

One Hundred Fourth Legislature - Second Session - 2016

Introducer's Statement of Intent

LB935

Chairperson: Senator John Murante

Committee: Government, Military and Veterans Affairs

Date of Hearing: February 05, 2016

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

Neb. Rev. Stat. § 13-513 (Cum. Supp. 2014) currently directs each specified governing body to provide the Auditor of Public Accounts (APA) annually, on a form provided for that purpose, 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 APA on or before December 31, no penalty exists for failure to comply with this present statutory mandate.

LB935 seeks to remedy this oversight by directing \$500 to be withheld from the next State Aid payment to any noncompliant governing body for each thirty days past the December 31 deadline that such entity’s requested information is delinquent. The withholdings would begin following both the APA’s notification to the governing body of the delinquency and a 30-day grace period. Of the \$500 withheld for each 30-day delinquency period, the State Treasurer would credit a remedial fee of one hundred dollars to the Auditor of Public Accounts Cash Fund, which LB 935 authorizes to accept such funds, and distribute the remaining money in accordance with Article VII, section 5, of the Constitution of Nebraska.

Under LB 935, any governing body that fails to make a timely filing of the information required under § 13-513 would also be subject to discretionary audit by the APA and be responsible for the cost of any such audit.

Additionally, unless otherwise specifically provided, LB 935 would assess a 14% per annum interest rate from the date of billing on delinquent payments of any fees for audits and services owing to the APA 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, moreover, LB 935 would make the participating public agencies jointly and severally liable for any fees and interest owed to the APA if such entity should be defunct or unable to pay.

Finally, Neb. Rev. Stat. § 84-304(7) (Supp. 2015) currently authorizes the APA to appoint two assistant deputies. LB 935 would expand that statutory language to allow for the appointment of “two or more” assistant deputy auditors.

Principal Introducer: _____

Senator Ken Schilz