

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1143**

FINAL READING

Introduced by Health and Human Services Committee: Hansen, 16,  
Chairperson; Ballard, 21; Cavanaugh, M., 6; Day, 49;  
Hardin, 48; Riepe, 12; Walz, 15.

Read first time January 11, 2024

Committee: Health and Human Services

1 A BILL FOR AN ACT relating to public health; to amend sections 13-2202  
2 and 68-1405, Reissue Revised Statutes of Nebraska, and section  
3 84-304, Revised Statutes Supplement, 2023; to eliminate and replace  
4 provisions relating to health districts; to harmonize provisions; to  
5 repeal the original sections; and to outright repeal sections  
6 71-1601, 71-1602, 71-1603, 71-1604, 71-1605, 71-1606, 71-1607,  
7 71-1608, 71-1609, 71-1610, 71-1611, 71-1612, 71-1613, 71-1614,  
8 71-1615, 71-1616, 71-1617, 71-1618, 71-1619, 71-1620, 71-1621,  
9 71-1622, 71-1623, 71-1624, and 71-1625, Reissue Revised Statutes of  
10 Nebraska.  
11 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-2202, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3 13-2202 For purposes of the Local Government Miscellaneous  
4 Expenditure Act:

5 (1) Elected and appointed officials and employees shall mean the  
6 elected and appointed officials and employees of any local government;

7 (2) Governing body shall mean, in the case of a city of any class,  
8 the city council; in the case of a village, cemetery district, community  
9 hospital for two or more adjoining counties, county hospital, road  
10 improvement district, sanitary drainage district, or sanitary and  
11 improvement district, the board of trustees; in the case of a county, the  
12 county board; in the case of a municipal county, the council; in the case  
13 of a township, the town board; in the case of a school district, the  
14 school board; in the case of a rural or suburban fire protection  
15 district, reclamation district, natural resources district, regional  
16 metropolitan transit authority, or hospital district, the board of  
17 directors; in the case of a county, district, or city-county health  
18 department ~~health district~~, the board of health; in the case of an  
19 educational service unit, the board; in the case of a community college,  
20 the Community College Board of Governors for the area the board serves;  
21 in the case of an airport authority, the airport authority board; in the  
22 case of a weed control authority, the board; in the case of a county  
23 agricultural society, the board of governors; and in the case of a  
24 learning community, the learning community coordinating council;

25 (3) Local government shall mean cities of any class, villages,  
26 cemetery districts, community hospitals for two or more adjoining  
27 counties, county hospitals, road improvement districts, counties,  
28 townships, sanitary drainage districts, sanitary and improvement  
29 districts, school districts, rural or suburban fire protection districts,  
30 reclamation districts, natural resources districts, regional metropolitan  
31 transit authorities, hospital districts, county health departments,

1 district health departments, city-county health departments health  
2 ~~districts~~, educational service units, community colleges, airport  
3 authorities, weed control authorities, county agricultural societies, and  
4 learning communities;

5 (4) Public funds shall mean such public funds as defined in section  
6 13-503 as are under the direct control of governing bodies of local  
7 governments;

8 (5) Public meeting shall mean all regular, special, or called  
9 meetings, formal or informal, of any governing body for the purposes of  
10 briefing, discussion of public business, formation of tentative policy,  
11 or the taking of any action of the governing body; and

12 (6) Volunteer shall mean a person who is not an elected or appointed  
13 official or an employee of a local government and who, at the request or  
14 with the permission of the local government, engages in activities  
15 related to the purposes or functions of the local government or for its  
16 general benefit.

17 Sec. 2. Section 68-1405, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 68-1405 The Department of Health and Human Services shall establish  
20 uniform standards of financial eligibility for the treatment services  
21 under the program established under the Genetically Handicapped Persons  
22 Act, including a uniform formula for the payment of services by  
23 physicians and health care providers rendered under such program and such  
24 formula for payment shall provide for reimbursement at rates similar to  
25 those set by other federal and state programs, and private entitlements.  
26 The standards of the department for financial eligibility shall be the  
27 same as those established for Medically Handicapped Children's Services,  
28 as administered by the department. All county, ~~or district,~~ or city-  
29 county health departments shall use the uniform standards for financial  
30 eligibility and uniform formula for payment established by the  
31 department. All payments shall be used in support of the program for

1 services established under the act.

2 The department shall establish payment schedules for services.

3 Sec. 3. Section 84-304, Revised Statutes Supplement, 2023, is  
4 amended to read:

5 84-304 It shall be the duty of the Auditor of Public Accounts:

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

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

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

30 (b) Any entity, excluding the state colleges and the University of  
31 Nebraska, that is audited or examined pursuant to subdivision (3)(a) of

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

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

1 Interlocal Cooperation Act, any educational service unit, any village,  
2 any service contractor or subrecipient of state or federal funds, any  
3 political subdivision with the authority to levy a property tax or a  
4 toll, or any entity created pursuant to the Joint Public Agency Act.

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

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

16 (c) Through December 31, 2017, the Auditor of Public Accounts may  
17 conduct audits under this subdivision for purposes of sections 2-3228,  
18 12-101, 13-2402, 14-567, 14-1805.01, 14-2111, 16-1017, 16-1037, 19-3501,  
19 23-1118, 23-3526, 71-1631.02, and 79-987.

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

26 (5) To report promptly to the Governor and the appropriate standing  
27 committee of the Legislature the fiscal condition shown by such  
28 examinations conducted by the auditor, including any irregularities or  
29 misconduct of officers or employees, any misappropriation or misuse of  
30 public funds or property, and any improper system or method of  
31 bookkeeping or condition of accounts. The report submitted to the

1 committee shall be submitted electronically. In addition, if, in the  
2 normal course of conducting an audit in accordance with subdivision (3)  
3 of this section, the auditor discovers any potential problems related to  
4 the effectiveness, efficiency, or performance of state programs, he or  
5 she shall immediately report them electronically to the Legislative  
6 Performance Audit Committee which may investigate the issue further,  
7 report it electronically to the appropriate standing committee of the  
8 Legislature, or both;

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

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

28 (c) Whenever the expenditures of a fire protection district exceed  
29 one hundred fifty thousand dollars in a fiscal year, the auditor may  
30 waive the audit requirement upon the submission of a written request by  
31 the fire protection district in a form prescribed by the auditor. The

1 auditor shall notify the fire protection district in writing of the  
2 approval or denial of a request for waiver. Upon approval of the request  
3 for waiver, a new five-year audit period shall begin for the fire  
4 protection district if its expenditures are one hundred fifty thousand  
5 dollars or less per fiscal year in subsequent years;

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

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



1           (9)(a) To examine or cause to be examined the books, accounts,  
2 vouchers, and records related to any money transferred pursuant to  
3 subsection (2) or (4) of section 79-3501, any fund receiving any such  
4 transfer, or any subsequent transfer or expenditure of such money when  
5 the Auditor of Public Accounts determines such examination necessary or  
6 when requested by (i) any department or agency receiving any such  
7 transfer or acting as the administrator for a fund receiving any such  
8 transfer, (ii) any recipient or subsequent recipient of money disbursed  
9 from any such fund, or (iii) any service contractor responsible for  
10 managing, on behalf of any entity, any portion of any such fund or any  
11 money disbursed from any such fund.

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

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

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

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

28           (11) When authorized, to conduct joint audits with the Legislative  
29 Performance Audit Committee as described in section 50-1205;

30           (12) Unless otherwise specifically provided, to assess the interest  
31 rate on delinquent payments of any fees for audits and services owing to

1 the Auditor of Public Accounts at a rate of fourteen percent per annum  
2 from the date of billing unless paid within thirty days after the date of  
3 billing. For an entity created pursuant to the Interlocal Cooperation Act  
4 or the Joint Public Agency Act, any participating public agencies shall  
5 be jointly and severally liable for the fees and interest owed if such  
6 entity is defunct or unable to pay; and

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

18 Sec. 4. Original sections 13-2202 and 68-1405, Reissue Revised  
19 Statutes of Nebraska, and section 84-304, Revised Statutes Supplement,  
20 2023, are repealed.

21 Sec. 5. The following sections are outright repealed: Sections  
22 71-1601, 71-1602, 71-1603, 71-1604, 71-1605, 71-1606, 71-1607, 71-1608,  
23 71-1609, 71-1610, 71-1611, 71-1612, 71-1613, 71-1614, 71-1615, 71-1616,  
24 71-1617, 71-1618, 71-1619, 71-1620, 71-1621, 71-1622, 71-1623, 71-1624,  
25 and 71-1625, Reissue Revised Statutes of Nebraska.