

## LEGISLATIVE BILL 516

Approved by the Governor June 10, 1993

Introduced by Wickersham, 49; Avery, 3; Baack, 47;  
 Bernard-Stevens, 42; Bohlke, 33; Bromm, 23;  
 Coordsen, 32; Cudaback, 36; Dierks, 40; Elmer, 38;  
 Fisher, 35; Haberman, 44; Hartnett, 45;  
 Hohenstein, 17; Janssen, 15; Jones, 43; Moore, 24;  
 Pedersen, 39; Robak, 22; Schellpeper, 18;  
 Schmitt, 41; Vrtiska, 1

AN ACT relating to public and nontax funds; to amend sections 10-140 and 35-511, Reissue Revised Statutes of Nebraska, 1943, and section 84-304, Revised Statutes Supplement, 1992, as amended by section 4, Legislative Bill 579, Ninety-third Legislature, First Session, 1993; to provide for volunteer department trust funds as prescribed; to change provisions relating to nontax funds and bonds as prescribed; to change duties of the Auditor of Public Accounts; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. (1) For purposes of this section, volunteer department shall mean volunteer fire department or volunteer first-aid, rescue, or emergency squad or volunteer fire company serving any city, village, county, township, or rural or suburban fire protection district.

(2) Each volunteer department may establish a volunteer department trust fund. All donations, contributions, bequests, or annuities made to the volunteer department and all money raised by or for the volunteer department shall be deposited in the trust fund. The trust fund shall be under the control of the volunteer department, and the volunteer department may make expenditures from the trust fund as it deems necessary. The treasurer of the volunteer department shall be the custodian of the trust fund.

(3) The trust fund shall not be considered public funds or funds of any city, village, county, township, or rural or suburban fire protection district for any purpose, including the Nebraska Budget Act, nor shall any city, village, county, township, or rural or suburban fire protection district incur any liability solely by reason of any expenditure from such fund except liability for property when any city, village, county, township, or rural or suburban fire protection district receives title to property acquired with money from such fund.

(4) Nothing in this section shall be construed or deemed to permit a violation of the Nebraska Liquor Control Act.

(5) All expenditures of public funds as defined in the Nebraska Budget Act for support of a volunteer department or its

purposes shall be submitted as claims, approved by the taxing authority supporting such department or its purposes, and published as required by law. All such claims shall be properly itemized for proposed expenditure or reimbursement for costs already incurred and paid except as may be otherwise permitted pursuant to section 35-106.

(6) All money raised pursuant to the Nebraska Bingo Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle Card Lottery Act, and the Nebraska Small Lottery and Raffle Act shall be subject to such acts with respect to the deposit and expenditure of such money.

Sec. 2. That section 10-140, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

10-140. Within thirty days after the initial issuance and delivery of all fully registered bonds, the issuer shall record the issuance in the office of the Auditor of Public Accounts by filing in the office of the Auditor of Public Accounts (1) the following information: ~~(1) (a) The name of the issuer; (2) (b) the title or designation of the bonds; (3) (c) the form or forms in which such bonds were initially issued; (4) the total principal amount of such bonds initially issued; (5) (d) the date or dates of maturity of principal and the amount of principal maturing on such date or dates; (6) (e) the interest rate or rates and the date or dates such interest is payable; (7) (f) the place or places where the principal of and interest on the bonds are payable; (g) the costs of issuance paid and to whom; and (8) (h) the principal purpose for which such bonds were issued~~ and (2) a copy of the form filed for the bonds pursuant to section 149(e) of the Internal Revenue Code of 1986, as amended. No certificate or other evidence of such recording shall be required to be placed or endorsed on any fully registered bond. The issuer shall not be required to file a copy of the transcript of the issuance with the auditor. ~~Notwithstanding any other provision of law, no~~ No fully registered bond shall be required to be registered in any office of any public official except as required by section 10-201.

Sec. 3. That section 35-511, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

35-511. (1) All funds collected on behalf of the district through the levy of taxes; and (2) all donations, contributions, bequests, ~~or annuities, and (3) all~~ or borrowed money received by or on behalf of the district shall be deposited with the county treasurer to the credit of the district fund and shall be drawn out only upon proper order and warrant or check, with voucher attached. Such order and warrant or check shall be authorized by the board of directors and shall bear the signature of the treasurer and the countersignature of the president of such district. The secretary-treasurer of the district shall, at each annual public meeting of the district, present a financial report concerning the affairs of the district.

Sec. 4. That section 84-304, Revised Statutes Supplement, 1992, as amended by section 4, Legislative Bill 579, Ninety-third Legislature, First Session, 1993, be amended to read as follows:

84-304. (1) It shall be the duty of the Auditor of Public

## Accounts:

(a) To give information in writing to the Legislature, whenever required, upon any subject relating to the fiscal affairs of the state or with regard to any duty of his or her office;

(b) To furnish offices for himself or herself and all fuel, lights, books, blanks, forms, paper, and stationery required for the proper discharge of the duties of his or her office;

(c)(i) To examine or cause to be examined, at such time as he or she shall determine, books, accounts, vouchers, records, and expenditures of all state officers, state bureaus, state boards, state commissioners, the state library, societies and associations supported by the state, state institutions, state colleges, and the University of Nebraska, except when required to be performed by other officers or persons, (ii) to examine or cause to be examined, at the expense of the political subdivision, when the Auditor of Public Accounts determines such examination necessary or when requested by the political subdivision, the books, accounts, vouchers, records, and expenditures of an agricultural association formed under Chapter 2, article 20, county agricultural society, joint airport authority formed under Chapter 3, article 7, city or county airport authority, development district, regional council, drainage district, fire protection district, health district, historical society, hospital authority or district, county hospital, housing authority, irrigation district, regional, county, or municipal library, community mental health center, railroad transportation safety district, rural water district, township, or the Wyuka Cemetery, and (iii) to report promptly to the Director of Administrative Services and the appropriate standing committee of the Legislature the fiscal condition shown by such examinations, including any irregularities or misconduct of officers or employees, any misappropriation or misuse of public funds or property, and any improper system or method of bookkeeping or condition of accounts. An examination of any volunteer department as defined in section 1 of this act shall not include an examination of the volunteer department trust fund. The Auditor of Public Accounts shall appoint two assistant deputies (A) whose entire time shall be devoted to the service of the state as directed by the auditor, (B) who shall be certified public accountants with at least five years' experience, (C) who shall be selected without regard to party affiliation or to place of residence at the time of appointment, (D) who shall promptly report in duplicate to the auditor the fiscal condition shown by each examination, including any irregularities or misconduct of officers or employees, any misappropriation or misuse of public funds or property, and any improper system or method of bookkeeping or condition of accounts, and it shall be the duty of the auditor to file promptly with the Governor a duplicate of such report, and (E) who shall qualify by taking an oath which shall be filed in the office of the Secretary of State; and

(d) Conduct audits and related activities for state agencies, political subdivisions of this state, or grantees of federal funds disbursed by a receiving agency on a contractual or other basis for reimbursement to assure proper accounting by all such agencies, political subdivisions, and

grantees for funds appropriated by the Legislature and federal funds disbursed by any receiving agency. The Auditor of Public Accounts may contract with any political subdivision to perform the audit of such political subdivision required by or provided for in section 23-1608 or 79-2210.04 or this section and charge the political subdivision for conducting the audit. The fees charged by the auditor for conducting audits on a contractual basis shall be in an amount sufficient to pay the cost of the audit. The fees remitted to the auditor for such audits and services shall be deposited in the Auditor of Public Accounts Cash Fund.

(2) Nothing in this section shall be construed to authorize or require the Auditor of Public Accounts to perform any auditing functions relating to the Legislature, the Legislative Council, the Executive Board of the Legislative Council, or any member of the Legislature.

Sec. 5. That original sections 10-140 and 35-511, Reissue Revised Statutes of Nebraska, 1943, and section 84-304, Revised Statutes Supplement, 1992, as amended by section 4, Legislative Bill 579, Ninety-third Legislature, First Session, 1993, are repealed.