

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 164

Introduced by Friesen, 34.

Read first time January 12, 2015

Committee: Natural Resources

- 1 A BILL FOR AN ACT relating to natural resources districts; to amend
- 2 sections 13-503 and 13-504, Revised Statutes Cumulative Supplement,
- 3 2014; to provide for biennial budgeting; to harmonize provisions; to
- 4 provide a duty for the Revisor of Statutes; and to repeal the
- 5 original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. A natural resources district may adopt either an annual
2 or a biennial budget pursuant to the Nebraska Budget Act.

3 Sec. 2. Section 13-503, Revised Statutes Cumulative Supplement,
4 2014, is amended to read:

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

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

24 (2) Levying board means any governing body which has the power or
25 duty to levy a tax;

26 (3) Fiscal year means the twelve-month period used by each governing
27 body in determining and carrying on its financial and taxing affairs;

28 (4) Tax means any general or special tax levied against persons,
29 property, or business for public purposes as provided by law but shall
30 not include any special assessment;

31 (5) Auditor means the Auditor of Public Accounts;

1 (6) Cash reserve means funds required for the period before revenue
2 would become available for expenditure but shall not include funds held
3 in any special reserve fund;

4 (7) Public funds means all money, including nontax money, used in
5 the operation and functions of governing bodies. For purposes of a
6 county, city, or village which has a lottery established under the
7 Nebraska County and City Lottery Act, only those net proceeds which are
8 actually received by the county, city, or village from a licensed lottery
9 operator shall be considered public funds, and public funds shall not
10 include amounts awarded as prizes;

11 (8) Adopted budget statement means a proposed budget statement which
12 has been adopted or amended and adopted as provided in section 13-506.
13 Such term shall include additions, if any, to an adopted budget statement
14 made by a revised budget which has been adopted as provided in section
15 13-511;

16 (9) Special reserve fund means any special fund set aside by the
17 governing body for a particular purpose and not available for expenditure
18 for any other purpose. Funds created for (a) the retirement of bonded
19 indebtedness, (b) the funding of employee pension plans, (c) the purposes
20 of the Political Subdivisions Self-Funding Benefits Act, (d) the purposes
21 of the Local Option Municipal Economic Development Act, (e) voter-
22 approved sinking funds, or (f) statutorily authorized sinking funds shall
23 be considered special reserve funds;

24 (10) Biennial period means the two fiscal years comprising a
25 biennium commencing in odd-numbered or even-numbered years used by a
26 city, natural resources district, or village in determining and carrying
27 on its financial and taxing affairs; and

28 (11) Biennial budget means (a) a budget by a city of the primary or
29 metropolitan class that adopts a charter provision providing for a
30 biennial period to determine and carry on the city's financial and taxing
31 affairs, (b) ~~or~~ a budget by a city of the first or second class or

1 village that provides for a biennial period to determine and carry on the
2 city's or village's financial and taxing affairs, or (c) a budget by a
3 natural resources district that provides for a biennial period to
4 determine and carry on the natural resources district's financial and
5 taxing affairs.

6 Sec. 3. Section 13-504, Revised Statutes Cumulative Supplement,
7 2014, is amended to read:

8 13-504 (1) Each governing body shall annually or biennially, as the
9 case may be, prepare a proposed budget statement on forms prescribed and
10 furnished by the auditor. The proposed budget statement shall be made
11 available to the public by the political subdivision prior to publication
12 of the notice of the hearing on the proposed budget statement pursuant to
13 section 13-506. A proposed budget statement shall contain the following
14 information, except as provided by state law:

15 (a) For the immediately preceding fiscal year or biennial period,
16 the revenue from all sources, including motor vehicle taxes, other than
17 revenue received from personal and real property taxation, allocated to
18 the funds and separately stated as to each such source: The unencumbered
19 cash balance at the beginning and end of the year or biennial period; the
20 amount received by taxation of personal and real property; and the amount
21 of actual expenditures;

22 (b) For the current fiscal year or biennial period, actual and
23 estimated revenue from all sources, including motor vehicle taxes,
24 allocated to the funds and separately stated as to each such source: The
25 actual unencumbered cash balance available at the beginning of the year
26 or biennial period; the amount received from personal and real property
27 taxation; and the amount of actual and estimated expenditures, whichever
28 is applicable. Such statement shall contain the cash reserve for each
29 fiscal year or biennial period and shall note whether or not such reserve
30 is encumbered. Such cash reserve projections shall be based upon the
31 actual experience of prior years or biennial periods. The cash reserve

1 shall not exceed fifty percent of the total budget adopted exclusive of
2 capital outlay items;

3 (c) For the immediately ensuing fiscal year or biennial period, an
4 estimate of revenue from all sources, including motor vehicle taxes,
5 other than revenue to be received from taxation of personal and real
6 property, separately stated as to each such source: The actual or
7 estimated unencumbered cash balances, whichever is applicable, to be
8 available at the beginning of the year or biennial period; the amounts
9 proposed to be expended during the year or biennial period; and the
10 amount of cash reserve, based on actual experience of prior years or
11 biennial periods, which cash reserve shall not exceed fifty percent of
12 the total budget adopted exclusive of capital outlay items;

13 (d) A statement setting out separately the amount sought to be
14 raised from the levy of a tax on the taxable value of real property (i)
15 for the purpose of paying the principal or interest on bonds issued by
16 the governing body and (ii) for all other purposes;

17 (e) A uniform summary of the proposed budget statement, including
18 each proprietary function fund included in a separate proprietary budget
19 statement prepared pursuant to the Municipal Proprietary Function Act,
20 and a grand total of all funds maintained by the governing body;

21 (f) For municipalities, a list of the proprietary functions which
22 are not included in the budget statement. Such proprietary functions
23 shall have a separate budget statement which is approved by the city
24 council or village board as provided in the Municipal Proprietary
25 Function Act; and

26 (g) For school districts and educational service units, a separate
27 identification and description of all current and future costs to the
28 school district or educational service unit which are reasonably
29 anticipated as a result of any contract, and any adopted amendments
30 thereto, for superintendent services to be rendered to such school
31 district or administrator services to be rendered to such educational

1 service unit.

2 (2) The actual or estimated unencumbered cash balance required to be
3 included in the budget statement by this section shall include deposits
4 and investments of the political subdivision as well as any funds held by
5 the county treasurer for the political subdivision and shall be
6 accurately stated on the proposed budget statement.

7 (3) The political subdivision shall correct any material errors in
8 the budget statement detected by the auditor or by other sources.

9 Sec. 4. The Revisor of Statutes shall assign section 1 of this act
10 within Chapter 2, article 32.

11 Sec. 5. Original sections 13-503 and 13-504, Revised Statutes
12 Cumulative Supplement, 2014, are repealed.