

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 829

FINAL READING

Introduced by Lonowski, 33.

Read first time January 07, 2026

Committee: Government, Military and Veterans Affairs

1 A BILL FOR AN ACT relating to the Auditor of Public Accounts; to amend
2 section 84-304, Revised Statutes Supplement, 2025; to change
3 provisions relating to certain audit examinations; to repeal the
4 original section; and to declare an emergency.

5 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 84-304, Revised Statutes Supplement, 2025, is
2 amended to read:

3 84-304 It shall be the duty of the Auditor of Public Accounts:

4 (1) To give information electronically to the Legislature, whenever
5 required, upon any subject relating to the fiscal affairs of the state or
6 with regard to any duty of his or her office;

7 (2) To furnish offices for himself or herself and all fuel, lights,
8 books, blanks, forms, paper, and stationery required for the proper
9 discharge of the duties of his or her office;

10 (3)(a) To examine or cause to be examined, at such time as he or she
11 shall determine, books, accounts, vouchers, records, and expenditures of
12 all state officers, state bureaus, state boards, state commissioners, the
13 state library, societies and associations supported by the state, state
14 institutions, state colleges, and the University of Nebraska, except when
15 required to be performed by other officers or persons. Such examinations
16 shall be done in accordance with generally accepted government auditing
17 standards for financial audits and attestation engagements set forth in
18 Government Auditing Standards (~~2011 Revision for audit periods ending~~
19 ~~before June 30, 2020, or (2024 2018 Revision) for audit periods ending on~~
20 ~~or after June 30, 2020~~), published by the Comptroller General of the
21 United States, Government Accountability Office, and except as provided
22 in subdivision (11) of this section, subdivision (16) of section 50-1205,
23 and section 84-322, shall not include performance audits, whether
24 conducted pursuant to attestation engagements or performance audit
25 standards as set forth in Government Auditing Standards (2024 ~~2018~~
26 ~~Revision~~), published by the Comptroller General of the United States,
27 Government Accountability Office.

28 (b) Any entity, excluding the state colleges and the University of
29 Nebraska, that is audited or examined pursuant to subdivision (3)(a) of
30 this section and that is the subject of a comment and recommendation in a
31 management letter or report issued by the Auditor of Public Accounts

1 shall, on or before six months after the issuance of such letter or
2 report, provide to the Auditor of Public Accounts a detailed written
3 description of any corrective action taken or to be taken in response to
4 the comment and recommendation. The Auditor of Public Accounts may
5 investigate and evaluate the corrective action. The Auditor of Public
6 Accounts shall then electronically submit a report of any findings of
7 such investigation and evaluation to the Governor, the appropriate
8 standing committee of the Legislature, and the Appropriations Committee
9 of the Legislature. The Auditor of Public Accounts shall also ensure that
10 the report is delivered to the Appropriations Committee for entry into
11 the record during the committee's budget hearing process;

12 (4)(a) To examine or cause to be examined, at the expense of the
13 political subdivision, when the Auditor of Public Accounts determines
14 such examination necessary or when requested by the political
15 subdivision, the books, accounts, vouchers, records, and expenditures of
16 any agricultural association formed under Chapter 2, article 20, any
17 county agricultural society, any joint airport authority formed under the
18 Joint Airport Authorities Act, any city or county airport authority, any
19 bridge commission created pursuant to section 39-868, any cemetery
20 district, any community redevelopment authority or limited community
21 redevelopment authority established under the Community Development Law,
22 any development district, any drainage district, any local public health
23 department as defined in section 71-1626, any historical society, any
24 hospital authority or district, any county hospital, any housing agency
25 as defined in section 71-1575, any irrigation district, any county or
26 municipal library, any community mental health center, any railroad
27 transportation safety district, any rural water district, any township,
28 Wyuka Cemetery, the Educational Service Unit Coordinating Council, any
29 entity created pursuant to the Interlocal Cooperation Act, any
30 educational service unit, any village, any service contractor or
31 subrecipient of state or federal funds, any political subdivision with

1 the authority to levy a property tax or a toll, or any entity created
2 pursuant to the Joint Public Agency Act.

3 For purposes of this subdivision, service contractor or subrecipient
4 means any nonprofit entity that expends state or federal funds to carry
5 out a state or federal program or function, but it does not include an
6 individual who is a direct beneficiary of such a program or function or a
7 licensed health care provider or facility receiving direct payment for
8 medical services provided for a specific individual.

9 (b) The Auditor of Public Accounts may waive the audit requirement
10 of subdivision (4)(a) of this section upon the submission by the
11 political subdivision of a written request in a form prescribed by the
12 auditor. The auditor shall notify the political subdivision in writing of
13 the approval or denial of the request for a waiver.

14 (c) Through December 31, 2017, the Auditor of Public Accounts may
15 conduct audits under this subdivision for purposes of sections 2-3228,
16 12-101, 13-2402, 14-567, 14-1805.01, 14-2111, 16-1017, 16-1037, 19-3501,
17 23-1118, 23-3526, 71-1631.02, and 79-987.

18 (d) Beginning on May 24, 2017, the Auditor of Public Accounts may
19 conduct audits under this subdivision for purposes of sections 13-2402,
20 14-567, 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037, 18-814,
21 71-1631.02, and 79-987 and shall prescribe the form for the annual
22 reports required in each of such sections. Such annual reports shall be
23 published annually on the website of the Auditor of Public Accounts;

24 (5) To report promptly to the Governor and the appropriate standing
25 committee of the Legislature the fiscal condition shown by such
26 examinations conducted by the auditor, including any irregularities or
27 misconduct of officers or employees, any misappropriation or misuse of
28 public funds or property, and any improper system or method of
29 bookkeeping or condition of accounts. The report submitted to the
30 committee shall be submitted electronically. In addition, if, in the
31 normal course of conducting an audit in accordance with subdivision (3)

1 of this section, the auditor discovers any potential problems related to
2 the effectiveness, efficiency, or performance of state programs, he or
3 she shall immediately report them electronically to the Legislative
4 Oversight Committee which may investigate the issue further, report it
5 electronically to the appropriate standing committee of the Legislature,
6 or both;

7 (6)(a) To examine or cause to be examined the books, accounts,
8 vouchers, records, and expenditures of a fire protection district. The
9 expense of the examination shall be paid by the political subdivision.

10 (b) Whenever the expenditures of a fire protection district are one
11 hundred fifty thousand dollars or less per fiscal year, the fire
12 protection district shall be audited no more than once every five years
13 except as directed by the board of directors of the fire protection
14 district or unless the auditor receives a verifiable report from a third
15 party indicating any irregularities or misconduct of officers or
16 employees of the fire protection district, any misappropriation or misuse
17 of public funds or property, or any improper system or method of
18 bookkeeping or condition of accounts of the fire protection district. In
19 the absence of such a report, the auditor may waive the five-year audit
20 requirement upon the submission of a written request by the fire
21 protection district in a form prescribed by the auditor. The auditor
22 shall notify the fire protection district in writing of the approval or
23 denial of a request for waiver of the five-year audit requirement. Upon
24 approval of the request for waiver of the five-year audit requirement, a
25 new five-year audit period shall begin.

26 (c) Whenever the expenditures of a fire protection district exceed
27 one hundred fifty thousand dollars in a fiscal year, the auditor may
28 waive the audit requirement upon the submission of a written request by
29 the fire protection district in a form prescribed by the auditor. The
30 auditor shall notify the fire protection district in writing of the
31 approval or denial of a request for waiver. Upon approval of the request

1 for waiver, a new five-year audit period shall begin for the fire
2 protection district if its expenditures are one hundred fifty thousand
3 dollars or less per fiscal year in subsequent years;

4 (7) To appoint two or more assistant deputies (a) whose entire time
5 shall be devoted to the service of the state as directed by the auditor,
6 (b) who shall be certified public accountants with at least five years'
7 experience, (c) who shall be selected without regard to party affiliation
8 or to place of residence at the time of appointment, (d) who shall
9 promptly report to the auditor the fiscal condition shown by each
10 examination, including any irregularities or misconduct of officers or
11 employees, any misappropriation or misuse of public funds or property,
12 and any improper system or method of bookkeeping or condition of
13 accounts, and it shall be the duty of the auditor to file promptly with
14 the Governor a duplicate of such report, and (e) who shall qualify by
15 taking an oath which shall be filed in the office of the Secretary of
16 State;

17 (8) To conduct audits and related activities for state agencies,
18 political subdivisions of this state, or grantees of federal funds
19 disbursed by a receiving agency on a contractual or other basis for
20 reimbursement to assure proper accounting by all such agencies, political
21 subdivisions, and grantees for funds appropriated by the Legislature and
22 federal funds disbursed by any receiving agency. The auditor may contract
23 with any political subdivision to perform the audit of such political
24 subdivision required by or provided for in section 23-1608 or 79-1229 or
25 this section and charge the political subdivision for conducting the
26 audit. The fees charged by the auditor for conducting audits on a
27 contractual basis shall be in an amount sufficient to pay the cost of the
28 audit. The fees remitted to the auditor for such audits and services
29 shall be deposited in the Auditor of Public Accounts Cash Fund;

30 (9)(a) To examine or cause to be examined the books, accounts,
31 vouchers, and records related to any money transferred pursuant to

1 subsection (2) or (4) of section 79-3501, any fund receiving any such
2 transfer, or any subsequent transfer or expenditure of such money when
3 the Auditor of Public Accounts determines such examination necessary or
4 when requested by (i) any department or agency receiving any such
5 transfer or acting as the administrator for a fund receiving any such
6 transfer, (ii) any recipient or subsequent recipient of money disbursed
7 from any such fund, or (iii) any service contractor responsible for
8 managing, on behalf of any entity, any portion of any such fund or any
9 money disbursed from any such fund.

10 (b) Any examination pursuant to subdivision (9)(a) of this section
11 shall be made at the expense of the department or agency, recipient or
12 subsequent recipient, or service contractor whose books, accounts,
13 vouchers, or records are being examined.

14 (c) For purposes of this subdivision, recipient, subsequent
15 recipient, or service contractor means a nonprofit entity that expends
16 funds transferred pursuant to subsection (2) or (4) of section 79-3501 to
17 carry out a state program or function, but does not include an individual
18 who is a direct beneficiary of such a program or function.

19 (d) The Auditor of Public Accounts shall prescribe the form for the
20 annual reports required in subsection (6) of section 79-3501. Such annual
21 reports shall be published on the website of the Auditor of Public
22 Accounts;

23 (10) To develop and maintain an annual budget and actual financial
24 information reporting system for political subdivisions that is
25 accessible online by the public;

26 (11) When authorized, to conduct joint audits with the Legislative
27 Oversight Committee as described in section 50-1205;

28 (12) Unless otherwise specifically provided, to assess the interest
29 rate on delinquent payments of any fees for audits and services owing to
30 the Auditor of Public Accounts at a rate of fourteen percent per annum
31 from the date of billing unless paid within thirty days after the date of

1 billing. For an entity created pursuant to the Interlocal Cooperation Act
2 or the Joint Public Agency Act, any participating public agencies shall
3 be jointly and severally liable for the fees and interest owed if such
4 entity is defunct or unable to pay; and

5 (13) In consultation with statewide associations representing (a)
6 counties and (b) cities and villages, to approve annual continuing
7 education programs for county treasurers, city treasurers, and village
8 treasurers as required by sections 14-553, 15-317, 16-318, 17-606, and
9 23-1601. The cost of attending such programs shall be at the expense of
10 the county, city, or village. The auditor shall maintain records of
11 program attendance and notify each county board, city council, or village
12 board of trustees if its treasurer has not completed such program
13 attendance. The auditor shall inform the Attorney General and the county
14 attorney of the county in which a treasurer is located if such treasurer
15 has not completed a required annual continuing education program.

16 **Sec. 2.** Original section 84-304, Revised Statutes Supplement, 2025,
17 is repealed.

18 **Sec. 3.** Since an emergency exists, this act takes effect when
19 passed and approved according to law.