or obstructing an investigation.

17 ~~(4) (3)~~ The office shall seek access in a manner that respects the
18 dignity and human rights of all persons involved, maintains the integrity
19 of the investigation, and does not unnecessarily disrupt child welfare
20 programs or services. When advance notice to a foster parent or to an
21 administrator or his or her designee is not provided, the office
22 investigator shall, upon arrival at the departmental or division office,
23 ~~bureau, or division,~~ the private agency, the licensed child care
24 facility, the juvenile detention facility, the staff secure juvenile
25 facility, or the location of another provider of child welfare services,
26 request that an onsite employee notify the administrator or his or her
27 designee of the investigator's arrival.

28 ~~(5) (4)~~ When required by circumstances of an audit, inspection,
29 investigation, or other oversight ~~require,~~ the office may make an
30 unannounced visit to a foster home, a departmental or division office,
31 ~~bureau, or division,~~ a licensed child care facility, a juvenile detention

1 facility, a staff secure juvenile facility, a private agency, or another
2 provider ~~to request records relevant to an investigation.~~ The office may
3 request relevant records during such visit.

4 (6) ~~(5)~~ A responsible individual or an administrator may be asked to
5 sign a statement of record integrity and security when a record is
6 secured by request as the result of a visit by the office, stating:

7 (a) That the responsible individual or the administrator has made a
8 diligent search of the departmental or division office, bureau, division,
9 private agency, licensed child care facility, juvenile detention
10 facility, staff secure juvenile facility, or other provider's location to
11 determine that all appropriate records in existence at the time of the
12 request were produced;

13 (b) That the responsible individual or the administrator agrees to
14 immediately forward to the office any relevant records received, located,
15 or generated after the visit;

16 (c) The persons who have had access to the records since they were
17 secured; and

18 (d) Whether, to the best of the knowledge of the responsible
19 individual or the administrator, any records were removed from or added
20 to the record since it was secured.

21 (7) ~~(6)~~ The office shall permit a responsible individual, an
22 administrator, or an employee of a departmental or division office,
23 ~~bureau, or division,~~ a private agency, a licensed child care facility, a
24 juvenile detention facility, a staff secure juvenile facility, or another
25 provider to make photocopies of the original records within a reasonable
26 time in the presence of the office for purposes of creating a working
27 record in a manner that assures confidentiality.

28 (8) ~~(7)~~ The office shall present to the responsible individual or
29 the administrator or other employee of the departmental or division
30 office, ~~bureau, or division,~~ private agency, licensed child care
31 facility, juvenile detention facility, staff secure juvenile facility, or

1 other service provider a copy of the request, stating the date and the
2 titles of the records received.

3 (9) ~~(8)~~ If an original record is provided during an investigation,
4 the office shall return the original record as soon as practical but no
5 later than ten business ~~working~~ days after the date of the compliance
6 request.

7 (10) ~~(9)~~ All investigations conducted by the office shall be
8 conducted in a manner designed to ensure the preservation of evidence for
9 possible use in a criminal prosecution.

10 **Sec. 35.** Section 43-4325, Revised Statutes Cumulative Supplement,
11 2024, is amended to read:

12 ~~43-4325~~ (1) Reports of investigations conducted by the office shall
13 not be distributed beyond the entity that is the subject of the report
14 without the consent of the Inspector General.

15 (2) Except when a report is provided to a guardian ad litem or an
16 attorney in the juvenile court pursuant to subsection (2) of section 37
17 of this act ~~43-4327~~, the office shall redact confidential information
18 before distributing a report of an investigation.

19 (3) The office may disclose confidential information to the
20 chairperson of the Legislative Oversight Committee, the chairperson of
21 the Executive Board of the Legislative Council, the chairperson of the
22 Health and Human Services Committee of the Legislature, or the
23 chairperson of the Judiciary Committee of the Legislature when such
24 disclosure is, in the judgment of the Director of Legislative Oversight
25 ~~Public Counsel~~, desirable and necessary to keep the Legislature
26 ~~chairperson~~ informed of important events, issues, and developments in the
27 Nebraska child welfare system.

28 (4) The office may also disclose such confidential information to
29 the Legislative Oversight Committee when such disclosure is, in the
30 judgment of the chairperson of the Legislative Oversight Committee,
31 desirable and necessary to keep the Legislature informed of important

1 events, issues, and developments in the Nebraska child welfare system.

2 ~~(5)(a) (3)(a)~~ A summarized final report based on an investigation
3 may be publicly released in order to bring awareness to systemic issues.

4 (b) Such report shall be released only:

5 (i) After a disclosure is made to the ~~appropriate~~ chairperson of the
6 Legislative Oversight Committee ~~or chairpersons~~ pursuant to subsection
7 ~~(3) (2)~~ of this section; and

8 (ii) If a determination is made by the Inspector General with the
9 ~~appropriate~~ chairperson of the Legislative Oversight Committee that doing
10 so would be in the best interest of the public.

11 (c) If there is disagreement about whether releasing the report
12 would be in the best interest of the public, the chairperson of the
13 Executive Board of the Legislative Council shall ~~may be asked to~~ make the
14 final decision.

15 (d) The Legislative Oversight Committee shall be notified prior to a
16 report of an investigation being publicly released under this section.

17 ~~(6) (4)~~ Records and documents, regardless of physical form, that are
18 obtained or produced by the office in the course of an investigation are
19 not public records for purposes of sections 84-712 to 84-712.09. Reports
20 of investigations conducted by the office are not public records for
21 purposes of sections 84-712 to 84-712.09.

22 ~~(7) (5)~~ The office may withhold the identity of sources of
23 information to protect from retaliation any person who files a complaint
24 or provides information in good faith pursuant to the Office of Inspector
25 General of Nebraska Child Welfare Act.

26 **Sec. 36.** Section 43-4326, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 ~~43-4326~~ (1) The department shall provide the Director of Legislative
29 Oversight ~~Public Counsel~~ and the office ~~Inspector General~~ with direct
30 ~~computer~~ access to ~~all computerized~~ records, reports, and documents
31 maintained by the department in connection with administration of the

1 Nebraska child welfare system.

2 (2) The commission shall provide the office Inspector General with
3 ~~direct computer~~ access to ~~all computerized~~ records, reports, and
4 documents maintained in connection with administration of juvenile
5 justice services.

6 (3) The juvenile services division, as directed by the juvenile
7 court or the Office of Probation Administration, shall provide the office
8 ~~Inspector General~~ with ~~direct computer~~ access to ~~all computerized~~
9 records, reports, and documents maintained by the juvenile services
10 division in connection with a specific case under investigation.

11 (4) Information shall be provided in the most efficient and timely
12 way, in a manner that is least burdensome to the department, commission,
13 or division, and in a manner which maintains the confidentiality of the
14 information. This may include providing information through secure
15 electronic access to case files and secure access to information
16 maintained electronically in databases and case management systems.

17 **Sec. 37.** Section 43-4327, Revised Statutes Cumulative Supplement,
18 2024, is amended to read:

19 ~~43-4327~~ (1) The Inspector General's report of an investigation shall
20 be in writing ~~to the Public Counsel~~ and may ~~shall~~ contain
21 recommendations. The report may recommend systemic reform or case-
22 specific action, including a recommendation for discharge or discipline
23 of employees or for sanctions against a foster parent, private agency,
24 licensed child care facility, or other provider of child welfare services
25 or juvenile justice services. All recommendations to pursue discipline
26 shall be in writing and signed by the Inspector General. A report of an
27 investigation shall be presented to the Director of Legislative Oversight
28 and the Legislative Oversight Committee. The Inspector General shall
29 present the report of investigation to the director, the probation
30 administrator, or the executive director within three business fifteen
31 days after the report is presented to the Director of Legislative

1 ~~Oversight and the Legislative Oversight Committee Public Counsel.~~

2 (2) Any person receiving a report under this section shall not
3 further distribute the report or any confidential information contained
4 in the report beyond the entity that is the subject of the report. The
5 Inspector General, upon notifying the Director of Legislative Oversight
6 ~~Public Counsel~~ and the director, the probation administrator, or the
7 executive director, may distribute the report, to the extent that it is
8 relevant to a child's welfare, to the guardian ad litem and attorneys in
9 the juvenile court in which a case is pending involving the child or
10 family who is the subject of the report. The report shall not be
11 distributed beyond the parties except through the appropriate court
12 procedures to the judge.

13 (3) A report that identifies misconduct, misfeasance, malfeasance,
14 or violation of statute, rules, or regulations by an employee of the
15 department, the juvenile services division, the commission, a private
16 agency, a licensed child care facility, or another provider that is
17 relevant to providing appropriate supervision of an employee may be
18 shared with the employer of such employee. The employer shall ~~may~~ not
19 further distribute the report or any confidential information contained
20 in the report.

21 **Sec. 38.** Section 43-4328, Revised Statutes Cumulative Supplement,
22 2024, is amended to read:

23 ~~43-4328~~ (1) Within fifteen business days after a report is presented
24 to the director, the probation administrator, or the executive director
25 under section 37 of this act ~~43-4327~~, the director, probation
26 administrator, or executive director may ~~he or she shall~~ determine
27 whether to accept, reject, or request ~~in writing~~ modification of the
28 recommendations contained in the report. ~~Any~~ ~~The~~ ~~written~~ response shall
29 be in writing and may include corrections of factual errors. The
30 Inspector General, with input from the Director of Legislative Oversight
31 ~~Public Counsel~~, may consider any ~~the~~ ~~director's,~~ ~~probation~~

1 ~~administrator's, or executive director's~~ request for modifications but is
2 not obligated to accept such request. Such report shall become final (a)
3 upon the decision of the director, the probation administrator, or the
4 executive director to accept or reject the recommendations in the report,
5 (b) within fifteen business days after ~~or, if~~ the director, the probation
6 administrator, or the executive director requests modifications, ~~within~~
7 ~~fifteen days after such request~~ or after the Inspector General
8 incorporates such modifications, whichever occurs earlier, or (c) fifteen
9 days after the report is presented to the director, the probation
10 administrator, or the executive director if no response is received by
11 the Inspector General. If the Inspector General does not accept a
12 requested modification, the recommendation for which such modification
13 was requested shall be considered to be rejected by the director,
14 probation administrator, or executive director.

15 (2) After the recommendations have been accepted, rejected, or
16 modified, the report shall be presented to the foster parent, private
17 agency, licensed child care facility, or other provider of child welfare
18 services or juvenile justice services that is the subject of the report
19 and to persons involved in the implementation of the recommendations in
20 the report. Within fifteen business ~~thirty~~ days after receipt of the
21 report, the foster parent, private agency, licensed child care facility,
22 or other provider may submit a written response to the office to correct
23 any factual errors in the report and may ~~shall~~ determine whether to
24 accept, reject, or request in writing modification of the recommendations
25 contained in the report. The Inspector General, with input from the
26 Director of Legislative Oversight ~~Public Counsel~~, shall consider all
27 materials submitted under this subsection to determine whether a
28 corrected report shall be issued. If the Inspector General determines
29 that a corrected report is necessary, the corrected report shall be
30 issued within fifteen business days after receipt of the written
31 response.

1 (3) If the Inspector General does not issue a corrected report
2 pursuant to subsection (2) of this section, or if the corrected report
3 does not address all issues raised in the written response, the foster
4 parent, private agency, licensed child care facility, or other provider
5 may request that its written response, or portions of the response, be
6 appended to the report or corrected report.

7 (4) A report which raises issues related to credentialing under the
8 Uniform Credentialing Act shall be submitted to the appropriate
9 credentialing board under the act.

10 **Sec. 39.** Section 43-4329, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 ~~43-4329~~ No report or other work product of an investigation by the
13 Inspector General shall be reviewable in any court. Neither the Inspector
14 General nor any member of the Inspector General's ~~his or her~~ staff shall
15 be required to testify or produce evidence in any judicial or
16 administrative proceeding concerning matters within such person's ~~his or~~
17 ~~her~~ official cognizance except in a proceeding brought to enforce the
18 Office of Inspector General of Nebraska Child Welfare Act.

19 **Sec. 40.** Section 43-4330, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 ~~43-4330~~ The Office of Inspector General of Nebraska Child Welfare
22 Act does not require the Inspector General to investigate all complaints.
23 The Inspector General, with input from the Director of Legislative
24 Oversight ~~Public Counsel~~, shall prioritize and select investigations and
25 inquiries that further the intent of the act and assist in legislative
26 oversight of the Nebraska child welfare system and juvenile justice
27 system. If the Inspector General determines that the office ~~he or she~~
28 will not investigate a complaint, the Inspector General may recommend to
29 the parties alternative means of resolution of the issues in the
30 complaint.

31 **Sec. 41.** Section 43-4331, Revised Statutes Cumulative Supplement,

1 2024, is amended to read:

2 ~~43-4331~~ On or before September 15 of each year, the Inspector
3 General shall provide to ~~the Health and Human Services Committee of the~~
4 ~~Legislature, the Judiciary Committee of the Legislature, the Supreme~~
5 ~~Court,~~ and the Governor a report that includes a summary of reports and
6 investigations made under the Office of Inspector General of Nebraska
7 Child Welfare Act for the preceding year. The report to the Legislature
8 ~~summary provided to the committees shall be submitted provided~~
9 electronically and filed with the Clerk of the Legislature. The report
10 ~~summaries~~ shall detail recommendations and the status of implementation
11 of recommendations and may also include recommendations to the
12 Legislature committees regarding issues discovered through investigation,
13 audits, inspections, and reviews by the office that will (1) increase
14 accountability and legislative oversight of the Nebraska child welfare
15 system, (2) improve operations of the department, the juvenile services
16 division, the commission, and the Nebraska child welfare system, or (3)
17 deter and identify fraud, abuse, and illegal acts. The report ~~Such~~
18 ~~summary~~ shall include summaries of alternative response cases under
19 alternative response implemented in accordance with sections 28-710.01,
20 28-712, and 28-712.01 reviewed by the Inspector General. The report
21 ~~summaries~~ shall not contain any confidential or identifying information
22 concerning the subjects of the reports and investigations.

23 **Sec. 42.** Section 43-4332, Revised Statutes Cumulative Supplement,
24 2024, is amended to read:

25 ~~43-4332~~ Any person who has authority to recommend, approve, direct,
26 or otherwise take or affect personnel action shall not, with respect to
27 such authority:

28 (1) Take personnel action against an employee because of the
29 disclosure of information by the employee to the office which the
30 employee reasonably believes evidences wrongdoing under the Office of
31 Inspector General of Nebraska Child Welfare Act;

1 (2) Take personnel action against an employee as a reprisal for the
2 submission of an allegation of wrongdoing under the act to the office by
3 such employee; or

4 (3) Take personnel action against an employee as a reprisal for
5 providing information or testimony pursuant to actions initiated and
6 undertaken an investigation by the office.

7 **Sec. 43.** If the Inspector General has reason to believe that any
8 public officer or employee has acted in a manner that warrants criminal
9 or disciplinary action or proceedings, the Inspector General shall refer
10 the matter to the appropriate authorities.

11 **Sec. 44.** (1) Notwithstanding any other provision of law, the office
12 shall have access to confidential information and confidential records
13 necessary to carry out its responsibilities.

14 (2) Except as otherwise provided by law, any confidential
15 information or confidential records shared with the office shall remain
16 confidential and shall not be shared by an employee of the office with
17 any person who is not an employee of the office, including any member of
18 the Legislative Oversight Committee.

19 (3) If any employee or former employee of the office knowingly
20 divulges or makes known, in any manner not permitted by law, confidential
21 information or confidential records, he or she shall be guilty of a Class
22 III misdemeanor and, in the case of an employee, shall be dismissed.

23 **Sec. 45.** Section 47-901, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 ~~47-901~~ Sections 45 to 66 of this act ~~47-901 to 47-920~~ shall be known
26 and may be cited as the Office of Inspector General of the Nebraska
27 Correctional System Act.

28 **Sec. 46.** The Legislature finds and declares that:

29 (1) It is within the inherent power of the Legislature to secure
30 needed information in order to legislate, hold hearings, and conduct
31 investigations of matters related to the operation of state government.

1 This power of inquiry is broad and indispensable;

2 (2) Article IV, section 19, of the Constitution of Nebraska
3 specifically provides that the general management, control, and
4 government of all state reformatory and penal institutions shall be
5 vested as determined by the Legislature;

6 (3) Article IV, section 23, of the Constitution of Nebraska
7 specifically provides that the Legislature may at any time require that
8 information be provided to it from the officers and employees of state
9 agencies relating to the condition, management, and expenses of their
10 respective offices; and

11 (4) In order to establish a full-time program of investigation and
12 oversight of the Nebraska correctional system and assist in the
13 development of legislation related to the Nebraska correctional system,
14 the Legislature created the office of Inspector General of the Nebraska
15 Correctional System.

16 **Sec. 47.** Section 47-902, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 ~~47-902~~ (1) It is the intent of the Legislature that the office of
19 Inspector General of the Nebraska Correctional System to:

20 ~~(a) Establish a full-time program of investigation and performance~~
21 ~~review to provide increased accountability and oversight of the Nebraska~~
22 ~~correctional system;~~

23 (a) (b) Assist in improving operations of the department and the
24 Nebraska correctional system;

25 (b) (c) Provide an independent form of inquiry for concerns
26 regarding the actions of individuals and agencies responsible for the
27 supervision and release of persons in the Nebraska correctional system. A
28 lack of responsibility and accountability ~~between individuals and private~~
29 agencies in the current system makes make it difficult for the
30 Legislature to monitor and oversee the Nebraska correctional system; and

31 (c) (d) Provide a process for investigation and review in order to

1 improve policies and procedures of the correctional system.

2 (2) It is not the intent of the Legislature in enacting the Office
3 of Inspector General of the Nebraska Correctional System Act to interfere
4 with the duties of the Legislative Auditor or the Legislative Fiscal
5 Analyst or to interfere with the statutorily defined investigative
6 responsibilities or prerogatives of any officer, agency, board, bureau,
7 commission, association, society, or institution of the executive branch
8 of state government, except that the act does not preclude an inquiry on
9 the sole basis that another agency has the same responsibility. The act
10 shall not be construed to interfere with or supplant the responsibilities
11 or prerogatives of the Governor to investigate, monitor, and report on
12 the activities of the agencies, boards, bureaus, commissions,
13 associations, societies, and institutions of the executive branch under
14 the Governor's ~~his or her~~ administrative direction.

15 **Sec. 48.** Section 47-903, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 ~~47-903~~ For purposes of the Office of Inspector General of the
18 Nebraska Correctional System Act, the following definitions apply:

19 (1) Administrator means a person charged with administration of (a)
20 a program or ~~an office~~ ~~or a division~~ of the department, (b) the
21 division, or (c) administration of a private agency;

22 (2) Department means the Department of Correctional Services;

23 (3) Director means the Director of Correctional Services;

24 (4) Division means the Division of Parole Supervision ~~means the~~
25 ~~division created pursuant to section 83-1,100;~~

26 (5) Inspector General means the Inspector General of the Nebraska
27 Correctional System appointed under section 49 of this act ~~47-904;~~

28 (6) Malfeasance means a wrongful act that the actor has no legal
29 right to do or any wrongful conduct that affects, interrupts, or
30 interferes with performance of an official duty;

31 (7) Management means supervision of subordinate employees;

1 (8) Misfeasance means the improper performance of some act that a
2 person may lawfully do;

3 (9) Obstruction means hindering an investigation, preventing an
4 investigation from progressing, stopping or delaying the progress of an
5 investigation, or making the progress of an investigation difficult or
6 slow;

7 (10) Office means the office of Inspector General of the Nebraska
8 Correctional System and includes the Inspector General and other
9 employees of the office;

10 (11) Parole director means the director of the division;

11 (12) ~~(11)~~ Private agency means an entity that contracts with the
12 department or division or contracts to provide services to another entity
13 that contracts with the department or division; and

14 (13) ~~(12)~~ Record means any recording in written, audio, electronic
15 transmission, or computer storage form, including, but not limited to, a
16 draft, memorandum, note, report, computer printout, notation, or message,
17 and includes, but is not limited to, medical record records, mental
18 health record records, case file files, clinical record records,
19 financial record records, and administrative record records.

20 **Sec. 49.** Section 47-904, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 ~~47-904~~ (1) The office of Inspector General of the Nebraska
23 Correctional System is created within the Division of Legislative
24 Oversight ~~office of Public Counsel~~ for the purpose of conducting
25 investigations, audits, inspections, and other oversight ~~reviews~~ of the
26 Nebraska correctional system for the Legislature. The Inspector General
27 shall be appointed by the Director of Legislative Oversight ~~Public~~
28 ~~Counsel~~ with approval from the chairperson of the Executive Board of the
29 Legislative Council, the chairperson of the Legislative Oversight
30 Committee, and the chairperson of the Judiciary Committee of the
31 Legislature.

1 (2) The Inspector General shall be appointed for a term of five
2 years and may be reappointed. The Inspector General shall be selected
3 without regard to political affiliation and on the basis of integrity,
4 capability for strong leadership, and demonstrated ability in accounting,
5 auditing, financial analysis, law, management, public administration,
6 investigation, or criminal justice administration or other closely
7 related fields. No former or current executive or manager of the
8 department or division shall be appointed Inspector General within five
9 years after such former or current executive's or manager's period of
10 service with the department or division. Not later than two years after
11 the date of appointment, the Inspector General shall obtain certification
12 as a Certified Inspector General by the Association of Inspectors
13 General, its successor, or another nationally recognized organization
14 that provides and sponsors educational programs and establishes
15 professional qualifications, certifications, and licensing for inspectors
16 general. During the Inspector General's ~~his or her~~ employment, the
17 Inspector General shall not be actively involved in partisan affairs.

18 (3) The Inspector General shall employ such investigators and
19 support staff as the Inspector General ~~he or she~~ deems necessary to carry
20 out the duties of the office within the amount available by appropriation
21 through the Division of Legislative Oversight ~~office of Public Counsel~~
22 for the office of Inspector General of the Nebraska Correctional System.
23 The Inspector General shall be subject to the control and supervision of
24 the Director of Legislative Oversight ~~Public Counsel~~, except that removal
25 of the Inspector General shall require approval of the chairperson of the
26 Executive Board of the Legislative Council, the chairperson of the
27 Legislative Oversight Committee, and the chairperson of the Judiciary
28 Committee of the Legislature.

29 **Sec. 50.** Section 47-905, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 ~~47-905~~ (1) The office shall investigate:

1 (a) Allegations or incidents of possible misconduct, misfeasance,
2 malfeasance, or violations of statutes or of rules or regulations of the
3 department or division by an employee of or a person under contract with
4 the department or division or a private agency; and

5 (b) Death or serious injury of individuals committed to the custody
6 of the department or under the supervision of the division ~~in private~~
7 ~~agencies, department correctional facilities, and other programs and~~
8 ~~facilities licensed by or under contract with the department.~~ The
9 department or division shall report all such cases of death or serious
10 injury ~~of a person in a private agency, department correctional facility~~
11 ~~or program, or other program or facility licensed by the department to~~
12 the Inspector General as soon as reasonably possible after the department
13 or division learns of such death or serious injury. The department or
14 division shall also report all cases of the death or serious injury of an
15 employee when acting in such employee's ~~his or her~~ capacity as an
16 employee of the department or division as soon as reasonably possible
17 after the department or division learns of such death or serious injury.
18 The department or division shall also report all cases when an employee
19 is hospitalized in response to an injury received when such employee is
20 acting in such employee's ~~his or her~~ capacity as an employee of the
21 department or division as soon as reasonably possible after the
22 department or division learns of such hospitalization. For purposes of
23 this subdivision, serious injury means an injury which requires urgent
24 and immediate medical treatment and restricts the injured person's usual
25 activity.

26 (2) Any investigation conducted by the Inspector General shall be
27 independent of and separate from an investigation pursuant to sections
28 23-1821 to 23-1823.

29 (3) Notwithstanding the fact that a criminal investigation, a
30 criminal prosecution, or both are in progress, all law enforcement
31 agencies and prosecuting attorneys may ~~shall~~ cooperate with any

1 investigation conducted by the Inspector General and ~~may, shall,~~
2 ~~immediately~~ upon request by the Inspector General, provide the Inspector
3 General with copies of all law enforcement reports which are relevant to
4 the Inspector General's investigation. All law enforcement reports which
5 have been provided to the Inspector General pursuant to this section are
6 not public records for purposes of sections 84-712 to 84-712.09 and shall
7 not be subject to discovery by any other person or entity. Except to the
8 extent that disclosure of information is otherwise provided for in the
9 Office of Inspector General of the Nebraska Correctional System Act, the
10 Inspector General shall maintain the confidentiality of all law
11 enforcement reports received pursuant to its request under this section.
12 Law enforcement agencies and prosecuting attorneys ~~may shall,~~ when
13 requested by the Inspector General, collaborate with the Inspector
14 General regarding all other information relevant to the Inspector
15 General's investigation. ~~The If the Inspector General in conjunction with~~
16 ~~the Public Counsel determines it appropriate,~~ the Inspector General shall
17 ~~may,~~ when requested to do so by a law enforcement agency or prosecuting
18 attorney, suspend an investigation by the office until a criminal
19 investigation or prosecution is completed or has proceeded to a point
20 that, in the judgment of the Inspector General, reinstatement of the
21 Inspector General's investigation will not impede or infringe upon the
22 criminal investigation or prosecution.

23 (4) The office may conduct audits, inspections, investigations, and
24 other oversight as necessary to perform the duties of the office and to
25 carry out the purposes of the Office of Inspector General of the Nebraska
26 Correctional System Act.

27 **Sec. 51.** Section 47-907, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 ~~47-907~~ (1) Complaints to the office may be made in writing. A
30 complaint shall be evaluated to determine if it alleges possible
31 misconduct, misfeasance, malfeasance, or violation of a statute or of

1 rules and regulations of the department or division by an employee of or
2 a person under contract with the department or division or a private
3 agency. All complaints shall be evaluated to determine whether a full
4 investigation is warranted.

5 (2) The office shall not conduct a full investigation of a complaint
6 unless:

7 (a) The complaint alleges misconduct, misfeasance, malfeasance, or
8 violation of a statute or of rules and regulations of the department or
9 division;

10 (b) The complaint is against a person within the jurisdiction of the
11 office; and

12 (c) The allegations can be independently verified through
13 investigation.

14 (3) After receipt of a complaint, the The Inspector General shall
15 ~~determine within fourteen days after receipt of a complaint~~ whether the
16 office will conduct a full investigation.

17 (4) When a full investigation is opened on a private agency that
18 contracts with the department or division, the Inspector General shall
19 give notice of such investigation to the department or division.

20 **Sec. 52.** Section 47-908, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 ~~47-908~~ (1) The office shall have access to all information and
23 personnel necessary to perform the duties of the office and to carry out
24 the Office of Inspector General of the Nebraska Correctional System Act.

25 (2) All employees of the department, all employees of the division
26 ~~Division of Parole Supervision~~, and all owners, operators, managers,
27 supervisors, and employees of private agencies shall cooperate with the
28 office. Cooperation includes, but is not limited to, the following:

29 (a) ~~(1)~~ Provision of full access to and production of records and
30 information. Providing access to and producing records and information
31 for the office is not a violation of confidentiality provisions under any

1 statute, rule, or regulation if done in good faith for purposes of an
2 ~~investigation under~~ the Office of Inspector General of the Nebraska
3 Correctional System Act;

4 (b) ~~(2)~~ Fair and honest disclosure of records and information
5 reasonably requested by the office pursuant to ~~in the course of an~~
6 ~~investigation under~~ the act;

7 (c) ~~(3)~~ Encouraging employees to fully comply with reasonable
8 requests of the office pursuant to ~~in the course of an investigation~~
9 ~~under~~ the act;

10 (d) ~~(4)~~ Prohibition of retaliation by owners, operators, or managers
11 against employees for providing records or information or filing or
12 otherwise making a complaint to the office;

13 (e) ~~(5)~~ Not requiring employees to gain supervisory approval prior
14 to filing a complaint with or providing records or information to the
15 office; and

16 (f) Not requiring employees to report filing a complaint with or
17 providing records or information to the office.

18 ~~(6) Provision of complete and truthful answers to questions posed by~~
19 ~~the office in the course of an investigation; and~~

20 ~~(7) Not willfully interfering with or obstructing the investigation.~~

21 **Sec. 53.** Section 47-909, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 ~~47-909~~ Failure to cooperate with an investigation by the office may
24 result in public disclosure of the failure to cooperate discipline or
25 ~~other sanctions.~~

26 **Sec. 54.** Section 47-910, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 ~~47-910~~ (1) At the request of the Inspector General, and after
29 receiving prior approval by a majority vote of the Executive Board of the
30 Legislative Council, the Legislative Oversight Committee may issue
31 subpoenas in connection with a specific inquiry or investigation

1 undertaken pursuant to the Office of Inspector General of the Nebraska
2 Correctional System Act to compel the production of records and
3 information and sworn testimony or other evidence relevant to such
4 inquiry or investigation. The committee shall vote to determine whether
5 to issue a subpoena within ten days after receipt of the request.

6 (2) When authorized to issue subpoenas under this section, the
7 committee may require any employees of the department or the division or
8 any owners, operators, managers, supervisors, and employees of private
9 agencies to provide the records or information requested within thirty
10 days after the request, except as otherwise provided for in the subpoena,
11 or to appear at a hearing on the date set in the subpoena.

12 (3) Litigation to compel or quash compliance with the authority
13 exercised pursuant to this section shall be advanced on the trial docket
14 and heard and decided by the court as quickly as possible. The court
15 shall issue its decision no later than twenty days after the filing of
16 the application or petition or a motion to quash, whichever is filed
17 first. Either party may appeal to the Court of Appeals within ten days
18 after a decision is rendered.

19 (4) The district court of Lancaster County has jurisdiction over all
20 litigation arising under this section. In all such litigation, the
21 executive board shall provide for legal representation for the committee.

22 (5) In case of disobedience on the part of any employees of the
23 department or the division or any owners, operators, managers,
24 supervisors, and employees of private agencies to comply with any
25 subpoena issued pursuant to this section, the committee shall vote on
26 whether to find the person in contempt or to find that the failure to
27 comply was not willful.

28 (6) If the committee finds a person in contempt as provided in
29 subsection (5) of this section, the committee may, by application or
30 petition to the district court of Lancaster County, request that the
31 court compel obedience by proceedings for contempt as in the case of

1 disobedience of the requirements of a subpoena issued from such court.
2 The application or petition shall be filed by the chairperson of the
3 committee.

4 ~~(7) The Inspector General may issue a subpoena, enforceable by~~
5 ~~action in an appropriate court, to compel any person to appear, give~~
6 ~~sworn testimony, or produce documentary or other evidence deemed relevant~~
7 ~~to a matter under his or her inquiry. A person thus required to provide~~
8 information under this section shall be paid the same fees and travel
9 allowances and shall be accorded the same privileges and immunities as
10 are extended to witnesses in the district courts of this state and shall
11 also be entitled to have counsel present while being questioned.
12 Consistent with the Nebraska Rules of Professional Conduct, counsel for
13 the agency or department that is the subject of an investigation shall
14 not represent a witness. Any fees associated with counsel present under
15 this section shall not be the responsibility of the office or the
16 Legislative Council.

17 **Sec. 55.** Section 47-911, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 ~~47-911~~ (1) A full investigation conducted by the office shall
20 consist of (a) access to and retrieval of all relevant records through
21 compliance with a request of the office, by voluntary production, or by
22 subpoena, (b) review of all relevant records, and (c) interviews of all
23 relevant persons ~~In conducting investigations, the office shall access~~
24 ~~all relevant records through subpoena, compliance with a request by the~~
25 ~~office, and voluntary production. The office may request or~~ request the
26 issuance of a subpoena for any record necessary for the investigation
27 from the department, the division, or a private agency that is pertinent
28 to an investigation. All case files, licensing files, medical records,
29 financial and administrative records, and records required to be
30 maintained pursuant to applicable licensing rules shall be produced for
31 review by the office in the course of an investigation.

1 (2) Compliance with a request of the office includes:

2 (a) Production of all records requested;

3 (b) A diligent search to ensure that all appropriate records are
4 included; ~~and~~

5 (c) A continuing obligation to immediately forward to the office any
6 relevant records received, located, or generated after the date of the
7 request; ~~and~~

8 (d) Provision of complete and truthful answers to questions posed by
9 the office in the course of an investigation; and

10 (e) Not willfully interfering with or obstructing an investigation.

11 (3) The office shall seek access in a manner that respects the
12 dignity and human rights of all persons involved, maintains the integrity
13 of the investigation, and does not unnecessarily disrupt department or
14 division programs or services. ~~When advance notice to an administrator or~~
15 ~~his or her designee is not provided, the office investigator shall, upon~~
16 ~~arrival at the departmental office, bureau, or division or private~~
17 ~~agency, request that an onsite employee notify the administrator or his~~
18 ~~or her designee of the investigator's arrival.~~

19 (4) When circumstances of an audit, inspection, investigation, or
20 review require, the office may make an announced or unannounced visit to
21 a departmental office, ~~bureau, or division,~~ a department correctional
22 facility, a parole office, or a private agency ~~to request records~~
23 ~~relevant to an investigation.~~ The office may request relevant records
24 during such visit.

25 (5) A responsible individual or an administrator may be asked to
26 sign a statement of record integrity and security when a record is
27 secured by request as the result of a visit by the office, stating:

28 (a) That the responsible individual or the administrator has made a
29 diligent search of the departmental office, bureau, division, private
30 agency, or department correctional facility, parole office, or private
31 agency to determine that all appropriate records in existence at the time

1 of the request were produced;

2 (b) That the responsible individual or the administrator agrees to
3 immediately forward to the office any relevant records received, located,
4 or generated after the visit;

5 (c) The persons who have had access to the records since they were
6 secured; and

7 (d) Whether, to the best of the knowledge of the responsible
8 individual or the administrator, any records were removed from or added
9 to the record since it was secured.

10 (6) The office shall permit a responsible individual, an
11 administrator, or an employee of a departmental office, ~~bureau, or~~
12 ~~division, a private agency, or~~ a department correctional facility, a
13 parole office, or a private agency to make photocopies of the original
14 records within a reasonable time in the presence of the office for
15 purposes of creating a working record in a manner that assures
16 confidentiality.

17 (7) The office shall present to the responsible individual or the
18 administrator or other employee of the departmental office, ~~bureau, or~~
19 ~~division, private agency, or~~ department correctional facility, parole
20 office, or private agency a copy of the request, stating the date and the
21 titles of the records received.

22 (8) If an original record is provided during an investigation, the
23 office shall return the original record as soon as practical but no later
24 than ten business working days after the date of the compliance request.

25 (9) All investigations conducted by the office shall be conducted in
26 a manner designed to ensure the preservation of evidence for possible use
27 in a criminal prosecution.

28 **Sec. 56.** Section 47-912, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 ~~47-912~~ (1) Reports of investigations conducted by the office shall
31 not be distributed beyond the entity that is the subject of the report

1 without the consent of the Inspector General.

2 (2) The office shall redact confidential information before
3 distributing a report of an investigation.

4 (3) The office may disclose confidential information to the
5 chairperson of the Legislative Oversight Committee, the chairperson of
6 the Executive Board of the Legislative Council, and the chairperson of
7 the Judiciary Committee of the Legislature when such disclosure is, in
8 the judgment of the Director of Legislative Oversight Public Counsel,
9 desirable to keep the Legislature chairperson informed of important
10 events, issues, and developments in the Nebraska correctional system.

11 (4) The office may also disclose such confidential information to
12 the Legislative Oversight Committee when such disclosure is, in the
13 judgment of the chairperson of the Legislative Oversight Committee,
14 desirable and necessary to keep the Legislature informed of important
15 events, issues, and developments in the Nebraska correctional system.

16 (5)(a) ~~(3)(a)~~ A summarized final report based on an investigation
17 may be publicly released in order to bring awareness to systemic issues.

18 (b) Such report shall be released only:

19 (i) After a disclosure is made to the chairperson of the Legislative
20 Oversight Committee pursuant to subsection ~~(3)~~ ~~(2)~~ of this section; and

21 (ii) If a determination is made by the Inspector General with the
22 chairperson of the Legislative Oversight Committee that doing so would be
23 in the best interest of the public.

24 (c) If there is disagreement about whether releasing the report
25 would be in the best interest of the public, the chairperson of the
26 Executive Board of the Legislative Council shall ~~may be asked to~~ make the
27 final decision.

28 (d) The Legislative Oversight Committee shall be notified prior to a
29 report of an investigation being publicly released under this section.

30 (6) ~~(4)~~ Records and documents, regardless of physical form, that are
31 obtained or produced by the office in the course of an investigation are

1 not public records for purposes of sections 84-712 to 84-712.09. Reports
2 of investigations conducted by the office are not public records for
3 purposes of sections 84-712 to 84-712.09.

4 ~~(7)~~ (5) The office may withhold the identity of sources of
5 information to protect from retaliation any person who files a complaint
6 or provides information in good faith pursuant to the Office of Inspector
7 General of the Nebraska Correctional System Act.

8 **Sec. 57.** Section 47-913, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 ~~47-913~~ (1) The department shall provide the Director of Legislative
11 Oversight ~~Public Counsel~~ and the office ~~Inspector General~~ with direct
12 ~~computer~~ access to ~~all computerized~~ records, reports, and documents
13 maintained by the department in connection with administration of the
14 Nebraska correctional system. The Director of Legislative Oversight's ~~7~~
15 ~~except that the Public Counsel's~~ and Inspector General's access to an
16 inmate's medical or mental health records shall be subject to the
17 inmate's consent unless an inmate death is being investigated pursuant to
18 subdivision (1)(b) of section 50 of this act.

19 (2) Information shall be provided in the most efficient and timely
20 way, in a manner that is least burdensome to the department, and in a
21 manner which maintains the confidentiality of the information. This may
22 include providing information through secure electronic access to case
23 files and secure access to information maintained electronically in
24 databases and case management systems.

25 **Sec. 58.** Section 47-914, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 ~~47-914~~ (1) The Inspector General's report of an investigation shall
28 be in writing and may ~~to the Public Counsel and shall~~ contain
29 recommendations. The report may recommend systemic reform or case-
30 specific action, including a recommendation for discharge or discipline
31 of employees or for sanctions against a private agency. All

1 recommendations to pursue discipline shall be in writing and signed by
2 the Inspector General. A report of an investigation shall be presented to
3 the Director of Legislative Oversight and the Legislative Oversight
4 Committee. The Inspector General shall present the report of
5 investigation to the director or parole director within three business
6 fifteen days after the report is presented to the Director of Legislative
7 Oversight and the Legislative Oversight Committee ~~Public Counsel.~~

8 (2) Any person receiving a report under this section shall not
9 further distribute the report or any confidential information contained
10 in the report. The report shall not be distributed beyond the parties
11 except through the appropriate court procedures to the judge.

12 (3) A report that identifies misconduct, misfeasance, malfeasance,
13 violation of statute, or violation of rules and regulations by an
14 employee of the department, the division, or a private agency that is
15 relevant to providing appropriate supervision of an employee may be
16 shared with the employer of such employee. The employer shall ~~may~~ not
17 further distribute the report or any confidential information contained
18 in the report.

19 **Sec. 59.** Section 47-915, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 ~~47-915~~ (1) Within fifteen business days after a report is presented
22 to the director or parole director under section 58 of this act, the
23 director or parole director may ~~47-914, he or she shall~~ determine whether
24 to accept, reject, or request ~~in writing~~ modification of the
25 recommendations contained in the report. Any response shall be in writing
26 and may include corrections of factual errors. The Inspector General,
27 with input from the Director of Legislative Oversight ~~Public Counsel,~~ may
28 consider any ~~the director's~~ request for modifications but is not
29 obligated to accept such request. Such report shall become final (a) upon
30 the decision of the director or parole director to accept or reject the
31 recommendations in the report, (b) within fifteen business days after ~~or,~~

1 ~~if the director or parole director requests modifications , within~~
2 ~~fifteen days after such request or after the Inspector General~~
3 ~~incorporates such modifications, whichever occurs earlier, or (c) fifteen~~
4 ~~days after the report is presented to the director or parole director if~~
5 ~~no response is made. If the Inspector General does not accept a requested~~
6 ~~modification, the recommendation for which such modification was~~
7 ~~requested shall be considered to be rejected by the director or parole~~
8 ~~director.~~

9 (2) Within fifteen business days after the report is presented to
10 the director or parole director, the report shall be presented to the
11 private agency or other provider of correctional or parole services that
12 is the subject of the report and to persons involved in the
13 implementation of the recommendations in the report. Within fifteen
14 business ~~forty-five~~ days after receipt of the report, the private agency
15 or other provider may submit a written response to the office to correct
16 any factual errors in the report. The Inspector General, with input from
17 the Director of Legislative Oversight ~~Public Counsel~~, shall consider all
18 materials submitted under this subsection to determine whether a
19 corrected report shall be issued. If the Inspector General determines
20 that a corrected report is necessary, the corrected report shall be
21 issued within fifteen business days after receipt of the written
22 response.

23 (3) If the Inspector General does not issue a corrected report
24 pursuant to subsection (2) of this section or if the corrected report
25 does not address all issues raised in the written response, the private
26 agency or other provider may request that its written response, or
27 portions of the response, be appended to the report or corrected report.

28 **Sec. 60.** Section 47-916, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 ~~47-916~~ No report or other work product of an investigation by the
31 Inspector General shall be reviewable in any court. Neither the Inspector

1 General nor any member of the Inspector General's ~~his or her~~ staff shall
2 be required to testify or produce evidence in any judicial or
3 administrative proceeding concerning matters within such person's ~~his or~~
4 ~~her~~ official cognizance except in a proceeding brought to enforce the
5 Office of Inspector General of the Nebraska Correctional System Act.

6 **Sec. 61.** Section 47-917, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 ~~47-917~~ The Office of Inspector General of the Nebraska Correctional
9 System Act does not require the Inspector General to investigate all
10 complaints. The Inspector General, with input from the Director of
11 Legislative Oversight ~~Public Counsel~~, shall prioritize and select
12 investigations and inquiries that further the intent of the act and
13 assist in legislative oversight of the Nebraska correctional system. If
14 the Inspector General determines that the office ~~he or she~~ will not
15 investigate a complaint, the Inspector General may recommend to the
16 parties alternative means of resolution of the issues in the complaint.

17 **Sec. 62.** Section 47-918, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 ~~47-918~~ On or before September 15 of each year, the Inspector General
20 shall provide to each ~~member of the Judiciary Committee of the~~
21 Legislature and ~~the Governor~~ a report that includes ~~and the Clerk of~~
22 ~~the Legislature~~ a summary of reports and investigations made under the
23 Office of Inspector General of the Nebraska Correctional System Act for
24 the preceding year. The report to the Legislature shall be submitted
25 ~~summary provided to the Clerk of the Legislature shall be provided~~
26 electronically and filed with the Clerk of the Legislature. The reports
27 ~~summaries~~ shall include findings and recommendations and an update on the
28 status of recommendations made in prior reports summaries, if any. The
29 findings and recommendations may address issues discovered through
30 investigations, audits, inspections, and reviews by the office that will
31 (1) increase accountability and legislative oversight of the Nebraska

1 correctional system, (2) improve operations of the department, the
2 division, and the Nebraska correctional system, (3) deter and identify
3 fraud, abuse, and illegal acts, and (4) identify inconsistencies between
4 statutory requirements and requirements for accreditation. The reports
5 summaries shall not contain any confidential or identifying information
6 concerning the subjects of the reports and investigations.

7 **Sec. 63.** Section 47-919, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 ~~47-919~~ (1) The ~~division~~ Division of Parole Supervision shall provide
10 the ~~Director of Legislative Oversight Public Counsel~~ and the ~~office with~~
11 ~~Inspector General with direct computer~~ access to all computerized
12 records, reports, and documents maintained in connection with
13 administration of the Nebraska parole system. ~~The access of the Director~~
14 ~~of Legislative Oversight~~ , ~~except that access for the Public Counsel~~ and
15 the ~~office Inspector General~~ to a parolee's medical or mental health
16 records shall be subject to the parolee's consent ~~unless a parolee's~~
17 ~~death is being investigated pursuant to subdivision (1)(b) of section 50~~
18 ~~of this act.~~

19 (2) Information shall be provided in the most efficient and timely
20 way, in a manner that is least burdensome to the department or agency,
21 and in a manner which maintains the confidentiality of the information.
22 This may include providing information through secure electronic access
23 to case files and secure access to information maintained electronically
24 in databases and case management systems.

25 **Sec. 64.** Section 47-920, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 ~~47-920~~ Any person who has authority to recommend, approve, direct,
28 or otherwise take or affect personnel action shall not, with respect to
29 such authority:

30 (1) Take personnel action against an employee because of the
31 disclosure of information by the employee to the office which the

1 employee reasonably believes evidences wrongdoing under the Office of
2 Inspector General of the Nebraska Correctional System Act;

3 (2) Take personnel action against an employee as a reprisal for the
4 submission of an allegation of wrongdoing under the act to the office by
5 such employee; or

6 (3) Take personnel action against an employee as a reprisal for
7 providing information or testimony pursuant to actions initiated and
8 undertaken an investigation by the office.

9 **Sec. 65.** If the Inspector General has reason to believe that any
10 public officer or employee has acted in a manner that warrants criminal
11 or disciplinary action or proceedings, the Inspector General shall refer
12 the matter to the appropriate authorities.

13 **Sec. 66.** (1) Notwithstanding any other provision of law, the office
14 shall have access to confidential information and confidential records
15 necessary to carry out its responsibilities.

16 (2) Except as otherwise provided by law, any confidential
17 information or confidential records shared with the office shall remain
18 confidential and shall not be shared by an employee of the office with
19 any person who is not an employee of the office, including any member of
20 the Legislative Oversight Committee.

21 (3) If any employee or former employee of the office knowingly
22 divulges or makes known, in any manner not permitted by law, confidential
23 information or confidential records, he or she shall be guilty of a Class
24 III misdemeanor and, in the case of an employee, shall be dismissed.

25 **Sec. 67.** Section 28-711, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 28-711 (1) When any physician, any medical institution, any nurse,
28 any school employee, any social worker, the Inspector General appointed
29 under section 28 of this act 43-4317, or any other person has reasonable
30 cause to believe that a child has been subjected to child abuse or
31 neglect or observes such child being subjected to conditions or

1 circumstances which reasonably would result in child abuse or neglect, he
2 or she shall report such incident or cause a report of child abuse or
3 neglect to be made to the proper law enforcement agency or to the
4 department on the toll-free number established by subsection (2) of this
5 section. Such report may be made orally by telephone with the caller
6 giving his or her name and address, shall be followed by a written
7 report, and to the extent available shall contain the address and age of
8 the abused or neglected child, the address of the person or persons
9 having custody of the abused or neglected child, the nature and extent of
10 the child abuse or neglect or the conditions and circumstances which
11 would reasonably result in such child abuse or neglect, any evidence of
12 previous child abuse or neglect including the nature and extent, and any
13 other information which in the opinion of the person may be helpful in
14 establishing the cause of such child abuse or neglect and the identity of
15 the perpetrator or perpetrators. Law enforcement agencies receiving any
16 reports of child abuse or neglect under this subsection shall notify the
17 department pursuant to section 28-718 on the next working day by
18 telephone or mail.

19 (2) The department shall establish a statewide toll-free number to
20 be used by any person any hour of the day or night, any day of the week,
21 to make reports of child abuse or neglect. Reports of child abuse or
22 neglect not previously made to or by a law enforcement agency shall be
23 made immediately to such agency by the department.

24 **Sec. 68.** Section 28-712.01, Revised Statutes Cumulative Supplement,
25 2024, is amended to read:

26 28-712.01 (1)(a) The department may assign a report for alternative
27 response consistent with the Child Protection and Family Safety Act.

28 (b) No report involving any of the following shall be assigned to
29 alternative response but shall be immediately forwarded to law
30 enforcement or the county attorney:

31 (i) Murder in the first or second degree as defined in section

1 28-303 or 28-304 or manslaughter as defined in section 28-305;

2 (ii) Assault in the first, second, or third degree or assault by
3 strangulation or suffocation as defined in section 28-308, 28-309,
4 28-310, or 28-310.01;

5 (iii) Sexual abuse, including acts prohibited by section 28-319,
6 28-319.01, 28-320, 28-320.01, 28-320.02, 28-322.01, 28-322.02, 28-322.03,
7 28-322.04, 28-322.05, 28-703, or 28-707;

8 (iv) Labor trafficking of a minor or sex trafficking of a minor as
9 defined in section 28-830;

10 (v) Neglect of a minor child that results in serious bodily injury
11 as defined in section 28-109, requires hospitalization of the child, or
12 results in an injury to the child that requires ongoing medical care,
13 behavioral health care, or physical or occupational therapy, including a
14 growth delay, which may be referred to as failure to thrive, that has
15 been diagnosed by a physician and is due to parental neglect;

16 (vi) Physical abuse to the head or torso of a child or physical
17 abuse that results in bodily injury;

18 (vii) An allegation that requires a forensic interview at a child
19 advocacy center or coordination with the child abuse and neglect
20 investigation team pursuant to section 28-728;

21 (viii) Out-of-home child abuse or neglect;

22 (ix) An allegation being investigated by a law enforcement agency at
23 the time of the assignment;

24 (x) A history of termination of parental rights;

25 (xi) Absence of a caretaker without having given an alternate
26 caregiver authority to make decisions and grant consents for necessary
27 care, treatment, and education of a child or without having made
28 provision to be contacted to make such decisions or grant such consents;

29 (xii) Domestic violence involving a caretaker in situations in which
30 the alleged perpetrator has access to the child or caretaker;

31 (xiii) A household member illegally manufactures methamphetamine or

1 opioids;

2 (xiv) A child has had contact with methamphetamine or other
3 nonprescribed opioids, including a positive drug screening or test; or

4 (xv) For a report involving an infant, a household member tests
5 positive for methamphetamine or nonprescribed opioids at the birth of
6 such infant.

7 (c) The department may adopt and promulgate rules and regulations to
8 (i) provide additional ineligibility criteria for assignment to
9 alternative response and (ii) establish additional criteria requiring
10 review by the Review, Evaluate, and Decide Team.

11 (d) A report that includes any of the following may be eligible for
12 alternative response but shall first be reviewed by the Review, Evaluate,
13 and Decide Team prior to assignment to alternative response:

14 (i) Domestic assault as defined in section 28-323 or domestic
15 violence in the family home;

16 (ii) Use of alcohol or controlled substances as defined in section
17 28-401 or 28-405 by a caregiver that impairs the caregiver's ability to
18 care and provide safety for the child; or

19 (iii) A family member residing in the home or a caregiver that has
20 been the subject of a report accepted for traditional response or
21 assigned to alternative response in the past six months.

22 (2) The Review, Evaluate, and Decide Team shall convene to review
23 reports pursuant to the department's rules, regulations, and policies, to
24 evaluate the information, and to determine assignment for alternative
25 response or traditional response. The team shall utilize consistent
26 criteria to review the severity of the allegation of child abuse or
27 neglect, access to the perpetrator, vulnerability of the child, family
28 history including previous reports, parental cooperation, parental or
29 caretaker protective factors, and other information as deemed necessary.
30 At the conclusion of the review, the report shall be assigned to either
31 traditional response or alternative response. Decisions of the team shall

1 be made by consensus. If the team cannot come to consensus, the report
2 shall be assigned for a traditional response.

3 (3) In the case of an alternative response, the department shall
4 complete a comprehensive assessment. The department shall transfer the
5 case being given alternative response to traditional response if the
6 department determines that a child is unsafe or if the concern for the
7 safety of the child is due to a temporary living arrangement. Upon
8 completion of the comprehensive assessment, if it is determined that the
9 child is safe, participation in services offered to the family receiving
10 an alternative response is voluntary, the case shall not be transferred
11 to traditional response based upon the family's failure to enroll or
12 participate in such services, and the subject of the report shall not be
13 entered into the central registry of child protection cases maintained
14 pursuant to section 28-718.

15 (4) The department shall, by the next working day after receipt of a
16 report of child abuse or neglect, enter into the tracking system of child
17 protection cases maintained pursuant to section 28-715 all reports of
18 child abuse or neglect received under this section that are opened for
19 alternative response and any action taken.

20 (5) The department shall make available to the appropriate
21 investigating law enforcement agency, child advocacy center, and county
22 attorney a copy of all reports relative to a case of suspected child
23 abuse or neglect. Aggregate, nonidentifying data regarding reports of
24 child abuse or neglect receiving an alternative response shall be made
25 available quarterly to requesting agencies outside the department. Such
26 alternative response data shall include, but not be limited to, the
27 nature of the initial child abuse or neglect report, the age of the child
28 or children, the nature of services offered, the location of the cases,
29 the number of cases per month, and the number of alternative response
30 cases that were transferred to traditional response. Other than the
31 office of Inspector General of Nebraska Child Welfare, the Public

1 Counsel, law enforcement agency personnel, child advocacy center
2 employees, and county attorneys, no other agency or individual shall be
3 provided specific, identifying reports of child abuse or neglect being
4 given alternative response. The office of Inspector General of Nebraska
5 Child Welfare shall have access to all reports relative to cases of
6 suspected child abuse or neglect subject to traditional response and
7 those subject to alternative response. The department and the office
8 shall develop procedures allowing for the Inspector General's review of
9 cases subject to alternative response. The Inspector General shall
10 include in the report pursuant to section 41 of this act ~~43-4331~~ a
11 summary of all cases reviewed pursuant to this subsection.

12 **Sec. 69.** Section 29-2011.02, Revised Statutes Cumulative Supplement,
13 2024, is amended to read:

14 29-2011.02 Whenever a witness refuses, on the basis of the privilege
15 against self-incrimination, to testify or to provide other information in
16 a criminal proceeding or investigation before a court, a grand jury, the
17 Auditor of Public Accounts, the Legislative Council, the Legislative
18 Oversight Committee, or a standing committee or a special legislative
19 investigative or oversight committee of the Legislature, the court, on
20 motion of the county attorney, other prosecuting attorney, Auditor of
21 Public Accounts, chairperson of the Executive Board of the Legislative
22 Council, chairperson of the Legislative Oversight Committee, or
23 chairperson of a standing or special committee of the Legislature, may
24 order the witness to testify or to provide other information. The witness
25 may not refuse to comply with such an order of the court on the basis of
26 the privilege against self-incrimination, but no testimony or other
27 information compelled under the court's order or any information directly
28 or indirectly derived from such testimony or other information may be
29 used against the witness in any criminal case except in a prosecution for
30 perjury, giving a false statement, or failing to comply with the order of
31 the court.

1 **Sec. 70.** Section 29-2011.03, Revised Statutes Cumulative Supplement,
2 2024, is amended to read:

3 29-2011.03 The county attorney, other prosecuting attorney, Auditor
4 of Public Accounts, ~~or~~ chairperson of the Executive Board of the
5 Legislative Council, chairperson of the Legislative Oversight Committee,
6 or chairperson of a standing committee or a special legislative
7 investigative or oversight committee of the Legislature, upon an
8 affirmative vote of a majority of the board or committee, may request an
9 order pursuant to section 29-2011.02 when in such person's judgment:

10 (1) The testimony or other information from such individual may be
11 necessary to the public interest; and

12 (2) Such individual has refused or is likely to refuse to testify or
13 provide other information on the basis of the privilege against self-
14 incrimination.

15 **Sec. 71.** Section 43-2,108, Revised Statutes Cumulative Supplement,
16 2024, is amended to read:

17 43-2,108 (1) The juvenile court judge shall keep a record of all
18 proceedings of the court in each case, including appearances, findings,
19 orders, decrees, and judgments, and any evidence which he or she feels it
20 is necessary and proper to record. The case file shall contain the
21 complaint or petition and subsequent pleadings. The case file may be
22 maintained as an electronic document through the court's electronic case
23 management system, on microfilm, or in a paper volume and disposed of
24 when determined by the State Records Administrator pursuant to the
25 Records Management Act.

26 (2) Except as provided in subsections (3) and (4) of this section,
27 the medical, psychological, psychiatric, and social welfare reports and
28 the records of juvenile probation officers, as they relate to individual
29 proceedings in the juvenile court, shall not be open to inspection,
30 without order of the court. Such records shall be made available to a
31 district court of this state or the District Court of the United States

1 on the order of a judge thereof for the confidential use of such judge or
2 his or her probation officer as to matters pending before such court but
3 shall not be made available to parties or their counsel; and such
4 district court records shall be made available to a county court or
5 separate juvenile court upon request of the county judge or separate
6 juvenile judge for the confidential use of such judge and his or her
7 probation officer as to matters pending before such court, but shall not
8 be made available by such judge to the parties or their counsel.

9 (3) As used in this section, confidential record information means
10 all docket records, other than the pleadings, orders, decrees, and
11 judgments; case files and records; reports and records of probation
12 officers; and information supplied to the court of jurisdiction in such
13 cases by any individual or any public or private institution, agency,
14 facility, or clinic, which is compiled by, produced by, and in the
15 possession of any court. In all cases under subdivision (3)(a) of section
16 43-247, access to all confidential record information in such cases shall
17 be granted only as follows: (a) The court of jurisdiction may, subject to
18 applicable federal and state regulations, disseminate such confidential
19 record information to any individual, or public or private agency,
20 institution, facility, or clinic which is providing services directly to
21 the juvenile and such juvenile's parents or guardian and his or her
22 immediate family who are the subject of such record information; (b) the
23 court of jurisdiction may disseminate such confidential record
24 information, with the consent of persons who are subjects of such
25 information, or by order of such court after showing of good cause, to
26 any law enforcement agency upon such agency's specific request for such
27 agency's exclusive use in the investigation of any protective service
28 case or investigation of allegations under subdivision (3)(a) of section
29 43-247, regarding the juvenile or such juvenile's immediate family, who
30 are the subject of such investigation; and (c) the court of jurisdiction
31 may disseminate such confidential record information to any court, which

1 has jurisdiction of the juvenile who is the subject of such information
2 upon such court's request.

3 (4) The court shall provide copies of predispositional reports and
4 evaluations of the juvenile to the juvenile's attorney and the county
5 attorney or city attorney prior to any hearing in which the report or
6 evaluation will be relied upon.

7 (5) In all cases under sections 43-246.01 and 43-247, the office of
8 Inspector General of Nebraska Child Welfare may submit a written request
9 to the probation administrator for access to the records of juvenile
10 probation officers in a specific case. Upon a juvenile court order, the
11 records shall be provided to the Inspector General within five days for
12 the exclusive use in an investigation pursuant to the Office of Inspector
13 General of Nebraska Child Welfare Act. Nothing in this subsection shall
14 prevent the notification of death or serious injury of a juvenile to the
15 Inspector General of Nebraska Child Welfare pursuant to section 29 of
16 this act ~~43-4318~~ as soon as reasonably possible after the Office of
17 Probation Administration learns of such death or serious injury.

18 (6) In all cases under sections 43-246.01 and 43-247, the juvenile
19 court shall disseminate confidential record information to the Foster
20 Care Review Office pursuant to the Foster Care Review Act.

21 (7) Nothing in subsections (3), (5), and (6) of this section shall
22 be construed to restrict the dissemination of confidential record
23 information between any individual or public or private agency,
24 institute, facility, or clinic, except any such confidential record
25 information disseminated by the court of jurisdiction pursuant to this
26 section shall be for the exclusive and private use of those to whom it
27 was released and shall not be disseminated further without order of such
28 court.

29 (8)(a) Any records concerning a juvenile court petition filed
30 pursuant to subdivision (3)(c) of section 43-247 shall remain
31 confidential except as may be provided otherwise by law. Such records

1 shall be accessible to (i) the juvenile except as provided in subdivision
2 (b) of this subsection, (ii) the juvenile's counsel, (iii) the juvenile's
3 parent or guardian, and (iv) persons authorized by an order of a judge or
4 court.

5 (b) Upon application by the county attorney or by the director of
6 the facility where the juvenile is placed and upon a showing of good
7 cause therefor, a judge of the juvenile court having jurisdiction over
8 the juvenile or of the county where the facility is located may order
9 that the records shall not be made available to the juvenile if, in the
10 judgment of the court, the availability of such records to the juvenile
11 will adversely affect the juvenile's mental state and the treatment
12 thereof.

13 (9) Nothing in subsection (3), (5), or (6) of this section shall be
14 construed to restrict the immediate dissemination of a current picture
15 and information about a child who is missing from a foster care or out-
16 of-home placement. Such dissemination by the Office of Probation
17 Administration shall be authorized by an order of a judge or court. Such
18 information shall be subject to state and federal confidentiality laws
19 and shall not include that the child is in the care, custody, or control
20 of the Department of Health and Human Services or under the supervision
21 of the Office of Probation Administration.

22 (10) Any juvenile court order that places a juvenile on electronic
23 monitoring shall also state whether the data from such electronic
24 monitoring device shall be made available to a law enforcement agency
25 immediately upon request by such agency. For any juvenile subject to the
26 supervision of a probation officer, the name of the juvenile, the name of
27 the juvenile's probation officer, and any terms of probation included in
28 a juvenile court order otherwise open to inspection shall be provided to
29 the Nebraska Commission on Law Enforcement and Criminal Justice which
30 shall provide access to such information to law enforcement agencies
31 through the state's criminal justice information system.

1 **Sec. 72.** Section 50-401.01, Revised Statutes Cumulative Supplement,
2 2024, is amended to read:

3 50-401.01 (1) The Legislative Council shall have an executive board,
4 to be known as the Executive Board of the Legislative Council, which
5 shall consist of a chairperson, a vice-chairperson, and six members of
6 the Legislature, to be chosen by the Legislature at the commencement of
7 each regular session of the Legislature when the speaker is chosen, and
8 the Speaker of the Legislature. The Legislature at large shall elect two
9 of its members from legislative districts Nos. 1, 17, 30, 32 to 35, 37,
10 38, 40 to 44, 47, and 48, two from legislative districts Nos. 2, 3, 15,
11 16, 19, 21 to 29, 45, and 46, and two from legislative districts Nos. 4
12 to 14, 18, 20, 31, 36, 39, and 49. The Chairperson of the Committee on
13 Appropriations shall serve as a nonvoting ex officio member of the
14 executive board whenever the board is considering fiscal administration.

15 (2) The executive board shall:

16 (a) Supervise all services and service personnel of the Legislature
17 and may employ and fix compensation and other terms of employment for
18 such personnel as may be needed to carry out the intent and activities of
19 the Legislature or of the board, unless otherwise directed by the
20 Legislature, including the adoption of policies by the executive board
21 which permit (i) the purchasing of an annuity for an employee who retires
22 or (ii) the crediting of amounts to an employee's deferred compensation
23 account under section 84-1504. The payments to or on behalf of an
24 employee may be staggered to comply with other law; and

25 (b) Appoint persons to fill the positions of Legislative Fiscal
26 Analyst, Director of Research, Revisor of Statutes, and Director of
27 Legislative Oversight Auditor. The persons appointed to these positions
28 shall have training and experience as determined by the executive board
29 and shall serve at the pleasure of the executive board. ~~The Legislative~~
30 ~~Performance Audit Committee shall recommend the person to be appointed~~
31 ~~Legislative Auditor.~~ Their respective salaries shall be set by the

1 executive board.

2 (3) Notwithstanding any other provision of law, the executive board
3 may contract to obtain legal, auditing, accounting, actuarial, or other
4 professional services or advice for or on behalf of the executive board,
5 the Legislative Council, the Legislature, or any member of the
6 Legislature. The providers of such services or advice shall meet or
7 exceed the minimum professional standards or requirements established or
8 specified by their respective professional organizations or licensing
9 entities or by federal law. Such contracts, the deliberations of the
10 executive board with respect to such contracts, and the work product
11 resulting from such contracts shall not be subject to review or approval
12 by any other entity of state government.

13 **Sec. 73.** Section 50-402, Revised Statutes Cumulative Supplement,
14 2024, is amended to read:

15 50-402 The Legislative Council shall occupy and maintain offices in
16 the State Capitol.

17 It shall be the duty of the council:

18 (1) To collect information concerning the government and general
19 welfare of the state;

20 (2) To examine the effects of previously enacted statutes and
21 recommend amendments thereto;

22 (3) To deal with important issues of public policy and questions of
23 statewide interest;

24 (4) To prepare a legislative program in the form of bills or
25 otherwise as in its opinion the welfare of the state may require, to be
26 presented at the next session of the Legislature;

27 (5) To study federal aid to the state and its political subdivisions
28 and advise the Legislature of money, land, or buildings available from
29 the federal government, matching funds necessary, grants and aids, and
30 what new legislation will be needed;

31 (6) To establish and maintain a complete and efficient bill drafting

1 service for the purpose of aiding and assisting members of the
2 Legislature and the executive departments of the state in the preparation
3 of bills, resolutions, and measures and in drafting the same in proper
4 form, and for this purpose there shall be assigned to the council for
5 such work, rooms in the State Capitol conveniently situated in reference
6 to the legislative chamber;

7 (7) To provide, through the Revisor of Statutes, for the publication
8 of supplements and replacement volumes of the statutes of Nebraska;

9 (8) To provide, through the Division of Legislative Oversight, the
10 office of Inspector General for Nebraska Child Welfare, the office of
11 Inspector General for the Nebraska Correctional System, the Legislative
12 Audit Office, and any other offices or divisions established within the
13 Legislative Council, for both short-term and full-time oversight of
14 matters related to the operation of state government;

15 (9) (8) To provide, through the Executive Board of the Legislative
16 Council, for the development and maintenance of a publicly accessible,
17 indexed, digital Internet archive of closed-captioned video coverage of
18 the Legislature as provided in section 50-117; and

19 (10) (9) To set up subcommittees within the Legislative Council
20 ~~executive board~~ to carry out functions such as investigation of any area
21 which the council ~~it~~ may decide is in the public interest with power to
22 employ such additional personnel as may be needed to carry out the intent
23 and activities of the executive board or the Legislature.

24 **Sec. 74.** Section 50-406, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 50-406 (1) It is within the inherent power of the Legislature,
27 including the Legislative Council, the Legislative Oversight Committee,
28 and any standing committee of the Legislature, to secure needed
29 information in order to legislate, hold hearings, and administer oaths,
30 as the council or committee deems necessary, and to conduct
31 investigations of matters within the subject matter jurisdiction of the

1 council or committee. This power of inquiry is broad and indispensable.

2 (2) The Legislative Council may hold public hearings and may
3 administer oaths, issue subpoenas with the prior approval, by a majority
4 vote, of the Executive Board of the Legislative Council to issue
5 subpoenas in connection with the specific inquiry or investigation in
6 question, compel the attendance of witnesses and the production of any
7 papers, books, accounts, documents, and testimony, and cause the
8 depositions of witnesses to be taken in the manner prescribed by law for
9 taking depositions in civil actions in the district court.

10 (3) The Legislative Oversight Committee or a A standing committee of
11 the Legislature may hold public hearings, administer oaths, and gather
12 information. After receiving prior approval, by a majority vote, of the
13 Executive Board of the Legislative Council, the a standing committee may
14 issue subpoenas to compel the attendance of witnesses and the production
15 of any papers, books, accounts, documents, and testimony and cause the
16 depositions of witnesses to be taken in the manner prescribed by law for
17 taking depositions in civil actions in the district court.

18 (4)(a) A special legislative investigative or oversight committee
19 may hold public hearings, administer oaths, and gather information
20 pursuant to a statute or legislative resolution that provides for a
21 specific legislative inquiry or investigation. In the case of a
22 resolution, such resolution shall have first been adopted by a majority
23 of the members of the Legislature during a legislative session or by a
24 majority of the members of the Executive Board of the Legislative Council
25 during the interim between legislative sessions.

26 (b) If authorized to issue subpoenas by statute or by a resolution
27 described in subdivision (4)(a) of this section, a special legislative
28 investigative or oversight committee may issue subpoenas to compel the
29 attendance of witnesses and the production of any papers, books,
30 accounts, documents, and testimony and cause the depositions of witnesses
31 to be taken in the manner prescribed by law for taking depositions in

1 civil actions in the district court.

2 (c) A resolution or statute creating a special legislative
3 investigative or oversight committee may prescribe limitations on the
4 authority granted by this section.

5 (5) When authorized to issue subpoenas under this section, the
6 council or a committee may require any state agency, political
7 subdivision, or person to provide information relevant to the council's
8 or committee's work, and the state agency, political subdivision, or
9 person shall:

10 (a) Appear at a hearing on the date set in the subpoena; and

11 (b) Provide the information requested within thirty days after the
12 request except as provided for in the subpoena.

13 (6) Litigation to compel or quash compliance with authority
14 exercised pursuant to this section and section 50-407 shall be advanced
15 on the trial docket and heard and decided by the court as quickly as
16 possible. The court shall issue its decision no later than twenty days
17 after the filing of the application or petition or a motion to quash,
18 whichever is filed first. Either party may appeal to the Court of Appeals
19 within ten days after a decision is rendered.

20 (7) The district court of Lancaster County has jurisdiction over all
21 litigation arising under this section and section 50-407. In all such
22 litigation, the Executive Board of the Legislative Council shall provide
23 for legal representation for the council or committee.

24 **Sec. 75.** Section 50-406.01, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 50-406.01 (1)(a) If a member of the Legislature, the Public Counsel,
27 the Inspector General of Nebraska Child Welfare, the Inspector General of
28 the Nebraska Correctional System, or the Legislative Auditor presents a
29 newly constituted Legislature with a subpoena issued pursuant to section
30 50-406 or section 18, 33, 54, or 93 of this act during a previous
31 legislative biennium and such subpoena is still pending:

1 (i) The Executive Board of the Legislative Council shall vote to
2 determine whether to renew the subpoena; and

3 (ii) If the subpoena was issued by the Legislative Oversight
4 Committee or a standing committee, such committee shall also vote to
5 determine whether to renew the subpoena.

6 (b) The vote or votes required in subdivision (1)(a) of this section
7 shall be taken no later than ten days after the day the regular session
8 of the Legislature commences as provided in Article III, section 10, of
9 the Constitution of Nebraska.

10 (c) If a majority of the members of the Executive Board of the
11 Legislative Council and, if applicable, of the committee, are in favor of
12 renewing the subpoena, the subpoena is renewed and relates back to its
13 previous issuance and such subpoena shall be considered to have been in
14 full force and effect for such entire period.

15 (2) The Legislature has the constitutional authority to determine
16 the rules of its proceedings. The question of the referencing of an
17 investigation or inquiry is not justiciable and cannot be challenged or
18 invalidated in a judicial proceeding.

19 **Sec. 76.** Section 50-407, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 50-407 (1) In case of disobedience on the part of any person,
22 including a representative of a state agency or political subdivision, to
23 comply with any subpoena issued pursuant to section 50-406 or in case of
24 the refusal of any witness to testify on any matters regarding which the
25 witness may be lawfully interrogated, the Legislative Council, the
26 Legislative Oversight Committee, or the standing committee or special
27 legislative investigative or oversight committee which issued the
28 subpoena shall, at the hearing at which the person was subpoenaed to
29 appear, ~~hold a vote on whether to find the person in contempt or unless~~
30 ~~the council or committee votes to find that the failure to comply or~~
31 refusal to testify was not willful.

1 (2) If the council or committee finds a person in contempt as
2 provided in subsection (1) of this section, the council or committee may,
3 by application or petition to the district court of Lancaster County,
4 request the court to compel obedience by proceedings for contempt as in
5 the case of disobedience of the requirements of a subpoena issued from
6 such court or a refusal to testify therein. The application or petition
7 shall be filed by the chairperson of the Executive Board of the
8 Legislative Council, and in the case of the Legislative Oversight
9 Committee or a standing or special legislative investigative or oversight
10 committee, such filing shall be joined by the chairperson of such
11 committee.

12 (3) If a witness who has been subpoenaed pursuant to section 50-406
13 or section 18, 33, 54, or 93 of this act refuses to testify before the
14 council or a committee on the basis of the privilege against self-
15 incrimination, a court order may be requested pursuant to sections
16 29-2011.02 and 29-2011.03. In the case of a proceeding before the
17 Legislative Council, the request shall be filed by the chairperson of the
18 Executive Board of the Legislative Council. In the case of a proceeding
19 before the Legislative Oversight Committee, a standing committee, or a
20 special legislative investigative or oversight committee, the request
21 shall be filed by the chairperson of such committee.

22 **Sec. 77.** Section 50-408, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 50-408 Each witness who appears before the Legislative Council, the
25 Legislative Oversight Committee, any standing committee, or any special
26 legislative investigative or oversight committee by subpoena of such
27 council or committee, other than a state officer or employee, shall
28 receive for attendance the fees provided for witnesses in civil cases in
29 courts of record and mileage as provided in section 81-1176, which shall
30 be audited and paid upon the presentation of proper vouchers sworn to by
31 such witness and approved by the ~~secretary~~ and chairperson of the

1 Executive Board of the Legislative Council council.

2 **Sec. 78.** Section 50-409, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 50-409 Each officer, board, commission, or department of state
5 government or any local government shall make such studies for and
6 furnish information to the Legislative Council, including any division
7 established within the Legislative Council, council as the council ~~it~~ may
8 require and as can be made within the limits of its appropriation.
9 Requests for information made under this section shall not be subject to
10 the procedures for public record requests provided in sections 84-712 to
11 84-712.09.

12 **Sec. 79.** Section 50-410, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 50-410 The council shall meet at least once in each biennium. One
15 meeting of the entire council shall be held at the call of the
16 chairperson of the Executive Board of the Legislative Council ~~chairman~~
17 not less than thirty nor more than sixty days prior to the next regular
18 session of the Legislature. Twenty-five members shall constitute a
19 quorum, but a smaller number may meet and may compel the attendance of
20 members in order to secure a quorum.

21 **Sec. 80.** Section 50-416, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 50-416 (1) ~~The office of~~ Legislative Research Office is established
24 within the Legislative Council. The office shall provide nonpartisan
25 public policy and legal research for members of the Legislature and their
26 staffs and maintain a legislative reference library for the use of
27 members of the Legislature and their staffs. The Director of Research
28 shall be responsible for hiring, firing, and supervising the research
29 office staff.

30 (2) At the request of the Director of Research, the Executive Board
31 of the Legislative Council may issue subpoenas as provided in subsection

1 (2) of section 50-406 for information related to a research request from
2 the Legislative Research Office pursuant to this section.

3 **Sec. 81.** Section 50-418, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 50-418 (1) There shall be established within the Legislative Council
6 the ~~office of~~ Legislative Fiscal Office Analyst. The Legislative Fiscal
7 Analyst shall be responsible for hiring, firing, and supervising the
8 fiscal office staff , ~~with the approval of the Executive Board of the~~
9 ~~Legislative Council, may employ necessary assistants.~~

10 (2) The Appropriations Committee shall determine the budgeting and
11 related needs of each agency of state government before and during each
12 session of the Legislature ~~for the use of the Legislature. The committee,~~
13 ~~under the direction of the Executive Board of the Legislative Council,~~
14 ~~shall secure sufficient personnel and funds for the operation of the~~
15 ~~staff to go physically into each agency of state government and by~~
16 ~~observation and contact be able to defend and substantiate its~~
17 ~~recommendation and to accomplish the objective stated in this section.~~

18 **Sec. 82.** Section 50-420, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 50-420 (1) Each officer, board, commission, and department of state
21 government, including the Accounting Administrator of the Department of
22 Administrative Services, shall furnish to the Legislative Fiscal Analyst,
23 upon request, any information in its possession, including records
24 received from other officers, boards, commissions, or departments of
25 state government, whether such information is retained in computer files
26 or otherwise, if such information is directly related to the performance
27 of the official duties of the Legislative Fiscal Analyst under sections
28 50-418 to 50-420.

29 (2) At the request of the Legislative Fiscal Analyst, and after
30 receiving prior approval by a majority vote of the Executive Board of the
31 Legislative Council, the Appropriations Committee of the Legislature may

1 issue subpoenas as provided in subsection (3) of section 50-406 for
2 information related to a request from the Legislative Fiscal Analyst
3 pursuant to this section.

4 **Sec. 83.** Section 50-1201, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 50-1201 Sections 50-1201 to 50-1215 and section 93 of this act shall
7 be known and may be cited as the Legislative Performance Audit Act.

8 **Sec. 84.** Section 50-1202, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 50-1202 (1) The Legislature hereby finds and declares that pursuant
11 to section 50-402 it is the duty of the Legislative Council to do
12 independent assessments of the performance of state government
13 organizations, programs, activities, and functions in order to provide
14 information to improve public accountability and facilitate
15 decisionmaking by parties with responsibility to oversee or initiate
16 corrective action.

17 (2) The purpose of the Legislative Performance Audit Act is to
18 provide for a system of performance audits to be conducted by the ~~office~~
19 ~~of~~ Legislative Audit Office as directed by the Legislative Oversight
20 ~~Performance Audit~~ Committee.

21 (3) It is not the purpose of the act to interfere with the duties of
22 the Public Counsel or the Legislative Fiscal Analyst or to interfere with
23 the statutorily defined investigative responsibilities or prerogative of
24 any executive state officer, agency, board, bureau, commission,
25 association, society, or institution, except that the act shall not be
26 construed to preclude a performance audit of an agency on the basis that
27 another agency has the same responsibility. The act shall not be
28 construed to interfere with or supplant the responsibilities or
29 prerogative of the Governor to monitor and report on the performance of
30 the agencies, boards, bureaus, commissions, associations, societies, and
31 institutions under his or her administrative direction.

1 **Sec. 85.** Section 50-1203, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 50-1203 For purposes of the Legislative Performance Audit Act:

4 (1) Agency means any department, board, commission, or other
5 governmental unit of the State of Nebraska acting or purporting to act by
6 reason of connection with the State of Nebraska, including the Office of
7 Probation Administration and the Office of Public Guardian, but does not
8 include (a) any court, (b) the Governor or his or her personal staff, (c)
9 any political subdivision or entity thereof, or (d) any entity of the
10 federal government;

11 (2) Audit report means the report released by the committee at the
12 conclusion of a performance audit;

13 (3) ~~(2)~~ Auditor of Public Accounts means the Auditor of Public
14 Accounts whose powers and duties are prescribed in section 84-304;

15 (4) ~~(3)~~ Business day means a day on which state offices are open for
16 regular business;

17 (5) ~~(4)~~ Committee means the Legislative Oversight Performance Audit
18 Committee;

19 ~~(5) Committee report means the report released by the committee at~~
20 ~~the conclusion of a performance audit;~~

21 (6) Legislative Auditor means the Legislative Auditor appointed by
22 ~~the Executive Board of the Legislative Council~~ under section 50-1204
23 ~~50-401.01~~;

24 (7) Majority vote means a vote by the majority of the committee's
25 members;

26 (8) Office means the ~~office of~~ Legislative Audit Office;

27 (9) Performance audit means an objective and systematic examination
28 of evidence for the purpose of providing an independent assessment of the
29 performance of a government organization, program, activity, or function
30 in order to provide information to improve public accountability and
31 facilitate decisionmaking by parties with responsibility to oversee or

1 initiate corrective action. Performance audits may have a variety of
2 objectives, including the assessment of a program's effectiveness and
3 results, economy and efficiency, internal control, and compliance with
4 legal or other requirements;

5 (10) Preaudit inquiry means an investigatory process during which
6 the office gathers and examines evidence to determine if a performance
7 audit topic has merit;

8 (11) Tax incentive performance audit means an evaluation of a tax
9 incentive program pursuant to section 50-1209; and

10 (12) Working papers means those documents containing evidence to
11 support the office's findings, opinions, conclusions, and judgments and
12 includes the collection of evidence prepared or obtained by the office
13 during the performance audit or preaudit inquiry.

14 **Sec. 86.** Section 50-1204, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 50-1204 (1) The Legislative Audit Office is established within the
17 Division of Legislative Oversight. The office shall conduct performance
18 audits. The Legislative Auditor shall be appointed by the Director of
19 Legislative Oversight with approval from the chairperson of the Executive
20 Board of the Legislative Council and the chairperson of the committee.
21 ~~The Legislative Performance Audit Committee is hereby established as a~~
22 ~~special legislative committee to exercise the authority and perform the~~
23 ~~duties provided for in the Legislative Performance Audit Act. The~~
24 ~~committee shall be composed of the Speaker of the Legislature, the~~
25 ~~chairperson of the Executive Board of the Legislative Council, the~~
26 ~~chairperson of the Appropriations Committee of the Legislature, and four~~
27 ~~other members of the Legislature to be chosen by the Executive Board of~~
28 ~~the Legislative Council. The executive board shall ensure that the~~
29 ~~Legislative Performance Audit Committee includes adequate geographic~~
30 ~~representation. The chairperson and vice-chairperson of the Legislative~~
31 ~~Performance Audit Committee shall be elected by majority vote. For~~

1 ~~purposes of tax incentive performance audits authorized in section~~
2 ~~50-1209, the committee shall include as nonvoting members the chairperson~~
3 ~~of the Revenue Committee of the Legislature or his or her designee and~~
4 ~~one other member of the Revenue Committee, as selected by the Revenue~~
5 ~~Committee. The Legislative Performance Audit Committee shall be subject~~
6 ~~to all rules prescribed by the Legislature. The committee shall be~~
7 ~~reconstituted at the beginning of each Legislature and shall meet as~~
8 ~~needed.~~

9 (2) The Legislative Auditor shall ensure that performance audit work
10 conducted by the office conforms with performance audit standards
11 contained in the Government Auditing Standards (2018 Revision) as
12 required in section 50-1205.01. The office shall be composed of the
13 Legislative Auditor and other employees of the Legislature employed to
14 conduct performance audits. The office shall be the custodian of all
15 records generated by the ~~committee~~ or office except as provided by
16 section 50-1213, subsection (11) of section 77-2711, or subdivision (10)
17 (a) of section 77-27,119. The office shall inform the Legislative Fiscal
18 Analyst of its activities and consult with him or her as needed. The
19 office shall operate under the general direction of the Director of
20 Legislative Oversight and the committee.

21 **Sec. 87.** Section 50-1205, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 50-1205 The committee shall:

24 (1) Adopt, by majority vote, procedures consistent with the
25 Legislative Performance Audit Act to govern the business of the committee
26 and the conduct of performance audits;

27 (2) Ensure that performance audits undertaken ~~done~~ by the office
28 ~~committee~~ are not undertaken based on or influenced by special or
29 partisan interests;

30 (3) Review performance audit requests and select, by majority vote,
31 agencies or agency programs for performance audit;

1 (4) Review, amend, if necessary, and approve a scope statement and
2 an audit plan for each performance audit;

3 (5) Respond to inquiries regarding performance audits;

4 (6) Inspect or approve the inspection of the premises, or any parts
5 thereof, of any agency or any property owned, leased, or operated by an
6 agency as frequently as is necessary in the opinion of the committee to
7 carry out a performance audit or preaudit inquiry;

8 (7) Inspect and examine, or approve the inspection and examination
9 of, the records and documents of any agency as a part of a performance
10 audit or preaudit inquiry;

11 (8) At the request of the Legislative Auditor, issue subpoenas,
12 enforceable by action in an appropriate court, to compel any person to
13 appear, give sworn testimony, or produce documentary or other evidence
14 deemed relevant to a performance audit as provided in section 93 of this
15 act Pursuant to section 50-406, administer oaths, issue subpoenas, compel
16 the attendance of witnesses and the production of any papers, books,
17 accounts, documents, and testimony, and cause the depositions of
18 witnesses either residing within or without the state to be taken in the
19 manner prescribed by law for taking depositions in civil actions in the
20 district court;

21 (9) Review completed ~~performance audit~~ reports prepared by the
22 office, together with comments from the evaluated agency, and adopt
23 recommendations and incorporate them into an audit a committee report;

24 (10) Release audit reports ~~the committee report~~ to the public and
25 distribute them ~~it~~ electronically to the Clerk of the Legislature with or
26 without benefit of a public hearing;

27 (11) Hold a public hearings ~~hearing~~, at the committee's discretion,
28 for the purpose of receiving testimony prior to issuance of audit reports
29 ~~the committee report~~;

30 (12) Establish a system to ascertain and monitor an agency's
31 implementation of the recommendations contained in audit reports ~~the~~

1 ~~committee report~~ and compliance with any statutory changes resulting from
2 the recommendations;

3 (13) Issue an annual report each September, to be prepared by the
4 Legislative Auditor and approved by the committee, summarizing
5 recommendations made pursuant to audit reports ~~of performance audits~~
6 during the previous fiscal year and the status of implementation of those
7 recommendations;

8 (14) Consult with the Director of Legislative Oversight and the
9 Legislative Auditor regarding the staffing and budgetary needs of the
10 office ~~and assist in presenting budget requests to the Appropriations~~
11 ~~Committee of the Legislature~~;

12 (15) Approve or reject, within the budgetary limits of the office,
13 contracts to retain consultants to assist with performance audits
14 requiring specialized knowledge or expertise. Requests for consultant
15 contracts shall be approved by the Legislative Auditor and presented to
16 the committee ~~Legislative Performance Audit Committee~~ by the Legislative
17 Auditor. A majority vote shall be required to approve consultant contract
18 requests. For purposes of section 50-1213, subsection (11) of section
19 77-2711, and subsections (10) through (13) of section 77-27,119, any
20 consultant retained to assist with a performance audit or preaudit
21 inquiry shall be considered an employee of the office during the course
22 of the contract; and

23 (16) At its discretion, and with the agreement of the Auditor of
24 Public Accounts, conduct joint fiscal or performance audits with the
25 Auditor of Public Accounts. The details of any joint audit shall be
26 agreed upon in writing by the committee and the Auditor of Public
27 Accounts.

28 **Sec. 88.** Section 50-1205.01, Reissue Revised Statutes of Nebraska,
29 is amended to read:

30 50-1205.01 (1) Except as provided in subsections (2) and (3) of this
31 section, performance audits done under the terms of the Legislative

1 Performance Audit Act shall be conducted in accordance with the generally
2 accepted government auditing standards for performance audits contained
3 in the Government Auditing Standards (2018 Revision), published by the
4 Comptroller General of the United States, Government Accountability
5 Office.

6 (2) Standards requiring continuing education for employees of the
7 office shall be met as practicable based on the availability of training
8 funds.

9 (3) The frequency of the required external quality control review
10 shall be determined by the committee.

11 (4) At the beginning of each biennial legislative session, the
12 Legislative Auditor shall create a plan for meeting such standards and
13 provide the plan to the chairperson of the committee ~~Legislative~~
14 ~~Performance Audit Committee~~.

15 **Sec. 89.** Section 50-1206, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 50-1206 (1) Requests for performance audits may be made by the
18 Governor, any other constitutional officer of the State of Nebraska, any
19 member of the Legislature ~~a legislator,~~ the Director of Legislative
20 Oversight, the Legislative Auditor, the Legislative Fiscal Analyst, or
21 the Director of Research of the Legislature.

22 (2) Performance audit requests shall be submitted to the committee
23 chairperson or Legislative Auditor by letter or on a form developed by
24 the Legislative Auditor.

25 (3) When considering a performance audit request, if the committee
26 determines that the request has potential merit but insufficient
27 information is available, it may, by majority vote, instruct the
28 Legislative Auditor to conduct a preaudit inquiry.

29 (4) Upon completion of the preaudit inquiry, the committee
30 chairperson shall place the request on the agenda for the committee's
31 next meeting and shall notify the request sponsor of that action.

1 (5) Tax incentive performance audits shall be initiated as provided
2 in section 50-1209.

3 **Sec. 90.** Section 50-1210, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 50-1210 (1)(a) Upon completion of a performance audit, the office
6 shall prepare a report of its findings and recommendations for action.
7 Except as provided in subdivision (b) of this subsection, the Legislative
8 Auditor shall provide the office's report concurrently to the committee,
9 Director of Legislative Oversight, agency director, and Legislative
10 Fiscal Analyst. The committee may, by majority vote, release the office's
11 report or portions thereof to other individuals, with the stipulation
12 that the released material shall be kept confidential.

13 (b) To protect taxpayer confidentiality, for tax incentive
14 performance audits conducted under section 50-1209, the Legislative
15 Auditor may provide the office's report to the agency director up to five
16 business days prior to providing it to the committee, Director of
17 Legislative Oversight, and Legislative Fiscal Analyst.

18 (2) When the Legislative Auditor provides the report to the
19 Legislative Fiscal Analyst, the Legislative Fiscal Analyst shall issue an
20 opinion to the committee indicating whether the office's recommendations
21 can be implemented by the agency within its current appropriation.

22 (3) When the Legislative Auditor provides the report to the agency,
23 the agency shall have twenty business days from the date of receipt of
24 the report to provide a written response. Any written response received
25 from the agency shall be attached to the audit committee report. The
26 agency shall not release any part of the report to any person outside the
27 agency, except that an agency may discuss the report with the Governor.
28 The Governor shall not release any part of the report.

29 (4) Following receipt of any written response from the agency, the
30 Legislative Auditor shall prepare a brief written summary of the
31 response, including a description of any significant disagreements the

1 agency has with the office's report or recommendations.

2 **Sec. 91.** Section 50-1211, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 50-1211 (1) The committee shall review the office's report, the
5 agency's response, the Legislative Auditor's summary of the agency's
6 response, and the Legislative Fiscal Analyst's opinion prescribed in
7 section 50-1210. The committee may amend and shall adopt or reject each
8 recommendation in the report and indicate whether each recommendation can
9 be implemented by the agency within its current appropriation. The
10 adopted recommendations shall be incorporated into an audit ~~a committee~~
11 report, which shall be approved by majority vote.

12 (2) The audit ~~committee~~ report shall include, but not be limited to,
13 the office's report, the agency's written response to the report, the
14 Legislative Auditor's summary of the agency response, the committee's
15 recommendations, and any opinions of the Legislative Fiscal Analyst
16 regarding whether the committee's recommendations can be implemented by
17 the agency within its current appropriation.

18 (3) The committee may decide, by majority vote, to defer adoption of
19 an audit ~~a committee~~ report pending a public hearing. If the committee
20 elects to schedule a public hearing, the committee ~~it~~ shall release, for
21 review by interested persons prior to the hearing, the office's report,
22 the agency's response, the Legislative Auditor's summary of the agency's
23 response, and any opinions of the Legislative Fiscal Analyst. The public
24 hearing shall be held not less than ten nor more than twenty business
25 days following release of the materials.

26 (4) When the committee elects to schedule a hearing, a summary of
27 the testimony received at the hearing shall be attached to the audit
28 ~~committee~~ report as an addendum. A transcript of the testimony received
29 at the hearing shall be on file with the committee and available for
30 public inspection. Unless the committee votes to delay release of the
31 audit ~~committee~~ report, the report shall be released within forty

1 business days after the public hearing.

2 (5) Once the committee has approved an audit ~~its~~ report, the
3 committee shall, by majority vote, cause the audit ~~committee~~ report to be
4 released to all members of the Legislature and to the public. The report
5 submitted to the members of the Legislature shall be submitted
6 electronically. The committee may, by majority vote, release the audit
7 ~~committee~~ report or portions thereof prior to public release of the
8 report. Each tax incentive performance audit report shall also be
9 presented at a joint hearing of the Appropriations Committee and Revenue
10 Committee of the Legislature.

11 **Sec. 92.** Section 50-1212, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 50-1212 (1) Within forty business days following the release of the
14 audit ~~committee~~ report, the agency shall provide to the committee a
15 written implementation plan describing the action planned and timeframe
16 for accomplishment of each of the recommendations contained in the audit
17 ~~committee~~ report, except that the committee may waive such requirement
18 for tax incentive performance audits.

19 (2) The agency director shall make every effort to fully implement
20 the recommendations that can be implemented within the limits of the
21 agency's current appropriation. For those recommendations which require
22 additional appropriations or the drafting of legislation, the committee
23 shall work with the appropriate standing committee of the Legislature to
24 ensure legislation is introduced.

25 (3) The committee ~~Legislative Performance Audit Committee~~ shall
26 establish a system to ascertain and monitor agency conformity to the
27 recommendations contained in the audit ~~committee~~ report and compliance
28 with any statutory changes resulting from the report recommendations.

29 (4) Based on the tax incentive performance audit report, the Revenue
30 Committee of the Legislature shall electronically report its
31 recommendation about whether to extend the sunset date for the audited

1 program to the Legislature by December 1 of the year prior to such
2 program's sunset date.

3 **Sec. 93.** (1) At the request of the Legislative Auditor, and after
4 receiving prior approval by a majority vote of the Executive Board of the
5 Legislative Council, the committee may issue subpoenas in connection with
6 a performance audit being conducted by the office to compel the
7 production of records and information and sworn testimony or other
8 evidence relevant to such performance audit. The committee shall vote to
9 determine whether to issue a subpoena within ten days after receipt of
10 the request.

11 (2) When authorized to issue subpoenas under this section, the
12 committee may require any employees of any agency to provide the records
13 or information requested within thirty days after the request, except as
14 otherwise provided for in the subpoena, or to appear at a hearing on the
15 date set in the subpoena.

16 (3) Litigation to compel or quash compliance with the authority
17 exercised pursuant to this section shall be advanced on the trial docket
18 and heard and decided by the court as quickly as possible. The court
19 shall issue its decision no later than twenty days after the filing of
20 the application or petition or a motion to quash, whichever is filed
21 first. Either party may appeal to the Court of Appeals within ten days
22 after a decision is rendered.

23 (4) The district court of Lancaster County has jurisdiction over all
24 litigation arising under this section. In all such litigation, the
25 executive board shall provide for legal representation for the committee.

26 (5) In case of disobedience on the part of any employees of any
27 agency to comply with any subpoena issued pursuant to this section, the
28 committee shall vote on whether to find the person in contempt or to find
29 that the failure to comply was not willful.

30 (6) If the committee finds a person in contempt as provided in
31 subsection (5) of this section, the committee may, by application or

1 petition to the district court of Lancaster County, request that the
2 court compel obedience by proceedings for contempt as in the case of
3 disobedience of the requirements of a subpoena issued from such court.
4 The application or petition shall be filed by the chairperson of the
5 committee.

6 (7) A person required to provide information under this section
7 shall be paid the same fees and travel allowances and shall be accorded
8 the same privileges and immunities as are extended to witnesses in the
9 district courts of this state and shall also be entitled to have counsel
10 present while being questioned. Consistent with the Nebraska Rules of
11 Professional Conduct, counsel for the agency that is the subject of the
12 performance audit shall not represent a witness. Any fees associated with
13 counsel present under this section shall not be the responsibility of the
14 office or the Legislative Council.

15 **Sec. 94.** Section 50-1303, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 50-1303 (1) The Government, Military and Veterans Affairs Committee
18 of the Legislature may randomly select and conduct an evaluation of any
19 board, commission, or similar entity. An evaluation conducted by the
20 committee shall include, but not be limited to, the following:

21 (a) A review of the basic assumptions underlying the creation of the
22 board, commission, or entity;

23 (b) A statement of the impact and effectiveness of the programs,
24 policies, services, or activities administered by, or under the
25 supervision of, the board, commission, or entity; and

26 (c) A recommendation as to whether the board, commission, or entity
27 should be terminated, continued, or modified.

28 (2) If the committee believes that a more extensive evaluation of a
29 board, commission, or entity is necessary, the chairperson of the
30 committee, on the committee's behalf, may request the Legislative
31 Oversight Performance Audit Committee to conduct a performance audit

1 pursuant to the Legislative Performance Audit Act. Nothing in this
2 section shall be construed to give requests for performance audits under
3 this section priority over other requests under consideration by the
4 Legislative ~~Oversight Performance Audit~~ Committee.

5 **Sec. 95.** Section 50-1304, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 50-1304 (1) All agencies, boards, commissions, and departments of
8 the state shall furnish such information, reports, aid, services, and
9 assistance as may be requested by any standing committee of the
10 Legislature in the performance of its duties. A standing committee may
11 issue subpoenas as provided in subsection (3) of section 50-406 to obtain
12 such information, reports, aid, services, and assistance.

13 (2) The Government, Military and Veterans Affairs Committee of the
14 Legislature shall use its staff and may also request assistance from the
15 Director of Research of the Legislature, the Legislative Fiscal Analyst,
16 or any other division within the Legislature as may be necessary in the
17 performance of the duties set forth in sections 50-1301 to 50-1304.

18 **Sec. 96.** Section 73-401, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 73-401 Except for long-term care facilities subject to the
21 jurisdiction of the state long-term care ombudsman pursuant to the Long-
22 Term Care Ombudsman Act, the contracting agency shall ensure that any
23 contract which a state agency enters into or renews which agrees that a
24 corporation, partnership, business, firm, governmental entity, or person
25 shall provide health and human services to individuals or service
26 delivery, service coordination, or case management on behalf of the State
27 of Nebraska shall contain a clause requiring the corporation,
28 partnership, business, firm, governmental entity, or person to submit to
29 the jurisdiction of the Public Counsel pursuant to the Office of Public
30 Counsel Act ~~under sections 81-8,240 to 81-8,254~~ with respect to the
31 provision of services under the contract.

1 **Sec. 97.** Section 77-2711, Revised Statutes Cumulative Supplement,
2 2024, is amended to read:

3 77-2711 (1)(a) The Tax Commissioner shall enforce sections
4 77-2701.04 to 77-2713 and may prescribe, adopt, and enforce rules and
5 regulations relating to the administration and enforcement of such
6 sections.

7 (b) The Tax Commissioner may prescribe the extent to which any
8 ruling or regulation shall be applied without retroactive effect.

9 (2) The Tax Commissioner may employ accountants, auditors,
10 investigators, assistants, and clerks necessary for the efficient
11 administration of the Nebraska Revenue Act of 1967 and may delegate
12 authority to his or her representatives to conduct hearings, prescribe
13 regulations, or perform any other duties imposed by such act.

14 (3)(a) Every seller, every retailer, and every person storing,
15 using, or otherwise consuming in this state property purchased from a
16 retailer shall keep such records, receipts, invoices, and other pertinent
17 papers in such form as the Tax Commissioner may reasonably require.

18 (b) Every such seller, retailer, or person shall keep such records
19 for not less than three years from the making of such records unless the
20 Tax Commissioner in writing sooner authorized their destruction.

21 (4) The Tax Commissioner or any person authorized in writing by him
22 or her may examine the books, papers, records, and equipment of any
23 person selling property and any person liable for the use tax and may
24 investigate the character of the business of the person in order to
25 verify the accuracy of any return made or, if no return is made by the
26 person, to ascertain and determine the amount required to be paid. In the
27 examination of any person selling property or of any person liable for
28 the use tax, an inquiry shall be made as to the accuracy of the reporting
29 of city and county sales and use taxes for which the person is liable
30 under the Local Option Revenue Act or sections 13-319, 13-324, 13-2813,
31 and 77-6403 and the accuracy of the allocation made between the various

1 counties, cities, villages, and municipal counties of the tax due. The
2 Tax Commissioner may make or cause to be made copies of resale or
3 exemption certificates and may pay a reasonable amount to the person
4 having custody of the records for providing such copies.

5 (5) The taxpayer shall have the right to keep or store his or her
6 records at a point outside this state and shall make his or her records
7 available to the Tax Commissioner at all times.

8 (6) In administration of the use tax, the Tax Commissioner may
9 require the filing of reports by any person or class of persons having in
10 his, her, or their possession or custody information relating to sales of
11 property, the storage, use, or other consumption of which is subject to
12 the tax. The report shall be filed when the Tax Commissioner requires and
13 shall set forth the names and addresses of purchasers of the property,
14 the sales price of the property, the date of sale, and such other
15 information as the Tax Commissioner may require.

16 (7) It shall be a Class I misdemeanor for the Tax Commissioner or
17 any official or employee of the Tax Commissioner, the State Treasurer, or
18 the Department of Administrative Services to make known in any manner
19 whatever the business affairs, operations, or information obtained by an
20 investigation of records and activities of any retailer or any other
21 person visited or examined in the discharge of official duty or the
22 amount or source of income, profits, losses, expenditures, or any
23 particular thereof, set forth or disclosed in any return, or to permit
24 any return or copy thereof, or any book containing any abstract or
25 particulars thereof to be seen or examined by any person not connected
26 with the Tax Commissioner. Nothing in this section shall be construed to
27 prohibit (a) the delivery to a taxpayer, his or her duly authorized
28 representative, or his or her successors, receivers, trustees, executors,
29 administrators, assignees, or guarantors, if directly interested, of a
30 certified copy of any return or report in connection with his or her tax,
31 (b) the publication of statistics so classified as to prevent the

1 identification of particular reports or returns and the items thereof,
2 (c) the inspection by the Attorney General, other legal representative of
3 the state, or county attorney of the reports or returns of any taxpayer
4 when either (i) information on the reports or returns is considered by
5 the Attorney General to be relevant to any action or proceeding
6 instituted by the taxpayer or against whom an action or proceeding is
7 being considered or has been commenced by any state agency or the county
8 or (ii) the taxpayer has instituted an action to review the tax based
9 thereon or an action or proceeding against the taxpayer for collection of
10 tax or failure to comply with the Nebraska Revenue Act of 1967 is being
11 considered or has been commenced, (d) the furnishing of any information
12 to the United States Government or to states allowing similar privileges
13 to the Tax Commissioner, (e) the disclosure of information and records to
14 a collection agency contracting with the Tax Commissioner pursuant to
15 sections 77-377.01 to 77-377.04, (f) the disclosure to another party to a
16 transaction of information and records concerning the transaction between
17 the taxpayer and the other party, (g) the disclosure of information
18 pursuant to section 77-27,195, 77-5731, 77-6837, 77-6839, or 77-6928, or
19 (h) the disclosure of information to the Department of Labor necessary
20 for the administration of the Employment Security Law, the Contractor
21 Registration Act, or the Employee Classification Act.

22 (8) Notwithstanding the provisions of subsection (7) of this
23 section, the Tax Commissioner may permit the Postal Inspector of the
24 United States Postal Service or his or her delegates to inspect the
25 reports or returns of any person filed pursuant to the Nebraska Revenue
26 Act of 1967 when information on the reports or returns is relevant to any
27 action or proceeding instituted or being considered by the United States
28 Postal Service against such person for the fraudulent use of the mails to
29 carry and deliver false and fraudulent tax returns to the Tax
30 Commissioner with the intent to defraud the State of Nebraska or to evade
31 the payment of Nebraska state taxes.

1 (9) Notwithstanding the provisions of subsection (7) of this
2 section, the Tax Commissioner may permit other tax officials of this
3 state to inspect the tax returns, reports, and applications filed under
4 sections 77-2701.04 to 77-2713, but such inspection shall be permitted
5 only for purposes of enforcing a tax law and only to the extent and under
6 the conditions prescribed by the rules and regulations of the Tax
7 Commissioner.

8 (10) Notwithstanding the provisions of subsection (7) of this
9 section, the Tax Commissioner may, upon request, provide the county board
10 of any county which has exercised the authority granted by section
11 81-3716 with a list of the names and addresses of the hotels located
12 within the county for which lodging sales tax returns have been filed or
13 for which lodging sales taxes have been remitted for the county's County
14 Visitors Promotion Fund under the Nebraska Visitors Development Act.

15 The information provided by the Tax Commissioner shall indicate only
16 the names and addresses of the hotels located within the requesting
17 county for which lodging sales tax returns have been filed for a
18 specified period and the fact that lodging sales taxes remitted by or on
19 behalf of the hotel have constituted a portion of the total sum remitted
20 by the state to the county for a specified period under the provisions of
21 the Nebraska Visitors Development Act. No additional information shall be
22 revealed.

23 (11)(a) Notwithstanding the provisions of subsection (7) of this
24 section, the Tax Commissioner shall, upon written request by the Auditor
25 of Public Accounts or the ~~office of~~ Legislative Audit Office, make tax
26 returns and tax return information open to inspection by or disclosure to
27 the Auditor of Public Accounts or employees of the ~~office of~~ Legislative
28 Audit Office for the purpose of and to the extent necessary in making an
29 audit of the Department of Revenue pursuant to section 50-1205 or 84-304.
30 Confidential tax returns and tax return information shall be audited only
31 upon the premises of the Department of Revenue. All audit work papers

1 pertaining to the audit of the Department of Revenue shall be stored in a
2 secure place in the Department of Revenue.

3 (b) No employee of the Auditor of Public Accounts or the ~~office of~~
4 Legislative Audit Office shall disclose to any person, other than another
5 Auditor of Public Accounts or office employee whose official duties
6 require such disclosure, any return or return information described in
7 the Nebraska Revenue Act of 1967 in a form which can be associated with
8 or otherwise identify, directly or indirectly, a particular taxpayer.

9 (c) Any person who violates the provisions of this subsection shall
10 be guilty of a Class I misdemeanor. For purposes of this subsection,
11 employee includes a former Auditor of Public Accounts or ~~office of~~
12 Legislative Audit Office employee.

13 (12) For purposes of this subsection and subsections (11) and (14)
14 of this section:

15 (a) Disclosure means the making known to any person in any manner a
16 tax return or return information;

17 (b) Return information means:

18 (i) A taxpayer's identification number and (A) the nature, source,
19 or amount of his or her income, payments, receipts, deductions,
20 exemptions, credits, assets, liabilities, net worth, tax liability, tax
21 withheld, deficiencies, over assessments, or tax payments, whether the
22 taxpayer's return was, is being, or will be examined or subject to other
23 investigation or processing or (B) any other data received by, recorded
24 by, prepared by, furnished to, or collected by the Tax Commissioner with
25 respect to a return or the determination of the existence or possible
26 existence of liability or the amount of liability of any person for any
27 tax, penalty, interest, fine, forfeiture, or other imposition or offense;
28 and

29 (ii) Any part of any written determination or any background file
30 document relating to such written determination; and

31 (c) Tax return or return means any tax or information return or

1 claim for refund required by, provided for, or permitted under sections
2 77-2701 to 77-2713 which is filed with the Tax Commissioner by, on behalf
3 of, or with respect to any person and any amendment or supplement
4 thereto, including supporting schedules, attachments, or lists which are
5 supplemental to or part of the filed return.

6 (13) Notwithstanding the provisions of subsection (7) of this
7 section, the Tax Commissioner shall, upon request, provide any
8 municipality which has adopted the local option sales tax under the Local
9 Option Revenue Act with a list of the names and addresses of the
10 retailers which have collected the local option sales tax for the
11 municipality. The request may be made annually and shall be submitted to
12 the Tax Commissioner on or before June 30 of each year. The information
13 provided by the Tax Commissioner shall indicate only the names and
14 addresses of the retailers. The Tax Commissioner may provide additional
15 information to a municipality so long as the information does not include
16 any data detailing the specific revenue, expenses, or operations of any
17 particular business.

18 (14)(a) Notwithstanding the provisions of subsection (7) of this
19 section, the Tax Commissioner shall, upon written request, provide an
20 individual certified under subdivision (b) of this subsection
21 representing a municipality which has adopted the local option sales and
22 use tax under the Local Option Revenue Act with confidential sales and
23 use tax returns and sales and use tax return information regarding
24 taxpayers that possess a sales tax permit and the amounts remitted by
25 such permitholders at locations within the boundaries of the requesting
26 municipality or with confidential business use tax returns and business
27 use tax return information regarding taxpayers that file a Nebraska and
28 Local Business Use Tax Return and the amounts remitted by such taxpayers
29 at locations within the boundaries of the requesting municipality. Any
30 written request pursuant to this subsection shall provide the Department
31 of Revenue with no less than ten business days to prepare the sales and

1 use tax returns and sales and use tax return information requested. The
2 individual certified under subdivision (b) of this subsection shall
3 review such returns and return information only upon the premises of the
4 department, except that such limitation shall not apply if the certifying
5 municipality has an agreement in effect under the Nebraska Advantage
6 Transformational Tourism and Redevelopment Act. In such case, the
7 individual certified under subdivision (b) of this subsection may request
8 that copies of such returns and return information be sent to him or her
9 by electronic transmission, secured in a manner as determined by the Tax
10 Commissioner.

11 (b) Each municipality that seeks to request information under
12 subdivision (a) of this subsection shall certify to the Department of
13 Revenue one individual who is authorized by such municipality to make
14 such request and review the documents described in subdivision (a) of
15 this subsection. The individual may be a municipal employee or an
16 individual who contracts with the requesting municipality to provide
17 financial, accounting, or other administrative services.

18 (c) No individual certified by a municipality pursuant to
19 subdivision (b) of this subsection shall disclose to any person any
20 information obtained pursuant to a review under this subsection. An
21 individual certified by a municipality pursuant to subdivision (b) of
22 this subsection shall remain subject to this subsection after he or she
23 (i) is no longer certified or (ii) is no longer in the employment of or
24 under contract with the certifying municipality.

25 (d) Any person who violates the provisions of this subsection shall
26 be guilty of a Class I misdemeanor.

27 (e) The Department of Revenue shall not be held liable by any person
28 for an impermissible disclosure by a municipality or any agent or
29 employee thereof of any information obtained pursuant to a review under
30 this subsection.

31 (15) In all proceedings under the Nebraska Revenue Act of 1967, the

1 Tax Commissioner may act for and on behalf of the people of the State of
2 Nebraska. The Tax Commissioner in his or her discretion may waive all or
3 part of any penalties provided by the provisions of such act or interest
4 on delinquent taxes specified in section 45-104.02, as such rate may from
5 time to time be adjusted.

6 (16)(a) The purpose of this subsection is to set forth the state's
7 policy for the protection of the confidentiality rights of all
8 participants in the system operated pursuant to the streamlined sales and
9 use tax agreement and of the privacy interests of consumers who deal with
10 model 1 sellers.

11 (b) For purposes of this subsection:

12 (i) Anonymous data means information that does not identify a
13 person;

14 (ii) Confidential taxpayer information means all information that is
15 protected under a member state's laws, regulations, and privileges; and

16 (iii) Personally identifiable information means information that
17 identifies a person.

18 (c) The state agrees that a fundamental precept for model 1 sellers
19 is to preserve the privacy of consumers by protecting their anonymity.
20 With very limited exceptions, a certified service provider shall perform
21 its tax calculation, remittance, and reporting functions without
22 retaining the personally identifiable information of consumers.

23 (d) The governing board of the member states in the streamlined
24 sales and use tax agreement may certify a certified service provider only
25 if that certified service provider certifies that:

26 (i) Its system has been designed and tested to ensure that the
27 fundamental precept of anonymity is respected;

28 (ii) Personally identifiable information is only used and retained
29 to the extent necessary for the administration of model 1 with respect to
30 exempt purchasers;

31 (iii) It provides consumers clear and conspicuous notice of its

1 information practices, including what information it collects, how it
2 collects the information, how it uses the information, how long, if at
3 all, it retains the information, and whether it discloses the information
4 to member states. Such notice shall be satisfied by a written privacy
5 policy statement accessible by the public on the website of the certified
6 service provider;

7 (iv) Its collection, use, and retention of personally identifiable
8 information is limited to that required by the member states to ensure
9 the validity of exemptions from taxation that are claimed by reason of a
10 consumer's status or the intended use of the goods or services purchased;
11 and

12 (v) It provides adequate technical, physical, and administrative
13 safeguards so as to protect personally identifiable information from
14 unauthorized access and disclosure.

15 (e) The state shall provide public notification to consumers,
16 including exempt purchasers, of the state's practices relating to the
17 collection, use, and retention of personally identifiable information.

18 (f) When any personally identifiable information that has been
19 collected and retained is no longer required for the purposes set forth
20 in subdivision (16)(d)(iv) of this section, such information shall no
21 longer be retained by the member states.

22 (g) When personally identifiable information regarding an individual
23 is retained by or on behalf of the state, it shall provide reasonable
24 access by such individual to his or her own information in the state's
25 possession and a right to correct any inaccurately recorded information.

26 (h) If anyone other than a member state, or a person authorized by
27 that state's law or the agreement, seeks to discover personally
28 identifiable information, the state from whom the information is sought
29 should make a reasonable and timely effort to notify the individual of
30 such request.

31 (i) This privacy policy is subject to enforcement by the Attorney

1 General.

2 (j) All other laws and regulations regarding the collection, use,
3 and maintenance of confidential taxpayer information remain fully
4 applicable and binding. Without limitation, this subsection does not
5 enlarge or limit the state's authority to:

6 (i) Conduct audits or other reviews as provided under the agreement
7 and state law;

8 (ii) Provide records pursuant to the federal Freedom of Information
9 Act, disclosure laws with governmental agencies, or other regulations;

10 (iii) Prevent, consistent with state law, disclosure of confidential
11 taxpayer information;

12 (iv) Prevent, consistent with federal law, disclosure or misuse of
13 federal return information obtained under a disclosure agreement with the
14 Internal Revenue Service; and

15 (v) Collect, disclose, disseminate, or otherwise use anonymous data
16 for governmental purposes.

17 **Sec. 98.** Section 77-27,119, Revised Statutes Cumulative Supplement,
18 2024, is amended to read:

19 77-27,119 (1) The Tax Commissioner shall administer and enforce the
20 income tax imposed by sections 77-2714 to 77-27,135, and he or she is
21 authorized to conduct hearings, to adopt and promulgate such rules and
22 regulations, and to require such facts and information to be reported as
23 he or she may deem necessary to enforce the income tax provisions of such
24 sections, except that such rules, regulations, and reports shall not be
25 inconsistent with the laws of this state or the laws of the United
26 States. The Tax Commissioner may for enforcement and administrative
27 purposes divide the state into a reasonable number of districts in which
28 branch offices may be maintained.

29 (2)(a) The Tax Commissioner may prescribe the form and contents of
30 any return or other document required to be filed under the income tax
31 provisions. Such return or other document shall be compatible as to form

1 and content with the return or document required by the laws of the
2 United States. The form shall have a place where the taxpayer shall
3 designate the school district in which he or she lives and the county in
4 which the school district is headquartered. The Tax Commissioner shall
5 adopt and promulgate such rules and regulations as may be necessary to
6 insure compliance with this requirement.

7 (b) The State Department of Education, with the assistance and
8 cooperation of the Department of Revenue, shall develop a uniform system
9 for numbering all school districts in the state. Such system shall be
10 consistent with the data processing needs of the Department of Revenue
11 and shall be used for the school district identification required by
12 subdivision (a) of this subsection.

13 (c) The proper filing of an income tax return shall consist of the
14 submission of such form as prescribed by the Tax Commissioner or an exact
15 facsimile thereof with sufficient information provided by the taxpayer on
16 the face of the form from which to compute the actual tax liability. Each
17 taxpayer shall include such taxpayer's correct social security number or
18 state identification number and the school district identification number
19 of the school district in which the taxpayer resides on the face of the
20 form. A filing is deemed to occur when the required information is
21 provided.

22 (3) The Tax Commissioner, for the purpose of ascertaining the
23 correctness of any return or other document required to be filed under
24 the income tax provisions, for the purpose of determining corporate
25 income, individual income, and withholding tax due, or for the purpose of
26 making an estimate of taxable income of any person, shall have the power
27 to examine or to cause to have examined, by any agent or representative
28 designated by him or her for that purpose, any books, papers, records, or
29 memoranda bearing upon such matters and may by summons require the
30 attendance of the person responsible for rendering such return or other
31 document or remitting any tax, or any officer or employee of such person,

1 or the attendance of any other person having knowledge in the premises,
2 and may take testimony and require proof material for his or her
3 information, with power to administer oaths or affirmations to such
4 person or persons.

5 (4) The time and place of examination pursuant to this section shall
6 be such time and place as may be fixed by the Tax Commissioner and as are
7 reasonable under the circumstances. In the case of a summons, the date
8 fixed for appearance before the Tax Commissioner shall not be less than
9 twenty days from the time of service of the summons.

10 (5) No taxpayer shall be subjected to unreasonable or unnecessary
11 examinations or investigations.

12 (6) Except in accordance with proper judicial order or as otherwise
13 provided by law, it shall be unlawful for the Tax Commissioner, any
14 officer or employee of the Tax Commissioner, any person engaged or
15 retained by the Tax Commissioner on an independent contract basis, any
16 person who pursuant to this section is permitted to inspect any report or
17 return or to whom a copy, an abstract, or a portion of any report or
18 return is furnished, any employee of the State Treasurer or the
19 Department of Administrative Services, or any other person to divulge,
20 make known, or use in any manner the amount of income or any particulars
21 set forth or disclosed in any report or return required except for the
22 purpose of enforcing sections 77-2714 to 77-27,135. The officers charged
23 with the custody of such reports and returns shall not be required to
24 produce any of them or evidence of anything contained in them in any
25 action or proceeding in any court, except on behalf of the Tax
26 Commissioner in an action or proceeding under the provisions of the tax
27 law to which he or she is a party or on behalf of any party to any action
28 or proceeding under such sections when the reports or facts shown thereby
29 are directly involved in such action or proceeding, in either of which
30 events the court may require the production of, and may admit in
31 evidence, so much of such reports or of the facts shown thereby as are

1 pertinent to the action or proceeding and no more. Nothing in this
2 section shall be construed (a) to prohibit the delivery to a taxpayer,
3 his or her duly authorized representative, or his or her successors,
4 receivers, trustees, personal representatives, administrators, assignees,
5 or guarantors, if directly interested, of a certified copy of any return
6 or report in connection with his or her tax, (b) to prohibit the
7 publication of statistics so classified as to prevent the identification
8 of particular reports or returns and the items thereof, (c) to prohibit
9 the inspection by the Attorney General, other legal representatives of
10 the state, or a county attorney of the report or return of any taxpayer
11 who brings an action to review the tax based thereon, against whom an
12 action or proceeding for collection of tax has been instituted, or
13 against whom an action, proceeding, or prosecution for failure to comply
14 with the Nebraska Revenue Act of 1967 is being considered or has been
15 commenced, (d) to prohibit furnishing to the Nebraska Workers'
16 Compensation Court the names, addresses, and identification numbers of
17 employers, and such information shall be furnished on request of the
18 court, (e) to prohibit the disclosure of information and records to a
19 collection agency contracting with the Tax Commissioner pursuant to
20 sections 77-377.01 to 77-377.04, (f) to prohibit the disclosure of
21 information pursuant to section 77-27,195, 77-4110, 77-5731, 77-6521,
22 77-6837, 77-6839, or 77-6928, (g) to prohibit the disclosure to the
23 Public Employees Retirement Board of the addresses of individuals who are
24 members of the retirement systems administered by the board, and such
25 information shall be furnished to the board solely for purposes of its
26 administration of the retirement systems upon written request, which
27 request shall include the name and social security number of each
28 individual for whom an address is requested, (h) to prohibit the
29 disclosure of information to the Department of Labor necessary for the
30 administration of the Employment Security Law, the Contractor
31 Registration Act, or the Employee Classification Act, (i) to prohibit the

1 disclosure to the Department of Motor Vehicles of tax return information
2 pertaining to individuals, corporations, and businesses determined by the
3 Department of Motor Vehicles to be delinquent in the payment of amounts
4 due under agreements pursuant to the International Fuel Tax Agreement
5 Act, and such disclosure shall be strictly limited to information
6 necessary for the administration of the act, (j) to prohibit the
7 disclosure under section 42-358.08, 43-512.06, or 43-3327 to any court-
8 appointed individuals, the county attorney, any authorized attorney, or
9 the Department of Health and Human Services of an absent parent's
10 address, social security number, amount of income, health insurance
11 information, and employer's name and address for the exclusive purpose of
12 establishing and collecting child, spousal, or medical support, (k) to
13 prohibit the disclosure of information to the Department of Insurance,
14 the Nebraska State Historical Society, or the State Historic Preservation
15 Officer as necessary to carry out the Department of Revenue's
16 responsibilities under the Nebraska Job Creation and Mainstreet
17 Revitalization Act, or (l) to prohibit the disclosure to the Department
18 of Insurance of information pertaining to authorization for, and use of,
19 tax credits under the New Markets Job Growth Investment Act. Information
20 so obtained shall be used for no other purpose. Any person who violates
21 this subsection shall be guilty of a felony and shall upon conviction
22 thereof be fined not less than one hundred dollars nor more than five
23 hundred dollars, or be imprisoned not more than five years, or be both so
24 fined and imprisoned, in the discretion of the court and shall be
25 assessed the costs of prosecution. If the offender is an officer or
26 employee of the state, he or she shall be dismissed from office and be
27 ineligible to hold any public office in this state for a period of two
28 years thereafter.

29 (7) Reports and returns required to be filed under income tax
30 provisions of sections 77-2714 to 77-27,135 shall be preserved until the
31 Tax Commissioner orders them to be destroyed.

1 (8) Notwithstanding the provisions of subsection (6) of this
2 section, the Tax Commissioner may permit the Secretary of the Treasury of
3 the United States or his or her delegates or the proper officer of any
4 state imposing an income tax, or the authorized representative of either
5 such officer, to inspect the income tax returns of any taxpayer or may
6 furnish to such officer or his or her authorized representative an
7 abstract of the return of income of any taxpayer or supply him or her
8 with information concerning an item of income contained in any return or
9 disclosed by the report of any investigation of the income or return of
10 income of any taxpayer, but such permission shall be granted only if the
11 statutes of the United States or of such other state, as the case may be,
12 grant substantially similar privileges to the Tax Commissioner of this
13 state as the officer charged with the administration of the income tax
14 imposed by sections 77-2714 to 77-27,135.

15 (9) Notwithstanding the provisions of subsection (6) of this
16 section, the Tax Commissioner may permit the Postal Inspector of the
17 United States Postal Service or his or her delegates to inspect the
18 reports or returns of any person filed pursuant to the Nebraska Revenue
19 Act of 1967 when information on the reports or returns is relevant to any
20 action or proceeding instituted or being considered by the United States
21 Postal Service against such person for the fraudulent use of the mails to
22 carry and deliver false and fraudulent tax returns to the Tax
23 Commissioner with the intent to defraud the State of Nebraska or to evade
24 the payment of Nebraska state taxes.

25 (10)(a) Notwithstanding the provisions of subsection (6) of this
26 section, the Tax Commissioner shall, upon written request by the Auditor
27 of Public Accounts or the ~~office of~~ Legislative Audit Office, make tax
28 returns and tax return information open to inspection by or disclosure to
29 officers and employees of the Auditor of Public Accounts or employees of
30 the ~~office of~~ Legislative Audit Office for the purpose of and to the
31 extent necessary in making an audit of the Department of Revenue pursuant

1 to section 50-1205 or 84-304. The Auditor of Public Accounts or ~~office of~~
2 Legislative Audit Office shall statistically and randomly select the tax
3 returns and tax return information to be audited based upon a computer
4 tape provided by the Department of Revenue which contains only total
5 population documents without specific identification of taxpayers. The
6 Tax Commissioner shall have the authority to approve the statistical
7 sampling method used by the Auditor of Public Accounts or ~~office of~~
8 Legislative Audit Office. Confidential tax returns and tax return
9 information shall be audited only upon the premises of the Department of
10 Revenue. All audit workpapers pertaining to the audit of the Department
11 of Revenue shall be stored in a secure place in the Department of
12 Revenue.

13 (b) When selecting tax returns or tax return information for a
14 performance audit of a tax incentive program, the ~~office of~~ Legislative
15 Audit Office shall select the tax returns or tax return information for
16 either all or a statistically and randomly selected sample of taxpayers
17 who have applied for or who have qualified for benefits under the tax
18 incentive program that is the subject of the audit. When the ~~office of~~
19 Legislative Audit Office reports on its review of tax returns and tax
20 return information, it shall comply with subdivision (10)(c) of this
21 section.

22 (c) No officer or employee of the Auditor of Public Accounts or
23 ~~office of~~ Legislative Audit Office employee shall disclose to any person,
24 other than another officer or employee of the Auditor of Public Accounts
25 or ~~office of~~ Legislative Audit Office whose official duties require such
26 disclosure, any return or return information described in the Nebraska
27 Revenue Act of 1967 in a form which can be associated with or otherwise
28 identify, directly or indirectly, a particular taxpayer.

29 (d) Any person who violates the provisions of this subsection shall
30 be guilty of a Class IV felony and, in the discretion of the court, may
31 be assessed the costs of prosecution. The guilty officer or employee

1 shall be dismissed from employment and be ineligible to hold any position
2 of employment with the State of Nebraska for a period of two years
3 thereafter. For purposes of this subsection, officer or employee shall
4 include a former officer or employee of the Auditor of Public Accounts or
5 former employee of the ~~office of~~ Legislative Audit Office.

6 (11) For purposes of subsections (10) through (13) of this section:

7 (a) Tax returns shall mean any tax or information return or claim
8 for refund required by, provided for, or permitted under sections 77-2714
9 to 77-27,135 which is filed with the Tax Commissioner by, on behalf of,
10 or with respect to any person and any amendment or supplement thereto,
11 including supporting schedules, attachments, or lists which are
12 supplemental to or part of the filed return;

13 (b) Return information shall mean:

14 (i) A taxpayer's identification number and (A) the nature, source,
15 or amount of his or her income, payments, receipts, deductions,
16 exemptions, credits, assets, liabilities, net worth, tax liability, tax
17 withheld, deficiencies, overassessments, or tax payments, whether the
18 taxpayer's return was, is being, or will be examined or subject to other
19 investigation or processing or (B) any other data received by, recorded
20 by, prepared by, furnished to, or collected by the Tax Commissioner with
21 respect to a return or the determination of the existence or possible
22 existence of liability or the amount of liability of any person for any
23 tax, penalty, interest, fine, forfeiture, or other imposition or offense;
24 and

25 (ii) Any part of any written determination or any background file
26 document relating to such written determination; and

27 (c) Disclosures shall mean the making known to any person in any
28 manner a return or return information.

29 (12) The Auditor of Public Accounts shall (a) notify the Tax
30 Commissioner in writing thirty days prior to the beginning of an audit of
31 his or her intent to conduct an audit, (b) provide an audit plan, and (c)

1 provide a list of the tax returns and tax return information identified
2 for inspection during the audit. The ~~office of~~ Legislative Audit Office
3 shall notify the Tax Commissioner of the intent to conduct an audit and
4 of the scope of the audit as provided in section 50-1209.

5 (13) The Auditor of Public Accounts or the ~~office of~~ Legislative
6 Audit Office shall, as a condition for receiving tax returns and tax
7 return information: (a) Subject employees involved in the audit to the
8 same confidential information safeguards and disclosure procedures as
9 required of Department of Revenue employees; (b) establish and maintain a
10 permanent system of standardized records with respect to any request for
11 tax returns or tax return information, the reason for such request, and
12 the date of such request and any disclosure of the tax return or tax
13 return information; (c) establish and maintain a secure area or place in
14 the Department of Revenue in which the tax returns, tax return
15 information, or audit workpapers shall be stored; (d) restrict access to
16 the tax returns or tax return information only to persons whose duties or
17 responsibilities require access; (e) provide such other safeguards as the
18 Tax Commissioner determines to be necessary or appropriate to protect the
19 confidentiality of the tax returns or tax return information; (f) provide
20 a report to the Tax Commissioner which describes the procedures
21 established and utilized by the Auditor of Public Accounts or ~~office of~~
22 Legislative Audit Office for insuring the confidentiality of tax returns,
23 tax return information, and audit workpapers; and (g) upon completion of
24 use of such returns or tax return information, return to the Tax
25 Commissioner such returns or tax return information, along with any
26 copies.

27 (14) The Tax Commissioner may permit other tax officials of this
28 state to inspect the tax returns and reports filed under sections 77-2714
29 to 77-27,135, but such inspection shall be permitted only for purposes of
30 enforcing a tax law and only to the extent and under the conditions
31 prescribed by the rules and regulations of the Tax Commissioner.

1 (15) The Tax Commissioner shall compile the school district
2 information required by subsection (2) of this section. Insofar as it is
3 possible, such compilation shall include, but not be limited to, the
4 total adjusted gross income of each school district in the state. The Tax
5 Commissioner shall adopt and promulgate such rules and regulations as may
6 be necessary to insure that such compilation does not violate the
7 confidentiality of any individual income tax return nor conflict with any
8 other provisions of state or federal law.

9 **Sec. 99.** Section 81-1114, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 81-1114 The building division shall have the following powers,
12 duties, and responsibilities:

13 (1) Shall prepare, for submittal to the Governor and to the ~~office~~
14 ~~of the~~ Legislative Fiscal Analyst, analyses of the cost of every desired
15 land and building acquisition, new building construction, either underway
16 or proposed, major repair or remodeling of new, newly acquired, or
17 existing buildings, and each and every structural improvement to land,
18 utilities, roads, walks, and parking lots, costing four hundred thousand
19 dollars or more, but excluding right-of-way projects of the Department of
20 Transportation. The analyses submitted to the Legislative Fiscal Analyst
21 shall be submitted electronically. The Department of Administrative
22 Services shall adjust the dollar amount in this section every four years
23 beginning January 1, 2002, to account for inflationary and market
24 changes. The adjustment shall be based on percentage changes in a
25 construction cost index and any other published index relevant to
26 operations and utilities costs, as selected by the department;

27 (2) Shall record the relationship between the proposed capital
28 facilities and the individual or departmental agencies' operating
29 programs with particular attention to needs of immediate or future
30 operations of the department or agency submitting such plan;

31 (3) Shall make recommendations to the Governor, the committee of the

1 Legislature which shall from time to time have responsibility for
2 preparing recommendations for appropriations, and the individual
3 department or agency concerned, on the probable costs of such
4 acquisition, construction, repair, or remodeling. The recommendations
5 submitted to the committee shall be submitted electronically; and

6 (4) Shall require the submission by each department and agency of
7 the state of copies of all written contracts for acquisition,
8 construction, repair, or remodeling, including federal contracts, before
9 such contracts are executed by the executive officer of the state
10 authorized to execute such contracts, and shall maintain copies of such
11 contracts on file for inspection by the Legislative Fiscal Analyst.

12 **Sec. 100.** Section 83-178, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 83-178 (1) The director shall establish and maintain, in accordance
15 with the regulations of the department, an individual file for each
16 person committed to the department. Each individual file shall include,
17 when available and appropriate, the following information on such person:

- 18 (a) Such person's ~~His or her~~ admission summary;
- 19 (b) Such person's ~~His or her~~ presentence investigation report;
- 20 (c) Such person's ~~His or her~~ classification report and
21 recommendation;
- 22 (d) Official records of such person's ~~his or her~~ conviction and
23 commitment as well as any earlier criminal records;
- 24 (e) Progress reports and admission-orientation reports;
- 25 (f) Reports of any disciplinary infractions and of their
26 disposition;
- 27 (g) Such person's ~~His or her~~ parole plan; and
- 28 (h) Other pertinent data concerning such person's ~~his or her~~
29 background, conduct, associations, and family relationships.

30 (2) Any decision concerning the classification, reclassification,
31 transfer to another facility, preparole preparation, or parole release of

1 a person committed to the department shall be made only after such
2 person's ~~his or her~~ file has been reviewed. The content of the file shall
3 be confidential and shall not be subject to public inspection except by
4 court order for good cause shown and shall not be accessible to any
5 person committed to the department. An inmate may obtain access to the
6 inmate's ~~his or her~~ medical records by request to the provider pursuant
7 to sections 71-8401 to 71-8407 notwithstanding the fact that such medical
8 records may be a part of the inmate's ~~his or her~~ individual department
9 file. The department retains the authority to withhold mental health and
10 psychological records of the inmate when appropriate.

11 (3) The program of each person committed to the department shall be
12 reviewed at regular intervals and recommendations shall be made to the
13 chief executive officer concerning changes in such person's program of
14 treatment, training, employment, care, and custody as are considered
15 necessary or desirable.

16 (4) The chief executive officer of the facility shall have final
17 authority to determine matters of treatment classification within such
18 officer's ~~his or her~~ facility and to recommend to the director the
19 transfer of any person committed to the department who is in such
20 officer's ~~his or her~~ custody.

21 (5) The director may at any time order a person committed to the
22 department to undergo further examination and study for additional
23 recommendations concerning such person's ~~his or her~~ classification,
24 custodial control, and rehabilitative treatment.

25 (6) Nothing in this section shall be construed to limit in any
26 manner the authority of the Public Counsel or the Inspector General of
27 the Nebraska Correctional System to inspect and examine the records and
28 documents of the department pursuant to the Office of Public Counsel Act
29 or the Office of Inspector General of the Nebraska Correctional System
30 Act sections 81-8,240 to 81-8,254, except that the Public Counsel's or
31 Inspector General's access to an inmate's medical or mental health

1 records shall be subject to the inmate's consent unless an inmate's death
2 is being investigated by the Public Counsel or Inspector General. The
3 office of Public Counsel and the office of Inspector General of the
4 Nebraska Correctional System shall not disclose an inmate's medical or
5 mental health records to anyone else, including any person committed to
6 the department, except as authorized by law.

7 **Sec. 101.** Section 83-1,125.01, Reissue Revised Statutes of Nebraska,
8 is amended to read:

9 83-1,125.01 (1) The Board of Parole and the Division of Parole
10 Supervision may maintain an individual file for each person who is under
11 the jurisdiction of the Board of Parole. Such file may be maintained
12 electronically and shall include, when available and appropriate, the
13 following information on such person:

- 14 (a) Admission summary;
- 15 (b) Presentence investigation report;
- 16 (c) Classification reports and recommendations;
- 17 (d) Official records of conviction and commitment along with any
18 earlier criminal records;
- 19 (e) Progress reports and admission-orientation reports;
- 20 (f) Reports of any disciplinary infractions and their disposition;
- 21 (g) Risk and needs assessments;
- 22 (h) Parole plan and parole placement and investigation worksheets;
- 23 (i) Decision guideline scores;
- 24 (j) Parole case plan;
- 25 (k) Parole progress reports and contact notes;
- 26 (l) Arrest and violation reports, including disposition;
- 27 (m) Parole proceedings orders and notices;
- 28 (n) Other documents related to parole supervision;
- 29 (o) Correspondence; and
- 30 (p) Other pertinent data concerning his or her background, conduct,
31 associations, and family relationships.

1 (2) Any decision concerning release on or revocation of parole or
2 imposition of sanctions shall be made only after the individual file has
3 been reviewed. The contents of the individual file shall be confidential
4 unless disclosed in connection with a public hearing and shall not be
5 subject to public inspection except by court order for good cause shown.
6 The contents of the file shall not be accessible to any person under the
7 jurisdiction of the Board of Parole. A person under the jurisdiction of
8 the board may obtain access to his or her medical records by request to
9 the provider pursuant to sections 71-8401 to 71-8407 notwithstanding the
10 fact that such medical records may be a part of his or her parole file.
11 The board and the Division of Parole Supervision have the authority to
12 withhold decision guideline scores, risk and needs assessment scores, and
13 mental health and psychological records of a person under the
14 jurisdiction of the board when appropriate.

15 (3) Nothing in this section limits in any manner the authority of
16 the Public Counsel or the Inspector General of the Nebraska Correctional
17 System to inspect and examine the records and documents of the board and
18 the Division of Parole Supervision pursuant to the Office of Public
19 Counsel Act or the Office of Inspector General of the Nebraska
20 Correctional System Act ~~sections 81-8,240 to 81-8,254~~, except that the
21 Public Counsel's or Inspector General's access to the medical or mental
22 health records of a person under the jurisdiction of the board shall be
23 subject to his or her consent. The office of Public Counsel and the
24 office of Inspector General of the Nebraska Correctional System shall not
25 disclose the medical or mental health records of a person under the
26 jurisdiction of the board to anyone else, including any other person
27 under the jurisdiction of the board, except as authorized by law.

28 (4) For any person under the jurisdiction of the Board of Parole,
29 the board shall provide such person's (a) name, (b) parole officer, and
30 (c) conditions of parole to the Nebraska Commission on Law Enforcement
31 and Criminal Justice which shall provide access to such information to

1 law enforcement agencies through the state's criminal justice information
2 system.

3 **Sec. 102.** Section 84-304, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 84-304 It shall be the duty of the Auditor of Public Accounts:

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

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

12 (3)(a) To examine or cause to be examined, at such time as he or she
13 shall determine, books, accounts, vouchers, records, and expenditures of
14 all state officers, state bureaus, state boards, state commissioners, the
15 state library, societies and associations supported by the state, state
16 institutions, state colleges, and the University of Nebraska, except when
17 required to be performed by other officers or persons. Such examinations
18 shall be done in accordance with generally accepted government auditing
19 standards for financial audits and attestation engagements set forth in
20 Government Auditing Standards (2011 Revision for audit periods ending
21 before June 30, 2020, or 2018 Revision for audit periods ending on or
22 after June 30, 2020), published by the Comptroller General of the United
23 States, Government Accountability Office, and except as provided in
24 subdivision (11) of this section, subdivision (16) of section 50-1205,
25 and section 84-322, shall not include performance audits, whether
26 conducted pursuant to attestation engagements or performance audit
27 standards as set forth in Government Auditing Standards (2018 Revision),
28 published by the Comptroller General of the United States, Government
29 Accountability Office.

30 (b) Any entity, excluding the state colleges and the University of
31 Nebraska, that is audited or examined pursuant to subdivision (3)(a) of

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

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

1 educational service unit, any village, any service contractor or
2 subrecipient of state or federal funds, any political subdivision with
3 the authority to levy a property tax or a toll, or any entity created
4 pursuant to the Joint Public Agency Act.

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

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

16 (c) Through December 31, 2017, the Auditor of Public Accounts may
17 conduct audits under this subdivision for purposes of sections 2-3228,
18 12-101, 13-2402, 14-567, 14-1805.01, 14-2111, 16-1017, 16-1037, 19-3501,
19 23-1118, 23-3526, 71-1631.02, and 79-987.

20 (d) Beginning on May 24, 2017, the Auditor of Public Accounts may
21 conduct audits under this subdivision for purposes of sections 13-2402,
22 14-567, 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037, 18-814,
23 71-1631.02, and 79-987 and shall prescribe the form for the annual
24 reports required in each of such sections. Such annual reports shall be
25 published annually on the website of the Auditor of Public Accounts;

26 (5) To report promptly to the Governor and the appropriate standing
27 committee of the Legislature the fiscal condition shown by such
28 examinations conducted by the auditor, including any irregularities or
29 misconduct of officers or employees, any misappropriation or misuse of
30 public funds or property, and any improper system or method of
31 bookkeeping or condition of accounts. The report submitted to the

1 committee shall be submitted electronically. In addition, if, in the
2 normal course of conducting an audit in accordance with subdivision (3)
3 of this section, the auditor discovers any potential problems related to
4 the effectiveness, efficiency, or performance of state programs, he or
5 she shall immediately report them electronically to the Legislative
6 Oversight Performance Audit Committee which may investigate the issue
7 further, report it electronically to the appropriate standing committee
8 of the Legislature, or both;

9 (6)(a) To examine or cause to be examined the books, accounts,
10 vouchers, records, and expenditures of a fire protection district. The
11 expense of the examination shall be paid by the political subdivision.

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

28 (c) Whenever the expenditures of a fire protection district exceed
29 one hundred fifty thousand dollars in a fiscal year, the auditor may
30 waive the audit requirement upon the submission of a written request by
31 the fire protection district in a form prescribed by the auditor. The

1 auditor shall notify the fire protection district in writing of the
2 approval or denial of a request for waiver. Upon approval of the request
3 for waiver, a new five-year audit period shall begin for the fire
4 protection district if its expenditures are one hundred fifty thousand
5 dollars or less per fiscal year in subsequent years;

6 (7) To appoint two or more assistant deputies (a) whose entire time
7 shall be devoted to the service of the state as directed by the auditor,
8 (b) who shall be certified public accountants with at least five years'
9 experience, (c) who shall be selected without regard to party affiliation
10 or to place of residence at the time of appointment, (d) who shall
11 promptly report to the auditor the fiscal condition shown by each
12 examination, including any irregularities or misconduct of officers or
13 employees, any misappropriation or misuse of public funds or property,
14 and any improper system or method of bookkeeping or condition of
15 accounts, and it shall be the duty of the auditor to file promptly with
16 the Governor a duplicate of such report, and (e) who shall qualify by
17 taking an oath which shall be filed in the office of the Secretary of
18 State;

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

1 (9)(a) To examine or cause to be examined the books, accounts,
2 vouchers, and records related to any money transferred pursuant to
3 subsection (2) or (4) of section 79-3501, any fund receiving any such
4 transfer, or any subsequent transfer or expenditure of such money when
5 the Auditor of Public Accounts determines such examination necessary or
6 when requested by (i) any department or agency receiving any such
7 transfer or acting as the administrator for a fund receiving any such
8 transfer, (ii) any recipient or subsequent recipient of money disbursed
9 from any such fund, or (iii) any service contractor responsible for
10 managing, on behalf of any entity, any portion of any such fund or any
11 money disbursed from any such fund.

12 (b) Any examination pursuant to subdivision (9)(a) of this section
13 shall be made at the expense of the department or agency, recipient or
14 subsequent recipient, or service contractor whose books, accounts,
15 vouchers, or records are being examined.

16 (c) For purposes of this subdivision, recipient, subsequent
17 recipient, or service contractor means a nonprofit entity that expends
18 funds transferred pursuant to subsection (2) or (4) of section 79-3501 to
19 carry out a state program or function, but does not include an individual
20 who is a direct beneficiary of such a program or function.

21 (d) The Auditor of Public Accounts shall prescribe the form for the
22 annual reports required in subsection (6) of section 79-3501. Such annual
23 reports shall be published on the website of the Auditor of Public
24 Accounts;

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

28 (11) When authorized, to conduct joint audits with the Legislative
29 Oversight Performance Audit Committee as described in section 50-1205;

30 (12) Unless otherwise specifically provided, to assess the interest
31 rate on delinquent payments of any fees for audits and services owing to

1 the Auditor of Public Accounts at a rate of fourteen percent per annum
2 from the date of billing unless paid within thirty days after the date of
3 billing. For an entity created pursuant to the Interlocal Cooperation Act
4 or the Joint Public Agency Act, any participating public agencies shall
5 be jointly and severally liable for the fees and interest owed if such
6 entity is defunct or unable to pay; and

7 (13) In consultation with statewide associations representing (a)
8 counties and (b) cities and villages, to approve annual continuing
9 education programs for county treasurers, city treasurers, and village
10 treasurers as required by sections 14-553, 15-317, 16-318, 17-606, and
11 23-1601. The cost of attending such programs shall be at the expense of
12 the county, city, or village. The auditor shall maintain records of
13 program attendance and notify each county board, city council, or village
14 board of trustees if its treasurer has not completed such program
15 attendance. The auditor shall inform the Attorney General and the county
16 attorney of the county in which a treasurer is located if such treasurer
17 has not completed a required annual continuing education program.

18 **Sec. 103.** Section 84-311, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 84-311 (1)(a) All final audit reports issued by the Auditor of
21 Public Accounts shall be maintained permanently as a public record in the
22 office of the Auditor of Public Accounts.

23 (b) Working papers and other audit files maintained by the Auditor
24 of Public Accounts are not public records and are exempt from sections
25 84-712 to 84-712.05. The information contained in working papers and
26 audit files prepared pursuant to a specific audit is not subject to
27 disclosure except to a county attorney or the Attorney General in
28 connection with an investigation made or action taken in the course of
29 the attorney's official duties or to the Legislative Oversight
30 ~~Performance Audit~~ Committee in the course of the committee's official
31 duties and pursuant to the requirements of subdivision (16) of section

1 50-1205 or subdivision (5) of section 84-304.

2 (c) A public entity being audited and any federal agency that has
3 made a grant to such public entity shall also have access to the relevant
4 working papers and audit files, except that such access shall not include
5 information that would disclose or otherwise indicate the identity of any
6 individual who has confidentially provided the Auditor of Public Accounts
7 with allegations of wrongdoing regarding, or other information pertaining
8 to, the public entity being audited.

9 (d) The Auditor of Public Accounts may, at his or her discretion,
10 share working papers, other than personal information and telephone
11 records, with the Legislative Council. The Auditor of Public Accounts
12 may, at his or her discretion, share working papers with the Attorney
13 General, the Internal Revenue Service, the Tax Commissioner, the Federal
14 Bureau of Investigation, a law enforcement agency as defined in section
15 28-359, and the Nebraska Accountability and Disclosure Commission. The
16 working papers may be shared with such entities during an ongoing audit
17 or after the final audit report is issued. The Auditor of Public Accounts
18 shall not, under the authority granted in this subdivision, reveal sealed
19 or confidential court records contained in working papers.

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

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

30 (2) If the Auditor of Public Accounts or any employee of the Auditor
31 of Public Accounts knowingly divulges or makes known in any manner not

1 permitted by law any record, document, or information, the disclosure of
2 which is restricted by law, he or she is subject to the same penalties
3 provided in section 84-712.09.

4 **Sec. 104.** Section 84-322, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 84-322 The Auditor of Public Accounts, when expressly authorized by
7 a majority vote of the members of the Legislative Oversight Performance
8 ~~Audit~~ Committee, may conduct performance audits of state executive branch
9 offices, state agencies, state bureaus, state boards, state commissions,
10 the state library, societies and associations supported by the state,
11 state institutions, state colleges, and the University of Nebraska. The
12 auditor shall issue the performance audit report to the Governor, the
13 appropriate standing committee of the Legislature, and the Legislative
14 Oversight Performance ~~Audit~~ Committee. The report submitted to the
15 committees of the Legislature shall be submitted electronically.

16 **Sec. 105.** Section 84-910, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 84-910 (1) On or before July 1 of each year, each agency shall
19 notify the Legislative Oversight Performance ~~Audit~~ Committee of the
20 status of all rules and regulations pending before the agency that are
21 required by law and that have not been adopted and promulgated. If such
22 rules and regulations have not been adopted and promulgated within the
23 time required pursuant to section 84-901.01, the agency shall provide an
24 explanation to the committee stating why the agency has not adopted and
25 promulgated such rules and regulations. If an additional appropriation
26 was made with respect to legislation enacted to provide funding for or
27 additional staff to implement a program for which rules and regulations
28 are required to be adopted, the notification shall include what the
29 funding has been used for and what functions the staff have been
30 performing while such rules and regulations are pending. The format of
31 the notification shall be established by the committee and shall be

1 updated periodically.

2 (2) On or before July 1 of each year, each agency shall notify the
3 Executive Board of the Legislative Council of the status of any rule or
4 regulation pending before the agency that constitutes an occupational
5 regulation as defined in section 84-940 and that has not been adopted and
6 promulgated. The executive board shall forward any notification received
7 pursuant to this subsection to the standing committee of the Legislature
8 with jurisdiction over such rule or regulation.

9 **Sec. 106.** The Revisor of Statutes shall assign sections 1 to 66 of
10 this act to Chapter 50.

11 **Sec. 107.** Original sections 28-711, 43-4302, 43-4303, 43-4317,
12 43-4320, 43-4321, 43-4322, 43-4324, 43-4326, 43-4329, 43-4330, 47-901,
13 47-902, 47-903, 47-904, 47-905, 47-907, 47-908, 47-909, 47-910, 47-911,
14 47-912, 47-913, 47-914, 47-915, 47-916, 47-917, 47-918, 47-919, 47-920,
15 50-406, 50-406.01, 50-407, 50-408, 50-409, 50-410, 50-416, 50-418,
16 50-420, 50-1201, 50-1202, 50-1203, 50-1204, 50-1205, 50-1205.01, 50-1206,
17 50-1210, 50-1211, 50-1212, 50-1303, 50-1304, 73-401, 81-8,240, 81-8,241,
18 81-8,242, 81-8,243, 81-8,244, 81-8,245, 81-8,246, 81-8,247, 81-8,248,
19 81-8,249, 81-8,250, 81-8,251, 81-8,252, 81-8,253, 81-8,254, 81-1114,
20 83-178, 83-1,125.01, 84-304, 84-311, 84-322, and 84-910, Reissue Revised
21 Statutes of Nebraska, and sections 28-712.01, 29-2011.02, 29-2011.03,
22 43-2,108, 43-4301, 43-4318, 43-4323, 43-4325, 43-4327, 43-4328, 43-4331,
23 43-4332, 50-401.01, 50-402, 77-2711, and 77-27,119, Revised Statutes
24 Cumulative Supplement, 2024, are repealed.

25 **Sec. 108.** The following sections are outright repealed: Sections
26 43-4304, 43-4304.01, 43-4304.02, 43-4305, 43-4306, 43-4306.01, 43-4307,
27 43-4307.01, 43-4308, 43-4309, 43-4310, 43-4311, 43-4312, 43-4313,
28 43-4314, 43-4315, 43-4316, 43-4319, 47-906, and 50-421, Reissue Revised
29 Statutes of Nebraska.

30 **Sec. 109.** Since an emergency exists, this act takes effect when
31 passed and approved according to law.