

ONE HUNDRED FOURTH LEGISLATURE - SECOND SESSION - 2016
COMMITTEE STATEMENT
LB935

Hearing Date: Friday February 05, 2016
Committee On: Government, Military and Veterans Affairs
Introducer: Schilz
One Liner: Change provisions relating to the Auditor of Public Accounts

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

| | | |
|----------------------------|---|---|
| Aye: | 7 | Senators Craighead, Garrett, Groene, Larson, Hansen, McCoy, Murante |
| Nay: | | |
| Absent: | | |
| Present Not Voting: | 1 | Senator Bloomfield |

Verbal Testimony:

Proponents:

Brent Smoyer
Russ Karpisek

Representing:

Introducer for Senator Ken Schilz
Auditor of Public Accounts

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

The first provision of LB 935 relates to certain annual reports governing bodies are required to file with the Auditor of Public Accounts:

Section 13-513 (Cum. Supp. 2014) currently directs each specified governing body to provide the Auditor annually with requested information regarding "(1) trade names, corporate names, or other business names under which the governing body operates and (2) agreements to which the governing body is a party under the Interlocal Cooperation Act and the Joint Public Agency Act." Although the law requires the governing body to make such information available to the Auditor on or before December 31, no penalty exists for failure to comply.

Under LB935, a \$500 penalty would be withheld from the next State Aid payment to any noncompliant governing body for each thirty days past the December 31 deadline that the entity's requested information is delinquent. The withholdings would begin after the Auditor provides notice to the governing body of the delinquency and a 30-day grace period has passed.

Any governing body that fails to make a timely filing of the information required under section 13-513 would also be subject to discretionary audit by the Auditor and be responsible for the cost of any such audit.

A 14% per annum interest rate would be assessed from the date of billing on delinquent payments of any fees for audits and services owed to the Auditor unless paid within 30 days from the date of billing. For an entity created pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act, the participating public agencies would be jointly and severally liable for any fees and interest owed to the Auditor if such entity should be defunct or unable to pay.

The second provision of LB 935 amends section 84-304(7) to allow the Auditor to appoint more than two assistant deputies.

Explanation of amendments:

AM 2386 makes three substantive changes to section 1 of LB 935. First, it changes the date on which the auditor must request information from each applicable governing body from December 1 to August 1 of each year, and changes the date by which the governing bodies must comply from December 31 to September 20 of each year. Second, it changes the penalty for noncompliance by a state agency contained in the original bill from \$500 each 30 days to \$20 daily, not to exceed \$2,000 per delinquency. Current law does not contain a penalty. Finally, the amendment gives the responsibility for a remedial fee to the State Auditor, rather than the State Treasurer as contained in the original bill. The amendment also amends the bill to include the following bills.

LB 993 has two provisions. First, it amends section 81-1348 by changing the requirement that the Auditor of Public Accounts serve on the Suggestion Award Board. The bill would require the Auditor or his to her designee serve of the board, rather than the Auditor specifically. Second, it amends section 84-311 to allow the Auditor of Public Accounts to share working papers with the IRS, Tax Commissioner, FBI, NADC, and a law enforcement agency as defined in section 28-359 at the Auditor's discretion, during an ongoing audit or after a final audit report is issued. The Auditor may share the same, other than personal information and telephone records, with the Legislative Council, at the Auditor's discretion, subject to the same timing restrictions. The amendment version does not include the timesheet provision that was in the original bill.

LB 1084 amends sections 73-506 and 81-1118 to prevent state agencies and the state purchasing bureau from amending contracts to extend in duration for more than 50% of the initial contract term, and prevent more than one permissible contract duration amendment. It does not prohibit the exercise of a renewal option expressly provided for in the original contract.

LB 1099 amends current law to change reimbursements for state employees to a per diem basis. It accomplishes this by doing three things. First, it amends section 81-1174 to limit the itemization requirement for reimbursement requests submitted by enumerated persons to meals, travel, and lodging. It also removes the requirements that the license plate number and rate per mile be included in requests for mileage reimbursement. The bill removes the requirement that reimbursement requests be supported by a receipt for all items. Second, it limits the applicability of section 81-1175 to requests for payment or reimbursement, subject to the bill's section 1 requirements. Finally, it removes the ability of the Department of Administrative Services to establish its own rate for reimbursement per mile, and instead adopts the rate established by the federal government.

John Murante, Chairperson