

One Hundred Fifth Legislature - Second Session - 2018

Introducer's Statement of Intent

LB1111

Chairperson: Senator John Murante

Committee: Government, Military and Veterans Affairs

Date of Hearing: February 07, 2018

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

The purpose of LB1111 is to establish an early warning system which can measure the state of fiscal distress experienced at the county and municipal levels of government. Fiscal distress is defined as various financial shortcomings including, but not limited to, cash flow inadequacy, inability to pay expenses, revenue shortfalls, deficit spending, structurally imbalanced budgets, billing and revenue collection inadequacies and discrepancies, or debt overload.

Key financial indicators are identified which can be used to signal whether a county or municipal government is at risk of experiencing significant financial liability as a result of fiscal distress. The Auditor of Public Accounts is required to apply these indicators to the financial statements received from county and municipal governments, declare a county or municipal government as under a state of fiscal distress when meeting any indicator, make a report to the Legislature and public on a biennial basis, and evaluate whether the indicators accurately reflect a state of fiscal distress.

Principal Introducer: _____

Senator John Stinner