

ENGROSSED LEGISLATIVE BILL 298

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

A BILL FOR AN ACT relating to the Legislature; to amend sections 28-711, 43-4302, 43-4303, 43-4317, 43-4320, 43-4321, 43-4322, 43-4324, 43-4326, 43-4329, 43-4330, 47-901, 47-902, 47-903, 47-904, 47-905, 47-907, 47-908, 47-909, 47-910, 47-911, 47-912, 47-913, 47-914, 47-915, 47-916, 47-917, 47-918, 47-920, 50-406, 50-406.01, 50-407, 50-408, 50-409, 50-410, 50-416, 50-418, 50-420, 50-1201, 50-1202, 50-1203, 50-1204, 50-1205, 50-1205.01, 50-1206, 50-1210, 50-1211, 50-1212, 50-1213, 50-1303, 50-1304, 73-401, 81-8,240, 81-8,241, 81-8,242, 81-8,243, 81-8,244, 81-8,245, 81-8,246, 81-8,247, 81-8,248, 81-8,249, 81-8,250, 81-8,251, 81-8,252, 81-8,253, 81-8,254, 81-1114, 83-178, 83-1,125.01, 84-304, 84-311, 84-322, and 84-910, Reissue Revised Statutes of Nebraska, and sections 28-712.01, 29-2011.02, 29-2011.03, 43-2,108, 43-4301, 43-4318, 43-4323, 43-4325, 43-4327, 43-4328, 43-4331, 43-4332, 50-401.01, 50-402, 50-1209, 77-2711, and 77-27,119, Revised Statutes Cumulative Supplement, 2024; to name the Office of Public Counsel Act; to change provisions relating to the Public Counsel; to provide for confidentiality of certain information; to provide for subpoenas; to state legislative intent; to provide for the Division of Legislative Oversight, the Director of Legislative Oversight, and the Legislative Oversight Committee; to change the Office of Inspector General of Nebraska Child Welfare Act and the Office of Inspector General of the Nebraska Correctional System Act as prescribed; to transfer provisions; to eliminate a penalty; to change provisions relating to the Legislative Council, the Legislative Research Office, the Legislative Fiscal Office, and the Legislative Audit Office; to change the Legislative Performance Audit Act as prescribed; to eliminate the Legislative Performance Audit Committee; to harmonize provisions; to provide a duty for the Revisor of Statutes; to repeal the original sections; to outright repeal sections

43-4304, 43-4304.01, 43-4304.02, 43-4305, 43-4306, 43-4306.01, 43-4307, 43-4307.01, 43-4308, 43-4309, 43-4310, 43-4311, 43-4312, 43-4313, 43-4314, 43-4315, 43-4316, 43-4319, 47-906, 47-919, and 50-421, Reissue Revised Statutes of Nebraska; and to declare an emergency.

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

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

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

As used in the Office of Public Counsel Act, unless the context otherwise requires:

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

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

administrative agency.

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

The office of Public Counsel is hereby established to exercise the authority and perform the duties under the Office of Public Counsel Act. The Public Counsel shall be appointed by the Legislature, with the vote of two-thirds of the members required for approval of such appointment from nominations submitted by the Executive Board of the Legislative Council.

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

The Public Counsel shall be a person well equipped to analyze problems of law, administration, and public policy and during such person's term of office shall not be actively involved in partisan affairs. No person may serve as Public Counsel within two years of the last day on which such person served as a member of the Legislature or while such person is a candidate for or holds any other state office.

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

The Public Counsel shall serve for a term of six years, unless removed for cause as determined by a two-thirds vote of the members of the Legislature or, if the Legislature is not in session, by a two-thirds vote of the members of the Legislative Council. If the office of Public Counsel becomes vacant for any reason, the deputy public counsel shall serve as acting public counsel until a successor Public Counsel is appointed. The Public Counsel shall receive such salary as is set by the Executive Board of the Legislative Council.

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

(1) The Public Counsel may select, appoint, and compensate as the Public Counsel sees fit, within the amount available by appropriation, such assistants and employees as the Public Counsel deems necessary to discharge the responsibilities under the Office of Public Counsel Act. The Public Counsel

shall appoint and designate one assistant to be a deputy public counsel, one assistant to be a deputy public counsel for corrections, one assistant to be a deputy public counsel for institutions, and one assistant to be a deputy public counsel for public welfare.

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

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

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

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

(6) The Public Counsel may delegate to members of the staff any authority or duty under the Office of Public Counsel Act except the power of delegation and the duty of formally making recommendations to administrative agencies or reports to the Governor or the Legislature.

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

The Public Counsel shall have the power to:

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

(2) Prescribe the methods by which complaints are to be made, received, and acted upon; determine the scope and manner of investigations to be made; and, subject to the requirements of the Office of Public Counsel Act, determine the form, frequency, and distribution of the Public Counsel's conclusions, recommendations, and proposals;

(3) Conduct inspections of the premises, or any parts of such premises, of any administrative agency or any property owned, leased, or operated by any administrative agency as frequently as is necessary, in the Public Counsel's opinion, to carry out duties prescribed under the Office of Public Counsel Act;

(4) Request and receive from each administrative agency, and such agency shall provide, the assistance and information the Public Counsel deems necessary for the discharge of the Public Counsel's responsibilities; inspect and examine the records and documents of all administrative agencies notwithstanding any other provision of law; and enter and inspect premises within any administrative agency's control;

(5) Request the issuance of a subpoena, enforceable by action in an appropriate court, to compel any person to appear, give sworn testimony, or produce documentary or other evidence deemed relevant to a matter under the Public Counsel's inquiry as provided in section 18 of this act;

(6) Undertake, participate in, or cooperate with general studies or inquiries, whether or not related to any particular administrative agency or any particular administrative act, if the Public Counsel believes that such general studies or inquiries may assist the Legislature in enhancing knowledge about or making improvements in the functioning of administrative agencies;

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

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

(9) Investigate and address the complaint and case of:

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

(b) Any juvenile released from a youth rehabilitation and treatment center for reentry into the community, while that juvenile is subject to the Community and Family Reentry Process and a service or treatment program in which the juvenile may be involved after the juvenile's release from a youth rehabilitation and treatment center, whether that service or program is administrated by the Office of Juvenile Services or a private provider in the community. The Office of Juvenile Services and private providers in the community shall cooperate with any investigation conducted by the Public Counsel pursuant to this subdivision and provide all documentation and information requested by the Public Counsel in connection with such an investigation.

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

(1) In selecting matters for attention, the Public Counsel shall particularly review an administrative act that might be:

(a) Contrary to law or regulation;

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

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

(d) Improper in motivation or based on irrelevant considerations;

(e) Unclear or inadequately explained when reasons should have been revealed; or

(f) Inefficiently performed.

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

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

(1) The Public Counsel may receive a complaint from any person concerning an administrative act. The Public Counsel shall conduct a suitable investigation into the things complained of unless the Public Counsel believes that:

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

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

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

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

(e) Other complaints are more worthy of attention;

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

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

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

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

Before announcing a conclusion or recommendation that expressly or impliedly criticizes an administrative agency or any person, the Public Counsel shall consult with such agency or person.

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

(1) If, having considered a complaint and whatever material the Public Counsel deems pertinent, the Public Counsel is of the opinion that an administrative agency should (a) consider the matter further, (b) modify or cancel an administrative act, (c) alter a regulation or ruling, (d) explain more fully the administrative act in question, or (e) take any other step, the Public Counsel shall make recommendations to the administrative agency. The agency may inform the Public Counsel about the action taken on such recommendations or the reasons for not complying with them.

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

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

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

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

(1) In addition to whatever reports the Public Counsel may make from time to time, the Public Counsel shall no later than February 15 of each year report to the Clerk of the Legislature and to the Governor concerning the exercise of

the Public Counsel's functions during the preceding calendar year. The report submitted to the Clerk of the Legislature shall be submitted electronically. In discussing matters with which the Public Counsel has dealt, the Public Counsel need not identify those immediately concerned if to do so would cause needless hardship. If the annual report criticizes any named agencies or officials, the report must also include the replies of the named agencies or officials to such criticism. Each member of the Legislature shall receive an electronic copy of such report by making a request for it to the Public Counsel.

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

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

If the Public Counsel has reason to believe that any public officer or employee has acted in a manner warranting criminal or disciplinary proceedings, the Public Counsel shall refer the matter to the appropriate authorities.

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

(1) No proceeding, opinion, or expression of the Public Counsel shall be reviewable in any court. Neither the Public Counsel nor any member of the Public Counsel's staff shall be required to testify or produce evidence in any judicial or administrative proceeding concerning matters within the Public Counsel's official cognizance, except in a proceeding brought to enforce the Office of Public Counsel Act.

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

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

(1) A person who willfully obstructs or hinders the proper exercise of the Public Counsel's functions, or who willfully misleads or attempts to mislead the Public Counsel's inquiries, shall be guilty of a Class II

misdeemeanor. No employee of the State of Nebraska who files a complaint pursuant to the Office of Public Counsel Act shall be subject to any penalties, sanctions, or restrictions in connection with such employee's employment because of such complaint.

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

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

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

(3) If any employee of the office of Public Counsel knowingly divulges or makes known, in any manner not permitted by law, confidential information or confidential records, it shall be grounds for dismissal.

Sec. 18. (1) At the request of the Public Counsel, the Executive Board of the Legislative Council, by a majority vote, may issue subpoenas in connection

with a specific inquiry or investigation undertaken pursuant to the Office of Public Counsel Act to compel the production of records and information and sworn testimony or other evidence deemed relevant to such inquiry or investigation. The executive board shall vote to determine whether to issue a subpoena within ten days after receipt of the request.

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

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

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

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

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

(7) A person required to provide information under this section shall be paid the same fees and travel allowances and shall be accorded the same privileges and immunities as are extended to witnesses in the district courts

of this state and shall also be entitled to have counsel present while being questioned. Any fees associated with counsel present under this section shall not be the responsibility of the office of Public Counsel or the Legislative Council.

Sec. 19. The Legislature finds and declares that:

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

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

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

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

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

(3) Except as otherwise provided by law, any confidential information or

confidential records shared with the Division of Legislative Oversight shall remain confidential and shall not be shared by an employee of the division with any person who is not an employee of the division, including any member of the Legislative Oversight Committee.

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

(5) If any employee of the Division of Legislative Oversight knowingly divulges or makes known, in any manner not permitted by law, confidential information or confidential records, it shall be grounds for dismissal.

Sec. 21. (1) The Director of Legislative Oversight shall be appointed by the Legislature, with the vote of two-thirds of the members required for approval of such appointment, from nominations submitted by the Legislative Oversight Committee. The director shall serve for a term of six years, unless removed by a two-thirds vote of the members of the Legislature or, if the Legislature is not in session, by a two-thirds vote of the members of the Legislative Council. If the office of Director of Legislative Oversight becomes vacant for any reason, the chairperson of the Executive Board of the Legislative Council shall appoint an acting director until a successor Director of Legislative Oversight is appointed. The director shall be selected without regard to political affiliation and on the basis of integrity, capability for strong leadership, commitment to government oversight, and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, investigation, or criminal justice administration or other

closely related fields. No person may serve as director within two years after the last day on which such person served as a member of the Legislature or while such person is a candidate for or holds any other state office. The director shall receive such salary as is set by the Executive Board of the Legislative Council.

(2) The Director of Legislative Oversight shall:

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

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

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

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

Sec. 22. (1) The Legislative Oversight Committee is hereby established as a special legislative committee to exercise the authority and perform the duties provided for in the Legislative Performance Audit Act, the Office of Inspector General of Nebraska Child Welfare Act, and the Office of Inspector General of the Nebraska Correctional System Act. The committee shall be composed of the Speaker of the Legislature, the chairperson of the Executive Board of the Legislative Council, the chairperson of the Appropriations Committee of the Legislature, the chairperson of the Judiciary Committee of the Legislature, the chairperson of the Health and Human Services Committee of the Legislature, and four other members of the Legislature to be chosen by the Executive Board of the Legislative Council. The executive board shall ensure that the Legislative Oversight Committee includes adequate geographic representation. The chairperson and vice-chairperson of the Legislative

Oversight Committee shall be elected by a majority vote of the committee.

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

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

Sec. 23. The Legislative Oversight Committee shall:

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

(2) Direct the work of the division through the approval of annual work plans and by ensuring that such work is carried out in accordance with relevant statutes;

(3) Approve key performance indicators for the division;

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

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

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

Sections 24 to 44 of this act shall be known and may be cited as the Office of Inspector General of Nebraska Child Welfare Act.

Sec. 25. The Legislature finds and declares that:

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

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

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

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

(1) It is the intent of the Legislature that the Office of Inspector General of Nebraska Child Welfare:

(a) Assist in improving operations of the Nebraska child welfare system;

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

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

(2) It is not the intent of the Legislature in enacting the Office of Inspector General of Nebraska Child Welfare Act to interfere with the duties of the Legislative Auditor or the Legislative Fiscal Analyst or to interfere with the statutorily defined investigative responsibilities or prerogatives of any officer, agency, board, bureau, commission, association, society, or institution of the executive or judicial branch of state government, except

that the act does not preclude an inquiry on the sole basis that another agency has the same responsibility. The act shall not be construed to interfere with or supplant the responsibilities or prerogatives of the Governor to investigate, monitor, and report on the activities of the agencies, boards, bureaus, commissions, associations, societies, and institutions of the executive branch under the Governor's administrative direction.

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

For purposes of the Office of Inspector General of Nebraska Child Welfare Act:

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

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

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

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

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

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

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

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

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

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

(11) Management means supervision of subordinate employees;

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

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

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

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

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

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

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

(1) The office of Inspector General of Nebraska Child Welfare is created within the Division of Legislative Oversight for the purpose of conducting investigations, audits, inspections, and other oversight of the Nebraska child welfare system for the Legislature. The Inspector General shall be appointed by the Director of Legislative Oversight with approval from the chairperson of the

Executive Board of the Legislative Council, the chairperson of the Legislative Oversight Committee, and the chairperson of the Health and Human Services Committee of the Legislature.

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

(3) The Inspector General shall employ such investigators and support staff as the Inspector General deems necessary to carry out the duties of the office within the amount available by appropriation through the Division of Legislative Oversight for the office of Inspector General of Nebraska Child Welfare. The Inspector General shall be subject to the control and supervision of the Director of Legislative Oversight, except that removal of the Inspector General shall require approval of the chairperson of the Legislative Oversight Committee. The Inspector General may also be removed by a two-thirds majority vote of the Legislative Oversight Committee.

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

(1) The office shall investigate:

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

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

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

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

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

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

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

(d) Death or serious injury in any case involving an investigation under the Child Protection and Family Safety Act if the investigation took place within the twelve months prior to the death or serious injury and if the office upon review determines the death or serious injury did not occur by chance; and

(e) Any other matter as provided in the annual work plans or key

performance indicators approved by the Legislative Oversight Committee pursuant to section 23 of this act.

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

(a) All cases of death or serious injury:

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

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

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

(b) All allegations of sexual abuse of a state ward, a juvenile on probation, a juvenile in a detention facility, and a juvenile in a residential child-caring agency.

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

(i) An assault;

(ii) An escape or elopement;

(iii) An attempted suicide;

(iv) Self-harm by a juvenile;

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

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

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

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

(b) The Office of Juvenile Services and the office of Inspector General of

Nebraska Child Welfare shall, if requested by either party, work in collaboration to clarify the specific parameters to comply with subdivision (3)(a) of this section.

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

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

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

(7) The department shall notify the Inspector General as soon as practicable when a criminal investigation involving a death or serious injury required to be reported to the office under subdivision (2)(a) of this section has commenced and when such criminal investigation has concluded.

(8) Notwithstanding the fact that a criminal investigation, a criminal prosecution, or both are in progress, all law enforcement agencies and prosecuting attorneys may cooperate with any investigation conducted by the Inspector General and may, upon request by the Inspector General, provide the Inspector General with copies of all law enforcement reports which are relevant to the Inspector General's investigation. All law enforcement reports which have been provided to the Inspector General pursuant to this section are not public records for purposes of sections 84-712 to 84-712.09 and shall not be subject to discovery by any other person or entity. Except to the extent that disclosure of information is otherwise provided for in the Office of Inspector

General of Nebraska Child Welfare Act, the Inspector General shall maintain the confidentiality of all law enforcement reports received pursuant to its request under this section. Law enforcement agencies and prosecuting attorneys may, when requested by the Inspector General, collaborate with the Inspector General regarding all other information relevant to the Inspector General's investigation. The Inspector General shall, when requested to do so by a law enforcement agency or prosecuting attorney, suspend an investigation by the office until a criminal investigation or prosecution is completed or has proceeded to a point that, in the judgment of the Inspector General, reinstatement of the Inspector General's investigation will not impede or infringe upon the criminal investigation or prosecution. Under no circumstance shall the Inspector General interview any minor who has already been interviewed by a law enforcement agency, personnel of the Division of Children and Family Services of the department, or staff of a child advocacy center in connection with a relevant ongoing investigation of a law enforcement agency.

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

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

(11) For purposes of this section, serious injury means an injury or

illness caused by suspected abuse, neglect, maltreatment, self-harm, or assault which requires urgent medical treatment.

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

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

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

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

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

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

(3) After receipt of a complaint, the Inspector General shall determine whether the office will conduct a full investigation. A complaint alleging facts which, if verified, would provide a basis for discipline under the Uniform Credentialing Act shall be referred to the appropriate credentialing board under the act.

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

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

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

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

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

(b) Fair and honest disclosure of records and information reasonably requested by the office pursuant to the act;

(c) Encouraging employees to fully comply with reasonable requests of the office pursuant to the act;

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

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

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

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

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

Failure to cooperate with an investigation by the office may result in public disclosure of the failure to cooperate.

Sec. 33. Section 43-4323, Revised Statutes Cumulative Supplement, 2024, is

amended to read:

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

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

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

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

(5) In case of disobedience on the part of any employees of the department, the juvenile services division, or the commission, any foster parents, or any owners, operators, managers, supervisors, and employees of private agencies, licensed child care facilities, juvenile detention

facilities, staff secure juvenile facilities, and other providers of child welfare services or juvenile justice services to comply with any subpoena issued pursuant to this section, the committee shall vote on whether to find the person in contempt or to find that the failure to comply was not willful.

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

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

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

(1) A full investigation conducted by the office shall consist of (a) access to, and retrieval of all, relevant records through compliance with a request of the office, by voluntary production, or by subpoena, (b) review of all relevant records, and (c) interviews of all relevant persons.

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

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

- (a) Production of all records requested;
- (b) A diligent search to ensure that all appropriate records are included;
- (c) A continuing obligation to immediately forward to the office any relevant records received, located, or generated after the date of the request;
- (d) Provision of complete and truthful answers to questions posed by the office in the course of an investigation; and
- (e) Not willfully interfering with or obstructing an investigation.

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

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

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

- (a) That the responsible individual or the administrator has made a diligent search of the departmental or division office, private agency, licensed child care facility, juvenile detention facility, staff secure juvenile facility, or other provider's location to determine that all

appropriate records in existence at the time of the request were produced;

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

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

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

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

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

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

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

(1) Reports of investigations conducted by the office shall not be distributed beyond the entity that is the subject of the report without the consent of the Inspector General.

(2) Except when a report is provided to a guardian ad litem or an attorney in the juvenile court pursuant to subsection (2) of section 37 of this act, the office shall redact confidential information before distributing a report of an

investigation.

(3) The office may disclose confidential information to the chairperson of the Legislative Oversight Committee at the chairperson's request. The office may also disclose confidential information to the chairperson of the Legislative Oversight Committee, the chairperson of the Executive Board of the Legislative Council, the chairperson of the Health and Human Services Committee of the Legislature, or the chairperson of the Judiciary Committee of the Legislature when such disclosure is, in the judgment of the Director of Legislative Oversight, appropriate to keep the Legislature informed of important events, issues, and developments in the Nebraska child welfare system.

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

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

(b) Such report shall be released only:

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

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

(c) If there is disagreement about whether releasing the report would be in the best interest of the public, the chairperson of the Executive Board of the Legislative Council shall make the final decision.

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

(6) Records and documents, regardless of physical form, that are obtained or produced by the office in the course of an investigation are not public

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

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

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

(1) The department shall provide the Director of Legislative Oversight and the office with access to records, reports, and documents maintained by the department in connection with administration of the Nebraska child welfare system.

(2) The commission shall provide the office with access to records, reports, and documents maintained in connection with administration of juvenile justice services.

(3) The juvenile services division, as directed by the juvenile court or the Office of Probation Administration, shall provide the office with access to records, reports, and documents maintained by the juvenile services division in connection with a specific case under investigation.

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

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

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

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

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

(1) The Inspector General's report of an investigation shall be in writing and may contain recommendations for systemic reform. A report of an investigation shall be presented to the Director of Legislative Oversight and the chairperson of the Legislative Oversight Committee. The Inspector General shall present the report of an investigation to the director, the probation administrator, or the executive director within three business days after the report is presented to the Director of Legislative Oversight and the chairperson of the Legislative Oversight Committee.

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

(3) A report that identifies misconduct, misfeasance, malfeasance, or

violation of statute, rules, or regulations by an employee of the department, the juvenile services division, the commission, a private agency, a licensed child care facility, or another provider that is relevant to providing appropriate supervision of an employee may be shared with the employer of such employee. The employer shall not further distribute the report or any confidential information contained in the report.

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

(1) Within fifteen business days after a report is presented to the director, the probation administrator, or the executive director under section 37 of this act, the director, probation administrator, or executive director may determine whether to accept, reject, or request modification of the recommendations contained in the report. Any response shall be in writing and may include corrections of factual errors. The Inspector General, with input from the Director of Legislative Oversight, may consider any request for modifications but is not obligated to accept such request. Such report shall become final (a) upon the decision of the director, the probation administrator, or the executive director to accept or reject the recommendations in the report, (b) within fifteen business days after the director, the probation administrator, or the executive director requests modifications or after the Inspector General incorporates such modifications, whichever occurs earlier, or (c) fifteen days after the report is presented to the director, the probation administrator, or the executive director if no response is received by the Inspector General. If the Inspector General does not accept a requested modification, the recommendation for which such modification was requested shall be considered to be rejected by the director, probation administrator, or executive director.

(2) After the recommendations have been accepted, rejected, or modified, the report shall be presented to the foster parent, private agency, licensed child care facility, or other provider of child welfare services or juvenile justice services that is the subject of the report and to persons involved in

the implementation of the recommendations in the report. Within fifteen business days after receipt of the report, the foster parent, private agency, licensed child care facility, or other provider may submit a written response to the office to correct any factual errors in the report and may determine whether to accept, reject, or request in writing modification of the recommendations contained in the report. The Inspector General, with input from the Director of Legislative Oversight, shall consider all materials submitted under this subsection to determine whether a corrected report shall be issued. If the Inspector General determines that a corrected report is necessary, the corrected report shall be issued within fifteen business days after receipt of the written response.

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

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

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

No report or other work product of an investigation by the Inspector General shall be reviewable in any court. Neither the Inspector General nor any member of the Inspector General's staff shall be required to testify or produce evidence in any judicial or administrative proceeding concerning matters within such person's official cognizance except in a proceeding brought to enforce the Office of Inspector General of Nebraska Child Welfare Act.

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

The Office of Inspector General of Nebraska Child Welfare Act does not

require the Inspector General to investigate all complaints. The Inspector General, with input from the Director of Legislative Oversight, shall prioritize and select investigations and inquiries that further the intent of the act and assist in legislative oversight of the Nebraska child welfare system and juvenile justice system. If the Inspector General determines that the office will not investigate a complaint, the Inspector General may recommend to the parties alternative means of resolution of the issues in the complaint.

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

On or before September 15 of each year, the Inspector General shall provide to the Legislature, the Supreme Court, and the Governor a report that includes a summary of reports and investigations made under the Office of Inspector General of Nebraska Child Welfare Act for the preceding year. The report to the Legislature shall be submitted electronically and filed with the Clerk of the Legislature. The report shall detail recommendations and the status of implementation of recommendations and may also include recommendations to the Legislature regarding issues discovered through investigation, audits, inspections, and reviews by the office that will (1) increase accountability and legislative oversight of the Nebraska child welfare system, (2) improve operations of the department, the juvenile services division, the commission, and the Nebraska child welfare system, or (3) deter and identify fraud, abuse, and illegal acts. The report shall include summaries of alternative response cases under alternative response implemented in accordance with sections 28-710.01, 28-712, and 28-712.01 reviewed by the Inspector General. The report shall not contain any confidential or identifying information concerning the subjects of the reports and investigations.

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

Any person who has authority to recommend, approve, direct, or otherwise take or affect personnel action shall not, with respect to such authority:

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

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

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

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

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

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

(3) If any employee of the office knowingly divulges or makes known, in any manner not permitted by law, confidential information or confidential records, it shall be grounds for dismissal.

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

Sections 45 to 65 of this act shall be known and may be cited as the Office of Inspector General of the Nebraska Correctional System Act.

Sec. 46. The Legislature finds and declares that:

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

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

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

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

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

(1) It is the intent of the Legislature that the office of Inspector General of the Nebraska Correctional System:

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

(b) Provide an independent form of inquiry for concerns regarding the actions of individuals and agencies responsible for the supervision and release of persons in the Nebraska correctional system. A lack of responsibility and accountability in the current system makes it difficult for the Legislature to monitor and oversee the Nebraska correctional system; and

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

(2) It is not the intent of the Legislature in enacting the Office of Inspector General of the Nebraska Correctional System Act to interfere with the

duties of the Legislative Auditor or the Legislative Fiscal Analyst or to interfere with the statutorily defined investigative responsibilities or prerogatives of any officer, agency, board, bureau, commission, association, society, or institution of the executive branch of state government, except that the act does not preclude an inquiry on the sole basis that another agency has the same responsibility. The act shall not be construed to interfere with or supplant the responsibilities or prerogatives of the Governor to investigate, monitor, and report on the activities of the agencies, boards, bureaus, commissions, associations, societies, and institutions of the executive branch under the Governor's administrative direction.

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

For purposes of the Office of Inspector General of the Nebraska Correctional System Act, the following definitions apply:

(1) Administrator means a person charged with administration of (a) a program or an office of the department or (b) a private agency;

(2) Department means the Department of Correctional Services;

(3) Director means the Director of Correctional Services;

(4) Inspector General means the Inspector General of the Nebraska Correctional System appointed under section 49 of this act;

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

(6) Management means supervision of subordinate employees;

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

(8) Obstruction means hindering an investigation, preventing an investigation from progressing, stopping or delaying the progress of an investigation, or making the progress of an investigation difficult or slow;

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

the office;

(10) Private agency means an entity that contracts with the department or contracts to provide services to another entity that contracts with the department; and

(11) Record means any recording in written, audio, electronic, or computer storage form, including, but not limited to, a draft, memorandum, note, report, computer printout, notation, message, medical record, mental health record, case file, clinical record, financial record, and administrative record.

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

(1) The office of Inspector General of the Nebraska Correctional System is created within the Division of Legislative Oversight for the purpose of conducting investigations, audits, inspections, and other oversight of the Nebraska correctional system for the Legislature. The Inspector General shall be appointed by the Director of Legislative Oversight with approval from the chairperson of the Executive Board of the Legislative Council, the chairperson of the Legislative Oversight Committee, and the chairperson of the Judiciary Committee of the Legislature.

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

certifications, and licensing for inspectors general. During the Inspector General's employment, the Inspector General shall not be actively involved in partisan affairs.

(3) The Inspector General shall employ such investigators and support staff as the Inspector General deems necessary to carry out the duties of the office within the amount available by appropriation through the Division of Legislative Oversight for the office of Inspector General of the Nebraska Correctional System. The Inspector General shall be subject to the control and supervision of the Director of Legislative Oversight, except that removal of the Inspector General shall require approval of the chairperson of the Legislative Oversight Committee. The Inspector General may also be removed by a two-thirds majority vote of the Legislative Oversight Committee.

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

(1) The office shall investigate:

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

(b) Death or serious injury of individuals in the custody or under the supervision of the department. The department shall report all such cases of death or serious injury to the Inspector General as soon as reasonably possible after the department learns of such death or serious injury. The department shall also report all cases of the death or serious injury of an employee when acting in such employee's capacity as an employee of the department as soon as reasonably possible after the department learns of such death or serious injury. The department shall also report all cases when an employee is hospitalized in response to an injury received when such employee is acting in such employee's capacity as an employee of the department as soon as reasonably possible after the department learns of such hospitalization. For purposes of this subdivision, serious injury means an injury which requires urgent and

immediate medical treatment and restricts the injured person's usual activity;
and

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

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

(3) The department shall notify the Inspector General as soon as practicable when a criminal investigation involving a death or serious injury required to be reported to the Inspector General under subdivision (1)(b) of this section has commenced and when such criminal investigation has concluded.

(4) Notwithstanding the fact that a criminal investigation, a criminal prosecution, or both are in progress, all law enforcement agencies and prosecuting attorneys may cooperate with any investigation conducted by the Inspector General and may, upon request by the Inspector General, provide the Inspector General with copies of all law enforcement reports which are relevant to the Inspector General's investigation. All law enforcement reports which have been provided to the Inspector General pursuant to this section are not public records for purposes of sections 84-712 to 84-712.09 and shall not be subject to discovery by any other person or entity. Except to the extent that disclosure of information is otherwise provided for in the Office of Inspector General of the Nebraska Correctional System Act, the Inspector General shall maintain the confidentiality of all law enforcement reports received pursuant to its request under this section. Law enforcement agencies and prosecuting attorneys may, when requested by the Inspector General, collaborate with the Inspector General regarding all other information relevant to the Inspector General's investigation. The Inspector General shall, when requested to do so by a law enforcement agency or prosecuting attorney, suspend an investigation by the office until a criminal investigation or prosecution is completed or has proceeded to a point that, in the judgment of the Inspector General,

reinstatement of the Inspector General's investigation will not impede or infringe upon the criminal investigation or prosecution.

(5) Consistent with the Nebraska Rules of Professional Conduct, counsel for the entity under investigation shall not represent a witness. A witness may request that counsel for the entity under investigation be present while being questioned, but such entity shall not require a witness to make such a request. If such a request is made, the entity under investigation shall inform the witness that such entity's counsel does not represent the witness. For purposes of this subsection, entity under investigation means the entity that is the subject of an investigation under the Office of Inspector General of the Nebraska Correctional System Act and includes the department and a private agency.

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

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

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

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

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

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

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

(3) After receipt of a complaint, the Inspector General shall determine whether the office will conduct a full investigation.

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

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

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

(2) All employees of the department and all owners, operators, managers, supervisors, and employees of private agencies shall cooperate with the office. Cooperation includes, but is not limited to, the following:

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

(b) Fair and honest disclosure of records and information reasonably requested by the office pursuant to the act;

(c) Encouraging employees to fully comply with reasonable requests of the office pursuant to the act;

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

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

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

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

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

Failure to cooperate with an investigation by the office may result in public disclosure of the failure to cooperate.

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

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

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

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

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

(5) In case of disobedience on the part of any employees of the department

or any owners, operators, managers, supervisors, and employees of private agencies to comply with any subpoena issued pursuant to this section, the committee shall vote on whether to find the person in contempt or to find that the failure to comply was not willful.

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

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

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

(1) A full investigation conducted by the office shall consist of (a) access to and retrieval of all relevant records through compliance with a request of the office, by voluntary production, or by subpoena, (b) review of all relevant records, and (c) interviews of all relevant persons. The office may request or request the issuance of a subpoena for any record necessary for the investigation from the department or a private agency that is pertinent to an investigation. All case files, licensing files, medical records, financial and administrative records, and records required to be maintained pursuant to applicable licensing rules shall be produced for review by the office in the course of an investigation.

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

(a) Production of all records requested;

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

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

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

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

(3) The office shall seek access in a manner that respects the dignity and human rights of all persons involved, maintains the integrity of the investigation, and does not unnecessarily disrupt department programs or services.

(4) When circumstances of an audit, inspection, investigation, or review require, the office may make an announced or unannounced visit to a departmental office, a department correctional facility, or a private agency. The office may request relevant records during such visit.

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

(a) That the responsible individual or the administrator has made a diligent search of the departmental office, department correctional facility, or private agency to determine that all appropriate records in existence at the time of the request were produced;

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

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

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

(6) The office shall permit a responsible individual, an administrator, or an employee of a departmental office, a department correctional facility, or a private agency to make photocopies of the original records within a reasonable

time in the presence of the office for purposes of creating a working record in a manner that assures confidentiality.

(7) The office shall present to the responsible individual or the administrator or other employee of the departmental office, department correctional facility, or private agency a copy of the request, stating the date and the titles of the records received.

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

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

(1) Reports of investigations conducted by the office shall not be distributed beyond the entity that is the subject of the report without the consent of the Inspector General.

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

(3) The office may disclose confidential information to the chairperson of the Legislative Oversight Committee at the chairperson's request. The office may also disclose confidential information to the chairperson of the Legislative Oversight Committee, the chairperson of the Executive Board of the Legislative Council, and the chairperson of the Judiciary Committee of the Legislature when such disclosure is, in the judgment of the Director of Legislative Oversight, appropriate to keep the Legislature informed of important events, issues, and developments in the Nebraska correctional system.

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

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

(b) Such report shall be released only:

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

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

(c) If there is disagreement about whether releasing the report would be in the best interest of the public, the chairperson of the Executive Board of the Legislative Council shall make the final decision.

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

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

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

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

(1) The department shall provide the Director of Legislative Oversight and the office with access to records, reports, and documents maintained by the department in connection with administration of the Nebraska correctional system and the Nebraska parole system. The Director of Legislative Oversight's and Inspector General's access to an inmate's or parolee's medical or mental health records shall be subject to the inmate's or parolee's consent unless an inmate's or parolee's death is being investigated pursuant to subdivision (1) (b) of section 50 of this act.

(2) Information shall be provided in the most efficient and timely way, in

a manner that is least burdensome to the department, and in a manner which maintains the confidentiality of the information. This may include providing information through secure electronic access to case files and secure access to information maintained electronically in databases and case management systems. The office, by and through the Executive Board of the Legislative Council, may enter into information-sharing agreements with the department to assist in the implementation of and compliance with the Office of Inspector General of the Nebraska Correctional System Act.

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

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

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

(1) The Inspector General's report of an investigation shall be in writing and may contain recommendations for systemic reform. A report of an investigation shall be presented to the Director of Legislative Oversight and the chairperson of the Legislative Oversight Committee. The Inspector General shall present the report of an investigation to the director within three business days after the report is presented to the Director of Legislative Oversight and the chairperson of the Legislative Oversight Committee.

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

(3) A report that identifies misconduct, misfeasance, malfeasance, violation of statute, or violation of rules and regulations by an employee of

the department or a private agency that is relevant to providing appropriate supervision of an employee may be shared with the employer of such employee. The employer shall not further distribute the report or any confidential information contained in the report.

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

(1) Within fifteen business days after a report is presented to the director under section 58 of this act, the director may determine whether to accept, reject, or request modification of the recommendations contained in the report. Any response shall be in writing and may include corrections of factual errors. The Inspector General, with input from the Director of Legislative Oversight, may consider any request for modifications but is not obligated to accept such request. Such report shall become final (a) upon the decision of the director to accept or reject the recommendations in the report, (b) within fifteen business days after the director requests modifications or after the Inspector General incorporates such modifications, whichever occurs earlier, or (c) fifteen days after the report is presented to the director if no response is made. If the Inspector General does not accept a requested modification, the recommendation for which such modification was requested shall be considered to be rejected by the director.

(2) Within fifteen business days after the report is presented to the director, the report shall be presented to the private agency or other provider of correctional services that is the subject of the report and to persons involved in the implementation of the recommendations in the report. Within fifteen business days after receipt of the report, the private agency or other provider may submit a written response to the office to correct any factual errors in the report. The Inspector General, with input from the Director of Legislative Oversight, shall consider all materials submitted under this subsection to determine whether a corrected report shall be issued. If the Inspector General determines that a corrected report is necessary, the corrected report shall be issued within fifteen business days after receipt of

the written response.

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

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

No report or other work product of an investigation by the Inspector General shall be reviewable in any court. Neither the Inspector General nor any member of the Inspector General's staff shall be required to testify or produce evidence in any judicial or administrative proceeding concerning matters within such person's official cognizance except in a proceeding brought to enforce the Office of Inspector General of the Nebraska Correctional System Act.

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

The Office of Inspector General of the Nebraska Correctional System Act does not require the Inspector General to investigate all complaints. The Inspector General, with input from the Director of Legislative Oversight, shall prioritize and select investigations and inquiries that further the intent of the act and assist in legislative oversight of the Nebraska correctional system. If the Inspector General determines that the office will not investigate a complaint, the Inspector General may recommend to the parties alternative means of resolution of the issues in the complaint.

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

On or before September 15 of each year, the Inspector General shall provide to the Legislature and the Governor a report that includes a summary of reports and investigations made under the Office of Inspector General of the Nebraska Correctional System Act for the preceding year. The report to the Legislature shall be submitted electronically and filed with the Clerk of the

Legislature. The reports shall include findings and recommendations and an update on the status of recommendations made in prior reports, if any. The findings and recommendations may address issues discovered through investigations, audits, inspections, and reviews by the office that will (1) increase accountability and legislative oversight of the Nebraska correctional system, (2) improve operations of the department and the Nebraska correctional system, (3) deter and identify fraud, abuse, and illegal acts, and (4) identify inconsistencies between statutory requirements and requirements for accreditation. The reports shall not contain any confidential or identifying information concerning the subjects of the reports and investigations.

Sec. 63. Section 47-920, Reissue Revised Statutes of Nebraska, is amended to read:

Any person who has authority to recommend, approve, direct, or otherwise take or affect personnel action shall not, with respect to such authority:

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

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

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

Sec. 64. If the Inspector General has reason to believe that any public officer or employee has acted in a manner that warrants criminal or disciplinary action or proceedings, the Inspector General shall report the matter to the department or other appropriate authorities.

Sec. 65. (1) Notwithstanding any other provision of law, the office shall have access to confidential information and confidential records necessary to carry out its responsibilities.

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

(3) If any employee of the office knowingly divulges or makes known, in any manner not permitted by law, confidential information or confidential records, it shall be grounds for dismissal.

Sec. 66. Section 28-711, Reissue Revised Statutes of Nebraska, is amended to read:

28-711 (1) When any physician, any medical institution, any nurse, any school employee, any social worker, the Inspector General appointed under section 28 of this act, or any other person has reasonable cause to believe that a child has been subjected to child abuse or neglect or observes such child being subjected to conditions or circumstances which reasonably would result in child abuse or neglect, he or she shall report such incident or cause a report of child abuse or neglect to be made to the proper law enforcement agency or to the department on the toll-free number established by subsection (2) of this section. Such report may be made orally by telephone with the caller giving his or her name and address, shall be followed by a written report, and to the extent available shall contain the address and age of the abused or neglected child, the address of the person or persons having custody of the abused or neglected child, the nature and extent of the child abuse or neglect or the conditions and circumstances which would reasonably result in such child abuse or neglect, any evidence of previous child abuse or neglect including the nature and extent, and any other information which in the opinion of the person may be helpful in establishing the cause of such child abuse or neglect and the identity of the perpetrator or perpetrators. Law enforcement agencies receiving any reports of child abuse or neglect under this subsection shall notify the department pursuant to section 28-718 on the next working day by telephone or mail.

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

Sec. 67. Section 28-712.01, Revised Statutes Cumulative Supplement, 2024, is amended to read:

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

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

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

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

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

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

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

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

(vii) An allegation that requires a forensic interview at a child advocacy

center or coordination with the child abuse and neglect investigation team pursuant to section 28-728;

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

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

(x) A history of termination of parental rights;

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

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

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

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

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

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

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

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

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

(iii) A family member residing in the home or a caregiver that has been

the subject of a report accepted for traditional response or assigned to alternative response in the past six months.

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

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

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

(5) The department shall make available to the appropriate investigating law enforcement agency, child advocacy center, and county attorney a copy of

all reports relative to a case of suspected child abuse or neglect. Aggregate, nonidentifying data regarding reports of child abuse or neglect receiving an alternative response shall be made available quarterly to requesting agencies outside the department. Such alternative response data shall include, but not be limited to, the nature of the initial child abuse or neglect report, the age of the child or children, the nature of services offered, the location of the cases, the number of cases per month, and the number of alternative response cases that were transferred to traditional response. Other than the office of Inspector General of Nebraska Child Welfare, the Public Counsel, law enforcement agency personnel, child advocacy center employees, and county attorneys, no other agency or individual shall be provided specific, identifying reports of child abuse or neglect being given alternative response. The office of Inspector General of Nebraska Child Welfare shall have access to all reports relative to cases of suspected child abuse or neglect subject to traditional response and those subject to alternative response. The department and the office shall develop procedures allowing for the Inspector General's review of cases subject to alternative response. The Inspector General shall include in the report pursuant to section 41 of this act a summary of all cases reviewed pursuant to this subsection.

Sec. 68. Section 29-2011.02, Revised Statutes Cumulative Supplement, 2024, is amended to read:

29-2011.02 Whenever a witness refuses, on the basis of the privilege against self-incrimination, to testify or to provide other information in a criminal proceeding or investigation before a court, a grand jury, the Auditor of Public Accounts, the Legislative Council, the Legislative Oversight Committee, or a standing committee or a special legislative investigative or oversight committee of the Legislature, the court, on motion of the county attorney, other prosecuting attorney, Auditor of Public Accounts, chairperson of the Executive Board of the Legislative Council, chairperson of the Legislative Oversight Committee, or chairperson of a standing or special committee of the Legislature, may order the witness to testify or to provide

other information. The witness may not refuse to comply with such an order of the court on the basis of the privilege against self-incrimination, but no testimony or other information compelled under the court's order or any information directly or indirectly derived from such testimony or other information may be used against the witness in any criminal case except in a prosecution for perjury, giving a false statement, or failing to comply with the order of the court.

Sec. 69. Section 29-2011.03, Revised Statutes Cumulative Supplement, 2024, is amended to read:

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

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

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

Sec. 70. Section 43-2,108, Revised Statutes Cumulative Supplement, 2024, is amended to read:

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

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

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

subdivision (3)(a) of section 43-247, regarding the juvenile or such juvenile's immediate family, who are the subject of such investigation; and (c) the court of jurisdiction may disseminate such confidential record information to any court, which has jurisdiction of the juvenile who is the subject of such information upon such court's request.

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

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

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

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

(8)(a) Any records concerning a juvenile court petition filed pursuant to subdivision (3)(c) of section 43-247 shall remain confidential except as may be

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

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

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

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

Sec. 71. Section 50-401.01, Revised Statutes Cumulative Supplement, 2024,

is amended to read:

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

(2) The executive board shall:

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

(b) Appoint persons to fill the positions of Legislative Fiscal Analyst, Director of Research, and Revisor of Statutes. The persons appointed to these positions shall have training and experience as determined by the executive board and shall serve at the pleasure of the executive board. Their respective salaries shall be set by the executive board.

(3) Notwithstanding any other provision of law, the executive board may contract to obtain legal, auditing, accounting, actuarial, or other professional services or advice for or on behalf of the executive board, the Legislative Council, the Legislature, or any member of the Legislature. The

providers of such services or advice shall meet or exceed the minimum professional standards or requirements established or specified by their respective professional organizations or licensing entities or by federal law. Such contracts, the deliberations of the executive board with respect to such contracts, and the work product resulting from such contracts shall not be subject to review or approval by any other entity of state government.

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

Sec. 72. Section 50-402, Revised Statutes Cumulative Supplement, 2024, is amended to read:

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

It shall be the duty of the council:

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

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

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

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

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

(6) To establish and maintain a complete and efficient bill drafting service for the purpose of aiding and assisting members of the Legislature and the executive departments of the state in the preparation of bills, resolutions, and measures and in drafting the same in proper form, and for this purpose there shall be assigned to the council for such work, rooms in the

State Capitol conveniently situated in reference to the legislative chamber;

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

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

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

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

Sec. 73. Section 50-406, Reissue Revised Statutes of Nebraska, is amended to read:

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

(2) The Legislative Council may hold public hearings and may administer oaths, issue subpoenas with the prior approval, by a majority vote, of the Executive Board of the Legislative Council to issue subpoenas in connection with the specific inquiry or investigation in question, compel the attendance

of witnesses and the production of any papers, books, accounts, documents, and testimony, and cause the depositions of witnesses to be taken in the manner prescribed by law for taking depositions in civil actions in the district court.

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

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

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

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

(5) When authorized to issue subpoenas under this section, the council or a committee may require any state agency, political subdivision, or person to

provide information relevant to the council's or committee's work, and the state agency, political subdivision, or person shall:

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

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

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

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

Sec. 74. Section 50-406.01, Reissue Revised Statutes of Nebraska, is amended to read:

50-406.01 (1)(a) If a member of the Legislature, the Public Counsel, the Inspector General of Nebraska Child Welfare, the Inspector General of the Nebraska Correctional System, or the Legislative Auditor presents a newly constituted Legislature with a subpoena issued pursuant to section 50-406 or section 18, 33, 54, or 94 of this act during a previous legislative biennium and such subpoena is still pending:

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

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

(b) The vote or votes required in subdivision (1)(a) of this section shall be taken no later than ten days after the day the regular session of the

Legislature commences as provided in Article III, section 10, of the Constitution of Nebraska.

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

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

Sec. 75. Section 50-407, Reissue Revised Statutes of Nebraska, is amended to read:

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

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

committee.

(3) If a witness who has been subpoenaed pursuant to section 50-406 or section 18, 33, 54, or 94 of this act refuses to testify before the council or a committee on the basis of the privilege against self-incrimination, a court order may be requested pursuant to sections 29-2011.02 and 29-2011.03. In the case of a proceeding before the Legislative Council, the request shall be filed by the chairperson of the Executive Board of the Legislative Council. In the case of a proceeding before the Legislative Oversight Committee, a standing committee, or a special legislative investigative or oversight committee, the request shall be filed by the chairperson of such committee.

Sec. 76. Section 50-408, Reissue Revised Statutes of Nebraska, is amended to read:

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

Sec. 77. Section 50-409, Reissue Revised Statutes of Nebraska, is amended to read:

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

Sec. 78. Section 50-410, Reissue Revised Statutes of Nebraska, is amended to read:

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

Sec. 79. Section 50-416, Reissue Revised Statutes of Nebraska, is amended to read:

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

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

Sec. 80. Section 50-418, Reissue Revised Statutes of Nebraska, is amended to read:

50-418 (1) There shall be established within the Legislative Council the Legislative Fiscal Office. The Legislative Fiscal Analyst shall be responsible for hiring, firing, and supervising the fiscal office staff.

(2) The Appropriations Committee shall determine the budgeting and related needs of each agency of state government before and during each session of the Legislature.

Sec. 81. Section 50-420, Reissue Revised Statutes of Nebraska, is amended to read:

50-420 (1) Each officer, board, commission, and department of state government, including the Accounting Administrator of the Department of Administrative Services, shall furnish to the Legislative Fiscal Analyst, upon

request, any information in its possession, including records received from other officers, boards, commissions, or departments of state government, whether such information is retained in computer files or otherwise, if such information is directly related to the performance of the official duties of the Legislative Fiscal Analyst under sections 50-418 to 50-420.

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

Sec. 82. Section 50-1201, Reissue Revised Statutes of Nebraska, is amended to read:

50-1201 Sections 50-1201 to 50-1215 and section 94 of this act shall be known and may be cited as the Legislative Performance Audit Act.

Sec. 83. Section 50-1202, Reissue Revised Statutes of Nebraska, is amended to read:

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

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

(3) It is not the purpose of the act to interfere with the duties of the Public Counsel or the Legislative Fiscal Analyst or to interfere with the statutorily defined investigative responsibilities or prerogative of any executive state officer, agency, board, bureau, commission, association, society, or institution, except that the act shall not be construed to preclude a performance audit of an agency on the basis that another agency has the same

responsibility. The act shall not be construed to interfere with or supplant the responsibilities or prerogative of the Governor to monitor and report on the performance of the agencies, boards, bureaus, commissions, associations, societies, and institutions under his or her administrative direction.

Sec. 84. Section 50-1203, Reissue Revised Statutes of Nebraska, is amended to read:

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

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

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

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

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

(5) Committee means the Legislative Oversight Committee;

(6) Legislative Auditor means the Legislative Auditor appointed under section 50-1204;

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

(8) Office means the Legislative Audit Office;

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

internal control, and compliance with legal or other requirements;

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

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

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

Sec. 85. Section 50-1204, Reissue Revised Statutes of Nebraska, is amended to read:

50-1204 (1) The Legislative Audit Office is established within the Division of Legislative Oversight. The office shall conduct performance audits. The Legislative Auditor shall be appointed by the Director of Legislative Oversight with approval from the chairperson of the Executive Board of the Legislative Council and the chairperson of the committee. The Legislative Auditor shall employ such performance audit and support staff as the Legislative Auditor deems necessary to carry out the duties of the office within the amount available by appropriation through the Division of Legislative Oversight for the Legislative Audit Office. The Legislative Auditor shall be subject to the control and supervision of the Director of Legislative Oversight, except that removal of the Legislative Auditor shall require approval of the chairperson of the committee. The Legislative Auditor may also be removed by a two-thirds majority vote of the committee.

(2) The Legislative Auditor shall ensure that performance audit work conducted by the office conforms with performance audit standards contained in the Government Auditing Standards (2024 Revision) as required in section 50-1205.01. The office shall be the custodian of all records generated by the office except as provided by section 50-1213, subsection (11) of section 77-2711, or subdivision (10)(a) of section 77-27,119. The office shall inform

the Legislative Fiscal Analyst of its activities and consult with him or her as needed. The office shall operate under the general direction of the Director of Legislative Oversight and the committee.

Sec. 86. Section 50-1205, Reissue Revised Statutes of Nebraska, is amended to read:

50-1205 The committee shall:

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

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

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

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

(5) Respond to inquiries regarding performance audits;

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

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

(8) At the request of the Legislative Auditor, issue subpoenas, enforceable by action in an appropriate court, to compel any person to appear, give sworn testimony, or produce documentary or other evidence deemed relevant to a performance audit as provided in section 94 of this act;

(9) Review completed reports prepared by the office, together with comments from the evaluated agency, and adopt recommendations and incorporate them into an audit report;

(10) Release audit reports to the public and distribute them

electronically to the Clerk of the Legislature with or without benefit of a public hearing;

(11) Hold public hearings, at the committee's discretion, for the purpose of receiving testimony prior to issuance of audit reports;

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

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

(14) Consult with the Director of Legislative Oversight and the Legislative Auditor regarding the staffing and budgetary needs of the office;

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

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

Sec. 87. Section 50-1205.01, Reissue Revised Statutes of Nebraska, is amended to read:

50-1205.01 (1) Except as provided in subsections (2) and (3) of this section, performance audits done under the terms of the Legislative Performance Audit Act shall be conducted in accordance with the generally accepted

government auditing standards for performance audits contained in the Government Auditing Standards (2024 Revision), published by the Comptroller General of the United States, Government Accountability Office.

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

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

(4) At the beginning of each biennial legislative session, the Legislative Auditor shall create a plan for meeting such standards and provide the plan to the chairperson of the committee.

Sec. 88. Section 50-1206, Reissue Revised Statutes of Nebraska, is amended to read:

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

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

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

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

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

Sec. 89. Section 50-1209, Revised Statutes Cumulative Supplement, 2024, is amended to read:

50-1209 (1) Tax incentive performance audits shall be conducted by the

office pursuant to this section on the following tax incentive programs:

- (a) The Beginning Farmer Tax Credit Act;
- (b) The Imagine Nebraska Act;
- (c) The Nebraska Advantage Microenterprise Tax Credit Act;
- (d) The Nebraska Advantage Research and Development Act;
- (e) The Nebraska Advantage Rural Development Act;
- (f) The Nebraska Job Creation and Mainstreet Revitalization Act;
- (g) The New Markets Job Growth Investment Act;
- (h) The Urban Redevelopment Act; and

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

(2) The office shall develop a schedule for conducting tax incentive performance audits and shall update the schedule annually. The schedule shall ensure that each tax incentive program is reviewed at least once every five years.

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

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

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

(A) Attracting new business to the state;

(B) Expanding existing businesses;

(C) Increasing employment, particularly employment of full-time workers.

The analysis shall consider whether the job growth in those businesses receiving tax incentives is at least ten percent above industry averages;

(D) Creating high-quality jobs; and

- (E) Increasing business investment;
 - (ii) Revitalizing rural areas and other distressed areas of the state;
 - (iii) Diversifying the state's economy and positioning Nebraska for the future by stimulating entrepreneurial firms, high-tech firms, and renewable energy firms; and
 - (iv) Any other program-specific goals found in the statutes for the tax incentive program being evaluated;
- (b) An analysis of the economic and fiscal impacts of the tax incentive program. The analysis may take into account the following considerations in addition to other relevant factors:
- (i) The costs per full-time worker. When practical and applicable, such costs shall be considered in at least the following two ways:
 - (A) By an estimation including the minimum investment required to qualify for benefits; and
 - (B) By an estimation including all investment;
 - (ii) The extent to which the tax incentive changes business behavior;
 - (iii) The results of the tax incentive for the economy of Nebraska as a whole. This consideration includes both direct and indirect impacts generally and any effects on other Nebraska businesses; and
 - (iv) A comparison to the results of other economic development strategies with similar goals, other policies, or other incentives;
- (c) An assessment of whether adequate protections are in place to ensure the fiscal impact of the tax incentive does not increase substantially beyond the state's expectations in future years;
- (d) An assessment of the fiscal impact of the tax incentive on the budgets of local governments, if applicable; and
- (e) Recommendations for any changes to statutes or rules and regulations that would allow the tax incentive program to be more easily evaluated in the future, including changes to data collection, reporting, sharing of information, and clarification of goals.
- (4) For purposes of this section:

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

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

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

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

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

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

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

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

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

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

(f) New business means a person or unitary group participating in a tax incentive program that did not pay income taxes or wages in the state more than two years prior to submitting an application under the tax incentive program. For any tax incentive program without an application process, new business means a person or unitary group participating in the program that did not pay

income taxes or wages in the state more than two years prior to the first day of the first tax year for which a tax benefit was earned;

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

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

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

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

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

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

(2) When the Legislative Auditor provides the report to the Legislative Fiscal Analyst, the Legislative Fiscal Analyst shall issue an opinion to the committee indicating whether the office's recommendations can be implemented by

the agency within its current appropriation.

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

(4) Following receipt of any written response from the agency, the Legislative Auditor shall prepare a brief written summary of the response, including a description of any significant disagreements the agency has with the office's report or recommendations.

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

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

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

(3) The committee may decide, by majority vote, to defer adoption of an audit report pending a public hearing. If the committee elects to schedule a public hearing, the committee shall release, for review by interested persons prior to the hearing, the office's report, the agency's response, the

Legislative Auditor's summary of the agency's response, and any opinions of the Legislative Fiscal Analyst. The public hearing shall be held not less than ten nor more than twenty business days following release of the materials.

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

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

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

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

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

(3) The committee shall establish a system to ascertain and monitor agency

conformity to the recommendations contained in the audit report and compliance with any statutory changes resulting from the report recommendations.

(4) Based on the tax incentive performance audit report, the Revenue Committee of the Legislature shall electronically report its recommendation about whether to extend the sunset date for the audited program to the Legislature by December 1 of the year prior to such program's sunset date.

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

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

(2) Upon receipt of a written request by the office for access to any information or records, the agency shall provide to the office as soon as is practicable and without delay, but not more than three business days after actual receipt of the request, either (a) the requested materials or (b)(i) if there is a legal basis for refusal to comply with the request, a written denial of the request together with the information specified in subsection (1) of this section or (ii) if the entire request cannot with reasonable good faith efforts be fulfilled within three business days after actual receipt of the request due to the significant difficulty or the extensiveness of the request, a written explanation, including the earliest practicable date for fulfilling

the request, and an opportunity for the office to modify or prioritize the items within the request. No delay due to the significant difficulty or the extensiveness of a request for access to information or records shall exceed three calendar weeks after actual receipt of such request by any agency. The three business days shall be computed by excluding the day the request is received, after which the designated period of time begins to run. Business day does not include a Saturday, a Sunday, or a day during which the offices of the custodian of the public records are closed.

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

(4) Except as provided in subsection (11) of section 77-2711 and subdivision (10)(d) of section 77-27,119, if any employee of the office knowingly divulges or makes known, in any manner not permitted by law, confidential information or confidential records, it shall be grounds for dismissal.

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

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

would be considered confidential when in the possession of the office.

Sec. 94. (1) At the request of the Legislative Auditor, and after receiving prior approval by a majority vote of the Executive Board of the Legislative Council, the committee may issue subpoenas in connection with a performance audit being conducted by the office to compel the production of records and information and sworn testimony or other evidence relevant to such performance audit. The committee shall vote to determine whether to issue a subpoena within ten days after receipt of the request.

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

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

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

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

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

(7) A person required to provide information under this section shall be paid the same fees and travel allowances and shall be accorded the same privileges and immunities as are extended to witnesses in the district courts of this state and shall also be entitled to have counsel present while being questioned. Consistent with the Nebraska Rules of Professional Conduct, counsel for the agency that is the subject of the performance audit shall not represent a witness. A witness may request that agency counsel be present while being questioned, but the agency shall not require a witness to make such a request. If such a request is made, the agency shall inform the witness that agency counsel does not represent the witness. Any fees associated with counsel present under this section shall not be the responsibility of the office or the Legislative Council.

Sec. 95. Section 50-1303, Reissue Revised Statutes of Nebraska, is amended to read:

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

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

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

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

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

Legislative Oversight Committee.

Sec. 96. Section 50-1304, Reissue Revised Statutes of Nebraska, is amended to read:

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

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

Sec. 97. Section 73-401, Reissue Revised Statutes of Nebraska, is amended to read:

73-401 Except for long-term care facilities subject to the jurisdiction of the state long-term care ombudsman pursuant to the Long-Term Care Ombudsman Act, the contracting agency shall ensure that any contract which a state agency enters into or renews which agrees that a corporation, partnership, business, firm, governmental entity, or person shall provide health and human services to individuals or service delivery, service coordination, or case management on behalf of the State of Nebraska shall contain a clause requiring the corporation, partnership, business, firm, governmental entity, or person to submit to the jurisdiction of the Public Counsel pursuant to the Office of Public Counsel Act with respect to the provision of services under the contract.

Sec. 98. Section 77-2711, Revised Statutes Cumulative Supplement, 2024, is amended to read:

77-2711 (1)(a) The Tax Commissioner shall enforce sections 77-2701.04 to 77-2713 and may prescribe, adopt, and enforce rules and regulations relating to

the administration and enforcement of such sections.

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

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

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

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

(4) The Tax Commissioner or any person authorized in writing by him or her may examine the books, papers, records, and equipment of any person selling property and any person liable for the use tax and may investigate the character of the business of the person in order to verify the accuracy of any return made or, if no return is made by the person, to ascertain and determine the amount required to be paid. In the examination of any person selling property or of any person liable for the use tax, an inquiry shall be made as to the accuracy of the reporting of city and county sales and use taxes for which the person is liable under the Local Option Revenue Act or sections 13-319, 13-324, 13-2813, and 77-6403 and the accuracy of the allocation made between the various counties, cities, villages, and municipal counties of the tax due. The Tax Commissioner may make or cause to be made copies of resale or exemption certificates and may pay a reasonable amount to the person having custody of the records for providing such copies.

(5) The taxpayer shall have the right to keep or store his or her records at a point outside this state and shall make his or her records available to

the Tax Commissioner at all times.

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

(7) It shall be a Class I misdemeanor for the Tax Commissioner or any official or employee of the Tax Commissioner, the State Treasurer, or the Department of Administrative Services to make known in any manner whatever the business affairs, operations, or information obtained by an investigation of records and activities of any retailer or any other person visited or examined in the discharge of official duty or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any return, or to permit any return or copy thereof, or any book containing any abstract or particulars thereof to be seen or examined by any person not connected with the Tax Commissioner. Nothing in this section shall be construed to prohibit (a) the delivery to a taxpayer, his or her duly authorized representative, or his or her successors, receivers, trustees, executors, administrators, assignees, or guarantors, if directly interested, of a certified copy of any return or report in connection with his or her tax, (b) the publication of statistics so classified as to prevent the identification of particular reports or returns and the items thereof, (c) the inspection by the Attorney General, other legal representative of the state, or county attorney of the reports or returns of any taxpayer when either (i) information on the reports or returns is considered by the Attorney General to be relevant to any action or proceeding instituted by the taxpayer or against whom an action or proceeding is being considered or has been commenced by any state agency or the county or (ii) the taxpayer has instituted an action to review the tax based

thereon or an action or proceeding against the taxpayer for collection of tax or failure to comply with the Nebraska Revenue Act of 1967 is being considered or has been commenced, (d) the furnishing of any information to the United States Government or to states allowing similar privileges to the Tax Commissioner, (e) the disclosure of information and records to a collection agency contracting with the Tax Commissioner pursuant to sections 77-377.01 to 77-377.04, (f) the disclosure to another party to a transaction of information and records concerning the transaction between the taxpayer and the other party, (g) the disclosure of information pursuant to section 77-27,195, 77-5731, 77-6837, 77-6839, or 77-6928, or (h) the disclosure of information to the Department of Labor necessary for the administration of the Employment Security Law, the Contractor Registration Act, or the Employee Classification Act.

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

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

(10) Notwithstanding the provisions of subsection (7) of this section, the Tax Commissioner may, upon request, provide the county board of any county which has exercised the authority granted by section 81-3716 with a list of the

names and addresses of the hotels located within the county for which lodging sales tax returns have been filed or for which lodging sales taxes have been remitted for the county's County Visitors Promotion Fund under the Nebraska Visitors Development Act.

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

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

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

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

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

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

(b) Return information means:

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

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

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

(13) Notwithstanding the provisions of subsection (7) of this section, the Tax Commissioner shall, upon request, provide any municipality which has adopted the local option sales tax under the Local Option Revenue Act with a list of the names and addresses of the retailers which have collected the local option sales tax for the municipality. The request may be made annually and shall be submitted to the Tax Commissioner on or before June 30 of each year. The information provided by the Tax Commissioner shall indicate only the names and addresses of the retailers. The Tax Commissioner may provide additional

information to a municipality so long as the information does not include any data detailing the specific revenue, expenses, or operations of any particular business.

(14)(a) Notwithstanding the provisions of subsection (7) of this section, the Tax Commissioner shall, upon written request, provide an individual certified under subdivision (b) of this subsection representing a municipality which has adopted the local option sales and use tax under the Local Option Revenue Act with confidential sales and use tax returns and sales and use tax return information regarding taxpayers that possess a sales tax permit and the amounts remitted by such permit holders at locations within the boundaries of the requesting municipality or with confidential business use tax returns and business use tax return information regarding taxpayers that file a Nebraska and Local Business Use Tax Return and the amounts remitted by such taxpayers at locations within the boundaries of the requesting municipality. Any written request pursuant to this subsection shall provide the Department of Revenue with no less than ten business days to prepare the sales and use tax returns and sales and use tax return information requested. The individual certified under subdivision (b) of this subsection shall review such returns and return information only upon the premises of the department, except that such limitation shall not apply if the certifying municipality has an agreement in effect under the Nebraska Advantage Transformational Tourism and Redevelopment Act. In such case, the individual certified under subdivision (b) of this subsection may request that copies of such returns and return information be sent to him or her by electronic transmission, secured in a manner as determined by the Tax Commissioner.

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

administrative services.

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

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

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

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

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

(b) For purposes of this subsection:

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

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

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

(c) The state agrees that a fundamental precept for model 1 sellers is to preserve the privacy of consumers by protecting their anonymity. With very

limited exceptions, a certified service provider shall perform its tax calculation, remittance, and reporting functions without retaining the personally identifiable information of consumers.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 99. Section 77-27,119, Revised Statutes Cumulative Supplement, 2024, is amended to read:

77-27,119 (1) The Tax Commissioner shall administer and enforce the income tax imposed by sections 77-2714 to 77-27,135, and he or she is authorized to conduct hearings, to adopt and promulgate such rules and regulations, and to require such facts and information to be reported as he or she may deem necessary to enforce the income tax provisions of such sections, except that

such rules, regulations, and reports shall not be inconsistent with the laws of this state or the laws of the United States. The Tax Commissioner may for enforcement and administrative purposes divide the state into a reasonable number of districts in which branch offices may be maintained.

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

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

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

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

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

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

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

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

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

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

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

(8) Notwithstanding the provisions of subsection (6) of this section, the Tax Commissioner may permit the Secretary of the Treasury of the United States or his or her delegates or the proper officer of any state imposing an income tax, or the authorized representative of either such officer, to inspect the

income tax returns of any taxpayer or may furnish to such officer or his or her authorized representative an abstract of the return of income of any taxpayer or supply him or her with information concerning an item of income contained in any return or disclosed by the report of any investigation of the income or return of income of any taxpayer, but such permission shall be granted only if the statutes of the United States or of such other state, as the case may be, grant substantially similar privileges to the Tax Commissioner of this state as the officer charged with the administration of the income tax imposed by sections 77-2714 to 77-27,135.

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

(10)(a) Notwithstanding the provisions of subsection (6) of this section, the Tax Commissioner shall, upon written request by the Auditor of Public Accounts or the Legislative Audit Office, make tax returns and tax return information open to inspection by or disclosure to officers and employees of the Auditor of Public Accounts or employees of the Legislative Audit Office for the purpose of and to the extent necessary in making an audit of the Department of Revenue pursuant to section 50-1205 or 84-304. The Auditor of Public Accounts or Legislative Audit Office shall statistically and randomly select the tax returns and tax return information to be audited based upon a computer tape provided by the Department of Revenue which contains only total population documents without specific identification of taxpayers. The Tax Commissioner shall have the authority to approve the statistical sampling method used by the Auditor of Public Accounts or Legislative Audit Office. Confidential tax

returns and tax return information shall be audited only upon the premises of the Department of Revenue. All audit workpapers pertaining to the audit of the Department of Revenue shall be stored in a secure place in the Department of Revenue.

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

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

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

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

(a) Tax returns shall mean any tax or information return or claim for refund required by, provided for, or permitted under sections 77-2714 to 77-27,135 which is filed with the Tax Commissioner by, on behalf of, or with

respect to any person and any amendment or supplement thereto, including supporting schedules, attachments, or lists which are supplemental to or part of the filed return;

(b) Return information shall mean:

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

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

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

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

(13) The Auditor of Public Accounts or the Legislative Audit Office shall, as a condition for receiving tax returns and tax return information: (a) Subject employees involved in the audit to the same confidential information safeguards and disclosure procedures as required of Department of Revenue employees; (b) establish and maintain a permanent system of standardized records with respect to any request for tax returns or tax return information,

the reason for such request, and the date of such request and any disclosure of the tax return or tax return information; (c) establish and maintain a secure area or place in the Department of Revenue in which the tax returns, tax return information, or audit workpapers shall be stored; (d) restrict access to the tax returns or tax return information only to persons whose duties or responsibilities require access; (e) provide such other safeguards as the Tax Commissioner determines to be necessary or appropriate to protect the confidentiality of the tax returns or tax return information; (f) provide a report to the Tax Commissioner which describes the procedures established and utilized by the Auditor of Public Accounts or Legislative Audit Office for insuring the confidentiality of tax returns, tax return information, and audit workpapers; and (g) upon completion of use of such returns or tax return information, return to the Tax Commissioner such returns or tax return information, along with any copies.

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

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

Sec. 100. Section 81-1114, Reissue Revised Statutes of Nebraska, is amended to read:

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

(1) Shall prepare, for submittal to the Governor and to the Legislative

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

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

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

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

Sec. 101. Section 83-178, Reissue Revised Statutes of Nebraska, is amended to read:

83-178 (1) The director shall establish and maintain, in accordance with

the regulations of the department, an individual file for each person committed to the department. Each individual file shall include, when available and appropriate, the following information on such person:

- (a) Such person's admission summary;
- (b) Such person's presentence investigation report;
- (c) Such person's classification report and recommendation;
- (d) Official records of such person's conviction and commitment as well as any earlier criminal records;
- (e) Progress reports and admission-orientation reports;
- (f) Reports of any disciplinary infractions and of their disposition;
- (g) Such person's parole plan; and
- (h) Other pertinent data concerning such person's background, conduct, associations, and family relationships.

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

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

(4) The chief executive officer of the facility shall have final authority to determine matters of treatment classification within such officer's facility

and to recommend to the director the transfer of any person committed to the department who is in such officer's custody.

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

(6) Nothing in this section shall be construed to limit in any manner the authority of the Public Counsel or the Inspector General of the Nebraska Correctional System to inspect and examine the records and documents of the department pursuant to the Office of Public Counsel Act or the Office of Inspector General of the Nebraska Correctional System Act, except that the Public Counsel's or Inspector General's access to an inmate's medical or mental health records shall be subject to the inmate's consent unless an inmate's death is being investigated by the Public Counsel or Inspector General. The office of Public Counsel and the office of Inspector General of the Nebraska Correctional System shall not disclose an inmate's medical or mental health records to anyone else, including any person committed to the department, except as authorized by law.

Sec. 102. Section 83-1,125.01, Reissue Revised Statutes of Nebraska, is amended to read:

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

- (a) Admission summary;
- (b) Presentence investigation report;
- (c) Classification reports and recommendations;
- (d) Official records of conviction and commitment along with any earlier criminal records;
- (e) Progress reports and admission-orientation reports;
- (f) Reports of any disciplinary infractions and their disposition;

- (g) Risk and needs assessments;
- (h) Parole plan and parole placement and investigation worksheets;
- (i) Decision guideline scores;
- (j) Parole case plan;
- (k) Parole progress reports and contact notes;
- (l) Arrest and violation reports, including disposition;
- (m) Parole proceedings orders and notices;
- (n) Other documents related to parole supervision;
- (o) Correspondence; and
- (p) Other pertinent data concerning his or her background, conduct, associations, and family relationships.

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

(3) Nothing in this section limits in any manner the authority of the Public Counsel to inspect and examine the records and documents of the board and the department pursuant to the Office of Public Counsel Act, except that the Public Counsel's access to the medical or mental health records of a person under the jurisdiction of the board shall be subject to his or her consent. The office of Public Counsel shall not disclose the medical or mental health records of a person under the jurisdiction of the board to anyone else,

including any other person under the jurisdiction of the board, except as authorized by law.

(4) For any person under the jurisdiction of the Board of Parole, the board shall provide such person's (a) name, (b) parole officer, and (c) conditions of parole to the Nebraska Commission on Law Enforcement and Criminal Justice which shall provide access to such information to law enforcement agencies through the state's criminal justice information system.

Sec. 103. Section 84-304, Reissue Revised Statutes of Nebraska, is amended to read:

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

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

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

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

Comptroller General of the United States, Government Accountability Office.

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

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

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

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

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

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

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

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

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

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

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

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

audit period shall begin for the fire protection district if its expenditures are one hundred fifty thousand dollars or less per fiscal year in subsequent years;

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

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

(9)(a) To examine or cause to be examined the books, accounts, vouchers, and records related to any money transferred pursuant to subsection (2) or (4) of section 79-3501, any fund receiving any such transfer, or any subsequent transfer or expenditure of such money when the Auditor of Public Accounts

determines such examination necessary or when requested by (i) any department or agency receiving any such transfer or acting as the administrator for a fund receiving any such transfer, (ii) any recipient or subsequent recipient of money disbursed from any such fund, or (iii) any service contractor responsible for managing, on behalf of any entity, any portion of any such fund or any money disbursed from any such fund.

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

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

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

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

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

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

(13) In consultation with statewide associations representing (a) counties

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

Sec. 104. Section 84-311, Reissue Revised Statutes of Nebraska, is amended to read:

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

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

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

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

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

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

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

Sec. 105. Section 84-322, Reissue Revised Statutes of Nebraska, is amended to read:

84-322 The Auditor of Public Accounts, when expressly authorized by a majority vote of the members of the Legislative Oversight Committee, may conduct performance audits of state executive branch offices, state agencies,

state bureaus, state boards, state commissions, the state library, societies and associations supported by the state, state institutions, state colleges, and the University of Nebraska. The auditor shall issue the performance audit report to the Governor, the appropriate standing committee of the Legislature, and the Legislative Oversight Committee. The report submitted to the committees of the Legislature shall be submitted electronically.

Sec. 106. Section 84-910, Reissue Revised Statutes of Nebraska, is amended to read:

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

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

Sec. 107. The Revisor of Statutes shall assign sections 1 to 65 of this act to Chapter 50.

Sec. 108. Original sections 28-711, 43-4302, 43-4303, 43-4317, 43-4320,

43-4321, 43-4322, 43-4324, 43-4326, 43-4329, 43-4330, 47-901, 47-902, 47-903, 47-904, 47-905, 47-907, 47-908, 47-909, 47-910, 47-911, 47-912, 47-913, 47-914, 47-915, 47-916, 47-917, 47-918, 47-920, 50-406, 50-406.01, 50-407, 50-408, 50-409, 50-410, 50-416, 50-418, 50-420, 50-1201, 50-1202, 50-1203, 50-1204, 50-1205, 50-1205.01, 50-1206, 50-1210, 50-1211, 50-1212, 50-1213, 50-1303, 50-1304, 73-401, 81-8,240, 81-8,241, 81-8,242, 81-8,243, 81-8,244, 81-8,245, 81-8,246, 81-8,247, 81-8,248, 81-8,249, 81-8,250, 81-8,251, 81-8,252, 81-8,253, 81-8,254, 81-1114, 83-178, 83-1,125.01, 84-304, 84-311, 84-322, and 84-910, Reissue Revised Statutes of Nebraska, and sections 28-712.01, 29-2011.02, 29-2011.03, 43-2,108, 43-4301, 43-4318, 43-4323, 43-4325, 43-4327, 43-4328, 43-4331, 43-4332, 50-401.01, 50-402, 50-1209, 77-2711, and 77-27,119, Revised Statutes Cumulative Supplement, 2024, are repealed.

Sec. 109. The following sections are outright repealed: Sections 43-4304, 43-4304.01, 43-4304.02, 43-4305, 43-4306, 43-4306.01, 43-4307, 43-4307.01, 43-4308, 43-4309, 43-4310, 43-4311, 43-4312, 43-4313, 43-4314, 43-4315, 43-4316, 43-4319, 47-906, 47-919, and 50-421, Reissue Revised Statutes of Nebraska.

Sec. 110. Since an emergency exists, this act takes effect when passed and approved according to law.

PRESIDENT OF THE LEGISLATURE

*THIS IS TO CERTIFY that the within LB 298 was passed by the One Hundred Ninth
Legislature of Nebraska at its First Session on the day
of 20.....*

CLERK OF THE LEGISLATURE

Approved:

..... 20....., o'clockM.

GOVERNOR