

AMENDMENTS TO LB151

Introduced by Government, Military and Veterans Affairs.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. Section 13-506, Revised Statutes Cumulative Supplement,
4 2016, is amended to read:

5 13-506 (1) Each governing body shall each year or biennial period
6 conduct a public hearing on its proposed budget statement. Notice of
7 place and time of such hearing, together with a summary of the proposed
8 budget statement, shall be published at least four calendar ~~five~~ days
9 prior to the date set for hearing in a newspaper of general circulation
10 within the governing body's jurisdiction. For purposes of such notice,
11 the four calendar days shall include the day of publication but not the
12 day of hearing. When the total operating budget, not including reserves,
13 does not exceed ten thousand dollars per year or twenty thousand dollars
14 per biennial period, the proposed budget summary may be posted at the
15 governing body's principal headquarters. After such hearing, the proposed
16 budget statement shall be adopted, or amended and adopted as amended, and
17 a written record shall be kept of such hearing. The amount to be received
18 from personal and real property taxation shall be certified to the
19 levying board after the proposed budget statement is adopted or is
20 amended and adopted as amended. If the levying board represents more than
21 one county, a member or a representative of the governing board shall,
22 upon the written request of any represented county, appear and present
23 its budget at the hearing of the requesting county. The certification of
24 the amount to be received from personal and real property taxation shall
25 specify separately (a) the amount to be applied to the payment of
26 principal or interest on bonds issued by the governing body and (b) the
27 amount to be received for all other purposes. If the adopted budget

1 statement reflects a change from that shown in the published proposed
2 budget statement, a summary of such changes shall be published within
3 twenty calendar days after its adoption in the manner provided in this
4 section, but without provision for hearing, setting forth the items
5 changed and the reasons for such changes.

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

16 Sec. 2. Section 13-511, Revised Statutes Cumulative Supplement,
17 2016, is amended to read:

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

1 section 81-829.51.

2 (2) Notice of the time and place of the hearing shall be published
3 at least four calendar ~~five~~ days prior to the date set for hearing in a
4 newspaper of general circulation within the governing body's
5 jurisdiction. For purposes of such notice, the four calendar days shall
6 include the day of publication but not the day of hearing. Such published
7 notice shall set forth (a) the time and place of the hearing, (b) the
8 amount in dollars of additional or reduced money required and for what
9 purpose, (c) a statement setting forth the nature of the unanticipated
10 circumstances and, if the budget requirements are to be increased, the
11 reasons why the previously adopted budget of expenditures cannot be
12 reduced during the remainder of the current year or biennial period to
13 meet the need for additional money in that manner, (d) a copy of the
14 summary of the originally adopted budget previously published, and (e) a
15 copy of the summary of the proposed revised budget.

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

19 (4) Upon conclusion of the public hearing on the proposed revised
20 budget and approval of the proposed revised budget by the governing body,
21 the governing body shall file with the county clerk of the county or
22 counties in which such governing body is located, with the learning
23 community coordinating council for fiscal years prior to fiscal year
24 2017-18 for school districts that are members of learning communities,
25 and with the auditor, a copy of the revised budget, as adopted. The
26 governing body may then issue warrants in payment for expenditures
27 authorized by the adopted revised budget. Such warrants shall be referred
28 to as registered warrants and shall be repaid during the next fiscal year
29 or biennial period from funds derived from taxes levied therefor.

30 (5) Within thirty calendar days after the adoption of the budget
31 under section 13-506, a governing body may, or within thirty calendar

1 days after notification of an error by the auditor, a governing body
2 shall, correct an adopted budget which contains a clerical, mathematical,
3 or accounting error which does not affect the total amount budgeted by
4 more than one percent or increase the amount required from property
5 taxes. No public hearing shall be required for such a correction. After
6 correction, the governing body shall file a copy of the corrected budget
7 with the county clerk of the county or counties in which such governing
8 body is located and with the auditor. The governing body may then issue
9 warrants in payment for expenditures authorized by the budget.

10 Sec. 3. Section 13-513, Revised Statutes Cumulative Supplement,
11 2016, is amended to read:

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

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

29 (3) The auditor shall remit to the State Treasurer for credit to the
30 Auditor of Public Accounts Cash Fund a remedial fee sufficient to
31 reimburse the direct costs of administering and enforcing this section,

1 but such remedial fee shall not to exceed one hundred dollars from any
2 late fee received under this section. The auditor shall remit any late
3 fee amount in excess of one hundred dollars received under this section
4 to the State Treasurer to be distributed in accordance with Article VII,
5 section 5, of the Constitution of Nebraska.

6 (4) If a political subdivision fails to provide the information
7 requested under this section on or before September 20, the auditor may,
8 at his or her discretion, audit such political subdivision. The expense
9 of such audit shall be paid by the political subdivision.

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

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

22 Sec. 5. Section 73-506, Revised Statutes Cumulative Supplement,
23 2016, is amended to read:

24 73-506 State agency contracts for services shall be subject to the
25 following requirements:

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

28 (2) State agencies shall not enter into contracts for services with
29 an unspecified or unlimited duration, and no contract for services shall
30 be amended to extend the duration of the contract for a period of more
31 than fifty percent of the initial contract term. Following the adoption

1 of any amendment to extend the contract for a period of fifty percent or
2 less of the initial contract term, no further extensions of the original
3 contract shall be permitted. This subdivision does not prohibit the
4 exercise of any renewal option expressly provided in the original
5 contract;

6 (3) State agencies shall not structure contracts for services to
7 avoid any of the requirements of sections 73-501 to 73-510; and

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

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

13 81-1118 The materiel division of the Department of Administrative
14 Services is hereby established and shall be managed by the materiel
15 administrator.

16 There are hereby established the following seven branches of the
17 materiel division of the Department of Administrative Services which
18 shall have the following duties, powers, and responsibilities:

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

21 (2) Central mail shall be responsible for all mailing operations,
22 transportation of material, tracking shipments, and making freight
23 claims;

24 (3) The print shop shall be responsible for specifications and for
25 receiving bids and placing orders to the lowest and best commercial
26 bidder for all printing and reproduction operations for the state. The
27 print shop shall also be responsible for coordinating all existing
28 printing and reproduction operations of the state;

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

31 (5) The state purchasing bureau shall be responsible for all

1 purchases by all state agencies other than the University of Nebraska.
2 The materiel division shall administer the public notice and bidding
3 procedures and any other areas designated by the Director of
4 Administrative Services to carry out the lease or purchase of personal
5 property. All purchases of and contracts for materials, supplies, or
6 equipment and all leases of personal property shall be made in the
7 following manner except in emergencies approved by the Governor:

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

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

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

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

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

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

1 (6) The state recycling office shall be responsible for the
2 administration and operation of the State Government Recycling Management
3 Act; and

4 (7) State surplus property shall be responsible for the disposition
5 of the state's surplus property and the maintenance of all inventory
6 records.

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

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

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

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

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

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

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

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

31 Whenever a vacancy occurs on the board for any reason, the Governor

1 shall appoint an individual to fill such vacancy from the same bargaining
2 unit in which the vacancy exists.

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

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

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

9 84-304 It shall be the duty of the Auditor of Public Accounts:

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

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

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

1 Office. ÷

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

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

1 mental health center, any railroad transportation safety district, any
2 rural water district, any township, Wyuka Cemetery, the Educational
3 Service Unit Coordinating Council, any entity created pursuant to the
4 Interlocal Cooperation Act, any educational service unit, any village,
5 any service contractor or subrecipient of state or federal funds, any
6 political subdivision with the authority to levy a property tax or a
7 toll, or any entity created pursuant to the Joint Public Agency Act.

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

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

19 (c) The Auditor of Public Accounts may conduct audits under this
20 subdivision for purposes of sections 2-3228, 12-101, 13-2402, 14-567,
21 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037, 19-3501, 23-1118,
22 23-3526, and 71-1631.02;

23 (5) To report promptly to the Governor and the appropriate standing
24 committee of the Legislature the fiscal condition shown by such
25 examinations conducted by the auditor, including any irregularities or
26 misconduct of officers or employees, any misappropriation or misuse of
27 public funds or property, and any improper system or method of
28 bookkeeping or condition of accounts. The report submitted to the
29 committee shall be submitted electronically. In addition, if, in the
30 normal course of conducting an audit in accordance with subdivision (3)
31 of this section, the auditor discovers any potential problems related to

1 the effectiveness, efficiency, or performance of state programs, he or
2 she shall immediately report them electronically to the Legislative
3 Performance Audit Committee which may investigate the issue further,
4 report it electronically to the appropriate standing committee of the
5 Legislature, or both;

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

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

25 (c) Whenever the expenditures of a fire protection district exceed
26 one hundred fifty thousand dollars in a fiscal year, the auditor may
27 waive the audit requirement upon the submission of a written request by
28 the fire protection district in a form prescribed by the auditor. The
29 auditor shall notify the fire protection district in writing of the
30 approval or denial of a request for waiver. Upon approval of the request
31 for waiver, a new five-year audit period shall begin for the fire

1 protection district if its expenditures are one hundred fifty thousand
2 dollars or less per fiscal year in subsequent years;

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

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

29 ~~(9) To conduct all audits and examinations in a timely manner and in~~
30 ~~accordance with the standards for audits of governmental organizations,~~
31 ~~programs, activities, and functions published by the Comptroller General~~

1 ~~of the United States;~~

2 ~~(9) (10)~~ To develop and maintain an annual budget and actual
3 financial information reporting system for political subdivisions that is
4 accessible online by the public;~~and~~

5 ~~(10) (11)~~ When authorized, to conduct joint audits with the
6 Legislative Performance Audit Committee as described in section 50-1205;
7 ~~and -~~

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

16 Sec. 9. Section 84-305, Revised Statutes Cumulative Supplement,
17 2016, is amended to read:

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

27 (2) Upon receipt of a written request by the Auditor of Public
28 Accounts for access to any information or records, the public entity
29 shall provide to the auditor as soon as is practicable and without delay,
30 but not more than three business days after actual receipt of the
31 request, either (a) the requested materials or (b)(i) if there is a legal

1 basis for refusal to comply with the request, a written denial of the
2 request together with the information specified in subsection (1) of this
3 section or (ii) if the entire request cannot with reasonable good faith
4 efforts be fulfilled within three business days after actual receipt of
5 the request due to the significant difficulty or the extensiveness of the
6 request, a written explanation, including the earliest practicable date
7 for fulfilling the request, and an opportunity for the auditor to modify
8 or prioritize the items within the request. No delay due to the
9 significant difficulty or the extensiveness of any request for access to
10 information or records shall exceed three calendar weeks after actual
11 receipt of such request by any public entity. The three business days
12 shall be computed by excluding the day the request is received, after
13 which the designated period of time begins to run. Business day does not
14 include a Saturday, a Sunday, or a day during which the offices of the
15 custodian of the public records are closed.

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

22 (4) ~~(3)~~ The Auditor of Public Accounts may issue subpoenas to compel
23 the attendance of witnesses and the production of any papers, books,
24 accounts, documents, and testimony, and cause the depositions of
25 witnesses either residing within or without the state to be taken in the
26 manner prescribed by law for taking depositions in civil actions in the
27 district court.

28 (5) ~~(4)~~ In case of disobedience on the part of any person to comply
29 with any subpoena issued by the Auditor of Public Accounts or of the
30 refusal of any witness to testify on any matters regarding which he or
31 she may be lawfully interrogated, the district court of Lancaster County

1 or the judge thereof, on application of the Auditor of Public Accounts,
2 shall compel obedience by proceedings for contempt as in the case of
3 disobedience of the requirements of a subpoena issued from such court or
4 a refusal to testify therein.

5 (6) ~~(5)~~ If a witness refuses to testify before the Auditor of Public
6 Accounts on the basis of the privilege against self-incrimination, the
7 Auditor of Public Accounts may request a court order pursuant to sections
8 29-2011.02 and 29-2011.03.

9 (7) ~~(6)~~ No provisions of state law shall be construed to change the
10 nonpublic nature of the data obtained as a result of the access. When an
11 audit or investigative finding emanates from nonpublic data which is
12 nonpublic pursuant to federal or state law, all the nonpublic information
13 shall not be made public.

14 Sec. 10. Section 84-311, Revised Statutes Cumulative Supplement,
15 2016, is amended to read:

16 84-311 (1)(a) All final audit reports issued by the Auditor of
17 Public Accounts shall be maintained permanently as a public record in the
18 office of the Auditor of Public Accounts.

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

29 (c) A public entity being audited and any federal agency that has
30 made a grant to such public entity shall also have access to the relevant
31 working papers and audit files, except that such access shall not include

1 information that would disclose or otherwise indicate the identity of any
2 individual who has confidentially provided the Auditor of Public Accounts
3 with allegations of wrongdoing regarding, or other information pertaining
4 to, the public entity being audited.

5 (d) The Auditor of Public Accounts may, at his or her discretion,
6 share working papers, other than personal information and telephone
7 records, with the Legislative Council. The Auditor of Public Accounts
8 may, at his or her discretion, share working papers with the Attorney
9 General, the Internal Revenue Service, the Tax Commissioner, the Federal
10 Bureau of Investigation, a law enforcement agency as defined in section
11 28-359, and the Nebraska Accountability and Disclosure Commission. The
12 working papers may be shared with such entities during an ongoing audit
13 or after the final audit report is issued.

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

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

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

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

31 84-321 There is hereby created in the office of the Auditor of

1 Public Accounts a cash fund to be known as the Auditor of Public Accounts
2 Cash Fund. The fund shall be used for payment for services performed by
3 the Auditor of Public Accounts for state agencies, political
4 subdivisions, and grantees of federal funds disbursed by a receiving
5 agency for which he or she is entitled to reimbursement on a contractual
6 or other basis for such reimbursement.

7 Sec. 12. Original sections 35-507, 81-1118, 81-1348, and 84-321,
8 Reissue Revised Statutes of Nebraska, and sections 13-506, 13-511,
9 13-513, 73-506, 84-304, 84-305, and 84-311, Revised Statutes Cumulative
10 Supplement, 2016, are repealed.