

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 380

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

Read first time January 13, 2011

Committee: Appropriations

A BILL

1 FOR AN ACT relating to capital improvement projects; to amend
2 sections 81-188.02, 81-188.04, and 81-188.06, Revised
3 Statutes Cumulative Supplement, 2010; to change
4 provisions governing depreciation charges; to provide an
5 operative date; to repeal the original sections; and to
6 declare an emergency.

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

1 Section 1. Section 81-188.02, Revised Statutes Cumulative
2 Supplement, 2010, is amended to read:

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

14 (2) Beginning with the fiscal year that commences
15 subsequent to the calendar year in which has occurred substantial
16 completion of a capital improvement project as defined in
17 subdivisions (1)(a) through (1)(c) of this section or acquisition of
18 a capital improvement project as defined in subdivisions (1)(d) and
19 (1)(e) of this section, the department shall assess a capital
20 improvement depreciation charge to the agency maintaining ownership
21 or control of the related facility, structure, or building and shall
22 assess such charge for each fiscal year thereafter, except that no
23 depreciation charges shall be assessed or paid pursuant to this
24 section for the period beginning July 1, 2009, and ending June 30,
25 ~~2011.~~ 2013.

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

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

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

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

10 Sec. 2. Section 81-188.04, Revised Statutes Cumulative
11 Supplement, 2010, is amended to read:

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

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

1 Nebraska as defined in subdivisions (1)(a) through (1)(c) of this
2 section or acquisition of a capital improvement project by the
3 University of Nebraska as defined in subdivisions (1)(d) and (1)(e)
4 of this section, the department shall assess a capital improvement
5 depreciation charge to the Board of Regents of the University of
6 Nebraska and shall assess such charge for each fiscal year
7 thereafter, except that no depreciation charges shall be assessed or
8 paid pursuant to this section for the period beginning July 1, 2009,
9 and ending June 30, ~~2011~~. 2013.

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

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

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

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

7 Sec. 3. Section 81-188.06, Revised Statutes Cumulative
8 Supplement, 2010, is amended to read:

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

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

1 of this section, the department shall assess a depreciation charge to
2 the Board of Trustees of the Nebraska State Colleges and shall assess
3 such charge for each fiscal year thereafter, except that no
4 depreciation charges shall be assessed or paid pursuant to this
5 section for the period beginning July 1, 2009, and ending June 30,
6 ~~2011.~~ 2013.

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

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

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

4 Sec. 4. This act becomes operative on July 1, 2011.

5 Sec. 5. Original sections 81-188.02, 81-188.04, and
6 81-188.06, Revised Statutes Cumulative Supplement, 2010, are
7 repealed.

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