

## LEGISLATIVE BILL 113

Approved by the Governor May 25, 1999

Introduced by Cudaback, 36

AN ACT relating to government; to amend sections 77-912, 77-913, 81-1317, 81-1317.01, and 84-1601, Revised Statutes Supplement, 1998; to create the state purchasing card program; to authorize purchasing card programs for political subdivisions; to change funding provisions; to change employee benefit provisions; to harmonize provisions; to repeal the original sections; and to declare an emergency.

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

Section 1. (1) A state purchasing card program shall be created. The State Treasurer and the Director of Administrative Services shall determine the type of purchasing card or cards utilized in the state purchasing card program. The State Treasurer shall contract with one or more financial institutions, card-issuing banks, credit card companies, charge card companies, debit card companies, or third-party merchant banks capable of operating the state purchasing card program on behalf of the state and those political subdivisions that participate in the state contract for such services. After the state purchasing card program has been in existence for two years, a joint report issued from the State Treasurer and the director shall be submitted to the Legislature and the Governor not later than January 1, 2001. The report shall include, but not be limited to, the utilization, costs, and benefits of the program. The state purchasing card program shall be administered by the Department of Administrative Services. The department may adopt and promulgate rules and regulations as needed for the implementation of the state purchasing card program. The department shall adopt and promulgate rules and regulations providing authorization instructions for all transactions. Expenses associated with the state purchasing card program shall be considered, for purposes of this section, as an administrative or operational expense.

(2) Any state official, state agency, or political subdivision may utilize the state purchasing card program for the purchase of goods and services for and on behalf of the State of Nebraska.

(3) Vendors accepting the state's purchasing card shall obtain authorization for all transactions in accordance with the department's authorization instructions. Authorization shall be from the financial institution, card-issuing bank, credit card company, charge card company, debit card company, or third-party merchant bank contracted to provide such service to the State of Nebraska. Each transaction shall be authorized in accordance with the instructions provided by the department for each state official, state agency, or political subdivision.

(4) An itemized receipt for purposes of tracking expenditures shall accompany all state purchasing card purchases. In the event that an itemized receipt does not accompany such a purchase, the Department of Administrative Services shall have the authority to temporarily or permanently suspend state purchasing card purchases in accordance with rules and regulations adopted and promulgated by the department.

(5) Upon the termination or suspension of employment of an individual using a state purchasing card, such individual's state purchasing card account shall be immediately closed and he or she shall return the state purchasing card to the department or agency from which it was obtained.

(6) No officer or employee of the state shall use a state purchasing card for any unauthorized use as determined by the department by rule and regulation.

Sec. 2. (1) A political subdivision, through its governing body, may create its own purchasing card program. The governing body shall determine the type of purchasing card or cards utilized in the purchasing card program and shall approve or disapprove those persons who will be assigned a purchasing card. Under the direction of its governing body, any political subdivision may contract with one or more financial institutions, card-issuing banks, credit card companies, charge card companies, debit card companies, or third-party merchant banks capable of operating the purchasing card program on behalf of the political subdivision. Expenses associated with the political subdivision's purchasing card program shall be considered, for purposes of this section, as an administrative or operational expense.

(2) Any political subdivision may utilize its purchasing card

program for the purchase of goods and services for and on behalf of the political subdivision.

(3) Vendors accepting a political subdivision's purchasing card shall obtain authorization for all transactions. Authorization shall be from the financial institution, card-issuing bank, credit card company, charge card company, debit card company, or third-party merchant bank contracted to provide such service to the political subdivision. Each transaction shall be authorized in accordance with the instructions provided by the political subdivision.

(4) An itemized receipt for purposes of tracking expenditures shall accompany all purchasing card purchases. In the event that a receipt does not accompany such a purchase, purchasing card privileges shall be temporarily or permanently suspended in accordance with rules and regulations adopted and promulgated by the political subdivision.

(5) Upon the termination or suspension of employment of an individual using a purchasing card, such individual's purchasing card account shall be immediately closed and he or she shall return the purchasing card to the political subdivision.

(6) No officer or employee of a political subdivision shall use a political subdivision purchasing card for any unauthorized use as determined by the governing body.

Sec. 3. Section 77-912, Revised Statutes Supplement, 1998, is amended to read:

77-912. The Director of Insurance shall transmit fifty percent of the taxes paid in conformity with Chapter 44, article 1, and Chapter 77, article 9, to the State Treasurer, forty percent of such taxes paid to the General Fund, and ten percent of such taxes paid to the Mutual Finance Assistance Fund promptly upon completion of his or her audit and examination and in no event later than May 1 of each year, except that:

(1) All fire insurance taxes paid pursuant to sections 44-150 and 81-523 shall be remitted to the State Treasurer for credit to the Fire Insurance Tax Fund;

(2) All workers' compensation insurance taxes paid pursuant to section 44-150 shall be remitted to the State Treasurer for credit to the Compensation Court Cash Fund; and

(3) On ~~August 1, 1996~~, and each ~~August 1 thereafter~~ through August 1, 1999, the State Treasurer shall transfer one hundred thousand dollars to the Nebraska Local Government Innovation and Restructuring Fund.

Sec. 4. Section 77-913, Revised Statutes Supplement, 1998, is amended to read:

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

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

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

(2)(a) ~~Until July 1, 1998, thirty percent of the total shall be allocated to incorporated municipalities proportionately in the proportion that the population of each incorporated municipality bears to the total population of all incorporated municipalities, as determined by the last federal decennial census; and~~

~~(b) On and after July 1, 1998, thirty~~ Thirty percent of the total shall be allocated to the Municipal Equalization Fund; and

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

during the ensuing fiscal year.

Sec. 5. Section 81-1317, Revised Statutes Supplement, 1998, is amended to read:

81-1317. Except as may be prohibited by the Industrial Relations Act or the State Employees Collective Bargaining Act and except for the pay increases provided by the Legislature, the Director of Personnel shall have authority to establish programs and otherwise adjust terms and conditions of employment for ~~FY1997-98 and FY1998-99~~ FY1999-00 and FY2000-01 for employees not covered by collective-bargaining agreements, including terms and conditions of employment which may not be specifically provided or may otherwise be provided by law, in order to make such terms and conditions of employment more consistent with those of such covered employees or otherwise address changes arising out of collective bargaining, but in no event shall the adjustment exceed the benefits derived from collective bargaining.

Sec. 6. Section 81-1317.01, Revised Statutes Supplement, 1998, is amended to read:

81-1317.01. Except for employees of the University of Nebraska and the state colleges and except as may be prohibited by the Industrial Relations Act or the State Employees Collective Bargaining Act, terms and conditions of employment which may otherwise be provided by law for employees not covered under the State Personnel System may be adjusted by the employer-representative as defined in section 81-1371 for ~~FY1997-98 and FY1998-99~~ FY1999-00 and FY2000-01 to address changes arising out of collective bargaining, but in no event shall the adjustment exceed the benefits derived from collective bargaining.

Sec. 7. Section 84-1601, Revised Statutes Supplement, 1998, is amended to read:

84-1601. (1) There is hereby established a program of group life and health insurance for all permanent employees of this state who work one-half or more of the regularly scheduled hours during each pay period, excluding employees of the University of Nebraska, the state colleges, and the community colleges. Such program shall be known as the Nebraska State Insurance Program and shall replace any current program of such insurance in effect in any agency and funded in whole or in part by state contributions.

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

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

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

Sec. 8. Original sections 77-912, 77-913, 81-1317, 81-1317.01, and 84-1601, Revised Statutes Supplement, 1998, are repealed.

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