

Legislature - First Session - 2019

Introducer's Statement of Intent

LB386

Chairperson: Senator Tom Brewer

Committee: Government, Military and Veterans Affairs

Date of Hearing: February 21, 2019

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

The purpose of this bill is to correct the relationship between taxes levied and cash reserved. For local units of government with tax asking authority LB386 intends to cap their cash reserves at 50% of the total amount received from personal and real property taxes (exclusive of capital outlay items). Furthermore, the bill intends to hold governing bodies accountable for their ability to build-up exorbitant cash reserves which exceed 50% of their yearly total tax asking ability.

LB386 will accomplish this goal by changing the wording of Nebraska State Statute 13-504(b) and (c). The bill will strike the words, "budget adopted" from these two sections of the statute and replace them with the words, "amount received from personal and real property taxation." This change in the wording of Nebraska State Statute 13-504(b) and (c) will limit incoming cash reserves to 50% of the governing bodies tax asking ability and cap the total amount of these cash reserves at this same amount. There is simply no reason for any governing body within the State to hold more than 50% of its operating costs in cash reserves.

Principal Introducer: _____

Senator Steve Erdman