

LEGISLATIVE BILL 86

Approved by the Governor May 25, 1999

Introduced by Wickersham, 49

AN ACT relating to revenue and taxation; to amend sections 13-501, 13-504, 13-506, 13-511, 18-2805, 23-131, 23-135, 23-910, and 23-1303, Reissue Revised Statutes of Nebraska, and sections 13-508, 13-518, and 13-520, Revised Statutes Supplement, 1998; to create a board; to change budget limitation provisions; to change and eliminate provisions relating to budget documents; to authorize development of funds transfer systems; to provide powers and duties for county officers; to harmonize provisions; to provide operative dates; to repeal the original sections; to outright repeal section 23-250.01, Reissue Revised Statutes of Nebraska; and to declare an emergency.

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

Section 1. The Nebraska Budget Act Advisory Board is created. The board consists of not less than seven and not more than eleven members appointed by the Governor for a term comprising the period of the board's existence. Members shall be reimbursed for their actual and necessary expenses as provided in sections 81-1174 to 81-1177.

Members of the board shall represent local government governing bodies, professional public administrators, and private-sector accountants whose practice includes performing financial audits of local governments. At least one member shall represent schools, one shall represent municipalities, one shall represent counties, and one shall represent other types of political subdivisions which are required to file annual budgets under the Nebraska Budget Act.

The board shall hold hearings and offer advice to the auditor in administering compliance with the act, developing forms for submission of budget information to the auditor, including forms prescribed in section 13-504, and developing uniform financial reporting standards and electronic filing of budgets and audits sufficient to enable statewide analysis of public spending and taxes.

The board terminates on July 1, 2000.

Sec. 2. Section 13-501, Reissue Revised Statutes of Nebraska, is amended to read:

13-501. Sections 2-958, 3-504, 12-914, 13-501 to 13-512, 13-515, 16-702, 16-706, 16-718, 17-702, 17-703, 17-708, 17-711, 17-715, 17-718, 18-1006, 19-1302, 23-132, 23-904, 23-920, 23-3519, 23-3552, 31-513, 35-509, 39-1621, 39-1634, 46-543, 46-544, 71-1611, 79-1083, 79-10,126, and 79-1225 and section 1 of this act shall be known and may be cited as the Nebraska Budget Act.

Sec. 3. Section 13-504, Reissue Revised Statutes of Nebraska, is amended to read:

13-504. (1) Each governing body shall prepare in writing and file with its secretary or clerk, in the year of its organization and each year thereafter, not later than the first day of August of each year on forms prescribed and furnished by the auditor, ~~following consultation with representatives of such governing bodies or as otherwise authorized by state law,~~ a proposed budget statement containing the following information, except as provided by state law:

(a) For the immediate two prior fiscal years, the revenue from all sources, including motor vehicle taxes, other than revenue received from personal and real property taxation, allocated to each of the several funds and separately stated as to each such source, and for each fund: The unencumbered cash balance of such fund at the beginning and end of the year; the amount received by taxation of personal and real property allocated to each fund; and the amount of actual expenditure for each fund;

(b) For the current fiscal year, actual and estimated revenue from all sources, including motor vehicle taxes, allocated to each of the several funds and separately stated as to each such source, and for each fund: The actual unencumbered cash balance available for such fund at the beginning of the year; the amount received from personal and real property taxation allocated to each fund; and the amount of actual and estimated expenditure, whichever is applicable. ~~For fiscal year 1997-98 only, the estimated receipts for motor vehicle taxes shall be no less than seventy percent of the receipts from motor vehicle taxes in the prior fiscal year.~~ Such statement shall contain the cash reserve for each such fund for each fiscal year and shall

note whether or not such reserve is encumbered. Such cash reserve projections shall be based upon the actual experience of prior years. The cash reserve shall not exceed fifty percent of the total budget adopted for such fund exclusive of capital outlay items;

(c) For the immediately ensuing fiscal year, an estimate of revenue from all sources, including motor vehicle taxes, other than revenue to be received from taxation of personal and real property, separately stated as to each such source, to be allocated to each of the several funds, and for each fund: The actual or estimated unencumbered cash balances, whichever is applicable, to be available at the beginning of the year; the amounts proposed to be expended during the year; and the amount of cash reserve, based on actual experience of prior years, which cash reserve shall not exceed fifty percent of the total budget adopted exclusive of capital outlay items;

(d) A statement setting out separately the amount sought to be raised from the levy of a tax on the taxable value of real property (i) for the purpose of paying the principal or interest on bonds issued by the governing body and (ii) for all other purposes;

(e) A uniform summary of the proposed budget statement which shall include a separate total for each fund, including each proprietary function fund included in a separate proprietary budget statement prepared pursuant to the Municipal Proprietary Function Act, and a grand total of all funds maintained by the governing body; and

(f) For municipalities, a list of the proprietary functions which are not included in the budget statement. Such proprietary functions shall have a separate budget statement which is approved by the city council or village board as provided in the Municipal Proprietary Function Act.

(2) Any governing body required by a final order of a court, the State Board of Equalization and Assessment, the Tax Commissioner, the Tax Equalization and Review Commission, or the Property Tax Administrator from which no appeal is taken to reimburse property taxes to a taxpayer may certify to the county clerk of the county in which any part of the political subdivision is situated, not later than September 10, an itemized estimate of the amount necessary to be expended to reimburse the property taxes. Such amounts shall be levied by the county board of equalization. The taxes shall be collected by the county treasurer at the same time and in the same manner as county taxes are collected and, when collected, shall be paid to the treasurer of the political subdivision and used to cover the reimbursement of the property taxes.

Any governing body which submits an itemized estimate shall establish a property tax reimbursement fund. Taxes collected pursuant to this section shall be credited to such fund to cover the reimbursement of the property taxes.

The authority conferred by this section shall apply only to reimbursements made during fiscal years 1993-94 through 1999-2000.

(3) The actual or estimated unencumbered cash balance of each fund required to be included in the budget statement by this section shall include deposits and investments of the political subdivision as well as any funds held by the county treasurer for the political subdivision and shall be accurately stated on the proposed budget statement.

(4) The political subdivision shall correct any material errors in the budget statement detected by the auditor or by other sources.

Sec. 4. Section 13-506, Reissue Revised Statutes of Nebraska, is amended to read:

13-506. (1) Each governing body, after the filing of the proposed budget statement with its secretary or clerk, shall each year conduct a public hearing on such proposed budget statement and the itemized estimate for reimbursement of property taxes pursuant to subsection (2) of section 13-504. Notice of place and time of such hearing, together with a summary of the proposed budget statement and the itemized estimate for reimbursement of property taxes pursuant to subsection (2) of section 13-504, shall be published at least five days prior to the date set for hearing, in a newspaper of general circulation within the governing body's jurisdiction or by direct mailing of the notice to each resident within the community. When the total operating budget, including the amount necessary for reimbursement of property taxes, not including reserves, does not exceed ten thousand dollars per year, the proposed budget summary may be posted at the governing body's principal headquarters. After such hearing, the proposed budget statement, including the amount necessary for reimbursement of property taxes, shall be adopted, or amended and adopted as amended, and a written record shall be kept of such hearing. The amount to be received from personal and real property taxation shall be certified to the levying board after the proposed budget statement, including the amount necessary for reimbursement of property taxes, is

adopted, or is amended and adopted as amended. If ~~and if~~ the levying board represents more than one county, a member or a representative of the governing board shall, upon the written request of any represented county, appear and present its budget at the hearing of each county in which is located a major area of the county affected by its budget the requesting county. The certification of the amount to be received from personal and real property taxation shall specify separately ~~(1)~~ (a) the amount to be applied to the payment of principal or interest on bonds issued by the governing body and ~~(2)~~ (b) the amount to be received for all other purposes. If the adopted budget statement, including the amount necessary for reimbursement of property taxes, reflects a change from that shown in the published proposed budget statement, a summary of such changes shall be published within twenty days after its adoption in the manner provided in this section, but without provision for hearing, setting forth the items changed and the reasons for such changes.

(2) Upon approval by the governing body, the budget shall be filed with the auditor. The auditor may review the budget for errors in mathematics, improper accounting, and noncompliance with the provisions of the Nebraska Budget Act or sections 13-518 to 13-522. If the auditor detects such errors, he or she shall immediately notify the governing body of such errors. The governing body shall correct any such error as provided in section 13-511. Warrants for the payment of expenditures provided in the budget adopted under this section shall be valid notwithstanding any errors or noncompliance for which the auditor has notified the governing body.

Sec. 5. Section 13-508, Revised Statutes Supplement, 1998, is amended to read:

13-508. (1) After publication and hearing thereon and within the time prescribed by law, each governing body shall file with and certify to the levying board or boards on or before September 20 of each year, or for Class I school districts, on or before August 1 of each year, and file with the auditor a copy of the adopted statement of the amount for reimbursement of property taxes pursuant to subsection (2) of section 13-504 and the adopted budget statement which complies with sections 13-518 to 13-522 or 79-1023 to 79-1030, together with the amount of the tax required to fund the adopted budget, setting out separately (a) the amount to be levied for the payment of principal or interest on bonds issued by the governing body and (b) the amount to be levied for all other purposes. Proof of publication shall be attached to the statements. The governing body, in certifying the amount required, may make allowance for delinquent taxes not exceeding five percent of the amount required plus the actual percentage of delinquent taxes for the preceding tax year and for the amount of estimated tax loss from any pending or anticipated litigation which involves taxation and in which tax collections have been or can be withheld or escrowed by court order. For purposes of this section, anticipated litigation shall be limited to the anticipation of an action being filed by a taxpayer who or which filed a similar action for the preceding year which is still pending. Except for such allowances, a governing body shall not certify an amount of tax more than one percent greater or lesser than the amount determined under section 13-505.

(2) After publication and hearing thereon and within the time prescribed by law, each governing body responsible for certifying a levy pursuant to section ~~77-1601.02~~ shall file with the levying board on or before October 14 of each year and file with the auditor a certified copy of any resolution passed setting a tax levy which shall not exceed the maximum levy prescribed by state law and a statement reconciling the levy set by the governing body with the budget filed pursuant to subsection (1) of this section. The levy shall be set to fund property tax requirements in the adopted budget to four to eight places to the right of the decimal point.

~~(3)~~ Each governing body shall use the final adjusted values as provided by the county assessor pursuant to section 13-509 for the current year in setting or certifying the levy. Each governing body may designate one of its members to perform any duty or responsibility required of such body by this section.

Sec. 6. Section 13-511, Reissue Revised Statutes of Nebraska, is amended to read:

13-511. (1) Unless otherwise provided by law, whenever during the current fiscal year it becomes apparent to a governing body that (a) there are circumstances which could not reasonably have been anticipated at the time the budget for the current year was adopted, (b) ~~or~~ the budget adopted violated sections 13-518 to 13-522, such that the revenue of the current fiscal year for any fund thereof will be insufficient, additional expenses will be necessarily incurred, or there is a need to reduce the budget requirements to comply with sections 13-518 to 13-522, or (c) the governing body has been notified by the auditor of a mathematical or accounting error or noncompliance

with the Nebraska Budget Act, such governing body may propose to revise the previously adopted budget statement and shall conduct a public hearing on such proposal.

(2) Notice of the time and place of the hearing shall be published at least five days prior to the date set for hearing in a newspaper of general circulation within the governing body's jurisdiction. Such published notice shall set forth (a) the time and place of the hearing, (b) the amount in dollars of additional or reduced money required and for what purpose, (c) a statement setting forth the nature of the unanticipated circumstances and, if the budget requirements are to be increased, the reasons why the previously adopted budget of expenditures cannot be reduced during the remainder of the current year to meet the need for additional money in that manner, and (d) a copy of the summary of the originally adopted budget previously published.

~~(2)~~ (3) At such hearing any taxpayer may appear or file a written statement protesting any application for additional money. A written record shall be kept of all such hearings.

~~(3)~~ (4) Upon conclusion of the public hearing on the proposed revised budget and approval of the proposed revised budget by the governing body, the governing body shall file with the county clerk of the county or counties in which such governing body is located, and with the auditor, a copy of the revised budget, as adopted, and shall certify the revised amount of tax to be levied. The governing body may then issue warrants in payment for expenditures authorized by the adopted revised budget. Such warrants shall be referred to as registered warrants and shall be repaid during the next fiscal year from funds derived from taxes levied therefor.

(5) Within thirty days after the adoption of the budget under section 13-506, a governing body may, or within thirty days after notification of an error by the auditor, a governing body shall, correct an adopted budget which contains a clerical, mathematical, or accounting error which does not affect the total amount budgeted by more than one percent or increase the amount required from property taxes. No public hearing shall be required for such a correction. After correction, the governing body shall file a copy of the corrected budget with the county clerk of the county or counties in which such governing body is located and with the auditor. The governing body may then issue warrants in payment for expenditures authorized by the budget.

Sec. 7. Section 13-518, Revised Statutes Supplement, 1998, is amended to read:

13-518. For purposes of sections 13-518 to 13-522:

(1) Allowable growth means (a) for governmental units other than community colleges, the percentage increase in taxable valuation in excess of the base limitation established under section 77-3446, if any, due to improvements to real property as a result of new construction, additions to existing buildings, any improvements to real property which increase the value of such property, and any increase in valuation due to annexation and any personal property valuation over the prior year and (b) for community colleges, the percentage increase in excess of the base limitation, if any, in full-time equivalent students from the second year to the first year preceding the year for which the budget is being determined;

(2) Capital improvements means (a) acquisition of real property or (b) acquisition, construction, or extension of any improvements on real property;

(3) Governing body has the same meaning as in section 13-503;

(4) Governmental unit means every political subdivision which has authority to levy a property tax or authority to request levy authority under section 77-3443 except sanitary and improvement districts which have been in existence for five years or less and school districts;

(5) Qualified sinking fund means a fund or funds maintained separately from the general fund to pay for acquisition or replacement of tangible personal property with a useful life of five years or more which is to be undertaken in the future but is to be paid for in part or in total in advance using periodic payments into the fund. The term includes sinking funds under subdivision (13) of section 35-508 for firefighting and rescue equipment or apparatus;

(6) Restricted funds means (a) property tax, excluding ~~any amounts required to pay interest and principal on bonded indebtedness~~ and any amounts refunded to taxpayers, (b) payments in lieu of property taxes, (c) local option sales taxes, (d) motor vehicle taxes, (e) state aid, ~~(e)~~ (f) transfers of surpluses from any user fee, permit fee, or regulatory fee if the fee surplus is transferred to fund a service or function not directly related to the fee and the costs of the activity funded from the fee, and ~~(f)~~ (g) any funds excluded from restricted funds for the prior year because they were budgeted for capital improvements but which were not spent and are not

expected to be spent for capital improvements; and

(7) State aid means:

(a) For all governmental units, state aid paid pursuant to sections 60-305.15 and 77-3523;

(b) For municipalities, state aid to municipalities paid pursuant to sections 18-2605, 39-2501 to 39-2520, 60-3007, 77-27,136, and 77-27,139.04 and insurance premium tax paid to municipalities;

(c) For counties, state aid to counties paid pursuant to sections 39-2501 to 39-2520, 47-119.01, 60-3001 to 60-3007, 77-27,136, and 77-3618 and insurance premium tax paid to counties;

(d) For community colleges, state aid to community colleges paid under sections 85-1536 to 85-1537;

(e) For natural resources districts, state aid to natural resources districts paid pursuant to section 77-27,136; and

(f) For educational service units, state aid appropriated under section 79-1241.

Sec. 8. Section 13-520, Revised Statutes Supplement, 1998, is amended to read:

13-520. The limitations in section 13-519 shall not apply to (1) restricted funds budgeted for capital improvements, (2) restricted funds expended from a qualified sinking fund for acquisition or replacement of tangible personal property with a useful life of five years or more, (3) restricted funds pledged to retire bonded indebtedness or used to pay other financial instruments that are approved and agreed to before July 1, 1999, in the same manner as bonds by a governing body created under section 35-501, (4) restricted funds budgeted in support of a service which is the subject of an interlocal cooperation agreement or a modification of an existing agreement whether operated by one of the parties to the agreement or an independent joint entity, (5) restricted funds budgeted to pay for repairs to infrastructure damaged by a natural disaster which is declared a disaster emergency pursuant to the Emergency Management Act, or (6) restricted funds budgeted to pay for judgments, except judgments or orders from the Commission of Industrial Relations, obtained against a governmental unit which require or obligate a governmental unit to pay such judgment, to the extent such judgment is not paid by liability insurance coverage of a governmental unit.

Sec. 9. Section 18-2805, Reissue Revised Statutes of Nebraska, is amended to read:

18-2805. (1) At least thirty days prior to the start of the fiscal year of each proprietary function, a proposed proprietary budget statement shall be prepared in writing and filed with the municipal clerk containing the following information:

(a) For the immediate two prior fiscal years, the revenue from all sources, the unencumbered cash balance at the beginning and end of the year, the amount received by taxation, and the amount of actual expenditure;

(b) For the current fiscal year, actual and estimated revenue from all sources separately stated as to each such source, the actual unencumbered cash balance available at the beginning of the year, the amount received from taxation, and the amount of actual and estimated expenditure, whichever is applicable;

(c) For the immediately ensuing fiscal year, an estimate of revenue from all sources separately stated as to each such source, the actual or estimated unencumbered cash balance, whichever is applicable, to be available at the beginning of the year, the amounts proposed to be expended during the fiscal year, and the amount of cash reserve based on actual experience of prior years; and

(d) A uniform summary of the proposed budget statement which shall include a total of all funds maintained for the proprietary function.

(2) Such statement shall contain the estimated cash reserve for each fiscal year and shall note whether or not such reserve is encumbered. The cash reserve projections shall be based upon the actual experience of prior years.

(3) ~~Within three years after June 10, 1993,~~ Each proprietary budget statement shall be filed on forms prescribed and furnished by the Auditor of Public Accounts following consultation with representatives of such governing bodies as operate proprietary functions subject to the provisions of the Municipal Proprietary Function Act.

Sec. 10. Section 23-131, Reissue Revised Statutes of Nebraska, is amended to read:

23-131. (1) Upon the allowance of any claim or account against the county, the county board shall direct the county clerk to draw a warrant upon the county treasurer in payment thereof. ~~Such~~ The warrant shall be signed by the chairperson of the county board, except as hereinafter provided, and

countersigned by the county clerk. Warrants may also be issued as provided in section 23-1303. All warrants payable to officers or employees of the county and claims or accounts allowed in full shall be delivered by the county clerk upon completion of entries so required in the warrant and distribution records of the officer in charge of such records. If a claim or account is not allowed in full, the warrant shall not be delivered to the party until the time for taking an appeal has expired and, if such appeal be taken, then not until the ~~same shall have appeal has~~ appeal has been determined.

(2) Jurors in the district courts shall, immediately upon the completion of their services, be entitled to a statement under seal from the clerk of the court wherein their services were rendered, certifying the amount due them for service as jurors in such court. Upon presentation of the ~~same certified statement~~ certified statement to the county clerk, the ~~latter county clerk~~ county clerk shall immediately issue a warrant upon the county general fund for the amount due as shown by ~~such certificate~~ the certified statement. Before delivery of the warrant, ~~it shall be the duty of~~ the county clerk to ~~shall~~ deduct therefrom the amount of any delinquent personal taxes then due from ~~such the~~ juror, except that in a county having a county comptroller, the county board shall direct ~~such the~~ comptroller to draw ~~such the~~ warrant, and ~~such the~~ warrant shall be executed as provided in this section, except that it shall be countersigned and issued by the comptroller. ~~and also issued by him or her.~~ If the county clerk or the county comptroller, ~~as the case may be,~~ is unable to issue the warrant to ~~such the~~ jurors because of insufficient funds, a record of the date of presentation of ~~such the~~ certified statements, together with the names and addresses of ~~such the~~ jurors, shall be made by the county clerk or ~~by the county comptroller,~~ ~~as the case may be,~~ and the amount due thereon shall draw interest until there are sufficient funds upon which to draw and pay ~~such the~~ warrants, whereupon each ~~such~~ juror shall be immediately notified by registered letter, return receipt requested, that upon presentation of a certified statement for juror's fee, a warrant will be drawn therefor with interest, less whatever delinquent personal taxes are then due from him or her.

Sec. 11. Section 23-135, Reissue Revised Statutes of Nebraska, is amended to read:

23-135. (1) All claims against a county shall be filed with the county clerk within ninety days from the time when any materials or labor, which form the basis of the claims, have been furnished or performed, except that (a) the fees of jurors serving in the district courts shall be paid as provided for in section 23-131 and (b) payment may be approved as provided in subsection (2) of this section. The county board may authorize procedures whereby claims may be filed electronically. The electronic filing shall include the following: Information with respect to the person filing the claim, the basis of the claim, the amount of the claim, the date of the claim, and any other information the county board may require. The county clerk shall keep records of each electronic claim. The records shall be accessible for public viewing in either electronic or printed format.

(2) A county board may by resolution, which resolution constitutes a claim pursuant to subsection (1) of section 23-1303, approve the payment for a particular piece of personal property prior to the receipt of such property by the county. A county board may by resolution approve the payment for a particular piece of real or personal property at the auction at which such property is sold if the resolution states the maximum amount which the county may bid for the particular piece of real or personal property.

(3) When the claim of any person against the county is disallowed in whole or in part by the county board, such person may appeal from the decision of the board to the district court of such county by causing a written notice to be served on the county clerk within twenty days after making such decision and executing a bond to such county, with sufficient security, to be approved by the county clerk, conditioned for the faithful prosecution of such appeal and the payment of all costs that shall be adjudged against the appellant. Upon the disallowance of any claim, ~~it shall be the duty of~~ the county clerk to ~~shall~~ notify the claimant, his or her agent, or his or her attorney in writing of the fact within five days after such disallowance. Notice mailed within such time shall be deemed sufficient. In a county with a county comptroller, all claims shall be filed with the comptroller and not with the county clerk. ~~and when~~ The comptroller shall keep records of each electronic claim. The records shall be accessible for public viewing in either electronic or printed format. When an appeal is taken, it shall be the duty of the county clerk to immediately notify the county comptroller of such appeal. immediately in writing.

Sec. 12. Section 23-910, Reissue Revised Statutes of Nebraska, is amended to read:

23-910. The total amount provided in ~~said the~~ budget to be raised by taxation shall in no instance exceed the amount of taxes authorized by law to be levied during that year, including the amounts necessary to meet outstanding indebtedness, as evidenced by bonds, coupons, or warrants regularly issued. No changes shall be made in the budget after its adoption, except as provided by ~~section~~ sections 13-511 and 23-918. In arriving at the amounts required to be raised by taxation for each fund, the total requirements, the outstanding warrants, and the operating reserve shall be added and from such total shall be deducted the revenue from sources other than taxation and the cash on hand ~~June 30, 1945, and thereafter~~ on June 30. ~~The of each year, PROVIDED, that the~~ operating reserve in no event shall be more than fifty percent of the total expenditures for ~~said the~~ fund during the last completed fiscal year. ~~The estimated amount of the revenue from sources other than taxation for the fiscal year shall in no event be more than the actual amount of such revenue collected in the immediately preceding calendar year.~~ The income of the ~~said~~ county, as estimated in the budget, shall be and become applicable in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures as contemplated and set forth in ~~said the~~ budget.

Sec. 13. Section 23-1303, Reissue Revised Statutes of Nebraska, is amended to read:

23-1303. (1) ~~The county clerk shall not issue any county warrants unless ordered by the county board authorizing the same. Every such warrant except upon claims approved by the county board. Every warrant issued shall be numbered consecutively as allowed from July 1 to June 30, corresponding with the fiscal year of the county. The date, amount and number of each warrant and the name of the person to whom it is issued shall be entered in a book called Warrant Book, to be kept by the clerk in his office for that purpose. When any warrant is returned as canceled, the clerk shall note the date of cancellation opposite such entry. The county clerk shall maintain records including the date, amount, and number of each warrant, the name of the person to whom a warrant is issued, and the date a warrant is returned as canceled. The records shall be made accessible to the public for viewing, in either an electronic or printed format.~~

(2)(a) The county clerk shall develop and implement a system of warrant preparation and issuance by electronic or mechanical means which is compatible with the funds transfer system established by the county treasurer pursuant to subsection (6) of this section.

(b) Warrant includes an order issued by the chairperson of the county board and countersigned by the county clerk directing that the county treasurer make payment in a specified amount to a specified payee by the use of a dual signature negotiable instrument as provided for in subsections (3) and (4) of this section, an electronic funds transfer system, a telephonic funds transfer system, funds transfers as provided in article 4A, Uniform Commercial Code, a mechanical funds transfer system, or any other funds transfer system established by the county treasurer.

(3) The chairperson of the county board shall sign each warrant or shall cause each warrant to be signed in his or her behalf either personally, by delegation of authority, or by facsimile or electronic signature. The signature of the chairperson of the county board shall signify that the payment intended by a warrant bearing such signature is proper under the appropriate laws of the state and resolutions of the county.

(4) The county clerk shall countersign all warrants issued by the chairperson of the county board either personally, by delegation of authority, or by facsimile or electronic signature.

(5) The county treasurer shall, if requested by the county clerk or the county board, establish procedures and processes for facsimile or electronic signature of warrants.

(6) The county treasurer may establish and operate an electronic funds transfer system, a telephonic funds transfer system, funds transfers as provided for in article 4A, Uniform Commercial Code, a mechanical funds transfer system, or any other funds transfer system for the payment of funds from and the deposit of receipts into the county treasury. Such system as established by the county treasurer shall employ internal control safeguards and after meeting such safeguards shall be deemed to satisfy any signature requirements. The use of an electronic funds transfer system, a telephonic funds transfer system, funds transfers as provided for in article 4A, Uniform Commercial Code, a mechanical funds transfer system, or any other funds transfer system established by the county treasurer shall not create any rights that would not have been created had an order, drawn by the chairperson of the county board upon the county treasurer directing the latter to pay a specified amount to a specified payee by the use of a dual signature

negotiable instrument as provided for in subsections (3) and (4) of this section, been used as the payment medium.

Sec. 14. Sections 1, 2, 7, 8, 14, 16, and 18 of this act become operative on their effective date. The other sections of this act become operative on July 1, 1999.

Sec. 15. Original sections 13-504, 13-506, 13-511, 18-2805, 23-131, 23-135, 23-910, and 23-1303, Reissue Revised Statutes of Nebraska, and section 13-508, Revised Statutes Supplement, 1998, are repealed.

Sec. 16. Original section 13-501, Reissue Revised Statutes of Nebraska, and sections 13-518 and 13-520, Revised Statutes Supplement, 1998, are repealed.

Sec. 17. The following section is outright repealed: Section 23-250.01, Reissue Revised Statutes of Nebraska.

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