

**ONE HUNDRED FOURTH LEGISLATURE - SECOND SESSION - 2016**  
**COMMITTEE STATEMENT**  
**LB851**

---

**Hearing Date:** Wednesday February 17, 2016  
**Committee On:** Government, Military and Veterans Affairs  
**Introducer:** McCollister  
**One Liner:** Change the Taxpayer Transparency Act

---

**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

---

**Vote Results:**

<b>Aye:</b>	7	Senators Bloomfield, Garrett, Craighead, Groene, Hansen, Larson, Murante
<b>Nay:</b>		
<b>Absent:</b>	1	Senator McCoy
<b>Present Not Voting:</b>		

---

**Verbal Testimony:**

**Proponents:**

Senator John McCollister  
Don Stenberg  
Gavin Geis  
Jack Gould  
Russ Karpisek  
Jessica Herrmann

**Representing:**

Introducer  
State Treasurer  
Common Cause Nebraska  
Self  
Auditor of Public Accounts  
Platte Institute

**Opponents:**

**Representing:**

**Neutral:**

Tim Kenny  
Lynne Schuller

**Representing:**

Nebraska Investment Finance Authority  
Nebraska Propane Education Research Council

---

**Summary of purpose and/or changes:**

LB 851 amends the Tax Payer Transparency Act as follows:

Section 2(a)(i)(F) adds the disbursement of state receipts by a state entity to the list of an expenditure of funds that must be disclosed under the act.

Section 2(a)(ii) clarifies that "expenditure of state funds" does not include the transfer of funds between state entities, payments of state or federal assistant to an individual, or pass-through funds.

Section 2(b) defines "pass-through funds" as any funds received by the state entity when the state entity is acting only as an intermediary or custodian with respect to the funds.

Section 2(c) defines "state entity" as any entity empowered to collect and disperse state receipts that is an agency, board, commission or department of the state, or any other body created by state statute that includes a gubernatorial appointee, head of a state agency, or employee of the state. The effect of this section is to subject quasi-public

---

agencies to the Act's disclosure requirements.

Section 2(d) defines "state receipts" as any revenue received by a state entity that is necessary to perform the entity's functions, excluding pass-through funds.

The bill also extends the time for compliance with the data reporting requirement for entities that become subject to it as a result of this bill to the 2016-17 fiscal year. Further, the bill extends the time for compliance with the contract reporting requirement for entities that become subject to it as a result of this bill to January 1, 2017.

---

**Explanation of amendments:**

AM 2149 makes the following changes to LB 851:

Redefines the term "expenditure of state funds" to expressly include expenditures authorized by governing bodies of state higher education entities, and expressly exclude "federal, or other" assistance to an individual.

Redefines "state receipts" to only that revenue or income which is received by a state entity, used to pay the expenses necessary to perform the state entity's functions, and reported to the State Treasurer in total amounts by category of income.

Exempts contracts entered into by the Nebraska Investment Finance Authority for the purpose of providing a specific service or financial assistance to a specifically name individual or his or her family from the bill's disclosure requirements.

---

John Murante, Chairperson