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FLOOR DEBATE

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LB 721

Affairs Committee, advanced to General File. I do have committee amendments. (AM0875, Legislative Journal page 986.)

SENATOR CUDABACK: Thank you, Mr. Clerk. Senator Hartnett, as Chairman of the committee, you're recognized to open on advancement of LB 721.

SENATOR HARTNETT: Thank you, Mr. President and members of the body. SIDs, a creature of the state. This bill does three things. And some of the problems that were... some of the situations in the bill were brought to me by the Auditor of Public Accounts and the Secretary of State. First thing the bill addresses, that...numbering of sanitary and improvement districts. It's a practice for some county clerks to assign numbers to proposed SIDs prior to their formal creation, with the result that some numbers are assigned to SIDs which are...were never formed, which are never formed, or which are formed some considerable time after later numbered SIDs are formed. To redeem this problem, in Section 2 of the bill, amended to provide that the numbers for SIDs are assigned by the district court which formally declares an SID to be formed at the time of its creation, not the county clerk. The number assigned is the next consecutive unassigned number followed by the last SID to be formed in that county. The second situation addressed in the bill is in the service fee fund. The State Auditor's Office, in its evaluation of annual audit reports for SIDs, has discovered that many smaller SIDs are having difficulty in complying with the requirements that the separate service fee fund be maintained by the county treasurer. The Auditor indicated that the compliance is accomplished with only substantial unnecessary costs. This bill amends Section 31-739 to authorize smaller SIDs to maintain separate service fee funds under their own control. Service fee funds are the funds within which are deposited all SID receipts other than those which must be deposited into the general fund or construction fund of the district. If the average weekly balance in the service fund for a district over the course of a full budget year does not exceed \$5,000, the trustees of an SID may authorize the clerk to establish an interest bearing checking account of the district to maintain as the district service fee fund. The county treasurer is to pay over the balance in the SID's service fee