LEGISLATIVE BILL 666

Approved by the Governor May 14, 2001

Introduced by Building Maintenance Committee: Vrtiska, 1, Chairperson;
Hilgert, 7; Janssen, 15; Jensen, 20; D. Pederson, 42;
Wehrbein, 2

AN ACT relating to state government; to amend sections 81-188.02 and
81-1108.15, Revised Statutes Supplement, 2000; to change provisions
relating to depreciation charges; to harmonize provisions; to
provide an operative date; to repeal the original sections; and to
declare an emergency.

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

Section 1. Section 81-188.02, Revised Statutes Supplement, 2000, is
amended to read:

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

(2) Beginning with the fiscal year subsequent to substantial
completion of a capital improvement project as defined in subdivisions (1)(a)
through (1)(c) of this section or acquisition of a capital improvement project
as defined in subdivisions (1)(d) and (1)(e) of this section, the department
shall assess a capital improvement depreciation charge to the agency
maintaining ownership or control of the related facility, structure, or
building and shall assess such charge for each fiscal year thereafter.

(3) The annual depreciation charge for a capital improvement project
as defined in subdivisions (1)(a) through (1)(c) of this section shall be
computed as two percent of the total project cost of the capital improvement
project. The annual depreciation charge for a capital improvement project as
defined in subdivision (1)(d) of this section shall be computed as two percent
of the greater of the purchase price or the value, as determined by the
department, of the capital improvement project at the time of acquisition.
The annual depreciation charge for a capital improvement project as defined in
subdivision (1)(e) of this section shall be computed as two percent of the
value, as determined by the department, of the capital improvement project at
the time of acquisition. The department may assess the charge annually or in
monthly, quarterly, or semiannual installments.

(4)(a) Depreciation charges shall be assessed for capital
improvement projects as defined in subdivisions (1)(a) through (1)(d) of this
section for which funds have been appropriated for fiscal year 1997-98
and fiscal years thereafter, excluding reappropriation of fiscal year 1996-97
or prior period undisbursed appropriation balances, or (b) (ii) which are to
be completed or acquired by means other than the expenditure of appropriated
funds and which are either initiated or acquired in fiscal year 1997-98 and
fiscal years thereafter.

(b) Depreciation charges shall be assessed for capital improvement
projects as defined in subdivision (1)(e) of this section for capital improvement
projects acquired, either by expenditure of appropriated funds or other means,
in fiscal year 1997-98 and fiscal years thereafter. Depreciation
charges shall not be assessed pursuant to this section to capital improvement
projects relating to facilities, structures, or buildings exempt pursuant to
subsection (4) of section 81-1108.15; and depreciation owned, leased, or
operated by the: (i) University of Nebraska; (ii) Nebraska state colleges;
(iii) Department of Aeronautics; (iv) Department of Roads; (v) Game and Parks
Commission; or (vi) Board of Educational Lands and Funds or to other buildings
or grounds owned, leased, or operated by the State of Nebraska which are
specifically exempted by the Department of Administrative Services because the
assessment of such depreciation charges would result in the ineligibility for
federal funding or would result in hardship on an agency, board, or commission
due to other exceptional or unusual circumstances. Depreciation charges shall
not be assessed pursuant to this section for capital improvement projects
relating to facilities, structures, or buildings of which the department is
custodian pursuant to section 81-1108.17 and for which charges are assessed pursuant to subdivision (6)(b) of such section.

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

Sec. 2. Section 81-1108.15, Revised Statutes Supplement, 2000, is amended to read:

81-1108.15. (1) The division shall have the primary functions and responsibilities of statewide facilities planning, facilities construction, and facilities administration and shall adopt and promulgate rules and regulations to carry out this section.

(2) Facilities planning shall include the following responsibilities and duties:

(a) To maintain utilization records of all state-owned, state-occupied, and vacant facilities;

(b) To coordinate comprehensive capital facilities planning;

(c) To define and review program statements based on space utilization standards;

(d) To prepare or review planning and construction documents;

(e) To develop and maintain time-cost schedules for capital construction projects;

(f) To assist the Governor and the Legislative Fiscal Analyst in the preparation of the capital construction budget recommendations;

(g) To maintain a complete inventory of all state-owned, state-occupied, and vacant sites and structures and to review the proposals for naming such sites and structures;

(h) To determine space needs of all state agencies and establish space-allocation standards; and

(i) To cause a state comprehensive capital facilities plan to be developed.

(3) Facilities construction shall include the following powers and duties:

(a) To maintain close contact with and inspections of each project so as to assure execution of time-cost schedules and efficient contract performance if such project's total design and construction cost is more than fifty thousand dollars;

(b) To perform final acceptance inspections and evaluations; and

(c) To coordinate all change or modification orders and progress payment orders.

(4) Facilities administration shall include the following powers and duties:

(a) To serve as state leasing administrator or agent for all facilities to be leased for use by the state and for all state-owned facilities to be rented to state agencies or other parties subject to section 81-1108.22. The division shall remit the proceeds from any rentals of state-owned facilities to the State Treasurer for credit to the State Building Revolving Fund and the State Building Renewal Allocation Assessment Fund;

(b) To provide all maintenance, repairs, custodial duties, security, and administration for all buildings and grounds owned or leased by the State of Nebraska except as provided in subsection (5) of this section;

(c) To procure and manage office space and assign the remaining office space after the Executive Board of the Legislative Council has made its determination pursuant to subsection (1) of section 81-1108.21;

(d) To be responsible for adequate parking and the designation of parking stalls or spaces in offstreet parking facilities for the exclusive use of handicapped or disabled or temporarily handicapped or disabled persons pursuant to section 18-1737;

(e) To ensure that all state-owned, state-occupied, and vacant facilities are maintained or utilized to their maximum capacity or to dispose of such facilities through lease, sale, or demolition;

(f) To report monthly time-cost data on projects to the Governor and the Clerk of the Legislature;

(g) To administer the State Emergency Capital Construction Contingency Fund;

(h) To submit status reports to the Governor and the Legislative Fiscal Analyst after each quarter of a construction project is completed detailing change orders and expenditures to date. Such reports shall be required on all projects costing five hundred thousand dollars or more and on such other projects as may be designated by the division; and

(i) To submit a final report on each project to the Governor and the Legislative Fiscal Analyst. Such report shall include, but not be limited to, a comparison of final costs and appropriations made for the project, change
orders, and modifications and whether the construction complied with the
related approved program statement. Such reports shall be required on all
projects costing five hundred thousand dollars or more and on such other
projects as may be designated by the division.

(5) Subdivisions (4)(a) through (4)(e) (4)(b), (d), and (e) of this
section shall not apply to (a) state-owned facilities to be rented to state
agencies or other parties by the University of Nebraska, the Nebraska state
colleges, the Department of Aeronautics, the Department of Roads, and the
Board of Educational Lands and Funds, (b) buildings and grounds owned or
leased for use by the University of Nebraska, the Nebraska state colleges, and
the Board of Educational Lands and Funds, (c) buildings and grounds owned,
leased, or operated by the Department of Correctional Services, (d) facilities
to be leased for nonoffice use by the Department of Roads, (e) buildings or
grounds owned or leased by the Game and Parks Commission if the application
of such subdivisions to the buildings or grounds would result in ineligibility
for or repayment of federal funding, (f) buildings or grounds of the state
park system, state recreation areas, state historical parks, state wildlife
management areas, or state recreational trails, or (g) other buildings or
grounds owned or leased by the State of Nebraska which are specifically
exempted by the division because the application of such subdivisions would
result in the ineligibility for federal funding or would result in hardship on
an agency, board, or commission due to other exceptional or unusual
circumstances, except that nothing in this subdivision shall prohibit the
assessment of building rental depreciation charges to tenants of facilities
owned by the state and under the direct control and maintenance of the
division.

(6) Each member of the Legislature shall receive a copy of the
reports required by subdivisions (4)(f), (h), and (i) of this section by
making a request for them to the administrator. The information on such
reports shall be submitted to the division by the agency responsible for the
project.

Sec. 3. This act becomes operative on July 1, 2001.
Sec. 4. Original sections 81-1188.02 and 81-1108.15, Revised
Statutes Supplement, 2000, are repealed.
Sec. 5. Since an emergency exists, this act takes effect when
passed and approved according to law.