

One Hundred Fifth Legislature - First Session - 2017

Introducer's Statement of Intent

LB431

Chairperson: Senator John Murante

Committee: Government, Military and Veterans Affairs

Date of Hearing: January 26, 2017

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. LB431 intends to cap cash reserves at 50% of the total amount received from personal and real property taxes, instead of through projected budgeting. Furthermore, the bill intends to strip governing bodies from their ability to build-up exorbitant cash reserves which exceed 50% of their total tax asking ability.

LB431 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) shall limit incoming cash reserves to 50% of the governing body's 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