

AMENDMENTS TO LB298

Introduced by Executive Board.

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

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

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

7           ~~81-8,240~~ As used in the Office of Public Counsel Act sections  
8 ~~81-8,240 to 81-8,254~~, unless the context otherwise requires:

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

1 entity of the federal government; and

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

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

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

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

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

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

27 ~~81-8,243~~ The Public Counsel shall serve for a term of six years,  
28 unless removed for cause as determined by a two-thirds vote by vote of  
29 two-thirds of the members of the Legislature or, if the Legislature is  
30 not in session, by a two-thirds vote of the members of the Legislative  
31 Council upon their determining that the Public Counsel has become

1 ~~incapacitated or has been guilty of neglect of duty or misconduct.~~ If the  
2 office of Public Counsel becomes vacant for any reason ~~cause~~, the deputy  
3 public counsel shall serve as acting public counsel until a successor  
4 Public Counsel is ~~has been~~ appointed ~~for a full term~~. The Public Counsel  
5 shall receive such salary as is set by the Executive Board of the  
6 Legislative Council.

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

9 ~~81-8,244~~ (1) ~~(1)(a)~~ The Public Counsel may select, appoint, and  
10 compensate as the Public Counsel ~~he or she~~ sees fit, within the amount  
11 available by appropriation, such assistants and employees as the Public  
12 Counsel ~~he or she~~ deems necessary to discharge the responsibilities under  
13 the Office of Public Counsel Act. The Public Counsel ~~sections 81-8,240 to~~  
14 ~~81-8,254. He or she~~ shall appoint and designate one assistant to be a  
15 deputy public counsel, one assistant to be a deputy public counsel for  
16 corrections, one assistant to be a deputy public counsel for  
17 institutions, and one assistant to be a deputy public counsel for public  
18 ~~welfare services~~.

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

21 (3) ~~(c)~~ The authority of the deputy public counsel for corrections  
22 shall extend to all facilities and parts of facilities, offices, houses  
23 of confinement, and institutions which are operated by the Department of  
24 Correctional Services and all county or municipal correctional or jail  
25 facilities.

26 (4) ~~(d)~~ The authority of the deputy public counsel for institutions  
27 shall extend to all mental health institutions and facilities operated by  
28 the Department of Health and Human Services, to all veterans institutions  
29 operated by the Department of Veterans' Affairs, and to all regional  
30 behavioral health authorities that provide services and all community-  
31 based behavioral health services providers that contract with a regional

1 behavioral health authority to provide services, for any individual who  
2 was a patient within the prior twenty-four months of a state-owned and  
3 state-operated regional center, and to all complaints pertaining to  
4 administrative acts of the department, authority, or provider when those  
5 acts are concerned with the rights and interests of individuals placed  
6 within those institutions and facilities or receiving community-based  
7 behavioral health services.

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

13 (6) ~~(f)~~ The Public Counsel may delegate to members of the staff any  
14 authority or duty under the Office of Public Counsel Act sections  
15 ~~81-8,240 to 81-8,254~~ except the power of delegation and the duty of  
16 formally making recommendations to administrative agencies or reports to  
17 the Governor or the Legislature.

18 ~~(2) The Public Counsel shall appoint the Inspector General of~~  
19 ~~Nebraska Child Welfare as provided in section 43-4317. The Inspector~~  
20 ~~General of Nebraska Child Welfare shall have the powers and duties~~  
21 ~~provided in the Office of Inspector General of Nebraska Child Welfare~~  
22 ~~Act.~~

23 ~~(3) The Public Counsel shall appoint the Inspector General of the~~  
24 ~~Nebraska Correctional System as provided in section 47-904. The Inspector~~  
25 ~~General of the Nebraska Correctional System shall have the powers and~~  
26 ~~duties provided in the Office of Inspector General of the Nebraska~~  
27 ~~Correctional System Act.~~

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

30 ~~81-8,245~~ The Public Counsel shall have the power to:

31 (1) Investigate, on complaint or on the Public Counsel's ~~his or her~~

1 own motion, any administrative act of any administrative agency;

2 (2) Prescribe the methods by which complaints are to be made,  
3 received, and acted upon; determine the scope and manner of  
4 investigations to be made; and, subject to the requirements of the Office  
5 of Public Counsel Act ~~sections 81-8,240 to 81-8,254~~, determine the form,  
6 frequency, and distribution of the Public Counsel's ~~his or her~~  
7 conclusions, recommendations, and proposals;

8 (3) Conduct inspections of the premises, or any parts of such  
9 premises ~~thereof~~, of any administrative agency or any property owned,  
10 leased, or operated by any administrative agency as frequently as is  
11 necessary, in the Public Counsel's ~~his or her~~ opinion, to carry out  
12 duties prescribed under the Office of Public Counsel Act ~~sections~~  
13 ~~81-8,240 to 81-8,254~~;

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

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

30 (6) Undertake, participate in, or cooperate with general studies or  
31 inquiries, whether or not related to any particular administrative agency

1 or any particular administrative act, if the Public Counsel ~~he or she~~  
2 believes that such general studies or inquiries ~~they~~ may assist the  
3 Legislature in enhancing ~~enhance~~ knowledge about or making lead to  
4 improvements in the functioning of administrative agencies;

5 (7) Make investigations, reports, and recommendations necessary to  
6 carry out the Public Counsel's ~~his or her~~ duties under the State  
7 Government Effectiveness Act;

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

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

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

27 (9) ~~(11)~~ Investigate and address the complaint and case of:

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

30 (b) Any juvenile released from a youth rehabilitation and treatment  
31 center for reentry into the community, while that juvenile is subject to

1 the Community and Family Reentry Process and a service or treatment  
2 program in which the juvenile may be involved after the juvenile's ~~his or~~  
3 ~~her~~ release from a youth rehabilitation and treatment center, whether  
4 that service or program is administrated by the Office of Juvenile  
5 Services or a private provider in the community. The Office of Juvenile  
6 Services and private providers in the community shall cooperate with any  
7 investigation conducted by the Public Counsel pursuant to this  
8 subdivision and provide all documentation and information requested by  
9 the Public Counsel in connection with such an investigation.

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

12 ~~81-8,246~~ (1) In selecting matters for attention, the Public Counsel  
13 shall particularly review an administrative act that might be:

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

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

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

18 (d) ~~(4)~~ Improper in motivation or based on irrelevant  
19 considerations;

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

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

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

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

28 ~~81-8,247~~ (1) The Public Counsel may receive a complaint from any  
29 person concerning an administrative act. The Public Counsel shall conduct  
30 a suitable investigation into the things complained of unless the Public  
31 Counsel believes that:

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

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

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

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

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

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

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

14       (2) The Public Counsel's declining to investigate a complaint shall  
15 not bar the Public Counsel from proceeding on the Public Counsel's own  
16 motion to inquire into related problems. After completing consideration  
17 of a complaint, whether or not it has been investigated, the Public  
18 Counsel shall suitably inform the complainant and the administrative  
19 agency involved.

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

22       ~~81-8,248~~ Before announcing a conclusion or recommendation that  
23 expressly or impliedly criticizes an administrative agency or any person,  
24 the Public Counsel shall consult with such ~~that~~ agency or person.

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

27       ~~81-8,249~~ (1) If, having considered a complaint and whatever material  
28 the Public Counsel deems pertinent, the Public Counsel is of the opinion  
29 that an administrative agency should (a) consider the matter further, (b)  
30 modify or cancel an administrative act, (c) alter a regulation or ruling,  
31 (d) explain more fully the administrative act in question, or (e) take



1 any other step, the Public Counsel shall make recommendations to the  
2 administrative agency. ~~The If the Public Counsel so requests, the agency~~  
3 ~~may shall, within the time specified,~~ inform the Public Counsel about the  
4 action taken on such recommendations or the reasons for not complying  
5 with them.

6 (2) If the Public Counsel believes that an administrative action has  
7 been dictated by a statute creating whose results that are unfair or  
8 otherwise objectionable, the Public Counsel shall notify the Legislature  
9 of the Public Counsel's such views concerning desirable statutory change.

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

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

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

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

1 agencies or officials to such the criticism. Each member of the  
2 Legislature shall receive an electronic copy of such report by making a  
3 request for it to the Public Counsel.

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

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

9 ~~81-8,252~~ If the Public Counsel has reason to believe that any public  
10 officer or employee has acted in a manner warranting criminal or  
11 disciplinary proceedings, the Public Counsel shall refer the matter to  
12 the appropriate authorities.

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

15 ~~81-8,253~~ (1) No proceeding, opinion, or expression of the Public  
16 Counsel shall be reviewable in any court. Neither the Public Counsel nor  
17 any member of the Public Counsel's staff shall be required to testify or  
18 produce evidence in any judicial or administrative proceeding concerning  
19 matters within the Public Counsel's official cognizance, except in a  
20 proceeding brought to enforce the Office of Public Counsel Act sections  
21 ~~81-8,240 to 81-8,254~~.

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

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

26 ~~81-8,254~~ (1) A person who willfully obstructs or hinders the proper  
27 exercise of the Public Counsel's functions, or who willfully misleads or  
28 attempts to mislead the Public Counsel's inquiries, shall be guilty of a  
29 Class II misdemeanor. No employee of the State of Nebraska, who files a  
30 complaint pursuant to the Office of Public Counsel Act sections ~~81-8,240~~  
31 ~~to 81-8,254~~, shall be subject to any penalties, sanctions, or

1 restrictions in connection with such employee's employment because of  
2 such complaint.

3 (2) Consistent with the Nebraska Rules of Professional Conduct,  
4 counsel for the administrative agency that is the subject of an  
5 investigation by the office of Public Counsel shall not represent a  
6 witness. A witness may request that agency counsel be present while being  
7 questioned, but the administrative agency shall not require a witness to  
8 make such a request. If such a request is made, the administrative agency  
9 shall inform the witness that agency counsel does not represent the  
10 witness.

11 **Sec. 17.** (1) Except as otherwise provided by law, any confidential  
12 information or confidential records shared with the office of Public  
13 Counsel shall remain confidential and shall not be shared by an employee  
14 of the office with any person who is not an employee of the office,  
15 including any member of the Legislative Oversight Committee.

16 (2) The office of Public Counsel and the Division of Legislative  
17 Oversight may share confidential information as necessary to carry out  
18 the responsibilities of such office and division. Such sharing of  
19 confidential information shall include, but not be limited to, the  
20 sharing of confidential information when necessary to refer complaints  
21 between such office and division and to assist in investigations and the  
22 resolution of complaints. The office of Public Counsel and the Division  
23 of Legislative Oversight, at the discretion of the Public Counsel and the  
24 Director of Legislative Oversight, may coordinate to work jointly on  
25 complaints and investigations in circumstances of overlapping  
26 jurisdiction.

27 (3) If any employee or former employee of the office of Public  
28 Counsel knowingly divulges or makes known, in any manner not permitted by  
29 law, confidential information or confidential records, he or she shall be  
30 guilty of a Class III misdemeanor and, in the case of an employee, shall  
31 be dismissed.

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

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

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

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

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

28       (6) If the executive board finds a person in contempt as provided in  
29   subsection (5) of this section, the executive board may, by application  
30   or 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 executive board.

4 (7) A person required to provide information under this section  
5 shall be paid the same fees and travel allowances and shall be accorded  
6 the same privileges and immunities as are extended to witnesses in the  
7 district courts of this state and shall also be entitled to have counsel  
8 present while being questioned. Any fees associated with counsel present  
9 under this section shall not be the responsibility of the office of  
10 Public Counsel or the Legislative Council.

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

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

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

21 (3) In order to assist the members of the Legislature in exercising  
22 their inherent, constitutional, and statutory authority to conduct  
23 investigations and provide oversight of the various agencies, branches,  
24 departments, boards, bureaus, commissions, councils, subunits, and  
25 committees of Nebraska state government, and to assist in the development  
26 of legislation to improve and enhance the operation of state government,  
27 the Legislature created the Division of Legislative Oversight.

28 **Sec. 20.** (1) The Division of Legislative Oversight is established  
29 within the Legislative Council. The division shall be responsible for  
30 conducting assessments, investigations, audits, inspections, and other  
31 reviews of Nebraska state government to ensure the Legislature is able to

1 carry out its responsibilities to secure needed information to legislate  
2 and appropriate. The Director of Legislative Oversight shall be  
3 responsible for hiring, firing, and supervising division staff.

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

7 (3) Except as otherwise provided by law, any confidential  
8 information or confidential records shared with the Division of  
9 Legislative Oversight shall remain confidential and shall not be shared  
10 by an employee of the division with any person who is not an employee of  
11 the division, including any member of the Legislative Oversight  
12 Committee.

13 (4) The Division of Legislative Oversight and the office of Public  
14 Counsel may share confidential information as necessary to carry out the  
15 responsibilities of such division and office. Such sharing of  
16 confidential information shall include, but not be limited to, the  
17 sharing of confidential information when necessary to refer complaints  
18 between such division and office and to assist in investigations and the  
19 resolution of complaints. The Division of Legislative Oversight and the  
20 office of Public Counsel, at the discretion of the Director of  
21 Legislative Oversight and the Public Counsel, may coordinate to work  
22 jointly on complaints and investigations in circumstances of overlapping  
23 jurisdiction.

24 (5) If any employee or former employee of the Division of  
25 Legislative Oversight knowingly divulges or makes known, in any manner  
26 not permitted by law, confidential information or confidential records,  
27 he or she shall be guilty of a Class III misdemeanor and, in the case of  
28 an employee, shall be dismissed.

29 **Sec. 21.** (1) The Director of Legislative Oversight shall be  
30 appointed by the Legislature, with the vote of two-thirds of the members  
31 required for approval of such appointment, from nominations submitted by

1 the Legislative Oversight Committee. The director shall serve for a term  
2 of six years, unless removed by a two-thirds vote of the members of the  
3 Legislature or, if the Legislature is not in session, by a two-thirds  
4 vote of the members of the Legislative Council. If the office of Director  
5 of Legislative Oversight becomes vacant for any reason, the chairperson  
6 of the Executive Board of the Legislative Council shall appoint an acting  
7 director until a successor Director of Legislative Oversight is  
8 appointed. The director shall be selected without regard to political  
9 affiliation and on the basis of integrity, capability for strong  
10 leadership, commitment to government oversight, and demonstrated ability  
11 in accounting, auditing, financial analysis, law, management analysis,  
12 public administration, investigation, or criminal justice administration  
13 or other closely related fields. No person may serve as director within  
14 two years after the last day on which such person served as a member of  
15 the Legislature or while such person is a candidate for or holds any  
16 other state office. The director shall receive such salary as is set by  
17 the Executive Board of the Legislative Council.

18 (2) The Director of Legislative Oversight shall:

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

22 (b) Make recommendations to the Legislative Oversight Committee and  
23 the Executive Board of the Legislative Council regarding the duties,  
24 responsibilities, and activities of the division and division staff;

25 (c) Ensure that all assessments, investigations, audits,  
26 inspections, and other reviews are conducted by the division without  
27 regard to special or partisan interest and in accordance with relevant  
28 standards or guidelines; and

29 (d) Carry out the director's duties under the Legislative  
30 Performance Audit Act, the Office of Inspector General of Nebraska Child  
31 Welfare Act, and the Office of Inspector General of the Nebraska

1 Correctional System Act.

2       **Sec. 22.**     (1) The Legislative Oversight Committee is hereby  
3 established as a special legislative committee to exercise the authority  
4 and perform the duties provided for in the Legislative Performance Audit  
5 Act, the Office of Inspector General of Nebraska Child Welfare Act, and  
6 the Office of Inspector General of the Nebraska Correctional System Act.  
7 The committee shall be composed of the Speaker of the Legislature, the  
8 chairperson of the Executive Board of the Legislative Council, the  
9 chairperson of the Appropriations Committee of the Legislature, the  
10 chairperson of the Judiciary Committee of the Legislature, the  
11 chairperson of the Health and Human Services Committee of the  
12 Legislature, and four other members of the Legislature to be chosen by  
13 the Executive Board of the Legislature Council. The executive board shall  
14 ensure that the Legislative Oversight Committee includes adequate  
15 geographic representation. The chairperson and vice-chairperson of the  
16 Legislative Oversight Committee shall be elected by a majority vote of  
17 the committee.

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

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

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

27       (1) Oversee all aspects of the Division of Legislative Oversight  
28 without regard to special or partisan interests and in accordance with  
29 relevant standards and guidelines;

30       (2) Direct the work of the division through the approval of annual  
31 work plans and by ensuring that such work is carried out in accordance



1 with relevant statutes;

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

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

5 (5) Carry out the committee's duties under the Legislative  
6 Performance Audit Act, the Office of Inspector General of Nebraska Child  
7 Welfare Act, and the Office of Inspector General of the Nebraska  
8 Correctional System Act.

9 **Sec. 24.** Section 43-4301, Revised Statutes Cumulative Supplement,  
10 2024, is amended to read:

11 ~~43-4301~~ Sections 24 to 44 of this act ~~43-4301 to 43-4332~~ shall be  
12 known and may be cited as the Office of Inspector General of Nebraska  
13 Child Welfare Act.

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

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

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

24 (3) In order to establish a full-time program of investigation and  
25 oversight of the Nebraska child welfare and juvenile justice systems and  
26 assist in the development of legislation related to such systems, the  
27 Legislature created the office of Inspector General of Nebraska Child  
28 Welfare.

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

31 ~~43-4302~~ (1) It is the intent of the Legislature that the Office of

1 Inspector General of Nebraska Child Welfare to:

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

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

7 ~~(b) (c)~~ Provide an independent form of inquiry for concerns  
8 regarding the actions of individuals and agencies responsible for the  
9 care and protection of children and youth in the Nebraska child welfare  
10 system. Confusion of the roles, responsibilities, and accountability  
11 structures between individuals, private contractors, branches of  
12 government, and agencies in the current system make it difficult for the  
13 Legislature to monitor and oversee the Nebraska child welfare system; and

14 ~~(c) (d)~~ Provide a process for investigation and review to determine  
15 if individual complaints and issues of investigation and inquiry reveal a  
16 problem in the child welfare system, not just individual cases, that  
17 necessitates legislative action for improved policies and restructuring  
18 of the child welfare system.

19 (2) It is not the intent of the Legislature in enacting the Office  
20 of Inspector General of Nebraska Child Welfare Act to interfere with the  
21 duties of the Legislative Auditor or the Legislative Fiscal Analyst or to  
22 interfere with the statutorily defined investigative responsibilities or  
23 prerogatives of any officer, agency, board, bureau, commission,  
24 association, society, or institution of the executive or judicial branch  
25 of state government, except that the act does not preclude an inquiry on  
26 the sole basis that another agency has the same responsibility. The act  
27 shall not be construed to interfere with or supplant the responsibilities  
28 or prerogatives of the Governor to investigate, monitor, and report on  
29 the activities of the agencies, boards, bureaus, commissions,  
30 associations, societies, and institutions of the executive branch under  
31 the Governor's ~~his or her~~ administrative direction.

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

3       ~~43-4303~~ For purposes of the Office of Inspector General of Nebraska  
4 Child Welfare Act; ~~the definitions found in sections 43-4304 to 43-4316~~  
5 ~~apply.~~

6       (1) Administrator means a person charged with administration of a  
7 program, an office, or a division of the department or administration of  
8 a private agency or licensed child care facility or the executive  
9 director;

10       (2) Child welfare system means public and private agencies and  
11 parties that provide or effect services or supervision to system-involved  
12 children and their families;

13       (3) Commission means the Nebraska Commission on Law Enforcement and  
14 Criminal Justice;

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

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

17       (6) Executive director means the executive director of the  
18 commission;

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

21       (8) Juvenile services division means the Juvenile Services Division  
22 of the Office of Probation Administration;

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

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

29       (11) Management means supervision of subordinate employees;

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

1       (13) Obstruction means hindering an investigation, preventing an  
2 investigation from progressing, stopping or delaying the progress of an  
3 investigation, or making the progress of an investigation difficult or  
4 slow;

5       (14) Office means the office of Inspector General of Nebraska Child  
6 Welfare and includes the Inspector General and other employees of the  
7 office;

8       (15) Private agency means a child welfare agency that contracts with  
9 the department or the Office of Probation Administration or contracts to  
10 provide services to another child welfare agency that contracts with the  
11 department or the Office of Probation Administration;

12       (16) Record means any recording, in written, audio, electronic  
13 transmission, or computer storage form, including, but not limited to, a  
14 draft, memorandum, note, report, computer printout, notation, or message,  
15 and includes, but is not limited to, medical records, mental health  
16 records, case files, clinical records, financial records, and  
17 administrative records. Such term does not include any such materials  
18 used exclusively as part of a judge's deliberative process; and

19       (17) Responsible individual means a foster parent, a relative  
20 provider of foster care, or an employee of the department, the juvenile  
21 services division, the commission, a foster home, a private agency, a  
22 licensed child care facility, or another provider of child welfare  
23 programs and services responsible for the care or custody of records,  
24 documents, and files.

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

27       ~~43-4317~~ (1) The office of Inspector General of Nebraska Child  
28 Welfare is created within the Division of Legislative Oversight ~~office of~~  
29 ~~Public Counsel~~ for the purpose of conducting investigations, audits,  
30 inspections, and other oversight ~~reviews~~ of the Nebraska child welfare  
31 system for the Legislature. The Inspector General shall be appointed by

1 the Director of Legislative Oversight ~~Public Counsel~~ with approval from  
2 the chairperson of the Executive Board of the Legislative Council, the  
3 chairperson of the Legislative Oversight Committee, and the chairperson  
4 of the Health and Human Services Committee of the Legislature.

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

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

1 ~~the Legislature. The Inspector General may also be removed by a two-~~  
2 ~~thirds majority vote of the Legislative Oversight Committee.~~

3       **Sec. 29.** Section 43-4318, Revised Statutes Cumulative Supplement,  
4 2024, is amended to read:

5       ~~43-4318~~ (1) The office shall investigate:

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

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

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

17       (iii) The commission by an employee of or person under contract with  
18 the commission related to programs and services supported by the Nebraska  
19 County Juvenile Services Plan Act, the Community-based Juvenile Services  
20 Aid Program, juvenile pretrial diversion programs, or inspections of  
21 juvenile facilities; and

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

24       (b) Death or serious injury in foster homes, private agencies, child  
25 care facilities, juvenile detention facilities, staff secure juvenile  
26 facilities, and other programs and facilities licensed by or under  
27 contract with the department or the juvenile services division when the  
28 office, upon review, determines the death or serious injury did not occur  
29 by chance; ~~and~~

30       (c) Death or serious injury in any case in which services are  
31 provided by the department or the juvenile services division to a child

1    ~~or the child's his or her parents when the office upon review determines~~  
2    ~~that the death or serious injury did not occur by chance;~~

3        ~~(d) Death or serious injury in or any case involving an~~  
4    ~~investigation under the Child Protection and Family Safety Act if the~~  
5    ~~investigation took place within the twelve months prior to the death or~~  
6    ~~serious injury , which case has been open for one year or less and if the~~  
7    ~~office upon review determines the death or serious injury did not occur~~  
8    ~~by chance; and -~~

9        ~~(e) Any other matter as provided in the annual work plans or key~~  
10   ~~performance indicators approved by the Legislative Oversight Committee~~  
11   ~~pursuant to section 23 of this act.~~

12        (2) The department, the juvenile services division, each juvenile  
13   detention facility, and each staff secure juvenile facility shall report  
14   to the office as soon as reasonably possible;

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

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

19        (ii) In any case in which services are provided to a child or the  
20   child's parents; and

21        (iii) Involving an investigation under the Child Protection and  
22   Family Safety Act if the investigation took place within the twelve  
23   months prior to the death or serious injury and upon review determines  
24   the death or serious injury did not occur by chance; and

25        ~~(b) All to the Inspector General as soon as reasonably possible~~  
26   ~~after the department or the Office of Probation Administration learns of~~  
27   ~~such death or serious injury and (b) all~~ allegations of sexual abuse of a  
28   state ward, a juvenile on probation, a juvenile in a detention facility,  
29   and a juvenile in a residential child-caring agency. For purposes of this  
30   subsection, serious injury means an injury or illness caused by suspected  
31   abuse, neglect, or maltreatment which leaves a child in critical or

1 ~~serious condition.~~

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

6 (i) An assault;

7 (ii) An escape or elopement;

8 (iii) An attempted suicide;

9 (iv) Self-harm by a juvenile;

10 (v) Property damage not caused by normal wear and tear;

11 (vi) The use of mechanical restraints on a juvenile;

12 (vii) A significant medical event suffered by a juvenile; and

13 (viii) Internally substantiated violations of 34 U.S.C. 30301 et  
14 seq.

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

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

22 (5) With respect to any investigation conducted by the Inspector  
23 General pursuant to subdivision (1)(a) of this section that involves  
24 possible misconduct by an employee of the juvenile services division, the  
25 Inspector General shall immediately notify the probation administrator  
26 and provide the information pertaining to potential personnel matters to  
27 the Office of Probation Administration.

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



1 and Family Safety Act.

2 (7) Notwithstanding the fact that a criminal investigation, a  
3 criminal prosecution, or both are in progress, all law enforcement  
4 agencies and prosecuting attorneys may ~~shall~~ cooperate with any  
5 investigation conducted by the Inspector General and may ~~shall~~,  
6 ~~immediately~~ upon request by the Inspector General, provide the Inspector  
7 General with copies of all law enforcement reports which are relevant to  
8 the Inspector General's investigation. All law enforcement reports which  
9 have been provided to the Inspector General pursuant to this section are  
10 not public records for purposes of sections 84-712 to 84-712.09 and shall  
11 not be subject to discovery by any other person or entity. Except to the  
12 extent that disclosure of information is otherwise provided for in the  
13 Office of Inspector General of Nebraska Child Welfare Act, the Inspector  
14 General shall maintain the confidentiality of all law enforcement reports  
15 received pursuant to its request under this section. Law enforcement  
16 agencies and prosecuting attorneys may ~~shall~~, when requested by the  
17 Inspector General, collaborate with the Inspector General regarding all  
18 other information relevant to the Inspector General's investigation. The  
19 ~~If the Inspector General in conjunction with the Public Counsel~~  
20 ~~determines it appropriate, the Inspector General~~ shall ~~may~~, when  
21 requested to do so by a law enforcement agency or prosecuting attorney,  
22 suspend an investigation by the office until a criminal investigation or  
23 prosecution is completed or has proceeded to a point that, in the  
24 judgment of the Inspector General, reinstatement of the Inspector  
25 General's investigation will not impede or infringe upon the criminal  
26 investigation or prosecution. Under no circumstance shall the Inspector  
27 General interview any minor who has already been interviewed by a law  
28 enforcement agency, personnel of the Division of Children and Family  
29 Services of the department, or staff of a child advocacy center in  
30 connection with a relevant ongoing investigation of a law enforcement  
31 agency.

1       (8) Consistent with the Nebraska Rules of Professional Conduct,  
2 counsel for the entity under investigation shall not represent a witness.  
3 A witness may request that counsel for the entity under investigation be  
4 present while being questioned, but such entity shall not require a  
5 witness to make such a request. If such a request is made, the entity  
6 under investigation shall inform the witness that such entity's counsel  
7 does not represent the witness. For purposes of this subsection, entity  
8 under investigation means the entity that is the subject of an  
9 investigation under the Office of Inspector General of Nebraska Child  
10 Welfare Act and includes the department, the juvenile services division,  
11 the commission, a private agency, a licensed child care facility, a  
12 juvenile detention facility, a staff secure juvenile facility, or another  
13 provider of child welfare services or juvenile justice services.

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

18       (10) For purposes of this section, serious injury means an injury or  
19 illness caused by suspected abuse, neglect, maltreatment, self-harm, or  
20 assault which requires urgent medical treatment.

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

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

30       (2) The office shall not conduct a full investigation of a complaint  
31 unless:

1 (a) The complaint alleges misconduct, misfeasance, malfeasance, or  
2 violation of a statute or of rules and regulations pursuant to section 29  
3 of this act 43-4318;

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

6 (c) The allegations can be independently verified through  
7 investigation.

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

14 (4) When a full investigation is opened on a private agency that  
15 contracts with the Office of Probation Administration, the Inspector  
16 General shall give notice of such investigation to the Office of  
17 Probation Administration.

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

20 ~~43-4321~~ (1) The office shall have access to all information and  
21 personnel necessary to perform the duties of the office and to carry out  
22 the Office of Inspector General of Nebraska Child Welfare Act.

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

31 (a) ~~(1)~~ Provision of full access to and production of records and

1 information. Providing access to and producing records and information  
2 for the office is not a violation of confidentiality provisions under any  
3 law, statute, rule, or regulation if done in good faith for purposes of  
4 ~~an investigation under~~ the Office of Inspector General of Nebraska Child  
5 Welfare Act;

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

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

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

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

18 (f) Not requiring employees to report filing a complaint with or  
19 providing records or information to the office; and

20 (g) Not requiring employees to request that counsel for the employer  
21 be present while being questioned in the course of an investigation.

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

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

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

27 ~~43-4322 Failure to cooperate with an investigation by the office may~~  
28 ~~result in public disclosure of the failure to cooperate discipline or~~  
29 ~~other sanctions.~~

30 **Sec. 33.** Section 43-4323, Revised Statutes Cumulative Supplement,  
31 2024, is amended to read:

1        ~~43-4323~~ (1) At the request of the Inspector General, and after  
2 receiving prior approval by a majority vote of the Executive Board of the  
3 Legislative Council, the Legislative Oversight Committee may issue  
4 subpoenas in connection with a specific inquiry or investigation  
5 undertaken pursuant to the Office of Inspector General of Nebraska Child  
6 Welfare Act to compel the production of records and information and sworn  
7 testimony or other evidence relevant to such inquiry or investigation.  
8 The committee shall vote to determine whether to issue a subpoena within  
9 ten days after receipt of the request.

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

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

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

30        (5) In case of disobedience on the part of any employees of the  
31 department, the juvenile services division, or the commission, any foster

1 parents, or any owners, operators, managers, supervisors, and employees  
2 of private agencies, licensed child care facilities, juvenile detention  
3 facilities, staff secure juvenile facilities, and other providers of  
4 child welfare services or juvenile justice services to comply with any  
5 subpoena issued pursuant to this section, the committee shall vote on  
6 whether to find the person in contempt or to find that the failure to  
7 comply was not willful.

8 (6) If the committee finds a person in contempt as provided in  
9 subsection (5) of this section, the committee may, by application or  
10 petition to the district court of Lancaster County, request that the  
11 court compel obedience by proceedings for contempt as in the case of  
12 disobedience of the requirements of a subpoena issued from such court.  
13 The application or petition shall be filed by the chairperson of the  
14 committee.

15 ~~(7) The Inspector General may issue a subpoena, enforceable by~~  
16 ~~action in an appropriate court, to compel any person to appear, give~~  
17 ~~sworn testimony, or produce documentary or other evidence deemed relevant~~  
18 ~~to a matter under his or her inquiry. A person thus required to provide~~  
19 information under this section shall be paid the same fees and travel  
20 allowances and shall be accorded the same privileges and immunities as  
21 are extended to witnesses in the district courts of this state and shall  
22 also be entitled to have counsel present while being questioned. Any fees  
23 associated with counsel present under this section shall not be the  
24 responsibility of the office or the Legislative Council of Inspector  
25 General of Nebraska Child Welfare.

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

28 43-4324 (1) A full investigation conducted by the office shall  
29 consist of (a) access to, and retrieval of all, relevant records through  
30 compliance with a request of the office, by voluntary production, or by  
31 subpoena, (b) review of all relevant records, and (c) interviews of all

1 ~~relevant persons~~ In conducting investigations, the office shall access  
2 ~~all relevant records through subpoena, compliance with a request of the~~  
3 ~~office, and voluntary production.~~

4 (2) The office may request or request the issuance of a subpoena for  
5 any record necessary for the investigation from the department, the  
6 juvenile services division as permitted by law, the commission, a foster  
7 parent, a licensed child care facility, a juvenile detention facility, a  
8 staff secure juvenile facility, or a private agency that is pertinent to  
9 an investigation. All case files, licensing files, medical records,  
10 financial and administrative records, and records required to be  
11 maintained pursuant to applicable licensing rules shall be produced for  
12 review by the office in the course of an investigation.

13 (3) ~~(2)~~ Compliance with a request of the office includes:

14 (a) Production of all records requested;

15 (b) A diligent search to ensure that all appropriate records are  
16 included; and

17 (c) A continuing obligation to immediately forward to the office any  
18 relevant records received, located, or generated after the date of the  
19 request; -

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

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

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

1 request that an onsite employee notify the administrator or his or her  
2 designee of the investigator's arrival.

3 (5) (4) When required by circumstances of an audit, inspection,  
4 investigation, or other oversight require, the office may make an  
5 unannounced visit to a foster home, a departmental or division office,  
6 ~~bureau, or division,~~ a licensed child care facility, a juvenile detention  
7 facility, a staff secure juvenile facility, a youth rehabilitation and  
8 treatment center, a private agency, or another provider ~~to request~~  
9 ~~records relevant to an investigation.~~ The office may request relevant  
10 records during such visit.

11 (6) (5) A responsible individual or an administrator may be asked to  
12 sign a statement of record integrity and security when a record is  
13 secured by request as the result of a visit by the office, stating:

14 (a) That the responsible individual or the administrator has made a  
15 diligent search of the departmental or division office, ~~bureau, division,~~  
16 private agency, licensed child care facility, juvenile detention  
17 facility, staff secure juvenile facility, or other provider's location to  
18 determine that all appropriate records in existence at the time of the  
19 request were produced;

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

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

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

28 (7) (6) The office shall permit a responsible individual, an  
29 administrator, or an employee of a departmental or division office,  
30 ~~bureau, or division,~~ a private agency, a licensed child care facility, a  
31 juvenile detention facility, a staff secure juvenile facility, or another



1 provider to make photocopies of the original records within a reasonable  
2 time in the presence of the office for purposes of creating a working  
3 record in a manner that assures confidentiality.

4 (8) ~~(7)~~ The office shall present to the responsible individual or  
5 the administrator or other employee of the departmental or division  
6 office, ~~bureau, or division,~~ private agency, licensed child care  
7 facility, juvenile detention facility, staff secure juvenile facility, or  
8 other service provider a copy of the request, stating the date and the  
9 titles of the records received.

10 (9) ~~(8)~~ If an original record is provided during an investigation,  
11 the office shall return the original record as soon as practical but no  
12 later than ten business ~~working~~ days after the date of the compliance  
13 request.

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

17 **Sec. 35.** Section 43-4325, Revised Statutes Cumulative Supplement,  
18 2024, is amended to read:

19 ~~43-4325~~ (1) Reports of investigations conducted by the office shall  
20 not be distributed beyond the entity that is the subject of the report  
21 without the consent of the Inspector General.

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

26 (3) The office may disclose confidential information to the  
27 chairperson of the Legislative Oversight Committee at the chairperson's  
28 request. The office may also disclose confidential information to the  
29 chairperson of the Legislative Oversight Committee, the chairperson of  
30 the Executive Board of the Legislative Council, the chairperson of the  
31 Health and Human Services Committee of the Legislature, or the

1 chairperson of the Judiciary Committee of the Legislature when such  
2 disclosure is, in the judgment of the Director of Legislative Oversight  
3 ~~Public Counsel~~, appropriate ~~desirable~~ to keep the Legislature chairperson  
4 informed of important events, issues, and developments in the Nebraska  
5 child welfare system.

6 (4) The office may also disclose such confidential information to  
7 the Legislative Oversight Committee when such disclosure is, in the  
8 judgment of the chairperson of the Legislative Oversight Committee,  
9 appropriate to keep the Legislature informed of important events, issues,  
10 and developments in the Nebraska child welfare system.

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

13 (b) Such report shall be released only:

14 (i) After a disclosure is made to the ~~appropriate~~ chairperson of the  
15 Legislative Oversight Committee ~~or chairpersons~~ pursuant to subsection  
16 (3) (2) of this section; and

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

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

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

26 (6) (4) Records and documents, regardless of physical form, that are  
27 obtained or produced by the office in the course of an investigation are  
28 not public records for purposes of sections 84-712 to 84-712.09. Reports  
29 of investigations conducted by the office are not public records for  
30 purposes of sections 84-712 to 84-712.09.

31 (7) (5) The office may withhold the identity of sources of

1 information to protect from retaliation any person who files a complaint  
2 or provides information in good faith pursuant to the Office of Inspector  
3 General of Nebraska Child Welfare Act.

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

6 ~~43-4326~~ (1) The department shall provide the Director of Legislative  
7 Oversight Public Counsel and the office Inspector General with direct  
8 computer access to all computerized records, reports, and documents  
9 maintained by the department in connection with administration of the  
10 Nebraska child welfare system.

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

15 (3) The juvenile services division, as directed by the juvenile  
16 court or the Office of Probation Administration, shall provide the office  
17 Inspector General with direct computer access to all computerized  
18 records, reports, and documents maintained by the juvenile services  
19 division in connection with a specific case under investigation.

20 (4) Information shall be provided in the most efficient and timely  
21 way, in a manner that is least burdensome to the department, commission,  
22 or juvenile services division, and in a manner which maintains the  
23 confidentiality of the information. This may include providing  
24 information through secure electronic access to case files and secure  
25 access to information maintained electronically in databases and case  
26 management systems. The office, by and through the Executive Board of the  
27 Legislative Council, may enter into information-sharing agreements with  
28 the department, the commission, or the juvenile services division to  
29 assist in the implementation of and compliance with the Office of  
30 Inspector General of Nebraska Child Welfare Act.

31 (5)(a) The department, commission, or juvenile services division may

1 object to the production or disclosure of records, reports, and documents  
2 in writing on the grounds that such records, reports, and documents are  
3 legally privileged, identifying the specific grounds for such objection.  
4 Following such objection, the office and the department, commission, or  
5 juvenile services division may negotiate terms of production or  
6 disclosure pursuant to this section.

7 (b) In the event that satisfactory terms of production or disclosure  
8 cannot be reached between the office and the department, commission, or  
9 juvenile services division, the office may request the issuance of a  
10 subpoena pursuant to section 33 of this act.

11 **Sec. 37.** Section 43-4327, Revised Statutes Cumulative Supplement,  
12 2024, is amended to read:

13 ~~43-4327~~ (1) The Inspector General's report of an investigation shall  
14 be in writing ~~to the Public Counsel~~ and ~~may~~ shall contain recommendations  
15 for systemic reform. ~~The report may recommend systemic reform or case-~~  
16 ~~specific action, including a recommendation for discharge or discipline~~  
17 ~~of employees or for sanctions against a foster parent, private agency,~~  
18 ~~licensed child care facility, or other provider of child welfare services~~  
19 ~~or juvenile justice services. All recommendations to pursue discipline~~  
20 ~~shall be in writing and signed by the Inspector General.~~ A report of an  
21 investigation shall be presented to the Director of Legislative Oversight  
22 and the chairperson of the Legislative Oversight Committee. The Inspector  
23 General shall present the report of an investigation to the director, the  
24 probation administrator, or the executive director within three business  
25 fifteen days after the report is presented to the Director of Legislative  
26 Oversight and the chairperson of the Legislative Oversight Committee  
27 Public Counsel.

28 (2) Any person receiving a report under this section shall not  
29 further distribute the report or any confidential information contained  
30 in the report beyond the entity that is the subject of the report. The  
31 Inspector General, upon notifying the Director of Legislative Oversight

1 ~~Public Counsel~~ and the director, the probation administrator, or the  
2 executive director, may distribute the report, to the extent that it is  
3 relevant to a child's welfare, to the guardian ad litem and attorneys in  
4 the juvenile court in which a case is pending involving the child or  
5 family who is the subject of the report. The report shall not be  
6 distributed beyond the parties except through the appropriate court  
7 procedures to the judge.

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

16 **Sec. 38.** Section 43-4328, Revised Statutes Cumulative Supplement,  
17 2024, is amended to read:

18 ~~43-4328~~ (1) Within fifteen business days after a report is presented  
19 to the director, the probation administrator, or the executive director  
20 under section 37 of this act ~~43-4327~~, the director, probation  
21 administrator, or executive director may ~~he or she shall~~ determine  
22 whether to accept, reject, or request ~~in writing~~ modification of the  
23 recommendations contained in the report. ~~Any The written~~ response shall  
24 be in writing and may include corrections of factual errors. The  
25 Inspector General, with input from the Director of Legislative Oversight  
26 ~~Public Counsel~~, may consider any ~~the director's, probation~~  
27 ~~administrator's, or executive director's~~ request for modifications but is  
28 not obligated to accept such request. Such report shall become final (a)  
29 upon the decision of the director, the probation administrator, or the  
30 executive director to accept or reject the recommendations in the report,  
31 (b) within fifteen business days after ~~or, if~~ the director, the probation

1 administrator, or the executive 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, the probation  
5 administrator, or the executive director if no response is received by  
6 the Inspector General. If the Inspector General does not accept a  
7 requested modification, the recommendation for which such modification  
8 was requested shall be considered to be rejected by the director,  
9 probation administrator, or executive director.

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

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

1 appended to the report or corrected report.

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

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

7 ~~43-4329~~ No report or other work product of an investigation by the  
8 Inspector General shall be reviewable in any court. Neither the Inspector  
9 General nor any member of the Inspector General's ~~his or her~~ staff shall  
10 be required to testify or produce evidence in any judicial or  
11 administrative proceeding concerning matters within such person's ~~his or~~  
12 ~~her~~ official cognizance except in a proceeding brought to enforce the  
13 Office of Inspector General of Nebraska Child Welfare Act.

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

16 ~~43-4330~~ The Office of Inspector General of Nebraska Child Welfare  
17 Act does not require the Inspector General to investigate all complaints.  
18 The Inspector General, with input from the Director of Legislative  
19 Oversight ~~Public Counsel~~, shall prioritize and select investigations and  
20 inquiries that further the intent of the act and assist in legislative  
21 oversight of the Nebraska child welfare system and juvenile justice  
22 system. If the Inspector General determines that the office ~~he or she~~  
23 will not investigate a complaint, the Inspector General may recommend to  
24 the parties alternative means of resolution of the issues in the  
25 complaint.

26 **Sec. 41.** Section 43-4331, Revised Statutes Cumulative Supplement,  
27 2024, is amended to read:

28 ~~43-4331~~ On or before September 15 of each year, the Inspector  
29 General shall provide to ~~the Health and Human Services Committee of the~~  
30 ~~Legislature, the Judiciary Committee of the~~ Legislature, the Supreme  
31 Court, and the Governor a report that includes a summary of reports and

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

18 **Sec. 42.** Section 43-4332, Revised Statutes Cumulative Supplement,  
19 2024, is amended to read:

20 ~~43-4332~~ Any person who has authority to recommend, approve, direct,  
21 or otherwise take or affect personnel action shall not, with respect to  
22 such authority:

23 (1) Take personnel action against an employee because of the  
24 disclosure of information by the employee to the office which the  
25 employee reasonably believes evidences wrongdoing under the Office of  
26 Inspector General of Nebraska Child Welfare Act;

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

30 (3) Take personnel action against an employee as a reprisal for  
31 providing information or testimony pursuant to actions initiated and



1 undertaken an investigation by the office.

2       **Sec. 43.** If the Inspector General has reason to believe that any  
3 public officer or employee has acted in a manner that warrants criminal  
4 or disciplinary action or proceedings, the Inspector General shall report  
5 the matter to the department, the juvenile services division, the  
6 commission, or other appropriate authorities.

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

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

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

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

21       ~~47-901~~ Sections 45 to 66 of this act ~~47-901 to 47-920~~ shall be known  
22 and may be cited as the Office of Inspector General of the Nebraska  
23 Correctional System Act.

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

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

29       (2) Article IV, section 19, of the Constitution of Nebraska  
30 specifically provides that the general management, control, and  
31 government of all state reformatory and penal institutions shall be

1 vested as determined by the Legislature;

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

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

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

14 ~~47-902~~ (1) It is the intent of the Legislature that the office of  
15 Inspector General of the Nebraska Correctional System to:

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

19 ~~(a) (b)~~ Assist in improving operations of the department and the  
20 Nebraska correctional system;

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

27 ~~(c) (d)~~ Provide a process for investigation and review in order to  
28 improve policies and procedures of the correctional system.

29 (2) It is not the intent of the Legislature in enacting the Office  
30 of Inspector General of the Nebraska Correctional System Act to interfere  
31 with the duties of the Legislative Auditor or the Legislative Fiscal

1 Analyst or to interfere with the statutorily defined investigative  
2 responsibilities or prerogatives of any officer, agency, board, bureau,  
3 commission, association, society, or institution of the executive branch  
4 of state government, except that the act does not preclude an inquiry on  
5 the sole basis that another agency has the same responsibility. The act  
6 shall not be construed to interfere with or supplant the responsibilities  
7 or prerogatives of the Governor to investigate, monitor, and report on  
8 the activities of the agencies, boards, bureaus, commissions,  
9 associations, societies, and institutions of the executive branch under  
10 the Governor's ~~his or her~~ administrative direction.

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

13 ~~47-903~~ For purposes of the Office of Inspector General of the  
14 Nebraska Correctional System Act, the following definitions apply:

15 (1) Administrator means a person charged with administration of (a)  
16 a program or , an office , or a division of the department, (b) the  
17 division, or (c) administration of a private agency;

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

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

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

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

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

27 (7) Management means supervision of subordinate employees;

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

30 (9) Obstruction means hindering an investigation, preventing an  
31 investigation from progressing, stopping or delaying the progress of an

1 investigation, or making the progress of an investigation difficult or  
2 slow;

3 (10) Office means the office of Inspector General of the Nebraska  
4 Correctional System and includes the Inspector General and other  
5 employees of the office;

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

7 (12) {11} Private agency means an entity that contracts with the  
8 department or division or contracts to provide services to another entity  
9 that contracts with the department or division; and

10 (13) {12} Record means any recording in written, audio, electronic  
11 transmission, or computer storage form, including, but not limited to, a  
12 draft, memorandum, note, report, computer printout, notation, or message,  
13 and includes, but is not limited to, medical record records, mental  
14 health record records, case file files, clinical record records,  
15 financial record records, and administrative record records.

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

18 ~~47-904~~ (1) The office of Inspector General of the Nebraska  
19 Correctional System is created within the Division of Legislative  
20 Oversight office of Public Counsel for the purpose of conducting  
21 investigations, audits, inspections, and other oversight reviews of the  
22 Nebraska correctional system for the Legislature. The Inspector General  
23 shall be appointed by the Director of Legislative Oversight Public  
24 Counsel with approval from the chairperson of the Executive Board of the  
25 Legislative Council, the chairperson of the Legislative Oversight  
26 Committee, and the chairperson of the Judiciary Committee of the  
27 Legislature.

28 (2) The Inspector General shall be appointed for a term of five  
29 years and may be reappointed. The Inspector General shall be selected  
30 without regard to political affiliation and on the basis of integrity,  
31 capability for strong leadership, and demonstrated ability in accounting,

1 auditing, financial analysis, law, management, public administration,  
2 investigation, or criminal justice administration or other closely  
3 related fields. No former or current executive or manager of the  
4 department or division shall be appointed Inspector General within five  
5 years after such former or current executive's or manager's period of  
6 service with the department or division. Not later than two years after  
7 the date of appointment, the Inspector General shall obtain certification  
8 as a Certified Inspector General by the Association of Inspectors  
9 General, its successor, or another nationally recognized organization  
10 that provides and sponsors educational programs and establishes  
11 professional qualifications, certifications, and licensing for inspectors  
12 general. During the Inspector General's ~~his or her~~ employment, the  
13 Inspector General shall not be actively involved in partisan affairs.

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

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

28 ~~47-905~~ (1) The office shall investigate:

29 (a) Allegations or incidents of possible misconduct, misfeasance,  
30 malfeasance, or violations of statutes or of rules or regulations of the  
31 department or division by an employee of or a person under contract with

1 the department or division or a private agency; ~~and~~

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

23 (c) Any other matter as provided in the annual work plans or key  
24 performance indicators approved by the Legislative Oversight Committee  
25 pursuant to section 23 of this act.

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) Consistent with the Nebraska Rules of Professional Conduct,  
24 counsel for the entity under investigation shall not represent a witness.  
25 A witness may request that counsel for the entity under investigation be  
26 present while being questioned, but such entity shall not require a  
27 witness to make such a request. If such a request is made, the entity  
28 under investigation shall inform the witness that such entity's counsel  
29 does not represent the witness. For purposes of this subsection, entity  
30 under investigation means the entity that is the subject of an  
31 investigation under the Office of Inspector General of the Nebraska

1 Correctional System Act and includes the department, the division, and a  
2 private agency.

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

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

9 ~~47-907~~ (1) Complaints to the office may be made in writing. A  
10 complaint shall be evaluated to determine if it alleges possible  
11 misconduct, misfeasance, malfeasance, or violation of a statute or of  
12 rules and regulations of the department or division by an employee of or  
13 a person under contract with the department or division or a private  
14 agency. All complaints shall be evaluated to determine whether a full  
15 investigation is warranted.

16 (2) The office shall not conduct a full investigation of a complaint  
17 unless:

18 (a) The complaint alleges misconduct, misfeasance, malfeasance, or  
19 violation of a statute or of rules and regulations of the department or  
20 division;

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

23 (c) The allegations can be independently verified through  
24 investigation.

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

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

31 **Sec. 52.** Section 47-908, Reissue Revised Statutes of Nebraska, is



1 amended to read:

2 ~~47-908~~ (1) The office shall have access to all information and  
3 personnel necessary to perform the duties of the office and to carry out  
4 the Office of Inspector General of the Nebraska Correctional System Act.

5 (2) All employees of the department, all employees of the division  
6 Division of Parole Supervision, and all owners, operators, managers,  
7 supervisors, and employees of private agencies shall cooperate with the  
8 office. Cooperation includes, but is not limited to, the following:

9 (a) (1) Provision of full access to and production of records and  
10 information. Providing access to and producing records and information  
11 for the office is not a violation of confidentiality provisions under any  
12 statute, rule, or regulation if done in good faith for purposes of an  
13 investigation under the Office of Inspector General of the Nebraska  
14 Correctional System Act;

15 (b) (2) Fair and honest disclosure of records and information  
16 reasonably requested by the office pursuant to in the course of an  
17 investigation under the act;

18 (c) (3) Encouraging employees to fully comply with reasonable  
19 requests of the office pursuant to in the course of an investigation  
20 under the act;

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

24 (e) (5) Not requiring employees to gain supervisory approval prior  
25 to filing a complaint with or providing records or information to the  
26 office;

27 (f) Not requiring employees to report filing a complaint with or  
28 providing records or information to the office; and

29 (g) Not requiring employees to request that counsel for the employer  
30 be present while being questioned in the course of an investigation.

31 ~~(6) Provision of complete and truthful answers to questions posed by~~

1    ~~the office in the course of an investigation; and~~

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

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

5        ~~47-909 Failure to cooperate with an investigation by the office may~~  
6    ~~result in public disclosure of the failure to cooperate discipline or~~  
7    ~~other sanctions.~~

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

10       ~~47-910~~ (1) At the request of the Inspector General, and after  
11 receiving prior approval by a majority vote of the Executive Board of the  
12 Legislative Council, the Legislative Oversight Committee may issue  
13 subpoenas in connection with a specific inquiry or investigation  
14 undertaken pursuant to the Office of Inspector General of the Nebraska  
15 Correctional System Act to compel the production of records and  
16 information and sworn testimony or other evidence relevant to such  
17 inquiry or investigation. The committee shall vote to determine whether  
18 to issue a subpoena within ten days after receipt of the request.

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

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

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

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

10       (6) If the committee finds a person in contempt as provided in  
11       subsection (5) of this section, the committee may, by application or  
12       petition to the district court of Lancaster County, request that the  
13       court compel obedience by proceedings for contempt as in the case of  
14       disobedience of the requirements of a subpoena issued from such court.  
15       The application or petition shall be filed by the chairperson of the  
16       committee.

17       ~~(7) The Inspector General may issue a subpoena, enforceable by~~  
18       ~~action in an appropriate court, to compel any person to appear, give~~  
19       ~~sworn testimony, or produce documentary or other evidence deemed relevant~~  
20       ~~to a matter under his or her inquiry. A person thus required to provide~~  
21       ~~information under this section shall be paid the same fees and travel~~  
22       ~~allowances and shall be accorded the same privileges and immunities as~~  
23       ~~are extended to witnesses in the district courts of this state and shall~~  
24       ~~also be entitled to have counsel present while being questioned. Any fees~~  
25       ~~associated with counsel present under this section shall not be the~~  
26       ~~responsibility of the office or the Legislative Council.~~

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

29       ~~47-911~~ (1) A full investigation conducted by the office shall  
30       consist of (a) access to and retrieval of all relevant records through  
31       compliance with a request of the office, by voluntary production, or by

1 subpoena, (b) review of all relevant records, and (c) interviews of all  
2 relevant persons ~~In conducting investigations, the office shall access~~  
3 ~~all relevant records through subpoena, compliance with a request by the~~  
4 ~~office, and voluntary production.~~ The office may request or request the  
5 issuance of a subpoena for any record necessary for the investigation  
6 from the department, the division, or a private agency that is pertinent  
7 to an investigation. All case files, licensing files, medical records,  
8 financial and administrative records, and records required to be  
9 maintained pursuant to applicable licensing rules shall be produced for  
10 review by the office in the course of an investigation.

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

12 (a) Production of all records requested;

13 (b) A diligent search to ensure that all appropriate records are  
14 included; and

15 (c) A continuing obligation to immediately forward to the office any  
16 relevant records received, located, or generated after the date of the  
17 request; -

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

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

21 (3) The office shall seek access in a manner that respects the  
22 dignity and human rights of all persons involved, maintains the integrity  
23 of the investigation, and does not unnecessarily disrupt department or  
24 division programs or services. ~~When advance notice to an administrator or~~  
25 ~~his or her designee is not provided, the office investigator shall, upon~~  
26 ~~arrival at the departmental office, bureau, or division or private~~  
27 ~~agency, request that an onsite employee notify the administrator or his~~  
28 ~~or her designee of the investigator's arrival.~~

29 (4) When circumstances of an audit, inspection, investigation, or  
30 review require, the office may make an announced or unannounced visit to  
31 a departmental office, ~~bureau, or division,~~ a department correctional

1 facility, a parole office, or a private agency to request records  
2 relevant to an investigation. The office may request relevant records  
3 during such visit.

4 (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 office, bureau, division, private  
9 agency, or department correctional facility, parole office, or private  
10 agency to determine that all appropriate records in existence at the time  
11 of the request were produced;

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

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

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

20 (6) The office shall permit a responsible individual, an  
21 administrator, or an employee of a departmental office, ~~bureau, or~~  
22 ~~division, a private agency, or~~ a department correctional facility, a  
23 parole office, or a private agency to make photocopies of the original  
24 records within a reasonable time in the presence of the office for  
25 purposes of creating a working record in a manner that assures  
26 confidentiality.

27 (7) The office shall present to the responsible individual or the  
28 administrator or other employee of the departmental office, ~~bureau, or~~  
29 ~~division, private agency, or~~ department correctional facility, parole  
30 office, or private agency a copy of the request, stating the date and the  
31 titles of the records received.

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

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

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

9 ~~47-912~~ (1) Reports of investigations conducted by the office shall  
10 not be distributed beyond the entity that is the subject of the report  
11 without the consent of the Inspector General.

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

14 ~~(3)~~ The office may disclose confidential information to the  
15 chairperson of the Legislative Oversight Committee at the chairperson's  
16 request. The office may also disclose confidential information to the  
17 chairperson of the Legislative Oversight Committee, the chairperson of  
18 the Executive Board of the Legislative Council, and the chairperson of  
19 the Judiciary Committee of the Legislature when such disclosure is, in  
20 the judgment of the Director of Legislative Oversight Public Counsel,  
21 appropriate desirable to keep the Legislature chairperson informed of  
22 important events, issues, and developments in the Nebraska correctional  
23 system.

24 ~~(4)~~ The office may also disclose such confidential information to  
25 the Legislative Oversight Committee when such disclosure is, in the  
26 judgment of the chairperson of the Legislative Oversight Committee,  
27 appropriate to keep the Legislature informed of important events, issues,  
28 and developments in the Nebraska correctional system.

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

31 (b) Such report shall be released only:

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

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

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

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

12 (6) (4) Records and documents, regardless of physical form, that are  
13 obtained or produced by the office in the course of an investigation are  
14 not public records for purposes of sections 84-712 to 84-712.09. Reports  
15 of investigations conducted by the office are not public records for  
16 purposes of sections 84-712 to 84-712.09.

17 (7) (5) The office may withhold the identity of sources of  
18 information to protect from retaliation any person who files a complaint  
19 or provides information in good faith pursuant to the Office of Inspector  
20 General of the Nebraska Correctional System Act.

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

23 ~~47-913~~ (1) The department shall provide the Director of Legislative  
24 Oversight ~~Public Counsel~~ and the office ~~Inspector General~~ with direct  
25 ~~computer~~ access to all ~~computerized~~ records, reports, and documents  
26 maintained by the department in connection with administration of the  
27 Nebraska correctional system. The Director of Legislative Oversight's  ~~,~~  
28 ~~except that the Public Counsel's and Inspector General's~~ access to an  
29 inmate's medical or mental health records shall be subject to the  
30 inmate's consent unless an inmate death is being investigated pursuant to  
31 subdivision (1)(b) of section 50 of this act.

1       (2) Information shall be provided in the most efficient and timely  
2 way, in a manner that is least burdensome to the department, and in a  
3 manner which maintains the confidentiality of the information. This may  
4 include providing information through secure electronic access to case  
5 files and secure access to information maintained electronically in  
6 databases and case management systems. The office, by and through the  
7 Executive Board of the Legislative Council, may enter into information-  
8 sharing agreements with the department or the division to assist in the  
9 implementation of and compliance with the Office of Inspector General of  
10 the Nebraska Correctional System Act.

11       (3)(a) The department may object to the production or disclosure of  
12 records, reports, and documents in writing on the grounds that such  
13 records, reports, and documents are legally privileged, identifying the  
14 specific grounds for such objection. Following such objection, the office  
15 and the department may negotiate terms of production or disclosure  
16 pursuant to this section.

17       (b) In the event that satisfactory terms of production or disclosure  
18 cannot be reached between the office and the department, the office may  
19 request the issuance of a subpoena pursuant to section 54 of this act.

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

22       ~~47-914~~ (1) The Inspector General's report of an investigation shall  
23 be in writing ~~and may to the Public Counsel and shall contain~~  
24 ~~recommendations for systemic reform. The report may recommend systemic~~  
25 ~~reform or case-specific action, including a recommendation for discharge~~  
26 ~~or discipline of employees or for sanctions against a private agency. All~~  
27 ~~recommendations to pursue discipline shall be in writing and signed by~~  
28 ~~the Inspector General. A report of an investigation shall be presented to~~  
29 the Director of Legislative Oversight and the chairperson of the  
30 Legislative Oversight Committee. The Inspector General shall present the  
31 report of an investigation to the director or parole director within



1 three business ~~fifteen~~ days after the report is presented to the Director  
2 of Legislative Oversight and the chairperson of the Legislative Oversight  
3 Committee Public Counsel.

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

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

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

17 ~~47-915~~ (1) Within fifteen business days after a report is presented  
18 to the director or parole director under section 58 of this act, the  
19 director or parole director may ~~47-914, he or she shall~~ determine whether  
20 to accept, reject, or request ~~in writing~~ modification of the  
21 recommendations contained in the report. Any response shall be in writing  
22 and may include corrections of factual errors. The Inspector General,  
23 with input from the Director of Legislative Oversight ~~Public Counsel~~, may  
24 consider any ~~the director's~~ request for modifications but is not  
25 obligated to accept such request. Such report shall become final (a) upon  
26 the decision of the director or parole director to accept or reject the  
27 recommendations in the report, (b) within fifteen business days after or,  
28 if the director or parole director requests modifications , within  
29 fifteen days after such request or after the Inspector General  
30 incorporates such modifications, whichever occurs earlier, or (c) fifteen  
31 days after the report is presented to the director or parole director if

1 no response is made. If the Inspector General does not accept a requested  
2 modification, the recommendation for which such modification was  
3 requested shall be considered to be rejected by the director or parole  
4 director.

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

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

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

26 ~~47-916~~ No report or other work product of an investigation by the  
27 Inspector General shall be reviewable in any court. Neither the Inspector  
28 General nor any member of the Inspector General's ~~his or her~~ staff shall  
29 be required to testify or produce evidence in any judicial or  
30 administrative proceeding concerning matters within such person's ~~his or~~  
31 ~~her~~ official cognizance except in a proceeding brought to enforce the

1 Office of Inspector General of the Nebraska Correctional System Act.

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

4 ~~47-917~~ The Office of Inspector General of the Nebraska Correctional  
5 System Act does not require the Inspector General to investigate all  
6 complaints. The Inspector General, with input from the Director of  
7 Legislative Oversight ~~Public Counsel~~, shall prioritize and select  
8 investigations and inquiries that further the intent of the act and  
9 assist in legislative oversight of the Nebraska correctional system. If  
10 the Inspector General determines that the office ~~he or she~~ will not  
11 investigate a complaint, the Inspector General may recommend to the  
12 parties alternative means of resolution of the issues in the complaint.

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

15 ~~47-918~~ On or before September 15 of each year, the Inspector General  
16 shall provide to ~~each member of the Judiciary Committee of the~~  
17 Legislature and ~~the Governor~~ a report that includes ~~and the Clerk of~~  
18 ~~the Legislature~~ a summary of reports and investigations made under the  
19 Office of Inspector General of the Nebraska Correctional System Act for  
20 the preceding year. The report to the Legislature shall be submitted  
21 ~~summary provided to the Clerk of the Legislature shall be provided~~  
22 electronically and filed with the Clerk of the Legislature. The reports  
23 ~~summaries~~ shall include findings and recommendations and an update on the  
24 status of recommendations made in prior reports ~~summaries~~, if any. The  
25 findings and recommendations may address issues discovered through  
26 investigations, audits, inspections, and reviews by the office that will  
27 (1) increase accountability and legislative oversight of the Nebraska  
28 correctional system, (2) improve operations of the department, the  
29 division, and the Nebraska correctional system, (3) deter and identify  
30 fraud, abuse, and illegal acts, and (4) identify inconsistencies between  
31 statutory requirements and requirements for accreditation. The reports

1 ~~summaries~~ shall not contain any confidential or identifying information  
2 concerning the subjects of the reports and investigations.

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

5 ~~47-919 (1) The division Division of Parole Supervision shall provide~~  
6 ~~the Director of Legislative Oversight Public Counsel and the office with~~  
7 ~~Inspector General with direct computer access to all computerized~~  
8 ~~records, reports, and documents maintained in connection with~~  
9 ~~administration of the Nebraska parole system. The access of the Director~~  
10 ~~of Legislative Oversight , except that access for the Public Counsel and~~  
11 ~~the office Inspector General to a parolee's medical or mental health~~  
12 ~~records shall be subject to the parolee's consent unless a parolee's~~  
13 ~~death is being investigated pursuant to subdivision (1)(b) of section 50~~  
14 ~~of this act.~~

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

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

23 ~~47-920~~ Any person who has authority to recommend, approve, direct,  
24 or otherwise take or affect personnel action shall not, with respect to  
25 such authority:

26 (1) Take personnel action against an employee because of the  
27 disclosure of information by the employee to the office which the  
28 employee reasonably believes evidences wrongdoing under the Office of  
29 Inspector General of the Nebraska Correctional System Act;

30 (2) Take personnel action against an employee as a reprisal for the  
31 submission of an allegation of wrongdoing under the act to the office by

1 such employee; or

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

5 **Sec. 65.** If the Inspector General has reason to believe that any  
6 public officer or employee has acted in a manner that warrants criminal  
7 or disciplinary action or proceedings, the Inspector General shall report  
8 the matter to the department, the division, or other appropriate  
9 authorities.

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

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

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

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

24 28-711 (1) When any physician, any medical institution, any nurse,  
25 any school employee, any social worker, the Inspector General appointed  
26 under section 28 of this act 43-4317, or any other person has reasonable  
27 cause to believe that a child has been subjected to child abuse or  
28 neglect or observes such child being subjected to conditions or  
29 circumstances which reasonably would result in child abuse or neglect, he  
30 or she shall report such incident or cause a report of child abuse or  
31 neglect to be made to the proper law enforcement agency or to the

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

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

21 **Sec. 68.** Section 28-712.01, Revised Statutes Cumulative Supplement,  
22 2024, is amended to read:

23 28-712.01 (1)(a) The department may assign a report for alternative  
24 response consistent with the Child Protection and Family Safety Act.

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

28 (i) Murder in the first or second degree as defined in section  
29 28-303 or 28-304 or manslaughter as defined in section 28-305;

30 (ii) Assault in the first, second, or third degree or assault by  
31 strangulation or suffocation as defined in section 28-308, 28-309,

1 28-310, or 28-310.01;

2 (iii) Sexual abuse, including acts prohibited by section 28-319,  
3 28-319.01, 28-320, 28-320.01, 28-320.02, 28-322.01, 28-322.02, 28-322.03,  
4 28-322.04, 28-322.05, 28-703, or 28-707;

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

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

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

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

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

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

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

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

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

28 (xiii) A household member illegally manufactures methamphetamine or  
29 opioids;

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

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

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

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

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

13 (ii) Use of alcohol or controlled substances as defined in section  
14 28-401 or 28-405 by a caregiver that impairs the caregiver's ability to  
15 care and provide safety for the child; or

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

19 (2) The Review, Evaluate, and Decide Team shall convene to review  
20 reports pursuant to the department's rules, regulations, and policies, to  
21 evaluate the information, and to determine assignment for alternative  
22 response or traditional response. The team shall utilize consistent  
23 criteria to review the severity of the allegation of child abuse or  
24 neglect, access to the perpetrator, vulnerability of the child, family  
25 history including previous reports, parental cooperation, parental or  
26 caretaker protective factors, and other information as deemed necessary.  
27 At the conclusion of the review, the report shall be assigned to either  
28 traditional response or alternative response. Decisions of the team shall  
29 be made by consensus. If the team cannot come to consensus, the report  
30 shall be assigned for a traditional response.

31 (3) In the case of an alternative response, the department shall



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

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

17 (5) The department shall make available to the appropriate  
18 investigating law enforcement agency, child advocacy center, and county  
19 attorney a copy of all reports relative to a case of suspected child  
20 abuse or neglect. Aggregate, nonidentifying data regarding reports of  
21 child abuse or neglect receiving an alternative response shall be made  
22 available quarterly to requesting agencies outside the department. Such  
23 alternative response data shall include, but not be limited to, the  
24 nature of the initial child abuse or neglect report, the age of the child  
25 or children, the nature of services offered, the location of the cases,  
26 the number of cases per month, and the number of alternative response  
27 cases that were transferred to traditional response. Other than the  
28 office of Inspector General of Nebraska Child Welfare, the Public  
29 Counsel, law enforcement agency personnel, child advocacy center  
30 employees, and county attorneys, no other agency or individual shall be  
31 provided specific, identifying reports of child abuse or neglect being

1 given alternative response. The office of Inspector General of Nebraska  
2 Child Welfare shall have access to all reports relative to cases of  
3 suspected child abuse or neglect subject to traditional response and  
4 those subject to alternative response. The department and the office  
5 shall develop procedures allowing for the Inspector General's review of  
6 cases subject to alternative response. The Inspector General shall  
7 include in the report pursuant to section 41 of this act ~~43-4331~~ a  
8 summary of all cases reviewed pursuant to this subsection.

9       **Sec. 69.** Section 29-2011.02, Revised Statutes Cumulative Supplement,  
10 2024, is amended to read:

11       29-2011.02 Whenever a witness refuses, on the basis of the privilege  
12 against self-incrimination, to testify or to provide other information in  
13 a criminal proceeding or investigation before a court, a grand jury, the  
14 Auditor of Public Accounts, the Legislative Council, the Legislative  
15 Oversight Committee, or a standing committee or a special legislative  
16 investigative or oversight committee of the Legislature, the court, on  
17 motion of the county attorney, other prosecuting attorney, Auditor of  
18 Public Accounts, chairperson of the Executive Board of the Legislative  
19 Council, chairperson of the Legislative Oversight Committee, or  
20 chairperson of a standing or special committee of the Legislature, may  
21 order the witness to testify or to provide other information. The witness  
22 may not refuse to comply with such an order of the court on the basis of  
23 the privilege against self-incrimination, but no testimony or other  
24 information compelled under the court's order or any information directly  
25 or indirectly derived from such testimony or other information may be  
26 used against the witness in any criminal case except in a prosecution for  
27 perjury, giving a false statement, or failing to comply with the order of  
28 the court.

29       **Sec. 70.** Section 29-2011.03, Revised Statutes Cumulative Supplement,  
30 2024, is amended to read:

31       29-2011.03 The county attorney, other prosecuting attorney, Auditor

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

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

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

12 **Sec. 71.** Section 43-2,108, Revised Statutes Cumulative Supplement,  
13 2024, is amended to read:

14 43-2,108 (1) The juvenile court judge shall keep a record of all  
15 proceedings of the court in each case, including appearances, findings,  
16 orders, decrees, and judgments, and any evidence which he or she feels it  
17 is necessary and proper to record. The case file shall contain the  
18 complaint or petition and subsequent pleadings. The case file may be  
19 maintained as an electronic document through the court's electronic case  
20 management system, on microfilm, or in a paper volume and disposed of  
21 when determined by the State Records Administrator pursuant to the  
22 Records Management Act.

23 (2) Except as provided in subsections (3) and (4) of this section,  
24 the medical, psychological, psychiatric, and social welfare reports and  
25 the records of juvenile probation officers, as they relate to individual  
26 proceedings in the juvenile court, shall not be open to inspection,  
27 without order of the court. Such records shall be made available to a  
28 district court of this state or the District Court of the United States  
29 on the order of a judge thereof for the confidential use of such judge or  
30 his or her probation officer as to matters pending before such court but  
31 shall not be made available to parties or their counsel; and such

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

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

31 (4) The court shall provide copies of predispositional reports and

1 evaluations of the juvenile to the juvenile's attorney and the county  
2 attorney or city attorney prior to any hearing in which the report or  
3 evaluation will be relied upon.

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

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

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

26 (8)(a) Any records concerning a juvenile court petition filed  
27 pursuant to subdivision (3)(c) of section 43-247 shall remain  
28 confidential except as may be provided otherwise by law. Such records  
29 shall be accessible to (i) the juvenile except as provided in subdivision  
30 (b) of this subsection, (ii) the juvenile's counsel, (iii) the juvenile's  
31 parent or guardian, and (iv) persons authorized by an order of a judge or

1 court.

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

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

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

29 **Sec. 72.** Section 50-401.01, Revised Statutes Cumulative Supplement,  
30 2024, is amended to read:

31 50-401.01 (1) The Legislative Council shall have an executive board,

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

12 (2) The executive board shall:

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

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

29 (3) Notwithstanding any other provision of law, the executive board  
30 may contract to obtain legal, auditing, accounting, actuarial, or other  
31 professional services or advice for or on behalf of the executive board,

1 the Legislative Council, the Legislature, or any member of the  
2 Legislature. The providers of such services or advice shall meet or  
3 exceed the minimum professional standards or requirements established or  
4 specified by their respective professional organizations or licensing  
5 entities or by federal law. Such contracts, the deliberations of the  
6 executive board with respect to such contracts, and the work product  
7 resulting from such contracts shall not be subject to review or approval  
8 by any other entity of state government.

9 (4) The executive board may enter into information-sharing  
10 agreements pursuant to sections 36 and 57 of this act.

11 **Sec. 73.** Section 50-402, Revised Statutes Cumulative Supplement,  
12 2024, is amended to read:

13 50-402 The Legislative Council shall occupy and maintain offices in  
14 the State Capitol.

15 It shall be the duty of the council:

16 (1) To collect information concerning the government and general  
17 welfare of the state;

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

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

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

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

29 (6) To establish and maintain a complete and efficient bill drafting  
30 service for the purpose of aiding and assisting members of the  
31 Legislature and the executive departments of the state in the preparation



1 of bills, resolutions, and measures and in drafting the same in proper  
2 form, and for this purpose there shall be assigned to the council for  
3 such work, rooms in the State Capitol conveniently situated in reference  
4 to the legislative chamber;

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

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

13 (9) {8} To provide, through the Executive Board of the Legislative  
14 Council, for the development and maintenance of a publicly accessible,  
15 indexed, digital Internet archive of closed-captioned video coverage of  
16 the Legislature as provided in section 50-117; and

17 (10) {9} To set up subcommittees within the Legislative Council  
18 ~~executive board~~ to carry out functions such as investigation of any area  
19 which the council ~~it~~ may decide is in the public interest with power to  
20 employ such additional personnel as may be needed to carry out the intent  
21 and activities of the executive board or the Legislature.

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

24 50-406 (1) It is within the inherent power of the Legislature,  
25 including the Legislative Council, the Legislative Oversight Committee,  
26 and any standing committee of the Legislature, to secure needed  
27 information in order to legislate, hold hearings, and administer oaths,  
28 as the council or committee deems necessary, and to conduct  
29 investigations of matters within the subject matter jurisdiction of the  
30 council or committee. This power of inquiry is broad and indispensable.

31 (2) The Legislative Council may hold public hearings and may

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

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

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

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

31 (c) A resolution or statute creating a special legislative

1 investigative or oversight committee may prescribe limitations on the  
2 authority granted by this section.

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

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

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

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

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

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

24 50-406.01 (1)(a) If a member of the Legislature, the Public Counsel,  
25 the Inspector General of Nebraska Child Welfare, the Inspector General of  
26 the Nebraska Correctional System, or the Legislative Auditor presents a  
27 newly constituted Legislature with a subpoena issued pursuant to section  
28 50-406 or section 18, 33, 54, or 95 of this act during a previous  
29 legislative biennium and such subpoena is still pending:

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

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

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

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

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

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

19 50-407 (1) In case of disobedience on the part of any person,  
20 including a representative of a state agency or political subdivision, to  
21 comply with any subpoena issued pursuant to section 50-406 or in case of  
22 the refusal of any witness to testify on any matters regarding which the  
23 witness may be lawfully interrogated, the Legislative Council, the  
24 Legislative Oversight Committee, or the standing committee or special  
25 legislative investigative or oversight committee which issued the  
26 subpoena shall, at the hearing at which the person was subpoenaed to  
27 appear, ~~hold a vote on whether to find the person in contempt or unless~~  
28 ~~the council or committee votes to find that the failure to comply or~~  
29 refusal to testify was not willful.

30 (2) If the council or committee finds a person in contempt as  
31 provided in subsection (1) of this section, the council or committee may,

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

10 (3) If a witness who has been subpoenaed pursuant to section 50-406  
11 or section 18, 33, 54, or 95 of this act refuses to testify before the  
12 council or a committee on the basis of the privilege against self-  
13 incrimination, a court order may be requested pursuant to sections  
14 29-2011.02 and 29-2011.03. In the case of a proceeding before the  
15 Legislative Council, the request shall be filed by the chairperson of the  
16 Executive Board of the Legislative Council. In the case of a proceeding  
17 before the Legislative Oversight Committee, a standing committee, or a  
18 special legislative investigative or oversight committee, the request  
19 shall be filed by the chairperson of such committee.

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

22 50-408 Each witness who appears before the Legislative Council, the  
23 Legislative Oversight Committee, any standing committee, or any special  
24 legislative investigative or oversight committee by subpoena of such  
25 council or committee, other than a state officer or employee, shall  
26 receive for attendance the fees provided for witnesses in civil cases in  
27 courts of record and mileage as provided in section 81-1176, which shall  
28 be audited and paid upon the presentation of proper vouchers sworn to by  
29 such witness and approved by the ~~secretary~~ and chairperson of the  
30 Executive Board of the Legislative Council ~~council~~.

31 **Sec. 78.** Section 50-409, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 50-409 Each officer, board, commission, or department of state  
3 government or any local government shall make such studies for and  
4 furnish information to the Legislative Council, including any division  
5 established within the Legislative Council, council as the council it may  
6 require and as can be made within the limits of its appropriation.  
7 Requests for information made under this section shall not be subject to  
8 the procedures for public record requests provided in sections 84-712 to  
9 84-712.09.

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

12 50-410 The council shall meet at least once in each biennium. One  
13 meeting of the entire council shall be held at the call of the  
14 chairperson of the Executive Board of the Legislative Council chairman  
15 not less than thirty nor more than sixty days prior to the next regular  
16 session of the Legislature. Twenty-five members shall constitute a  
17 quorum, but a smaller number may meet and may compel the attendance of  
18 members in order to secure a quorum.

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

21 50-416 (1) The office of Legislative Research Office is established  
22 within the Legislative Council. The office shall provide nonpartisan  
23 public policy and legal research for members of the Legislature and their  
24 staffs and maintain a legislative reference library for the use of  
25 members of the Legislature and their staffs. The Director of Research  
26 shall be responsible for hiring, firing, and supervising the research  
27 office staff.

28 (2) At the request of the Director of Research, the Executive Board  
29 of the Legislative Council may issue subpoenas as provided in subsection  
30 (2) of section 50-406 for information related to a research request from  
31 the Legislative Research Office pursuant to this section.

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

3       50-418 (1) There shall be established within the Legislative Council  
4 ~~the office of Legislative Fiscal Office Analyst. The Legislative Fiscal~~  
5 ~~Analyst shall be responsible for hiring, firing, and supervising the~~  
6 ~~fiscal office staff , with the approval of the Executive Board of the~~  
7 ~~Legislative Council, may employ necessary assistants.~~

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

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

18       50-420 (1) Each officer, board, commission, and department of state  
19 government, including the Accounting Administrator of the Department of  
20 Administrative Services, shall furnish to the Legislative Fiscal Analyst,  
21 upon request, any information in its possession, including records  
22 received from other officers, boards, commissions, or departments of  
23 state government, whether such information is retained in computer files  
24 or otherwise, if such information is directly related to the performance  
25 of the official duties of the Legislative Fiscal Analyst under sections  
26 50-418 to 50-420.

27       (2) At the request of the Legislative Fiscal Analyst, and after  
28 receiving prior approval by a majority vote of the Executive Board of the  
29 Legislative Council, the Appropriations Committee of the Legislature may  
30 issue subpoenas as provided in subsection (3) of section 50-406 for  
31 information related to a request from the Legislative Fiscal Analyst

1 pursuant to this section.

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

4       50-1201 Sections 50-1201 to 50-1215 and section 95 of this act shall  
5 be known and may be cited as the Legislative Performance Audit Act.

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

8       50-1202 (1) The Legislature hereby finds and declares that pursuant  
9 to section 50-402 it is the duty of the Legislative Council to do  
10 independent assessments of the performance of state government  
11 organizations, programs, activities, and functions in order to provide  
12 information to improve public accountability and facilitate  
13 decisionmaking by parties with responsibility to oversee or initiate  
14 corrective action.

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

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

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



1           50-1203 For purposes of the Legislative Performance Audit Act:

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

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

11          (3) ~~(2)~~ Auditor of Public Accounts means the Auditor of Public  
12 Accounts whose powers and duties are prescribed in section 84-304;

13          (4) ~~(3)~~ Business day means a day on which state offices are open for  
14 regular business;

15          (5) ~~(4)~~ Committee means the Legislative Oversight Performance Audit  
16 Committee;

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

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

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

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

25          (9) Performance audit means an objective and systematic examination  
26 of evidence for the purpose of providing an independent assessment of the  
27 performance of a government organization, program, activity, or function  
28 in order to provide information to improve public accountability and  
29 facilitate decisionmaking by parties with responsibility to oversee or  
30 initiate corrective action. Performance audits may have a variety of  
31 objectives, including the assessment of a program's effectiveness and

1 results, economy and efficiency, internal control, and compliance with  
2 legal or other requirements;

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

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

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

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

14 50-1204 (1) The Legislative Audit Office is established within the  
15 Division of Legislative Oversight. The office shall conduct performance  
16 audits. The Legislative Auditor shall be appointed by the Director of  
17 Legislative Oversight with approval from the chairperson of the Executive  
18 Board of the Legislative Council and the chairperson of the committee.  
19 The Legislative Auditor shall employ such performance audit and support  
20 staff as the Legislative Auditor deems necessary to carry out the duties  
21 of the office within the amount available by appropriation through the  
22 Division of Legislative Oversight for the Legislative Audit Office. The  
23 Legislative Auditor shall be subject to the control and supervision of  
24 the Director of Legislative Oversight, except that removal of the  
25 Legislative Auditor shall require approval of the chairperson of the  
26 committee. The Legislative Auditor may also be removed by a two-thirds  
27 majority vote of the committee. The Legislative Performance Audit  
28 Committee is hereby established as a special legislative committee to  
29 exercise the authority and perform the duties provided for in the  
30 Legislative Performance Audit Act. The committee shall be composed of the  
31 Speaker of the Legislature, the chairperson of the Executive Board of the

1 ~~Legislative Council, the chairperson of the Appropriations Committee of~~  
2 ~~the Legislature, and four other members of the Legislature to be chosen~~  
3 ~~by the Executive Board of the Legislative Council. The executive board~~  
4 ~~shall ensure that the Legislative Performance Audit Committee includes~~  
5 ~~adequate geographic representation. The chairperson and vice chairperson~~  
6 ~~of the Legislative Performance Audit Committee shall be elected by~~  
7 ~~majority vote. For purposes of tax incentive performance audits~~  
8 ~~authorized in section 50-1209, the committee shall include as nonvoting~~  
9 ~~members the chairperson of the Revenue Committee of the Legislature or~~  
10 ~~his or her designee and one other member of the Revenue Committee, as~~  
11 ~~selected by the Revenue Committee. The Legislative Performance Audit~~  
12 ~~Committee shall be subject to all rules prescribed by the Legislature.~~  
13 ~~The committee shall be reconstituted at the beginning of each Legislature~~  
14 ~~and shall meet as needed.~~

15 (2) The Legislative Auditor shall ensure that performance audit work  
16 conducted by the office conforms with performance audit standards  
17 contained in the Government Auditing Standards (2024 2018 Revision) as  
18 required in section 50-1205.01. ~~The office shall be composed of the~~  
19 ~~Legislative Auditor and other employees of the Legislature employed to~~  
20 ~~conduct performance audits.~~ The office shall be the custodian of all  
21 records generated by the ~~committee or~~ office except as provided by  
22 section 50-1213, subsection (11) of section 77-2711, or subdivision (10)  
23 (a) of section 77-27,119. The office shall inform the Legislative Fiscal  
24 Analyst of its activities and consult with him or her as needed. The  
25 office shall operate under the general direction of the Director of  
26 Legislative Oversight and the committee.

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

29 50-1205 The committee shall:

30 (1) Adopt, by majority vote, procedures consistent with the  
31 Legislative Performance Audit Act to govern the business of the committee

1 and the conduct of performance audits;

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

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

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

9 (5) Respond to inquiries regarding performance audits;

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

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

17 (8) At the request of the Legislative Auditor, issue subpoenas,  
18 enforceable by action in an appropriate court, to compel any person to  
19 appear, give sworn testimony, or produce documentary or other evidence  
20 deemed relevant to a performance audit as provided in section 95 of this  
21 act ~~Pursuant to section 50-406, administer oaths, issue subpoenas, compel~~  
22 ~~the attendance of witnesses and the production of any papers, books,~~  
23 ~~accounts, documents, and testimony, and cause the depositions of~~  
24 ~~witnesses either residing within or without the state to be taken in the~~  
25 ~~manner prescribed by law for taking depositions in civil actions in the~~  
26 ~~district court;~~

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

30 (10) Release audit reports ~~the committee report~~ to the public and  
31 distribute them ~~it~~ electronically to the Clerk of the Legislature with or

1 without benefit of a public hearing;

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

5 (12) Establish a system to ascertain and monitor an agency's  
6 implementation of the recommendations contained in audit reports the  
7 ~~committee report~~ and compliance with any statutory changes resulting from  
8 the recommendations;

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

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

18 (15) Approve or reject, within the budgetary limits of the office,  
19 contracts to retain consultants to assist with performance audits  
20 requiring specialized knowledge or expertise. Requests for consultant  
21 contracts shall be approved by the Legislative Auditor and presented to  
22 the committee ~~Legislative Performance Audit Committee~~ by the Legislative  
23 Auditor. A majority vote shall be required to approve consultant contract  
24 requests. For purposes of section 50-1213, subsection (11) of section  
25 77-2711, and subsections (10) through (13) of section 77-27,119, any  
26 consultant retained to assist with a performance audit or preaudit  
27 inquiry shall be considered an employee of the office during the course  
28 of the contract; and

29 (16) At its discretion, and with the agreement of the Auditor of  
30 Public Accounts, conduct joint fiscal or performance audits with the  
31 Auditor of Public Accounts. The details of any joint audit shall be

1 agreed upon in writing by the committee and the Auditor of Public  
2 Accounts.

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

5 50-1205.01 (1) Except as provided in subsections (2) and (3) of this  
6 section, performance audits done under the terms of the Legislative  
7 Performance Audit Act shall be conducted in accordance with the generally  
8 accepted government auditing standards for performance audits contained  
9 in the Government Auditing Standards (2024 ~~2018~~ Revision), published by  
10 the Comptroller General of the United States, Government Accountability  
11 Office.

12 (2) Standards requiring continuing education for employees of the  
13 office shall be met as practicable based on the availability of training  
14 funds.

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

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

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

23 50-1206 (1) Requests for performance audits may be made by the  
24 Governor, any other constitutional officer of the State of Nebraska, any  
25 member of the Legislature ~~a legislator,~~ the Director of Legislative  
26 Oversight, the Legislative Auditor, the Legislative Fiscal Analyst, or  
27 the Director of Research of the Legislature.

28 (2) Performance audit requests shall be submitted to the committee  
29 chairperson or Legislative Auditor by letter or on a form developed by  
30 the Legislative Auditor.

31 (3) When considering a performance audit request, if the committee

1 determines that the request has potential merit but insufficient  
2 information is available, it may, by majority vote, instruct the  
3 Legislative Auditor to conduct a preaudit inquiry.

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

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

9 **Sec. 90.** Section 50-1209, Revised Statutes Cumulative Supplement,  
10 2024, is amended to read:

11 50-1209 (1) Tax incentive performance audits shall be conducted by  
12 the office pursuant to this section on the following tax incentive  
13 programs:

14 (a) The Beginning Farmer Tax Credit Act;

15 (b) The Imagine Nebraska Act;

16 (c) The Nebraska Advantage Microenterprise Tax Credit Act;

17 (d) The Nebraska Advantage Research and Development Act;

18 (e) The Nebraska Advantage Rural Development Act;

19 (f) The Nebraska Job Creation and Mainstreet Revitalization Act;

20 (g) The New Markets Job Growth Investment Act;

21 (h) The Urban Redevelopment Act; and

22 (i) Any other tax incentive program created by the Legislature for  
23 the purpose of recruitment or retention of businesses in Nebraska. In  
24 determining whether a future tax incentive program is enacted for the  
25 purpose of recruitment or retention of businesses, the office shall  
26 consider legislative intent, including legislative statements of purpose  
27 and goals, and may also consider whether the tax incentive program is  
28 promoted as a business incentive by the Department of Economic  
29 Development or other relevant state agency.

30 (2) The office shall develop a schedule for conducting tax incentive  
31 performance audits and shall update the schedule annually. The schedule

1 shall ensure that each tax incentive program is reviewed at least once  
2 every five years.

3 (3) Each tax incentive performance audit conducted by the office  
4 pursuant to this section shall include the following:

5 (a) If applicable, an ~~An~~ analysis of whether the tax incentive  
6 program is meeting the following goals:

7 (i) Strengthening the state's economy overall by:

8 (A) Attracting new business to the state;

9 (B) Expanding existing businesses;

10 (C) Increasing employment, particularly employment of full-time  
11 workers. The analysis shall consider whether the job growth in those  
12 businesses receiving tax incentives is at least ten percent above  
13 industry averages;

14 (D) Creating high-quality jobs; and

15 (E) Increasing business investment;

16 (ii) Revitalizing rural areas and other distressed areas of the  
17 state;

18 (iii) Diversifying the state's economy and positioning Nebraska for  
19 the future by stimulating entrepreneurial firms, high-tech firms, and  
20 renewable energy firms; and

21 (iv) Any other program-specific goals found in the statutes for the  
22 tax incentive program being evaluated;

23 (b) An analysis of the economic and fiscal impacts of the tax  
24 incentive program. The analysis may take into account the following  
25 considerations in addition to other relevant factors:

26 (i) The costs per full-time worker. When practical and applicable,  
27 such costs shall be considered in at least the following two ways:

28 (A) By an estimation including the minimum investment required to  
29 qualify for benefits; and

30 (B) By an estimation including all investment;

31 (ii) The extent to which the tax incentive changes business



1 behavior;

2 (iii) The results of the tax incentive for the economy of Nebraska  
3 as a whole. This consideration includes both direct and indirect impacts  
4 generally and any effects on other Nebraska businesses; and

5 (iv) A comparison to the results of other economic development  
6 strategies with similar goals, other policies, or other incentives;

7 (c) An assessment of whether adequate protections are in place to  
8 ensure the fiscal impact of the tax incentive does not increase  
9 substantially beyond the state's expectations in future years;

10 (d) An assessment of the fiscal impact of the tax incentive on the  
11 budgets of local governments, if applicable; and

12 (e) Recommendations for any changes to statutes or rules and  
13 regulations that would allow the tax incentive program to be more easily  
14 evaluated in the future, including changes to data collection, reporting,  
15 sharing of information, and clarification of goals.

16 (4) For purposes of this section:

17 (a) Distressed area means an area of substantial unemployment as  
18 determined by the Department of Labor pursuant to the Nebraska Workforce  
19 Innovation and Opportunity Act;

20 (b) Full-time worker means an individual (i) who usually works  
21 thirty-five hours per week or more, (ii) whose employment is reported to  
22 the Department of Labor on two consecutive quarterly wage reports, and  
23 (iii) who earns wages equal to or exceeding the state minimum wage;

24 (c) High-quality job means a job that:

25 (i) Averages at least thirty-five hours of employment per week;

26 (ii) Is reported to the Department of Labor on two consecutive  
27 quarterly wage reports; and

28 (iii) Earns wages that are at least ten percent higher than the  
29 statewide industry sector average and that equal or exceed:

30 (A) One hundred ten percent of the Nebraska average weekly wage if  
31 the job is in a county with a population of less than one hundred

1 thousand inhabitants; or

2 (B) One hundred twenty percent of the Nebraska average weekly wage  
3 if the job is in a county with a population of one hundred thousand  
4 inhabitants or more;

5 (d) High-tech firm means a person or unitary group that has a  
6 location with any of the following four-digit code designations under the  
7 North American Industry Classification System as assigned by the  
8 Department of Labor: 3341, 3342, 3344, 3345, 3364, 5112, 5182, 5191,  
9 5413, 5415, or 5417;

10 (e) Nebraska average weekly wage means the most recent average  
11 weekly wage paid by all employers in all counties in Nebraska as reported  
12 by the Department of Labor by October 1 of each year;

13 (f) New business means a person or unitary group participating in a  
14 tax incentive program that did not pay income taxes or wages in the state  
15 more than two years prior to submitting an application under the tax  
16 incentive program. For any tax incentive program without an application  
17 process, new business means a person or unitary group participating in  
18 the program that did not pay income taxes or wages in the state more than  
19 two years prior to the first day of the first tax year for which a tax  
20 benefit was earned;

21 (g) Renewable energy firm means a person or unitary group that has a  
22 location with any of the following six-digit code designations under the  
23 North American Industry Classification System as assigned by the  
24 Department of Labor: 111110, 111150, 111199, 111930, 111991, 113310,  
25 221111, 221113, 221114, 221115, 221116, 221117, 221118, 221121, 221122,  
26 221330, 237130, 237990, 325193, 331511, 331512, 331513, 331523, 331524,  
27 331529, 332111, 332112, 333511, 333611, 333612, 333613, 334519, 423830,  
28 482111, 484230, 488510, 541360, 541370, 541620, 541690, 541714, or  
29 541715;

30 (h) Rural area means any village or city of the second class in this  
31 state or any county in this state with fewer than twenty-five thousand

1 residents; and

2 (i) Unitary group has the same meaning as in section 77-2734.04.

3 **Sec. 91.** 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. 92.** 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 ~~may~~ shall also be  
9 presented at a joint hearing of the Appropriations Committee and Revenue  
10 Committee of the Legislature.

11 **Sec. 93.** 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. 94.** Section 50-1213, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 50-1213 (1) The office shall have access to any and all information  
6 and records, confidential or otherwise, of any agency, in whatever form  
7 they may be, including, but not limited to, direct access to all agency  
8 databases containing relevant program information or data, unless the  
9 office is denied such access by federal law or explicitly named and  
10 denied such access by state law. If such a law exists, the agency shall  
11 provide the committee with a written explanation of its inability to  
12 produce such information and records and, after reasonable accommodations  
13 are made, shall grant the office access to all information and records or  
14 portions thereof that can legally be reviewed. Accommodations that may be  
15 negotiated between the agency and the committee include, but are not  
16 limited to, a requirement that specified information or records be  
17 reviewed on agency premises and a requirement that specified working  
18 papers be securely stored on agency premises.

19 (2) Upon receipt of a written request by the office for access to  
20 any information or records, the agency shall provide to the office as  
21 soon as is practicable and without delay, but not more than three  
22 business days after actual receipt of the request, either (a) the  
23 requested materials or (b)(i) if there is a legal basis for refusal to  
24 comply with the request, a written denial of the request together with  
25 the information specified in subsection (1) of this section or (ii) if  
26 the entire request cannot with reasonable good faith efforts be fulfilled  
27 within three business days after actual receipt of the request due to the  
28 significant difficulty or the extensiveness of the request, a written  
29 explanation, including the earliest practicable date for fulfilling the  
30 request, and an opportunity for the office to modify or prioritize the  
31 items within the request. No delay due to the significant difficulty or

1 the extensiveness of a request for access to information or records shall  
2 exceed three calendar weeks after actual receipt of such request by any  
3 agency. The three business days shall be computed by excluding the day  
4 the request is received, after which the designated period of time begins  
5 to run. Business day does not include a Saturday, a Sunday, or a day  
6 during which the offices of the custodian of the public records are  
7 closed.

8 (3) Except as provided in this section, any confidential information  
9 or confidential records shared with the office shall remain confidential  
10 and shall not be shared by an employee of the office with any person who  
11 is not an employee of the office, including any member of the committee.

12 (4) Except as provided in subsection (11) of section 77-2711 and  
13 subdivision (10)(d) of section 77-27,119, if any employee or former  
14 employee of the office knowingly divulges or makes known, in any manner  
15 not permitted by law, confidential information or confidential records,  
16 he or she shall be guilty of a Class III misdemeanor and, in the case of  
17 an employee, shall be dismissed.

18 (5) No proceeding of the committee or opinion or expression of any  
19 member of the committee or office employee acting at the direction of the  
20 committee shall be reviewable in any court. No member of the committee or  
21 office employee acting at the direction of the committee shall be  
22 required to testify or produce evidence in any judicial or administrative  
23 proceeding concerning matters relating to the work of the office except  
24 in a proceeding brought to enforce the Legislative Performance Audit Act.

25 (6) Pursuant to sections 84-712 and 84-712.01 and subdivision (5) of  
26 section 84-712.05, the working papers obtained or produced by the  
27 committee or office and correspondence between the office and an audited  
28 agency shall not be considered public records. The committee may make the  
29 working papers available for purposes of an external quality control  
30 review as required by generally accepted government auditing standards.  
31 However, any reports made from such external quality control review shall

1 not make public any information which would be considered confidential  
2 when in the possession of the office.

3 **Sec. 95.** (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. A witness may request  
13 that agency counsel be present while being questioned, but the agency  
14 shall not require a witness to make such a request. If such a request is  
15 made, the agency shall inform the witness that agency counsel does not  
16 represent the witness. Any fees associated with counsel present under  
17 this section shall not be the responsibility of the office or the  
18 Legislative Council.

19 **Sec. 96.** Section 50-1303, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 50-1303 (1) The Government, Military and Veterans Affairs Committee  
22 of the Legislature may randomly select and conduct an evaluation of any  
23 board, commission, or similar entity. An evaluation conducted by the  
24 committee shall include, but not be limited to, the following:

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

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

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

1           (2) If the committee believes that a more extensive evaluation of a  
2 board, commission, or entity is necessary, the chairperson of the  
3 committee, on the committee's behalf, may request the Legislative  
4 Oversight Performance ~~Audit~~ Committee to conduct a performance audit  
5 pursuant to the Legislative Performance Audit Act. Nothing in this  
6 section shall be construed to give requests for performance audits under  
7 this section priority over other requests under consideration by the  
8 Legislative Oversight Performance ~~Audit~~ Committee.

9           **Sec. 97.** Section 50-1304, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

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

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

22           **Sec. 98.** Section 73-401, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24           73-401 Except for long-term care facilities subject to the  
25 jurisdiction of the state long-term care ombudsman pursuant to the Long-  
26 Term Care Ombudsman Act, the contracting agency shall ensure that any  
27 contract which a state agency enters into or renews which agrees that a  
28 corporation, partnership, business, firm, governmental entity, or person  
29 shall provide health and human services to individuals or service  
30 delivery, service coordination, or case management on behalf of the State  
31 of Nebraska shall contain a clause requiring the corporation,

1 partnership, business, firm, governmental entity, or person to submit to  
2 the jurisdiction of the Public Counsel pursuant to the Office of Public  
3 Counsel Act ~~under sections 81-8,240 to 81-8,254~~ with respect to the  
4 provision of services under the contract.

5 **Sec. 99.** Section 77-2711, Revised Statutes Cumulative Supplement,  
6 2024, is amended to read:

7 77-2711 (1)(a) The Tax Commissioner shall enforce sections  
8 77-2701.04 to 77-2713 and may prescribe, adopt, and enforce rules and  
9 regulations relating to the administration and enforcement of such  
10 sections.

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

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

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

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

25 (4) The Tax Commissioner or any person authorized in writing by him  
26 or her may examine the books, papers, records, and equipment of any  
27 person selling property and any person liable for the use tax and may  
28 investigate the character of the business of the person in order to  
29 verify the accuracy of any return made or, if no return is made by the  
30 person, to ascertain and determine the amount required to be paid. In the  
31 examination of any person selling property or of any person liable for

1 the use tax, an inquiry shall be made as to the accuracy of the reporting  
2 of city and county sales and use taxes for which the person is liable  
3 under the Local Option Revenue Act or sections 13-319, 13-324, 13-2813,  
4 and 77-6403 and the accuracy of the allocation made between the various  
5 counties, cities, villages, and municipal counties of the tax due. The  
6 Tax Commissioner may make or cause to be made copies of resale or  
7 exemption certificates and may pay a reasonable amount to the person  
8 having custody of the records for providing such copies.

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

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

20 (7) It shall be a Class I misdemeanor for the Tax Commissioner or  
21 any official or employee of the Tax Commissioner, the State Treasurer, or  
22 the Department of Administrative Services to make known in any manner  
23 whatever the business affairs, operations, or information obtained by an  
24 investigation of records and activities of any retailer or any other  
25 person visited or examined in the discharge of official duty or the  
26 amount or source of income, profits, losses, expenditures, or any  
27 particular thereof, set forth or disclosed in any return, or to permit  
28 any return or copy thereof, or any book containing any abstract or  
29 particulars thereof to be seen or examined by any person not connected  
30 with the Tax Commissioner. Nothing in this section shall be construed to  
31 prohibit (a) the delivery to a taxpayer, his or her duly authorized

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

26 (8) Notwithstanding the provisions of subsection (7) of this  
27 section, the Tax Commissioner may permit the Postal Inspector of the  
28 United States Postal Service or his or her delegates to inspect the  
29 reports or returns of any person filed pursuant to the Nebraska Revenue  
30 Act of 1967 when information on the reports or returns is relevant to any  
31 action or proceeding instituted or being considered by the United States

1 Postal Service against such person for the fraudulent use of the mails to  
2 carry and deliver false and fraudulent tax returns to the Tax  
3 Commissioner with the intent to defraud the State of Nebraska or to evade  
4 the payment of Nebraska state taxes.

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

12 (10) Notwithstanding the provisions of subsection (7) of this  
13 section, the Tax Commissioner may, upon request, provide the county board  
14 of any county which has exercised the authority granted by section  
15 81-3716 with a list of the names and addresses of the hotels located  
16 within the county for which lodging sales tax returns have been filed or  
17 for which lodging sales taxes have been remitted for the county's County  
18 Visitors Promotion Fund under the Nebraska Visitors Development Act.

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

27 (11)(a) Notwithstanding the provisions of subsection (7) of this  
28 section, the Tax Commissioner shall, upon written request by the Auditor  
29 of Public Accounts or the ~~office of~~ Legislative Audit Office, make tax  
30 returns and tax return information open to inspection by or disclosure to  
31 the Auditor of Public Accounts or employees of the ~~office of~~ Legislative

1    Audit Office for the purpose of and to the extent necessary in making an  
2    audit of the Department of Revenue pursuant to section 50-1205 or 84-304.  
3    Confidential tax returns and tax return information shall be audited only  
4    upon the premises of the Department of Revenue. All audit work papers  
5    pertaining to the audit of the Department of Revenue shall be stored in a  
6    secure place in the Department of Revenue.

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

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

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

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

21           (b) Return information means:

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

1 and

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

4 (c) Tax return or return means any tax or information return or  
5 claim for refund required by, provided for, or permitted under sections  
6 77-2701 to 77-2713 which is filed with the Tax Commissioner by, on behalf  
7 of, or with respect to any person and any amendment or supplement  
8 thereto, including supporting schedules, attachments, or lists which are  
9 supplemental to or part of the filed return.

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

22 (14)(a) Notwithstanding the provisions of subsection (7) of this  
23 section, the Tax Commissioner shall, upon written request, provide an  
24 individual certified under subdivision (b) of this subsection  
25 representing a municipality which has adopted the local option sales and  
26 use tax under the Local Option Revenue Act with confidential sales and  
27 use tax returns and sales and use tax return information regarding  
28 taxpayers that possess a sales tax permit and the amounts remitted by  
29 such permitholders at locations within the boundaries of the requesting  
30 municipality or with confidential business use tax returns and business  
31 use tax return information regarding taxpayers that file a Nebraska and



1 Local Business Use Tax Return and the amounts remitted by such taxpayers  
2 at locations within the boundaries of the requesting municipality. Any  
3 written request pursuant to this subsection shall provide the Department  
4 of Revenue with no less than ten business days to prepare the sales and  
5 use tax returns and sales and use tax return information requested. The  
6 individual certified under subdivision (b) of this subsection shall  
7 review such returns and return information only upon the premises of the  
8 department, except that such limitation shall not apply if the certifying  
9 municipality has an agreement in effect under the Nebraska Advantage  
10 Transformational Tourism and Redevelopment Act. In such case, the  
11 individual certified under subdivision (b) of this subsection may request  
12 that copies of such returns and return information be sent to him or her  
13 by electronic transmission, secured in a manner as determined by the Tax  
14 Commissioner.

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

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

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

31 (e) The Department of Revenue shall not be held liable by any person

1 for an impermissible disclosure by a municipality or any agent or  
2 employee thereof of any information obtained pursuant to a review under  
3 this subsection.

4 (15) In all proceedings under the Nebraska Revenue Act of 1967, the  
5 Tax Commissioner may act for and on behalf of the people of the State of  
6 Nebraska. The Tax Commissioner in his or her discretion may waive all or  
7 part of any penalties provided by the provisions of such act or interest  
8 on delinquent taxes specified in section 45-104.02, as such rate may from  
9 time to time be adjusted.

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

15 (b) For purposes of this subsection:

16 (i) Anonymous data means information that does not identify a  
17 person;

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

20 (iii) Personally identifiable information means information that  
21 identifies a person.

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

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

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

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

4           (iii) It provides consumers clear and conspicuous notice of its  
5     information practices, including what information it collects, how it  
6     collects the information, how it uses the information, how long, if at  
7     all, it retains the information, and whether it discloses the information  
8     to member states. Such notice shall be satisfied by a written privacy  
9     policy statement accessible by the public on the website of the certified  
10    service provider;

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

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

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

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

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

30          (h) If anyone other than a member state, or a person authorized by  
31     that state's law or the agreement, seeks to discover personally

1 identifiable information, the state from whom the information is sought  
2 should make a reasonable and timely effort to notify the individual of  
3 such request.

4 (i) This privacy policy is subject to enforcement by the Attorney  
5 General.

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

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

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

14 (iii) Prevent, consistent with state law, disclosure of confidential  
15 taxpayer information;

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

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

21 **Sec. 100.** Section 77-27,119, Revised Statutes Cumulative Supplement,  
22 2024, is amended to read:

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

1 branch offices may be maintained.

2 (2)(a) The Tax Commissioner may prescribe the form and contents of  
3 any return or other document required to be filed under the income tax  
4 provisions. Such return or other document shall be compatible as to form  
5 and content with the return or document required by the laws of the  
6 United States. The form shall have a place where the taxpayer shall  
7 designate the school district in which he or she lives and the county in  
8 which the school district is headquartered. The Tax Commissioner shall  
9 adopt and promulgate such rules and regulations as may be necessary to  
10 insure compliance with this requirement.

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

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

26 (3) The Tax Commissioner, for the purpose of ascertaining the  
27 correctness of any return or other document required to be filed under  
28 the income tax provisions, for the purpose of determining corporate  
29 income, individual income, and withholding tax due, or for the purpose of  
30 making an estimate of taxable income of any person, shall have the power  
31 to examine or to cause to have examined, by any agent or representative

1 designated by him or her for that purpose, any books, papers, records, or  
2 memoranda bearing upon such matters and may by summons require the  
3 attendance of the person responsible for rendering such return or other  
4 document or remitting any tax, or any officer or employee of such person,  
5 or the attendance of any other person having knowledge in the premises,  
6 and may take testimony and require proof material for his or her  
7 information, with power to administer oaths or affirmations to such  
8 person or persons.

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

14 (5) No taxpayer shall be subjected to unreasonable or unnecessary  
15 examinations or investigations.

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

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

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



1 years thereafter.

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

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

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

29 (10)(a) Notwithstanding the provisions of subsection (6) of this  
30 section, the Tax Commissioner shall, upon written request by the Auditor  
31 of Public Accounts or the ~~office of~~ Legislative Audit Office, make tax

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

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

26 (c) No officer or employee of the Auditor of Public Accounts or  
27 ~~office of~~ Legislative Audit Office employee shall disclose to any person,  
28 other than another officer or employee of the Auditor of Public Accounts  
29 or ~~office of~~ Legislative Audit Office whose official duties require such  
30 disclosure, any return or return information described in the Nebraska  
31 Revenue Act of 1967 in a form which can be associated with or otherwise

1 identify, directly or indirectly, a particular taxpayer.

2 (d) Any person who violates the provisions of this subsection shall  
3 be guilty of a Class IV felony and, in the discretion of the court, may  
4 be assessed the costs of prosecution. The guilty officer or employee  
5 shall be dismissed from employment and be ineligible to hold any position  
6 of employment with the State of Nebraska for a period of two years  
7 thereafter. For purposes of this subsection, officer or employee shall  
8 include a former officer or employee of the Auditor of Public Accounts or  
9 former employee of the ~~office of~~ Legislative Audit Office.

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

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

17 (b) Return information shall mean:

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, overassessments, 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) Disclosures shall mean the making known to any person in any

1 manner a return or return information.

2 (12) The Auditor of Public Accounts shall (a) notify the Tax  
3 Commissioner in writing thirty days prior to the beginning of an audit of  
4 his or her intent to conduct an audit, (b) provide an audit plan, and (c)  
5 provide a list of the tax returns and tax return information identified  
6 for inspection during the audit. The ~~office of~~ Legislative Audit Office  
7 shall notify the Tax Commissioner of the intent to conduct an audit and  
8 of the scope of the audit as provided in section 50-1209.

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

31 (14) The Tax Commissioner may permit other tax officials of this

1 state to inspect the tax returns and reports filed under sections 77-2714  
2 to 77-27,135, but such inspection shall be permitted only for purposes of  
3 enforcing a tax law and only to the extent and under the conditions  
4 prescribed by the rules and regulations of the Tax Commissioner.

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

13 **Sec. 101.** Section 81-1114, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15 81-1114 The building division shall have the following powers,  
16 duties, and responsibilities:

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

31 (2) Shall record the relationship between the proposed capital

1 facilities and the individual or departmental agencies' operating  
2 programs with particular attention to needs of immediate or future  
3 operations of the department or agency submitting such plan;

4 (3) Shall make recommendations to the Governor, the committee of the  
5 Legislature which shall from time to time have responsibility for  
6 preparing recommendations for appropriations, and the individual  
7 department or agency concerned, on the probable costs of such  
8 acquisition, construction, repair, or remodeling. The recommendations  
9 submitted to the committee shall be submitted electronically; and

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

16 **Sec. 102.** Section 83-178, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 83-178 (1) The director shall establish and maintain, in accordance  
19 with the regulations of the department, an individual file for each  
20 person committed to the department. Each individual file shall include,  
21 when available and appropriate, the following information on such person:

22 (a) Such person's ~~His or her~~ admission summary;

23 (b) Such person's ~~His or her~~ presentence investigation report;

24 (c) Such person's ~~His or her~~ classification report and  
25 recommendation;

26 (d) Official records of such person's ~~his or her~~ conviction and  
27 commitment as well as any earlier criminal records;

28 (e) Progress reports and admission-orientation reports;

29 (f) Reports of any disciplinary infractions and of their  
30 disposition;

31 (g) Such person's ~~His or her~~ parole plan; and

1 (h) Other pertinent data concerning such person's ~~his or her~~  
2 background, conduct, associations, and family relationships.

3 (2) Any decision concerning the classification, reclassification,  
4 transfer to another facility, preparole preparation, or parole release of  
5 a person committed to the department shall be made only after such  
6 person's ~~his or her~~ file has been reviewed. The content of the file shall  
7 be confidential and shall not be subject to public inspection except by  
8 court order for good cause shown and shall not be accessible to any  
9 person committed to the department. An inmate may obtain access to the  
10 inmate's ~~his or her~~ medical records by request to the provider pursuant  
11 to sections 71-8401 to 71-8407 notwithstanding the fact that such medical  
12 records may be a part of the inmate's ~~his or her~~ individual department  
13 file. The department retains the authority to withhold mental health and  
14 psychological records of the inmate when appropriate.

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

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

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

29 (6) Nothing in this section shall be construed to limit in any  
30 manner the authority of the Public Counsel or the Inspector General of  
31 the Nebraska Correctional System to inspect and examine the records and

1 documents of the department pursuant to the Office of Public Counsel Act  
2 or the Office of Inspector General of the Nebraska Correctional System  
3 Act sections 81-8,240 to 81-8,254, except that the Public Counsel's or  
4 Inspector General's access to an inmate's medical or mental health  
5 records shall be subject to the inmate's consent unless an inmate's death  
6 is being investigated by the Public Counsel or Inspector General. The  
7 office of Public Counsel and the office of Inspector General of the  
8 Nebraska Correctional System shall not disclose an inmate's medical or  
9 mental health records to anyone else, including any person committed to  
10 the department, except as authorized by law.

11 **Sec. 103.** Section 83-1,125.01, Reissue Revised Statutes of Nebraska,  
12 is amended to read:

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

- 18 (a) Admission summary;
- 19 (b) Presentence investigation report;
- 20 (c) Classification reports and recommendations;
- 21 (d) Official records of conviction and commitment along with any  
22 earlier criminal records;
- 23 (e) Progress reports and admission-orientation reports;
- 24 (f) Reports of any disciplinary infractions and their disposition;
- 25 (g) Risk and needs assessments;
- 26 (h) Parole plan and parole placement and investigation worksheets;
- 27 (i) Decision guideline scores;
- 28 (j) Parole case plan;
- 29 (k) Parole progress reports and contact notes;
- 30 (l) Arrest and violation reports, including disposition;
- 31 (m) Parole proceedings orders and notices;



1 (n) Other documents related to parole supervision;  
2 (o) Correspondence; and  
3 (p) Other pertinent data concerning his or her background, conduct,  
4 associations, and family relationships.

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

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

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

1 and Criminal Justice which shall provide access to such information to  
2 law enforcement agencies through the state's criminal justice information  
3 system.

4 **Sec. 104.** Section 84-304, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 84-304 It shall be the duty of the Auditor of Public Accounts:

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

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

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

31 (b) Any entity, excluding the state colleges and the University of

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

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

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

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

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

17 (c) Through December 31, 2017, the Auditor of Public Accounts may  
18 conduct audits under this subdivision for purposes of sections 2-3228,  
19 12-101, 13-2402, 14-567, 14-1805.01, 14-2111, 16-1017, 16-1037, 19-3501,  
20 23-1118, 23-3526, 71-1631.02, and 79-987.

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

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

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

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

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

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

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

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

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

1 shall be deposited in the Auditor of Public Accounts Cash Fund;

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

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

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

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

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

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

31 (12) Unless otherwise specifically provided, to assess the interest

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

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

19 **Sec. 105.** Section 84-311, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

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

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



1 duties and pursuant to the requirements of subdivision (16) of section  
2 50-1205 or subdivision (5) of section 84-304.

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

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

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

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

31 (2) If the Auditor of Public Accounts or any employee of the Auditor

1 of Public Accounts knowingly divulges or makes known in any manner not  
2 permitted by law any record, document, or information, the disclosure of  
3 which is restricted by law, he or she is subject to the same penalties  
4 provided in section 84-712.09.

5 **Sec. 106.** Section 84-322, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

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

17 **Sec. 107.** Section 84-910, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

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

1 the notification shall be established by the committee and shall be  
2 updated periodically.

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

10 **Sec. 108.** The Revisor of Statutes shall assign sections 1 to 66 of  
11 this act to Chapter 50.

12 **Sec. 109.** Original sections 28-711, 43-4302, 43-4303, 43-4317,  
13 43-4320, 43-4321, 43-4322, 43-4324, 43-4326, 43-4329, 43-4330, 47-901,  
14 47-902, 47-903, 47-904, 47-905, 47-907, 47-908, 47-909, 47-910, 47-911,  
15 47-912, 47-913, 47-914, 47-915, 47-916, 47-917, 47-918, 47-919, 47-920,  
16 50-406, 50-406.01, 50-407, 50-408, 50-409, 50-410, 50-416, 50-418,  
17 50-420, 50-1201, 50-1202, 50-1203, 50-1204, 50-1205, 50-1205.01, 50-1206,  
18 50-1210, 50-1211, 50-1212, 50-1213, 50-1303, 50-1304, 73-401, 81-8,240,  
19 81-8,241, 81-8,242, 81-8,243, 81-8,244, 81-8,245, 81-8,246, 81-8,247,  
20 81-8,248, 81-8,249, 81-8,250, 81-8,251, 81-8,252, 81-8,253, 81-8,254,  
21 81-1114, 83-178, 83-1,125.01, 84-304, 84-311, 84-322, and 84-910, Reissue  
22 Revised Statutes of Nebraska, and sections 28-712.01, 29-2011.02,  
23 29-2011.03, 43-2,108, 43-4301, 43-4318, 43-4323, 43-4325, 43-4327,  
24 43-4328, 43-4331, 43-4332, 50-401.01, 50-402, 50-1209, 77-2711, and  
25 77-27,119, Revised Statutes Cumulative Supplement, 2024, are repealed.

26 **Sec. 110.** The following sections are outright repealed: Sections  
27 43-4304, 43-4304.01, 43-4304.02, 43-4305, 43-4306, 43-4306.01, 43-4307,  
28 43-4307.01, 43-4308, 43-4309, 43-4310, 43-4311, 43-4312, 43-4313,  
29 43-4314, 43-4315, 43-4316, 43-4319, 47-906, and 50-421, Reissue Revised  
30 Statutes of Nebraska.

31 **Sec. 111.** Since an emergency exists, this act takes effect when

1 passed and approved according to law.