

**ONE HUNDRED FOURTH LEGISLATURE - FIRST SESSION - 2015**  
**COMMITTEE STATEMENT**  
**LB123**

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**Hearing Date:** Friday January 30, 2015  
**Committee On:** Revenue  
**Introducer:** Schumacher  
**One Liner:** Change provisions relating to the payment of warrants

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File

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**Vote Results:**

**Aye:** 8 Senators Brasch, Davis, Gloor, Harr, Scheer, Schumacher, Smith, Sullivan  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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**Verbal Testimony:**

**Proponents:**

Senator Paul Schumacher  
Raymond Baker

**Representing:**

Introducer  
Multiple Sanitary & Improvement Districts

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

**Summary of purpose and/or changes:**

The purpose of LB 123 is to clarify the law to make it clear that governmental entities can form separate funds in which cash funds of that entity can be deposited and from which warrants of that entity can be drawn. Each fund of an entity is formed for a particular purpose, such as general expenditures, capital improvement projects, and bond payments. Each warrant of a governmental entity is drawn on the particular fund it is associated with, and each fund receives assessments, taxes, and other cash funds related to its specific purpose. When an entity has separate funds, its warrants are to be registered to each particular fund from which it is to be drawn.

When cash funds are available in a particular fund to pay out warrants, the warrants registered to that particular fund are to be paid out in the order they were registered in that fund, regardless of whether there may be an older outstanding warrant registered to another different fund the governmental entity has registered. This segregation assures that cash funds received by the entity for a certain purpose, such as a special assessment for a capital improvement project, will be used specifically and solely to pay warrants which were drawn for that purpose, and prevents cash funds from being used for purposes other than those for which they were received.

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Mike Gloor, Chairperson