

LEGISLATURE OF NEBRASKA
NINETY-THIRD LEGISLATURE
FIRST SESSION

Legislative Bill 310

Introduced by Warner, 25
Read first time January 12, 1993
Committee: Natural Resources

A BILL

1 FOR AN ACT relating to power districts; to amend sections 70-623,
2 70-623.03, 84-304.01, and 84-304.02, Reissue Revised
3 Statutes of Nebraska, 1943, and sections 13-501 and
4 70-623.02, Revised Statutes Supplement, 1992; to exempt
5 power districts from the Nebraska Budget Act; to change
6 audit requirements for power districts; to change powers
7 and duties of the Auditor of Public Accounts; to harmonize
8 provisions; and to repeal the original sections.

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

-1-

1 Section 1. That section 13-501, Revised Statutes
2 Supplement, 1992, be amended to read as follows:
3 13-501. Sections 2-958, 3-504, 12-914, 13-501 to 13-513,
4 16-702, 16-706, 16-718, 17-702, 17-703, 17-708, 17-711, 17-715,
5 17-718, 18-1006, 19-1302, 23-132, 23-904, 23-920, 23-3319, 23-35521
6 31-513, 35-509, 39-1621, 39-1634, 46-543, 46-544, 51-316, 71-1611,
7 79-435, 79-1007.02, and 79-2210 and section 2 of this act shall be

8 known and may be cited as the Nebraska Budget Act.

9 Sec. 2. The Nebraska Budget Act shall not apply to any
10 public power district or public power and irrigation district
11 organized pursuant to Chapter 70, article 6, or to any rural power
12 district organized pursuant to Chapter 20, article 8.

13 Sec. 3. That section 70-623, Reissue Revised Statutes of
14 Nebraska, 1943, be amended to read as follows:

15 70-623. The fiscal year of the district shall coincide
16 with the calendar year. The board of directors, at the close of each
17 year's business, shall cause an audit of the books, records, and
18 financial affairs of the district to be made by a certified public
19 accountant or firm of such accountants, who shall be selected by the
20 district. The audit shall be conducted in accordance with generally
21 accepted auditing standards. ~~subject to the approval of the~~
22 ~~Auditor of Public Accounts. The audit shall be in a form prescribed~~
23 ~~by the auditor.~~ When the audit has been examined and approved by the
24 ~~auditor completed~~, written copies of the audit thereof shall be
25 placed and kept on file at the principal place of business of the
26 district, and shall be filed with the Auditor of Public Accounts and
27 the Nebraska Power Review Board within one hundred and twenty days
28 after December 31 of each year. ~~The Auditor of Public Accounts shall~~

1 ~~charge the expense of such audit to such district, and each district~~

2 shall pay to the Auditor of Public Accounts the reasonable cost
3 thereof.

4 Sec. 4. That section 70-623.02, Revised Statutes
5 Supplement, 1992, be amended to read as follows:

6 70-623.02. The audit required by section 70-623 shall be
7 made at the close of the fiscal year. The person making the audit
8 shall have access to all books, records, vouchers, papers, contracts,
9 or other data containing information on the subject (1) in the office
10 of the public power or public power and irrigation district, (2) in
11 the office of the chief executive officer of the district provided
12 for in section 70-620.01, or (3) in the possession or under the
13 control of any of the officers, agents, or servants of the district.
14 All officers, agents, and servants of the public power or public
15 power and irrigation district shall furnish to the Auditor of Public
16 Accounts person making the audit and his or her agents, servants, and
17 employees such information regarding the auditing of the public power
18 or public power and irrigation districts as may be demanded.

19 Sec. 5. That section 70-623.03, Reissue Revised Statutes
20 of Nebraska, 1943, be amended to read as follows:

21 70-623.03. ~~In lieu of the audit provide for in sections~~
22 ~~70-623 to 70-623.02, any public power district, that is subject to an~~
23 ~~examination and audit of its affairs by the United States Rural~~
24 ~~Electrification Administration, may file with the Auditor of Public~~

25 ~~Accounts, within one hundred twenty days after the close of the~~
26 ~~fiscal year of such district, a written copy of the audit made by or~~
27 ~~under the authority of such Rural Electrification Administration if~~
28 ~~such audit contains and shows the items set forth in section~~

-3-

1 ~~70-623.01. In case any such~~ If any public power district, that is
2 ~~subject to audit by the United States Rural Electrification~~
3 ~~Administration, shall fail~~ fails to file a copy of ~~such an~~ an audit
4 within the time ~~above~~ prescribed in section 70-623, then its books,
5 records, and financial affairs shall, within one hundred eighty days
6 after the close of the fiscal year of ~~such the~~ the district, be audited
7 ~~in the same manner and under the same conditions as are provided in~~
8 ~~said sections 70-623 to 70-623.02~~ by a certified public accountant or
9 firm of accountants selected by the Auditor of Public Accounts. The
10 cost of the audit shall be paid by the district. A copy of such
11 audit, ~~whether made by or under the authority of the Rural~~
12 ~~Electrification Administration or by a certified public accountant or~~
13 ~~firm of accountants selected by the Auditor of Public Accounts,~~ shall
14 be placed and kept on file at the principal place of business of the
15 district.

16 Sec. 6. That section 84-304.01, Reissue Revised Statutes
17 of Nebraska, 1943, be amended to read as follows:

18 84-304.01. It shall be the duty of the Auditor of Public

19 Accounts to establish, by rule and regulation, minimum standards
20 applicable to all audit, financial, or accounting reports or copies
21 of such reports required to be filed with the Auditor of Public
22 Accounts by any political subdivision of the State of Nebraska. Such
23 minimum standards shall be in accordance with sound accounting
24 principles and designed to bring about uniformity in the content and
25 form of such reports within the same type of political subdivision.
26 In connection with his or her duties, but at his or her discretion,
27 the Auditor of Public Accounts may conduct performance audits of all
28 political subdivisions receiving more than twenty-five thousand

-4-

1 dollars in the audit year in tax funds from the state including all
2 public utilities ~~except as provided in this section~~ and all counties,
3 townships, municipalities, cities, villages, districts, authorities,
4 and other public corporations and entities. Nothing in this section
5 shall be construed to apply to any public power district strict or public
6 power and irrigation district organized pursuant to Chapter 70,
7 article 6, or to any rural power district organized pursuant to
8 Chapter 70, article 8.

9 Sec. 7. That section 84-304.02, Reissue Revised Statutes
10 of Nebraska, 1943, be amended to read as follows:

11 84-304.02. The Auditor of Public Accounts, or a person
12 designated by him or her, shall prepare a written review of all

13 audit, accounting, or financial reports required to be filed by a
14 political subdivision of the state with the Auditor of Public
15 Accounts and cause one copy of such written review to be mailed to
16 the political subdivision involved and one copy to the accountant who
17 prepared the report. Such written review shall specifically set
18 forth wherein the audit, accounting, or financial report fails to
19 comply with the minimum standards adopted pursuant to section
20 84-304.01 or section 70-623 and the necessary action to be taken to
21 bring the report into compliance with such standards. The Auditor of
22 Public Accounts may, upon continued failure to comply with such
23 standards, refuse to accept for filing an audit, accounting, or
24 financial report or any future report submitted for filing by any
25 political subdivision.

26 Sec. 8. That original sections 70-623, 70-623.03,
27 84-304.01, and 84-304.02, Reissue Revised Statutes of Nebraska, 1943,
28 and sections 13-501 and 70-623.02, Revised Statutes Supplement, 1992,

-5-

1 are repealed.

-6-