



Hundredth Legislature - First Session - 2007
Introducer's Statement of Intent
LB 27

Chairperson: Ray Aguilar
Committee: Government, Military and Veterans Affairs
Date of Hearing: January 24, 2007

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

In 1991, LB 840 was enacted which created the Local Option Municipal Economic Development Act. The Act requires an "annual, outside, independent" audit of the economic development plans. The auditing business cannot have any contractual or business relationship with any business receiving funds under the program or any financial institution involved in the program.

These restrictions on who can do the audit can create hardships for small communities to comply with the law. Small communities have fewer auditing businesses and those businesses that are there often have conflicts.

LB 27 would amend Section 18-2721 to allow cities that cannot find an auditing business because of conflicts or other reasons to request that the audit be performed by the Auditor of Public Accounts.

Principal Introducer: _____
Senator Greg Adams