

ONE HUNDRED SECOND LEGISLATURE - SECOND SESSION - 2012
COMMITTEE STATEMENT
LB868

Hearing Date: Tuesday January 17, 2012
Committee On: Urban Affairs
Introducer: Urban Affairs
One Liner: Authorize a city of the first class to adopt a biennial budget

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 7 Senators Ashford, Coash, Cook, Krist, Lambert, McGill, Smith
Nay:
Absent:
Present Not Voting:

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| Proponents: Laurie Holman Lynn Rex Roger W. Foster | Representing: Self League of Nebraska Municipalities City of Crete |
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| Opponents: | Representing: |
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| Neutral: | Representing: |
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Summary of purpose and/or changes:

LB 868 amends the State Budget Act to authorize cities of the first class to file biennial budgets with the State Auditor's office and the County Clerk. A change from an annual budget to a biennial budget would require a vote of the people of the city wishing to make the change.

In 2000, the Legislature enacted LB1116, which authorized cities of the Metropolitan and Primary classes to adopt biennial budgeting if approved by the voters of those cities. LB 868 extends this authority to cities of the first class.

Comments/Analysis:

The first two sections of the bill contain minor clean up language and inserts language to include a city of the first class that adopts a biennial budget in the definition of biennial budget in Neb.Rev.Stat. 13-503.

Sections 3 and 4 adds language to include a biennial period in 13-504 and 13-505 with respect to each governing body that is required to prepare proposed budget statements, including revenue from all sources, amount of cash reserve, estimated expenditures, and others as set forth on the forms prescribed and furnished by the auditor, which currently are required annually.

Section 5 requires that each governing body to hold a public hearing on its proposed budget for either an annual or biennial budget, pursuant to 13-506. Currently in this section, when the total operating budget, not including reserves, does not exceed ten thousand dollars per year, the proposed budget summary may be posted at the governing body's

principal headquarters. Language is added to this section to allow for a budget that does not exceed twenty thousand dollars per biennial period for cities who have adopted a biennial budget.

Section 6 amends 13-508 to file a copy of the adopted budget statement with the state auditor on September 20 of the final year of a biennial period if a city adopts a biennial budget.

Section 7 adds the language or after the first day of its biennial period for governing bodies to expend any balance of cash on hand for current expenses of the political subdivision, which is currently authorized for annual budgets by 13-509.01.

Section 8 of the bill is the enabling language which gives a city of the first class the authority to adopt a biennial budget if it has been approved by the voters of the city.

Explanation of amendments:

Amendment 1734 to LB 868 adds villages to the bill to be included in the classes of municipalities who are allowed by statute to switch from an annual budget to a biennial budget. The amendment also removes the requirement of a vote of the people for a city council of a city of the second class or village to change to a biennial budget. The committee felt that this was a purely administrative function and the voice of the people would be heard through the city council meeting process.

Amanda McGill, Chairperson