

AMENDMENTS TO LB 603

(Amendments to Standing Committee amendments, AM754)

Introduced by Raikes, 25

1           1. Insert the following new sections:

2           Section 1. Section 13-503, Revised Statutes Cumulative  
3 Supplement, 2006, is amended to read:

4           13-503 For purposes of the Nebraska Budget Act, unless  
5 the context otherwise requires:

6           (1) Governing body shall mean the governing body of  
7 any county agricultural society, elected county fair board, joint  
8 airport authority formed under the Joint Airport Authorities  
9 Act, city or county airport authority, bridge commission created  
10 pursuant to section 39-868, cemetery district, city, village,  
11 municipal county, community college, community redevelopment  
12 authority, county, drainage or levee district, educational  
13 service unit, rural or suburban fire protection district,  
14 historical society, hospital district, irrigation district,  
15 learning community, natural resources district, nonprofit county  
16 historical association or society for which a tax is levied under  
17 subsection (1) of section 23-355.01, public building commission,  
18 railroad transportation safety district, reclamation district,  
19 road improvement district, rural water district, school district,  
20 sanitary and improvement district, township, offstreet parking  
21 district, transit authority, metropolitan utilities district,  
22 Educational Service Unit Coordinating Council, and political

1 subdivision with the authority to have a property tax request, with  
2 the authority to levy a toll, or that receives state aid;

3 (2) Levying board shall mean any governing body which has  
4 the power or duty to levy a tax;

5 (3) Fiscal year shall mean the twelve-month period used  
6 by each governing body in determining and carrying on its financial  
7 and taxing affairs;

8 (4) Tax shall mean any general or special tax levied  
9 against persons, property, or business for public purposes as  
10 provided by law but shall not include any special assessment;

11 (5) Auditor shall mean the Auditor of Public Accounts;

12 (6) Cash reserve shall mean funds required for the period  
13 before revenue would become available for expenditure but shall not  
14 include funds held in any special reserve fund;

15 (7) Public funds shall mean all money, including nontax  
16 money, used in the operation and functions of governing bodies.  
17 For purposes of a county, city, or village which has a lottery  
18 established under the Nebraska County and City Lottery Act, only  
19 those net proceeds which are actually received by the county, city,  
20 or village from a licensed lottery operator shall be considered  
21 public funds, and public funds shall not include amounts awarded as  
22 prizes;

23 (8) Adopted budget statement shall mean a proposed budget  
24 statement which has been adopted or amended and adopted as provided  
25 in section 13-506. Such term shall include additions, if any, to an  
26 adopted budget statement made by a revised budget which has been  
27 adopted as provided in section 13-511;

1           (9) Special reserve fund shall mean any special fund  
2 set aside by the governing body for a particular purpose and not  
3 available for expenditure for any other purpose. Funds created  
4 for (a) the retirement of bonded indebtedness, (b) the funding  
5 of employee pension plans, (c) the purposes of the Political  
6 Subdivisions Self-Funding Benefits Act, (d) the purposes of the  
7 Local Option Municipal Economic Development Act, (e) voter-approved  
8 sinking funds, (f) statutorily authorized sinking funds, or (g) the  
9 distribution of property tax receipts by a learning community to  
10 member school districts shall be considered special reserve funds;

11           (10) Biennial period shall mean the two fiscal years  
12 comprising a biennium commencing in odd-numbered years used by  
13 a city in determining and carrying on its financial and taxing  
14 affairs; and

15           (11) Biennial budget shall mean a budget by a city of  
16 the primary or metropolitan class that adopts a charter provision  
17 providing for a biennial period to determine and carry on the  
18 city's financial and taxing affairs.

19           Sec. 30. Section 84-304, Revised Statutes Cumulative  
20 Supplement, 2006, is amended to read:

21           84-304 It shall be the duty of the Auditor of Public  
22 Accounts:

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

26           (2) To furnish offices for himself or herself and all  
27 fuel, lights, books, blanks, forms, paper, and stationery required

1 for the proper discharge of the duties of his or her office;

2 (3) To examine or cause to be examined, at such time  
3 as he or she shall determine, books, accounts, vouchers, records,  
4 and expenditures of all state officers, state bureaus, state  
5 boards, state commissioners, the state library, societies and  
6 associations supported by the state, state institutions, state  
7 colleges, and the University of Nebraska, except when required to  
8 be performed by other officers or persons. Such examinations shall  
9 be done in accordance with generally accepted government auditing  
10 standards for financial audits and attestation engagements set  
11 forth in Government Auditing Standards (2003 Revision), published  
12 by the Comptroller General of the United States, General Accounting  
13 Office, and except as provided in subdivision (12) of this section,  
14 subdivision (16) of section 50-1205, and section 84-322, shall  
15 not include performance audits, whether conducted pursuant to  
16 attestation engagements or performance audit standards as set forth  
17 in Government Auditing Standards (2003 Revision), published by  
18 the Comptroller General of the United States, General Accounting  
19 Office;

20 (4) (a) To examine or cause to be examined, at the expense  
21 of the political subdivision, when the Auditor of Public Accounts  
22 determines such examination necessary or when requested by the  
23 political subdivision, the books, accounts, vouchers, records,  
24 and expenditures of any agricultural association formed under  
25 Chapter 2, article 20, county agricultural society, joint airport  
26 authority formed under the Joint Airport Authorities Act, city  
27 or county airport authority, bridge commission created pursuant

1 to section 39-868, cemetery district, development district,  
2 drainage district, health district, local public health department  
3 as defined in section 71-1626, historical society, hospital  
4 authority or district, county hospital, housing agency as defined  
5 in section 71-1575, irrigation district, county or municipal  
6 library, community mental health center, railroad transportation  
7 safety district, rural water district, township, Wyuka Cemetery,  
8 Educational Service Unit Coordinating Council, any entity created  
9 pursuant to the Interlocal Cooperation Act which includes either  
10 the participation of the Educational Service Unit Coordinating  
11 Council or any educational service unit, any village, any political  
12 subdivision with the authority to levy a property tax or a toll, or  
13 any entity created pursuant to the Joint Public Agency Act which  
14 has separately levied a property tax based on legal authority for  
15 a joint public agency to levy such a tax independent of the public  
16 agencies forming such joint public agency.

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

23 (5) To report promptly to the Governor and the  
24 appropriate standing committee of the Legislature the fiscal  
25 condition shown by such examinations conducted by the auditor,  
26 including any irregularities or misconduct of officers or  
27 employees, any misappropriation or misuse of public funds or

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

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

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

1 the approval or denial of a request for waiver of the five-year  
2 audit requirement. Upon approval of the request for waiver of the  
3 five-year audit requirement, a new five-year audit period shall  
4 begin.

5 (c) Whenever the expenditures of a fire protection  
6 district exceed one hundred fifty thousand dollars in a fiscal  
7 year, the auditor may waive the audit requirement upon the  
8 submission of a written request by the fire protection district  
9 in a form prescribed by the auditor. The auditor shall notify the  
10 fire protection district in writing of the approval or denial of a  
11 request for waiver. Upon approval of the request for waiver, a new  
12 five-year audit period shall begin for the fire protection district  
13 if its expenditures are one hundred fifty thousand dollars or less  
14 per fiscal year in subsequent years;

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

1 of State;

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

17 (9) To conduct all audits and examinations in a timely  
18 manner and in accordance with the standards for audits of  
19 governmental organizations, programs, activities, and functions  
20 published by the Comptroller General of the United States;

21 (10) To develop a plan for implementing on-line  
22 filing of budgeted and actual financial information by political  
23 subdivisions. Such plan shall describe the technology and staff  
24 resources necessary to implement on-line filing of such information  
25 and the costs of these resources. Such plan shall be presented to  
26 the Clerk of the Legislature on or before January 15, 2003;

27 (11) To develop and maintain an annual budget and actual

1 financial information reporting system that is accessible on-line  
2 by the public; and

3 (12) When authorized, to conduct joint audits with the  
4 Legislative Performance Audit Committee as described in section  
5 50-1205.

6 2. On page 49, strike lines 25 to 27 and insert the  
7 following:

8 "Sec. 32. Sections 1, 8, 15, 16, 17, 18, 19, 20, 21, 27,  
9 30, 31, 32, 35, and 38 of this act become operative on July 1,  
10 2008. Sections 4, 7, 9, 11, 33, 34, 37, and 39 become".

11 3. On page 50, line 5, after "sections" insert "13-503,";  
12 and in line 6 after the second comma insert "84-304,".

13 4. Renumber the remaining sections accordingly and  
14 correct the internal references accordingly.