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

Neb. Rev. Stat. § 13-513 (Cum. Supp. 2014) currently directs each specified governing body to provide the Auditor of Public Accounts (APA) annually, on a form provided for that purpose, with requested information regarding “(1) trade names, corporate names, or other business names under which the governing body operates and (2) agreements to which the governing body is a party under the Interlocal Cooperation Act and the Joint Public Agency Act.” Although the law requires the governing body to make such information available to the APA on or before December 31, no penalty exists for failure to comply with this present statutory mandate.

LB 27 would change the dates of when the Auditor will request the information from December 1 to August 1, and change the date of the information being provided to the Auditor from December 31 to September 20 to co-inside with budgets that need to be sent in to the APA. LB 27 also seeks to remedy the lack of a penalty by directing $500 to be withheld from the next State Aid payment to any noncompliant governing body for each thirty days past the December 31 deadline that such entity’s requested information is delinquent. The withholdings would begin following both the APA’s notification to the governing body of the delinquency and a 30-day grace period. Of the $500 withheld for each 30-day delinquency period, the State Treasurer would credit a remedial fee of one hundred dollars to the Auditor of Public Accounts Cash Fund, which LB 27 authorizes to accept such funds, and distribute the remaining money in accordance with Article VII, section 5, of the Constitution of Nebraska.

Under LB 27, any governing body that fails to make a timely filing of the information required under § 13-513 would also be subject to discretionary audit by the APA and be responsible for the cost of any such audit.

Neb. Rev. State, § 73-506 (2) says that state agencies shall not enter into contracts for services with an unspecified or unlimited duration. LB 27 would add that no contract for services shall be amended to extend the duration of the contract for a period of more than fifty percent of the initial contract term.
Following the adoption of any amendment to extend the contract for fifty percent or less of the initial contract term, no further extensions of the original contract shall be permitted. This subdivision does not prohibit the exercise of any renewal option expressly provided in the original contract.

LB 27 would also authorize the Auditor of Public Accounts to appoint a designee to attend Suggestion Award Board meeting, and to appoint two or more assistant deputies.

Additionally, unless otherwise specifically provided, LB 27 would assess a 14% per annum interest rate from the date of billing on delinquent payments of any fees for audits and services owing to the APA unless paid within 30 days from the date of billing. For an entity created pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act, moreover, LB 27 would make the participating public agencies jointly and severally liable for any fees and interest owed to the APA if such entity should be defunct or unable to pay.

Finally, LB 27 seeks to allow the Auditor of Public Accounts, at his or her discretion, share working papers, other than person information and telephone records, with the Legislative Council, the Attorney General, the Internal Revenue Service, the Tax Commissioner, the Federal Bureau of Investigation, a law enforcement agency as defined in section 28-359, and the Nebraska Accountability and Disclosure Commission. The working papers may be shared with such entities during an ongoing audit or after the final audit report is issued.

Principal Introducer: ________________________________

Senator John Murante