

LEGISLATURE OF NEBRASKA
NINETY-SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 654

Introduced by Schimek, 27

Read first time January 20, 1999

Committee: Government, Military and Veterans Affairs

A BILL

1 FOR AN ACT relating to state government; to amend sections 29-3912,
2 39-529, 60-311, 77-2608, 81-145, 81-149, 81-150, 81-151,
3 81-153, 81-159, 81-161, 81-161.01, 81-161.02, 81-161.04,
4 81-164, 81-166, 81-168, 81-171, 81-1118.01, 81-1118.03,
5 81-1118.04, 81-1184, 81-1185, 81-1186, and 81-1187,
6 Reissue Revised Statutes of Nebraska, and sections
7 77-913, 81-154, 81-161.03, 81-188.01, 81-1108.41,
8 81-1118, 81-1316, 81-1317, 81-1317.01, 81-1348, 83-140,
9 and 84-1601, Revised Statutes Supplement, 1998; to change
10 provisions relating to the materiel division of the
11 Department of Administrative Services; to change funding
12 provisions; to change provisions relating to facility
13 planning; to change terms of office; to change employee
14 benefit provisions; to provide an exemption from the
15 state personnel system; to change a termination date; to
16 eliminate an obsolete provision; to repeal the original
17 sections; to outright repeal section 81-163.01, Reissue

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1 Revised Statutes of Nebraska; and to declare an
2 emergency.

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

1 Section 1. Section 29-3912, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 29-3912. If necessary office space is not available in a
4 courthouse within the district, the judicial district public
5 defender may rent or lease such space. He or she may also
6 purchase, through the ~~Purchasing Agent~~ materiel administrator of
7 the Department of Administrative Services, necessary furniture,
8 equipment, books, stationery, and other supplies necessary for the
9 operation of the office. The public defender may employ, with the
10 approval of the appropriate district judge or judges, necessary
11 assistant public defenders and other employees at salaries which
12 are to be approved by the judge or judges. Such judge or judges
13 shall also determine whether assistant public defenders and other
14 employees are to be part time or full time. Public defenders may
15 employ law students authorized by the Supreme Court to engage in a
16 limited form of the practice of law and may enter into agreements
17 with law schools to provide clinical training for their students
18 under the provisions of the Higher Education Act of 1965 and other
19 similar federal programs.

20 Sec. 2. Section 35-529, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 35-529. The ~~Purchasing Agent of the State of Nebraska~~
23 materiel administrator of the Department of Administrative Services
24 is authorized to purchase radio equipment for any rural or suburban
25 fire protection district when requested by the district. The
26 district shall reimburse the state for the cost of any equipment so
27 purchased for it.

28 Sec. 3. Section 60-311, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 60-311. (1) The Department of Motor Vehicles shall
3 furnish to every person whose motor vehicle is registered fully
4 reflectorized number plates upon which shall be displayed (a) the
5 registration number assigned to such motor vehicle in figures not
6 less than two and one-half inches nor more than three inches in
7 height and (b) also the word Nebraska suitably lettered so as to be
8 attractive. Two plates shall be furnished for every motor vehicle,
9 except that one plate per vehicle shall be furnished for dealers,
10 motorcycles, truck-tractors, semitrailers, trailers, cabin
11 trailers, buses, and vehicles registered pursuant to section
12 60-305.09. The plates shall be of a color designated by the
13 Director of Motor Vehicles. The color of the plates shall be
14 changed each time the license plates are changed. Each time the
15 license plates are changed the director shall secure competitive
16 bids for materials pursuant to sections 81-145 to ~~81-163.01~~ 81-162.

17 (2) Except for plates issued pursuant to section
18 60-305.16, number plates shall be issued every three years
19 beginning with the number plates issued in the year 1984. In the
20 years in which plates are not issued, in lieu of furnishing such
21 plates, the department shall furnish to every person whose motor
22 vehicle is registered one or two renewal tabs, as the case may be,
23 which renewal tabs shall bear the year for which furnished and be
24 so constructed as to permit them to be permanently affixed to the
25 plates.

26 (3) The department may provide a distinctive license
27 plate for all motor vehicles owned or operated by the state,
28 counties, municipalities, or school districts. Such

1 government-owned motor vehicles shall display such distinctive
2 license plates when such license plates are issued or shall display
3 undercover license plates when such license plates are issued under
4 section 60-304.

5 (4) The department shall provide a distinctive plate for
6 issuance pursuant to section 60-305.16.

7 (5) Whenever new license plates, including duplicate or
8 replacement license plates, are furnished to any person, a fee of
9 one dollar and fifty cents per plate shall be charged in addition
10 to all other required fees. Such fee shall cover the cost of the
11 plate and renewal tabs. All fees collected pursuant to this
12 section shall be remitted to the State Treasurer for credit to the
13 Highway Trust Fund.

14 (6) There is hereby created the License Plate Cash Fund
15 which shall consist of money transferred to it pursuant to section
16 39-2215. All costs associated with the manufacture of license
17 plates and stickers or tabs provided for in this section and
18 sections 60-311.02 and 60-1804 shall be paid from funds
19 appropriated from the License Plate Cash Fund. The fund shall be
20 used exclusively for such purposes and shall be administered by the
21 department. Any money in the fund available for investment shall
22 be invested by the state investment officer pursuant to the
23 Nebraska Capital Expansion Act and the Nebraska State Funds
24 Investment Act.

25 Sec. 4. Section 77-2608, Reissue Revised Statutes of
26 Nebraska, is amended to read:

27 77-2608. The Tax Commissioner shall prepare and have
28 suitable stamps for use on each kind of piece or package of

1 cigarettes, except when cigarette tax meter impressions are
2 affixed. Requisition for the preparation of such stamps shall be
3 made through the ~~office of the State Purchasing Agent~~ materiel
4 division of the Department of Administrative Services as other
5 state supplies are requisitioned, and the Tax Commissioner and his
6 or her bondsman shall be liable for the value of all such stamps
7 delivered to him or her. The Auditor of Public Accounts shall
8 audit annually or as often as the auditor deems advisable the
9 records of the Tax Commissioner with respect to the money received
10 from the sale of stamps and as revenue from tax meter impressions
11 for the purpose of determining the accuracy and correctness of the
12 same. The Tax Commissioner shall sell the stamps only to licensed
13 wholesale dealers, as defined in section 77-2601, and he or she
14 shall keep an accurate record of all stamps coming into and leaving
15 his or her hands. Such stamps shall be sold and accounted for at
16 the face value thereof, except that the Tax Commissioner may, by
17 rule and regulation certified to the State Treasurer, authorize the
18 sale thereof to wholesale dealers in this state or outside of this
19 state at a discount of three and four-tenths percent of such face
20 value of the tax as a commission for affixing and canceling such
21 stamps. Any wholesale dealer using a tax meter machine shall be
22 entitled to the same discount as allowed a wholesale dealer for
23 affixing and canceling the stamps. The money received by the Tax
24 Commissioner from the sale of the stamps and as revenue from such
25 tax meter impressions shall be deposited by him or her daily with
26 the State Treasurer who shall credit such money as provided in
27 section 77-2602. Upon proof by the Tax Commissioner that he or she
28 can affix such stamps or meter impressions, warehouse and

1 distribute such cigarettes, and collect such revenue at a cost less
2 than the three and four-tenths percent discount allowed to
3 wholesale dealers, he or she may then proceed to affix the stamps
4 himself or herself after giving the wholesale dealers sixty days'
5 notice and purchasing all equipment used by them for the purpose of
6 affixing such stamps or meter impressions at a fair market value.

7 Sec. 5. Section 77-913, Revised Statutes Supplement,
8 1998, is amended to read:

9 77-913. The Insurance Tax Fund is created. The State
10 Treasurer shall receive the funds paid pursuant to Chapter 77,
11 article 9, and except as provided in sections 77-912 and 77-918
12 shall keep all money received in the Insurance Tax Fund. Any money
13 in the fund available for investment shall be invested by the state
14 investment officer pursuant to the Nebraska Capital Expansion Act
15 and the Nebraska State Funds Investment Act.

16 Prior to June 1 of each year, the State Treasurer shall
17 disburse or allocate all of the funds in the Insurance Tax Fund on
18 May 1 of each year as follows:

19 (1) Ten percent of the total less ~~one~~ two hundred
20 thousand dollars ~~for each of fiscal years 1997-98 through 1999-00~~
21 shall be allocated to the counties proportionately in the
22 proportion that the population of each county bears to the entire
23 state, as shown by the last federal decennial census. The ~~one two~~
24 hundred thousand dollars shall be allocated to the Nebraska Local
25 Government Innovation and Restructuring Fund on or before August 1
26 of each year;

27 (2)(a) ~~Until July 17, 1998, thirty percent of the total~~
28 ~~shall be allocated to incorporated municipalities proportionately~~

1 in the proportion that the population of each incorporated
 2 municipality bears to the total population of all incorporated
 3 municipalities, as determined by the last federal decennial census,
 4 and

5 (b) On and after July 17, 1998, thirty Thirty percent of
 6 the total shall be allocated to the Municipal Equalization Fund;
 7 and

8 (3) Sixty percent of the total shall be allocated to the
 9 State Department of Education for distribution to school districts
 10 as equalization aid pursuant to the Tax Equity and Educational
 11 Opportunities Support Act as follows: The Commissioner of
 12 Education shall (a) include the amount certified by the State
 13 Treasurer pursuant to this section with the amount appropriated to
 14 the Tax Equity and Educational Opportunities Fund for distribution
 15 in the ensuing school fiscal year, (b) include such amounts in the
 16 state aid certified to each school district pursuant to section
 17 79-1022, and (c) distribute such funds as equalization aid under
 18 the provisions of the act during the ensuing fiscal year.

19 Sec. 6. Section 81-145, Reissue Revised Statutes of
 20 Nebraska, is amended to read:

21 81-145. As used in sections 81-145 to 81-162, unless the
 22 context otherwise requires:

23 (1) Materiel division shall mean the head of the division
 24 of the state government charged with the administration of sections
 25 81-145 to 81-162 and 81-1118 to 81-1118.06, which division shall be
 26 a part of and subject to the supervision of the office of the
 27 Director of Administrative Services;

28 (2) Personal property shall include all materials,

1 supplies, furniture, equipment, printing, stationery, automotive
2 and road equipment, and other chattels, goods, wares, and
3 merchandise whatsoever;

4 (3) Using agencies shall mean and include all officers of
5 the state, departments, bureaus, boards, commissions, councils, and
6 institutions receiving legislative appropriations; and

7 (4) Lease or contract shall mean an agreement entered
8 into by the state or using agency with another party whereby, for a
9 stated consideration, the state or using agency is to receive the
10 personal property or use thereof furnished by the other party.

11 Sec. 7. Section 81-149, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 81-149. The ~~Purchasing Agent~~ materiel administrator
14 shall have had at least three years practical experience, in the
15 ten years immediately preceding appointment, as an executive in a
16 regularly organized purchasing department of some branch of
17 government, municipal, state, or federal, or of some private
18 business firm or corporation. He or she shall not be, at any time
19 during his or her term of office, connected, interested, or
20 otherwise concerned, directly or indirectly, with any person,
21 partnership, limited liability company, firm, association,
22 corporation, or other vendor, agent, or intermediary, from or
23 through whom any purchases or contracts for purchases shall be made
24 by him or her during his or her incumbency in office.

25 Sec. 8. Section 81-150, Reissue Revised Statutes of
26 Nebraska, is amended to read:

27 81-150. Before entering upon the discharge of his or her
28 duties, the ~~Purchasing Agent~~ materiel administrator shall take and

1 subscribe an oath, to be filed in the office of the Secretary of
2 State, to the effect:

3 (1) That he or she will support the Constitution of the
4 United States and the Constitution of Nebraska;

5 (2) That he or she will faithfully and impartially
6 discharge the duties of his or her office; and

7 (3) That he or she is not then and will not be, at any
8 time during his or her term of office, connected, interested, or
9 otherwise concerned, directly or indirectly, with any person,
10 partnership, limited liability company, firm, association,
11 corporation, or other vendor, agent, or intermediary from or
12 through whom any purchases or contracts for purchase, shall be made
13 by him or her during his or her incumbency in office.

14 Sec. 9. Section 81-151, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 81-151. Before entering upon the discharge of his or her
17 duties, the ~~Purchasing Agent~~ materiel administrator shall be bonded
18 under the blanket surety bond as required by section 11-201.
19 Neither expiration of term of office nor removal therefrom shall
20 operate as a discharge of the bond, but it shall remain in full
21 force and effect as provided by law. The premium on the bond shall
22 be paid by the state.

23 Sec. 10. Section 81-153, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 81-153. The materiel division shall have the power and
26 duty to:

27 (1) Purchase or contract for, in the name of the state,
28 the personal property required by the using agencies and the state;

1 (2) Promulgate, apply, and enforce standard
2 specifications established as provided in section 81-154;

3 (3) Sell and dispose of personal property that is not
4 needed by the state or its using agencies as provided in section
5 81-161.04 or ~~accept~~ initiate trade-ins when determined ~~by it~~ to be
6 ~~an advantage to~~ in the best interest of the state;

7 (4) Determine the utility, quality, fitness, and
8 suitability of all personal property tendered or furnished;

9 (5) Make rules and regulations ~~not inconsistent~~
10 consistent with sections 81-145 to ~~81-162 or 81-171~~ and 81-1118 to
11 ~~81-1118.03~~ 81-1118.06 to carry into effect the provisions thereof.
12 Such rules and regulations shall include provisions for modifying
13 and terminating purchase contracts and the cost principles to be
14 used in such modification or termination;

15 (6) ~~Appoint~~ Employ such clerical, technical, and other
16 assistants as may be necessary to properly administer such
17 sections, fix their compensation, and prescribe their duties in
18 connection therewith, subject to existing laws and appropriations;
19 ~~made therefor;~~

20 (7) Allow the purchase of items without competitive
21 bidding when the price has been established by the federal General
22 Services Administration. ~~Such~~ The division may also give
23 consideration to a sheltered workshop pursuant to section 48-1503
24 in making such purchases;

25 (8) Enter into any personal property lease agreement when
26 it appears to be in the best interest of the state; and

27 (9) Negotiate purchases and contracts when conditions
28 exist to defeat the purpose and principles of public competitive

1 bidding.

2 Sec. 11. Section 81-154, Revised Statutes Supplement,
3 1998, is amended to read:

4 81-154. The materiel division shall establish and
5 maintain a standard specifications and ~~standards~~ program and
6 ~~coordinate the establishment and maintenance of uniform standards~~
7 ~~and specifications~~ for personal property purchased in the name of
8 the state. The materiel division shall enlist the cooperation and
9 assistance of the using agencies in the establishment, maintenance,
10 and revision of ~~uniform standards and~~ standard specifications and
11 shall encourage and foster the use of standard specifications in
12 order that the most efficient purchase of personal property may be
13 continuously accomplished. All such ~~standards and~~ standard
14 specifications shall be so drawn that it will be possible for three
15 or more manufacturers, vendors, or suppliers to submit competitive
16 bids. If a requisition for personal property exceeds ten thousand
17 dollars and bids cannot be obtained from three bidders, then the
18 ~~standards and~~ standard specifications of the personal property upon
19 which bids are sought shall be reviewed by the materiel division
20 and the using agencies involved. If it is determined by the
21 materiel division, because of the special nature of the personal
22 property sought to be purchased or leased or for any other reason,
23 that the ~~standards and~~ standard specifications should remain as
24 written, bids may be accepted from a fewer number of bidders than
25 three with the approval of the Governor or his or her designated
26 representative.

27 Sec. 12. Section 81-159, Reissue Revised Statutes of
28 Nebraska, is amended to read:

1 81-159. Each using agency shall, at the time, in the
2 form, and for the periods prescribed by the materiel division,
3 present to it detailed requisition for all personal property to be
4 purchased or leased. The materiel division shall then arrange such
5 schedules as are included in or covered by the requisition for
6 purchase and contract and for advertising them in the manner best
7 calculated to attract competition and advantageous price as set
8 forth in sections 81-145 to 81-162 and 81-1118 to ~~81-1118.03~~
9 81-1118.06. It shall prescribe the terms and conditions for
10 delivery, inspections, and all other details thereof. ~~Subsequent~~
11 ~~to the receipt of bids and prior to the awarding of any contract of~~
12 ~~purchase or lease, the materiel division shall present the~~
13 ~~requisition to the Director of Administrative Services with~~
14 ~~notation of the lowest and best bid. The director shall check the~~
15 ~~amount of money necessary to defray the cost thereof against the~~
16 ~~appropriation of the using agency, indicating the appropriation or~~
17 ~~authorization to spend funds against which the proposed purchase or~~
18 ~~lease will be charged. Such requisition shall be approved by the~~
19 ~~director unless it appears that the free balance of any~~
20 ~~appropriation or authorization to spend is not sufficient to cover~~
21 ~~the charge proposed against it.~~

22 Sec. 13. Section 81-161, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 81-161. All purchases, leases, or contracts which by law
25 are required to be based on competitive bids shall be made to the
26 lowest responsible bidder, taking into consideration the best
27 interests of the state, the quality or performance of the personal
28 property proposed to be supplied, its conformity with

1 specifications, the purposes for which required, and the times of
2 delivery. In determining the lowest responsible bidder, in
3 addition to price, the following elements shall be given
4 consideration:

5 (1) The ability, capacity, and skill of the bidder to
6 perform the contract required;

7 (2) The character, integrity, reputation, judgment,
8 experience, and efficiency of the bidder;

9 (3) Whether the bidder can perform the contract within
10 the time specified;

11 (4) The quality of performance of previous contracts;

12 (5) The previous and existing compliance by the bidder
13 with laws relating to the contract;

14 (6) The ~~life-cost~~ life-cycle costs of the personal
15 property in relation to the purchase price and specific use of the
16 item;

17 (7) The performance of the personal property, taking into
18 consideration any commonly accepted tests and standards of product
19 usability and user requirements;

20 (8) Energy efficiency ratio as stated by the bidder for
21 alternative choices of appliances or equipment;

22 (9) The information furnished by each bidder, ~~when deemed~~
23 ~~applicable by the materiel administrator,~~ concerning life-cycle
24 costs between alternatives for all classes of equipment, evidence
25 of expected life, repair and maintenance costs, and energy
26 consumption on a per-year basis;

27 (10) The results of the United States Environmental
28 Protection Agency tests on fleet performance of motor vehicles.

1 Each bidder shall furnish information relating to such results; and

2 (11) Such other information as may be secured having a
3 bearing on the decision to award the contract.

4 ~~Reports regarding procurements made pursuant to this~~
5 ~~section shall be provided to the State Energy Office. Such reports~~
6 ~~shall be in the form and contain such information as the State~~
7 ~~Energy Office may require.~~

8 All political subdivisions may follow the procurement
9 principles set forth in this section if they are deemed applicable
10 by the official authorized to make purchases for such political
11 subdivision.

12 Sec. 14. Section 81-161.01, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 81-161.01. A minimum of fifteen days shall elapse
15 between the time formal bids are advertised ~~or called for~~ and the
16 time of their opening, except that this requirement may be waived
17 by the materiel administrator upon a showing by the using agency of
18 an emergency, sole or specialized source, or other unique
19 requirement. ~~+ PROVIDED, that, as may be provided by rule or~~
20 ~~regulation promulgated by the materiel division, this requirement~~
21 ~~may be waived in case of emergency.~~

22 Sec. 15. Section 81-161.02, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 81-161.02. Any or all bids may be rejected by the
25 materiel division. The materiel division may reject the bid of any
26 bidder who has failed to perform a previous contract with the
27 state. In any case where competitive bids are required and all
28 bids are rejected, and the proposed purchase is not abandoned, new

1 bids shall be called for as in the first instance solicited.

2 Sec. 16. Section 81-161.03, Revised Statutes Supplement,
3 1998, is amended to read:

4 81-161.03. The materiel division may, by written order,
5 permit purchases, contracts, or leases to be made by any using
6 agency directly with the vendor or supplier whenever it appears to
7 the satisfaction of the materiel division that, because of the
8 unique nature of the personal property, the price in connection
9 therewith, the quantity to be purchased, the location of the using
10 agency, the time of the use of the personal property, or any other
11 circumstance, the interests of the state will be served better by
12 purchasing or contracting direct than through the materiel
13 division.

14 Such permission shall be revocable and shall be operative
15 for a period not exceeding twelve months from the date of issue.
16 Using agencies receiving such permission shall report their acts
17 and expenditures under such orders to the materiel division in
18 writing and furnish such agent with proper evidence that
19 competition has been secured at such time and covering such period
20 as may be required by the materiel division.

21 The materiel division shall adopt and promulgate rules
22 and regulations establishing criteria which must be met by any
23 agency ~~desiring to increase the maximum limit of its seeking~~ direct
24 market purchase authorization. ~~Such criteria shall include a~~
25 ~~requirement that no agency office located in Lancaster County shall~~
26 ~~make direct market purchases of any items available from the~~
27 ~~materiel division.~~ Purchases for miscellaneous needs may be made
28 directly by any agency without prior approval from the materiel

1 division for purchases of less than five thousand dollars, ~~except~~
2 ~~that no agency office located in Lancaster County shall purchase~~
3 ~~directly those items available from~~ if the agency has completed a
4 certification program as prescribed by the materiel division.

5 The Department of Correctional Services may purchase raw
6 materials, supplies, component parts, and equipment perishables
7 directly for industries established pursuant to section 83-183,
8 whether such purchases are made to fill specific orders or for
9 general inventories. Any such purchase shall not exceed
10 twenty-five thousand dollars. The department shall comply with the
11 bidding process of the materiel division and shall be subject to
12 audit by the materiel division for such purchases.

13 Sec. 17. Section 81-161.04, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 81-161.04. (1) Whenever any using agency has any
16 personal property for which it no longer has any need or use, it
17 shall notify the materiel division in writing setting forth a
18 description of the property and the approximate length of time that
19 the property has been in the possession of the using agency. The
20 materiel division shall appraise the property and ~~send a bulletin~~
21 ~~to~~ notify all other using agencies of the state ~~setting forth~~ that
22 the materiel division has the property for sale and that the
23 property can be bought at the appraised price. No property will be
24 sold until first offered to using agencies as provided by this
25 section unless the property is unusable. If the materiel division
26 fails to receive an offer from any using agency, it may sell or
27 dispose of the property by any method which is most advantageous to
28 the State of Nebraska, including auction, sealed bid, private or

1 public sale, or trade-in for other property, with priorities given
2 to the other political subdivisions. ~~of state government.~~ All
3 sales shall be made in the name of the State of Nebraska. The
4 materiel division shall charge an administrative fee for the
5 disposition of surplus property. Such administrative fee shall be
6 a percentage of the amount of the sale of the surplus property. In
7 the event surplus property is determined to have no market value,
8 the materiel administrator may waive the administrative fee.

9 (2) Except as otherwise provided in this subsection, the
10 proceeds of the sales shall be deposited with the State Treasurer
11 and credited to the General Fund unless the using agency certifies
12 to the materiel division that the property was purchased in part or
13 in total from either cash accounts or federal funds or from a
14 percentage of such accounts or funds, in which case the proceeds of
15 the sale to that extent shall be credited to the cash or federal
16 account in the percentage used in originally purchasing the
17 property. The cost of selling surplus property shall be deducted
18 from the proceeds of the surplus property sold. The proceeds
19 received from the sale of passenger-carrying motor vehicles
20 originally purchased with money from the General Fund, other than
21 passenger-carrying motor vehicles used by the Nebraska State
22 Patrol, less selling costs, shall be deposited in the state
23 treasury and credited by the State Treasurer to the Transportation
24 Services Bureau Revolving Fund. The proceeds received from the
25 sale of passenger-carrying motor vehicles used by the Nebraska
26 State Patrol, less selling costs, shall be deposited in the state
27 treasury and credited by the State Treasurer to the Nebraska State
28 Patrol Vehicle Replacement Cash Fund. The proceeds received from

1 the sale of micrographic equipment, other than that of the
2 University of Nebraska and state colleges, less selling costs,
3 shall be deposited in the state treasury and credited by the State
4 Treasurer to the Records Management Micrographics Services
5 Revolving Fund. The proceeds received from the sale of aircraft,
6 less selling costs, shall be deposited in the state treasury and
7 credited by the State Treasurer to the Department of Aeronautics
8 Cash Fund.

9 Sec. 18. Section 81-164, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 81-164. The materiel division, under the direction of
12 the Director of Administrative Services, shall ~~set aside, in the~~
13 ~~office of such materiel division or in other quarters to be~~
14 ~~provided therefor, space for a central mailing room, install~~
15 ~~therein one or more postage metering machines operate and maintain~~
16 a central mailing room. The central mailing room shall be equipped
17 with postage metering machines and postal handling equipment for
18 the purpose of metering official mail of the state ~~government~~ and
19 employ such help as may be necessary for the efficient operation of
20 such mailing room.

21 Sec. 19. Section 81-166, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 81-166. The materiel division shall keep an accurate
24 record of the postage used by each state officer, department,
25 commission, board, bureau, court, or other agency and charge such
26 state officer, department, commission, board, bureau, court, or
27 other agency with the exact amount of postage so used plus
28 administrative and operational costs. Administrative and

1 operational costs shall be charged as a percentage of the amount
2 charged for postage. Such charge shall, as nearly as may be
3 practical, reflect the actual administrative and operational costs
4 of the ~~Central Mailing Room~~ central mailing room and its related
5 activities. The percentage charge shall ~~annually~~ be reported
6 annually to the Legislature's Committee on Appropriations. Rates
7 planned for the coming fiscal year shall be included in the
8 instructions for completion of budget request forms as annually
9 prepared by the Department of Administrative Services' budget
10 division. If rate revisions are required during the fiscal year to
11 reflect changes in the administrative and operational costs, these
12 revisions shall be announced to each state officer, department,
13 commission, board, bureau, court, or other agency at least thirty
14 days prior to their use.

15 Sec. 20. Section 81-168, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 81-168. The materiel division under the direction of the
18 Director of Administrative Services shall stagger the hours of
19 employees in the ~~mailing office~~ central mailing room so that the
20 ~~mailing office~~ central mailing room is open until the last mail
21 departs from the Capitol Building.

22 Sec. 21. Section 81-171, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 81-171. It shall be unlawful to deliver any mail to ~~the~~
25 any state mailing room, to be metered and dispatched, or to deposit
26 in the United States mail any envelope, metered by a postage
27 metering machine of the State of Nebraska, for any purpose or upon
28 any business other than the dispatch of mail appertaining strictly

1 to official business of the State of Nebraska. Any person
2 violating this section shall be deemed guilty of a misdemeanor, and
3 upon conviction thereof shall be punished by a fine of not less
4 than twenty dollars nor more than one hundred dollars.

5 Sec. 22. Section 81-188.01, Revised Statutes Supplement,
6 1998, is amended to read:

7 81-188.01. The State Building Renewal Assessment Fund is
8 created. The fund shall be under the control of the Governor for
9 allocation to building renewal projects of the various agencies and
10 shall be administered in a manner consistent with the
11 administration of the Building Renewal Allocation Fund pursuant to
12 the Deferred Building Renewal Act. No amounts accruing to the
13 State Building Renewal Assessment Fund shall be transferred to any
14 other fund and no amounts accruing to the fund shall be expended in
15 any manner for purposes other than as provided in this section.
16 Revenue credited to the fund shall include amounts derived from
17 charges assessed pursuant to subdivision (6)(b) of section
18 81-1108.17, depreciation charges remitted pursuant to section
19 81-188.02, and such other revenue as may be incident to the
20 administration of the fund. Amounts appropriated from the fund
21 shall be expended to conduct renewal work as defined in section
22 81-173. Expenditures from the fund for capital improvements shall
23 be limited to improvements to only those facilities for which
24 charges or fees imposed pursuant to section 81-188.02 or
25 subdivision (6)(b) of section 81-1108.17 have been assessed and
26 remitted. ~~for a period of not less than five fiscal years.~~ Except
27 to conduct renewal work of an emergency nature, no amounts accruing
28 to the fund as the result of depreciation charges assessed pursuant

1 to section 81-188.02 shall be expended from the fund prior to July
 2 1, 2003. For each of fiscal years 2003-04 through 2008-09,
 3 ~~appropriations from the fund~~ expenditure of amounts accruing to the
 4 fund as the result of depreciation charges assessed pursuant to
 5 section 81-188.02 shall not exceed fifty percent of total such
 6 revenue credited to the fund in the second preceding fiscal year.
 7 For fiscal year 2009-10 and each fiscal year thereafter,
 8 ~~appropriations from the fund~~ expenditure of amounts accruing to the
 9 fund as the result of depreciation charges assessed pursuant to
 10 section 81-188.02 shall not exceed the total of such revenue
 11 credited to the fund in the second preceding fiscal year. For
 12 facilities for which charges have been assessed only pursuant to
 13 section 81-188.02, no amounts shall be expended from the fund for
 14 any such facility for a period of not less than five fiscal years
 15 from the initial assessment of the depreciation charge for any such
 16 facility, except to conduct renewal work, as defined in section
 17 81-173, of an emergency nature. Any money in the fund available
 18 for investment shall be invested by the state investment officer
 19 pursuant to the Nebraska Capital Expansion Act and the Nebraska
 20 State Funds Investment Act.

21 Sec. 23. Section 81-1108.41, Revised Statutes
 22 Supplement, 1998, is amended to read:

23 81-1108.41. The division shall cause a state
 24 comprehensive capital facilities plan to be developed. The plan
 25 shall project the state's facilities needs for ~~periods of four~~
 26 ~~years and eight~~ a period of six years and shall be based on
 27 programmatic projections and input from each state agency. To aid
 28 in the development of the plan, the Governor shall appoint a State

1 Comprehensive Capital Facilities Planning Committee with
2 representatives from various state agencies. The committee shall
3 develop and adopt comprehensive planning guidelines and a process
4 of project prioritization. The state comprehensive capital
5 facilities plan shall be submitted to the Committee on Building
6 Maintenance for review before such plan shall be submitted to the
7 Governor and the Legislative Fiscal Analyst on or before ~~September~~
8 November 15 prior to the beginning of each biennium. The plan
9 shall be based on priorities developed by the State Comprehensive
10 Capital Facilities Planning Committee. The University of Nebraska
11 and any Nebraska state college shall not be required to comply
12 with or be subject to the provisions of this section since these
13 agencies are subject to and participate in statewide facilities
14 planning developed by the Coordinating Commission for Postsecondary
15 Education pursuant to the Coordinating Commission for Postsecondary
16 Education Act.

17 An appropriation for drawings and construction may be
18 made only after submission of an acceptable program statement on or
19 before September 15 of the year previous to the initiation of such
20 appropriation. Such program statement shall include, but not be
21 limited to, (1) an assessment of the compatibility of the project
22 with the state comprehensive capital facilities plan and the agency
23 or departmental comprehensive capital facilities plan, (2) the
24 identification of the impact of the project on the space
25 utilization of other facilities under the control of the agency or
26 department, and (3) the identification of the future impact on the
27 agency or departmental programmatic needs, demand for utilities in
28 excess of current capacity, parking needs, street and road needs,

1 and site acquisition needs. Such program statement shall be
2 submitted to the division and the Legislative Fiscal Analyst.

3 No contract for the planning, design, or construction of
4 a new facility or major modification or repair of an existing
5 facility provided for by any state appropriation may be initiated
6 unless an acceptable program statement has been approved by the
7 Governor, the agency or department has submitted to the division a
8 certificate from the Committee on Building Maintenance that there
9 is no state-owned property which is adequate or which through
10 cost-effective renovation, as determined by the division, could be
11 made adequate to meet the agency's or department's needs, and the
12 conditions of the contracts are approved in writing by the
13 division, except that the provisions of this section shall not
14 apply to projects when the total design and construction cost of
15 the project is less than the limit established by the division.
16 Such program statements and contracts shall be reviewed by the
17 division.

18 The division shall file a written report on each program
19 statement and contract reviewed with the Governor and the
20 Legislative Fiscal Analyst. This report shall cover the
21 consistency of the project with the state comprehensive capital
22 facilities plan and the agency or departmental comprehensive
23 capital facilities plan. A subsequent review and report upon
24 completion of the planning or design phase of the project shall
25 indicate the compatibility of the project with the agency or
26 departmental comprehensive capital facilities plan, compare the
27 probable cost of the project with accepted cost standards for
28 similar construction projects, and review the relationship of the

1 project to other state agency or departmental capital facilities in
2 the same complex.

3 Sec. 24. Section 81-1118, Revised Statutes Supplement,
4 1998, is amended to read:

5 81-1118. The materiel division of the Department of
6 Administrative Services is hereby established and shall be managed
7 by the materiel administrator. ~~who, except with respect to real~~
8 ~~property, shall assume the former role of Purchasing Agent.~~

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

13 (1) The office supplies bureau shall be responsible for
14 ~~general stores, scientific, photo, visual aids material, and the~~
15 ~~book stores. In addition, the office supplies bureau shall keep~~
16 ~~inventory control records, requisition material from the purchasing~~
17 ~~bureau, and dispose of surplus material providing office supplies,~~
18 ~~paper, and forms to using agencies;~~

19 (2) ~~The traffic bureau~~ Central mail shall be responsible
20 for ~~the all mailing operations,~~ transportation of material,
21 tracking shipments, and making freight claims;

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

1 ~~state facilities;~~

2 (4) ~~The standards and specifications bureau shall be~~
3 ~~responsible for establishing guidelines as to the quality of items~~
4 ~~purchased unless otherwise provided for by law; and Copy services~~
5 ~~is responsible for the purchasing and placement of all copier~~
6 ~~requirements;~~

7 (5) The state purchasing bureau shall be responsible for
8 all purchases by all state agencies other than the University of
9 Nebraska. The materiel division shall administer the public notice
10 and bidding procedures and any other areas designated by the
11 Director of Administrative Services to carry out the lease or
12 purchase of personal property. All purchases of and contracts for
13 materials, supplies, or equipment and all leases of personal
14 property shall be made in the following manner except in
15 emergencies approved by the Governor:

16 (a) By a competitive formal sealed bidding process
17 through the materiel division in all cases in which the purchases
18 are of estimated value in the amount of ten thousand dollars or
19 more;

20 (b) By a competitive informal bidding through the
21 materiel division in all cases in which the purchases are of
22 estimated value equal to or exceeding five thousand dollars but
23 less than ten thousand dollars;

24 (c) By unrestricted open market purchases through the
25 materiel division in all cases in which purchases are of estimated
26 value of less than five thousand dollars;

27 (d) All requisitions for whatever purpose coming to the
28 purchasing bureau shall be in conformance with the approved budget

1 of the requisitioning department or agency; and

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

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

9 (7) State surplus property shall be responsible for the
10 disposition of the state's surplus property and the maintenance of
11 all inventory records.

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

14 Sec. 25. Section 81-1118.01, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 81-1118.01. The materiel administrator shall have
17 complete control of all furniture and equipment in the capitol,
18 state laboratory, Governor's Mansion, and all other buildings owned
19 or leased by the State of Nebraska, except telephone and
20 telecommunications equipment and equipment and furniture of the
21 Legislature and the Supreme Court. The materiel administrator
22 shall keep in his or her office a complete record containing an
23 itemized account of all state property, including furniture and
24 equipment under his or her care and control. Such inventory record
25 shall be maintained as a management system to assure efficient
26 utilization of state property with particular emphasis on
27 identification of surpluses. Such system shall be designed so as
28 to provide the materiel administrator with the knowledge of

1 potential surplus property available. The materiel administrator
2 under the authority of the Director of Administrative Services
3 shall have complete control and all powers necessary to assure
4 efficient utilization of state property.

5 Sec. 26. Section 81-1118.03, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 81-1118.03. Notwithstanding any other provision of law,
8 all contracts for or leases of personal property shall be subject
9 to the following conditions:

10 (1) No purchase or lease of property shall be approved
11 until a solicitation for purchase or lease has been made by the
12 Department of Administrative Services. Such solicitation shall be
13 in the form of a public notice of the proposed purchase or lease
14 and a general description of the personal property needed in a
15 paper of general circulation in the area where the agency will be
16 operating or by any other method approved by the materiel
17 administrator;

18 (2) The Department of Administrative Services shall be
19 the sole and final authority on purchases and leases of personal
20 property by a using agency. In any case when the approval of the
21 Governor is required, the Governor may, in his or her discretion,
22 confer complete authority upon the Department of Administrative
23 Services in the review and approval of purchase and lease
24 proposals;

25 (3) The Department of Administrative Services shall adopt
26 and promulgate rules and regulations to (a) develop and implement
27 purchasing and leasing policies and procedures which shall insure
28 economical and efficient operations of state agencies and (b) carry

1 out the provisions of sections 81-145 to 81-162; and

2 (4) The Director of Administrative Services shall refuse
3 to issue warrants for the disbursement of any funds in payment of
4 contracts or leases which have not been approved according to law.

5 Sec. 27. Section 81-1118.04, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 81-1118.04. The purpose of the materiel division is to
8 maximize the state's purchasing power through an efficient, and
9 standardized, and centralized state procurement system and
10 centralized office services and supply program, and to maximize the
11 utilization of and control the inventory of state-owned equipment.

12 Sec. 28. Section 81-1184, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 81-1184. It is the intent of the State Government
15 Recycling Management Act and the public policy of this state to
16 recognize the importance of limited natural resources, to prevent
17 waste, and to promote the most energy-saving and resource-saving
18 use of state government ~~refuse recyclable material~~ and the most
19 efficient and economical method of recycling and disposing of such
20 ~~refuse recyclable material~~.

21 Sec. 29. Section 81-1185, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 81-1185. For purposes of the State Government Recycling
24 Management Act, state government ~~refuse recyclable material~~ shall
25 mean any product or material ~~discarded by the state, including, but~~
26 ~~not that has reached the end of its useful life, is obsolete or no~~
27 longer needed by state government and for which there are readily
28 available markets to take the material. State government

1 recyclable material includes, but is limited to, paper, paperboard,
2 aluminum and other metals, yard waste, glass, tires, oil, and
3 plastics.

4 Sec. 30. Section 81-1186, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 81-1186. A program for the collection for recycling and
7 sale of state government ~~refuse~~ recyclable material shall be
8 designed and implemented by the Department of Administrative
9 Services in all state-operated buildings.

10 Sec. 31. Section 81-1187, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 81-1187. The Department of Administrative Services shall
13 obtain pricing information and shall contract to sell ~~recyclable~~
14 state government ~~refuse~~ recyclable material for the best terms
15 available in the marketplace. If the department is unable to
16 locate a purchaser for ~~the refuse~~ such recyclable material or such
17 sale would not be in the best economic interests of the state and
18 the department is unable to locate a nonpaying contractee to
19 recycle ~~the refuse~~ such recyclable material, the department shall
20 make such other disposition of ~~the refuse~~ such recyclable material
21 as is most practical and in the best interests of the state.

22 Sec. 32. Section 81-1316, Revised Statutes Supplement,
23 1998, is amended to read:

24 81-1316. (1) All agencies and personnel of state
25 government shall be covered by sections 81-1301 to 81-1319 and
26 shall be considered subject to the State Personnel System, except
27 the following:

28 (a) All personnel of the office of the Governor;

- 1 (b) All personnel of the office of the Lieutenant
 2 Governor;
- 3 (c) All personnel of the office of the Secretary of
 4 State;
- 5 (d) All personnel of the office of the State Treasurer;
- 6 (e) All personnel of the office of the Attorney General;
- 7 (f) All personnel of the office of the Auditor of Public
 8 Accounts;
- 9 (g) All personnel of the Legislature;
- 10 (h) All personnel of the court systems;
- 11 (i) All personnel of the Board of Educational Lands and
 12 Funds;
- 13 (j) All personnel of the Public Service Commission;
- 14 (k) All personnel of the Nebraska Brand Committee;
- 15 (l) All personnel of the Commission of Industrial
 16 Relations;
- 17 (m) All personnel of the State Department of Education;
- 18 (n) All personnel of the Nebraska state colleges and the
 19 Board of Trustees of the Nebraska State Colleges;
- 20 (o) All personnel of the University of Nebraska;
- 21 (p) All personnel of the Coordinating Commission for
 22 Postsecondary Education;
- 23 (q) All personnel of the Governor's Policy Research
 24 Office, but not to include personnel within the State Energy
 25 Office;
- 26 ~~(q)~~ (r) All agency heads; and
- 27 ~~(r)~~ (s) The Director of Medical Services established
 28 under section 83-125 and the chief executive officers of the

1 Beatrice State Developmental Center, Lincoln Regional Center,
 2 Norfolk Regional Center, Hastings Regional Center, Grand Island
 3 Veterans' Home, Norfolk Veterans' Home, Thomas Fitzgerald Veterans'
 4 Home, and Western Nebraska Veterans' Home.

5 (2) At each agency head's discretion, up to the following
 6 number of additional positions may be exempted from the State
 7 Personnel System, based on the following agency size categories:

8	Number of Agency	Number of Noncovered	Employees
9	Positions		
10	Less than 25	0	
11	25 to 100	1	
12	101 to 250	2	
13	251 to 500	3	
14	501 to 1000	4	
15	1001 to 2000	5	
16	2001 to 3000	8	
17	3001 to 4000	11	
18	4001 to 5000	14	
19	Over 5000	17	

20 The purpose of having such noncovered positions shall be
 21 to allow agency heads the opportunity to recruit, hire, and
 22 supervise critical, confidential, or policymaking personnel without
 23 restrictions from selection procedures, compensation rules, career
 24 protections, and grievance privileges. Persons holding the
 25 noncovered positions shall serve at the pleasure of the agency head
 26 and shall be paid salaries set by the agency head.

27 In no case shall a current state employee's career
 28 protections or coverage by personnel rules and regulations be

1 revoked without the prior written agreement of such employee.

2 Sec. 33. Section 81-1317, Revised Statutes Supplement,
3 1998, is amended to read:

4 81-1317. Except as may be prohibited by the Industrial
5 Relations Act or the State Employees Collective Bargaining Act and
6 except for the pay increases provided by the Legislature, the
7 Director of Personnel shall have authority to establish programs
8 and otherwise adjust terms and conditions of employment for
9 ~~FY1997-98 and FY1998-99~~ FY1999-2000 and FY2000-01 for employees not
10 covered by collective-bargaining agreements, including terms and
11 conditions of employment which may not be specifically provided or
12 may otherwise be provided by law, in order to make such terms and
13 conditions of employment more consistent with those of such covered
14 employees or otherwise address changes arising out of collective
15 bargaining, but in no event shall the adjustment exceed the
16 benefits derived from collective bargaining.

17 Sec. 34. Section 81-1317.01, Revised Statutes
18 Supplement, 1998, is amended to read:

19 81-1317.01. Except for employees of the University of
20 Nebraska and the state colleges and except as may be prohibited by
21 the Industrial Relations Act or the State Employees Collective
22 Bargaining Act, terms and conditions of employment which may
23 otherwise be provided by law for employees not covered under the
24 State Personnel System may be adjusted by the
25 employer-representative as defined in section 81-1371 for ~~FY1997-98~~
26 ~~and FY1998-99~~ FY1999-2000 and FY2000-01 to address changes arising
27 out of collective bargaining, but in no event shall the adjustment
28 exceed the benefits derived from collective bargaining.

1 Sec. 35. Section 81-1348, Revised Statutes Supplement,
2 1998, is amended to read:

3 81-1348. There is hereby created the Suggestion Award
4 Board. The membership of such board shall consist of the Director
5 of Personnel, the Director of Administrative Services, the Auditor
6 of Public Accounts, and three persons, each to serve a term of ~~two~~
7 three years, selected and appointed by the Governor from the
8 bargaining units listed in section 81-1373. The first three
9 appointments made after the effective date of this act shall be for
10 terms of one year, two years, and three years, as designated by the
11 Governor. Of the persons selected from such bargaining units, one
12 person shall be selected from each of such bargaining units as
13 follows:

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

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

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

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

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

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

28 The members shall be reimbursed for their actual and

1 necessary expenses as provided in sections 81-1174 to 81-1177.

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

4 Sec. 36. Section 83-140, Revised Statutes Supplement,
5 1998, is amended to read:

6 83-140. ~~The Purchasing Agent~~ material administrator of
7 the Department of Administrative Services shall purchase all
8 necessary supplies for the institutions under the Department of
9 Health and Human Services and the Department of Correctional
10 Services, except, in its discretion, fresh fruit, vegetables, and
11 emergency and minor purchases. The last-named supplies may be
12 purchased by the chief executive officer or steward under the order
13 of the department. An itemized statement of such purchases, duly
14 verified, shall be filed with the department on the first day of
15 each month. Estimates of needed supplies shall be furnished the
16 department by each chief executive officer. Such estimates shall
17 be examined by the department, and an itemized statement of such as
18 are approved by the department, showing kind, quantity and quality,
19 shall be filed with the Purchasing Agent, and upon request shall be
20 furnished to any applicant therefor.

21 Sec. 37. Section 84-1601, Revised Statutes Supplement,
22 1998, is amended to read:

23 84-1601. (1) There is hereby established a program of
24 group life and health insurance for all permanent employees of this
25 state who work one-half or more of the regularly scheduled hours
26 during each pay period, excluding employees of the University of
27 Nebraska, the state colleges, and the community colleges. Such
28 program shall be known as the Nebraska State Insurance Program and

1 shall replace any current program of such insurance in effect in
2 any agency and funded in whole or in part by state contributions.

3 (2) Temporary employees of the state who have a work
4 assignment of at least six months' duration and who work at least
5 twenty hours per week may purchase health insurance through the
6 Nebraska State Insurance Program. The state shall pay the same
7 proportion of the insurance premium for temporary employees as is
8 established through the collective bargaining process for permanent
9 employees. For purposes of this subsection, temporary employees
10 means individuals (a) employed in the Temporary Employee Pool as
11 described in subdivision (6) of section 81-1307 and (b) hired
12 directly by state agencies. In no event shall a temporary employee
13 mean an individual hired through a private employment agency. The
14 provisions of this subsection shall terminate on July 1, ~~1999~~ 2000.

15 (3) For purposes of sections 84-1601 to 84-1615, health
16 insurance may be construed to include coverage for disability and
17 dental health care services.

18 (4) Any commissioned employee of the Nebraska State
19 Patrol who on or after July 17, 1986, has reached fifty-one years
20 of age or becomes medically disabled and who will not receive
21 benefits from the federal social security program shall be afforded
22 the opportunity to remain enrolled in the state employees group
23 health insurance program until age sixty-five. Employees electing
24 this option shall be responsible for the entire premium cost,
25 including the state's share, the employee's share, and an
26 administrative fee consistent with that allowed by federal
27 guidelines for continuation of health insurance.

28 Sec. 38. Original sections 29-3912, 39-529, 60-311,

1 77-2608, 81-145, 81-149, 81-150, 81-151, 81-153, 81-159, 81-161,
2 81-161.01, 81-161.02, 81-161.04, 81-164, 81-166, 81-168, 81-171,
3 81-1118.01, 81-1118.03, 81-1118.04, 81-1184, 81-1185, 81-1186, and
4 81-1187, Reissue Revised Statutes of Nebraska, and sections 77-913,
5 81-154, 81-161.03, 81-188.01, 81-1108.41, 81-1118, 81-1316,
6 81-1317, 81-1317.01, 81-1348, 83-140, and 84-1601, Revised Statutes
7 Supplement, 1998, are repealed.

8 Sec. 39. The following section is outright repealed:
9 Section 81-163.01, Reissue Revised Statutes of Nebraska.

10 Sec. 40. Since an emergency exists, this act takes
11 effect when passed and approved according to law.