

**ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009**  
**COMMITTEE STATEMENT**  
**LB522**

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**Hearing Date:** Tuesday February 03, 2009  
**Committee On:** Urban Affairs  
**Introducer:** Urban Affairs  
**One Liner:** Change provisions relating to the use of funds by volunteer fire and rescue departments

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File

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**Vote Results:**

<b>Aye:</b>	6	Senators Coash, Cook, Friend, Lathrop, Rogert, White
<b>Nay:</b>		
<b>Absent:</b>	1	Senator McGill
<b>Present Not Voting:</b>		

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**Proponents:**

Senator Friend  
Bob Rose  
William Lundy  
Jerry Stilmock

**Representing:**

Introducer  
Edgar Fire and Rescue  
NE Volunteer Fire Fighters Assoc.  
NE state Volunteer Firefighters Assoc.

**Opponents:**

**Representing:**

**Neutral:**

Lynn Rex

**Representing:**

League of NE Municipalities

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

Committee Statement for LB 522

This legislation is a follow-up to LB 1096 adopted in the 2008 legislative session. That bill provided (in relevant part) for an amendment to Sec. 35-901 with regard to certain funds raised by a volunteer fire department.

Sec. 35-901 was initially adopted in 1993 to clarify the status of funds collected by volunteer fire departments. In response to concerns by volunteer departments that the funds they collected would be appropriated by their sponsoring public entity (city or fire protection district) or used to reduce the level of public financial support for emergency response services, the legislature adopted LB 516 which stated that funds raised by a volunteer department through donations, contributions, or bequests or through their own efforts (such as bake sales, pancake feeds, raffles, etc.) could be placed by the department into a trust fund under the control of the department. The department could expend money from the trust fund as it deemed necessary.

In consequence of testimony received at the public hearing on LB 1096, it was determined that at least one volunteer department has collected substantial funds over a period of years through billing individuals who received emergency response services for these service. Those funds were retained by the volunteer department and were placed into a trust fund of the sort authorized by Sec. 35-901 where they were not subject to public audit or public scrutiny.

Committee amendments were eventually adopted which sought to address the situation by providing that funds collected by a volunteer department that were the result of the performance of fire or rescue services at a given place and time accomplished through the use of equipment owned by the public authority (the city or fire protection district)

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and provided to the volunteer department and paid for by the recipient of the services were in fact public funds and must be placed in the possession and control of the public body.

Subsequent to the passage of LB 1096, questions were raised with regard to the provisions of subdivision (8) relating to the use of the funds derived by a city, village, or fire protection district from billing for services rendered by the volunteer department.

This legislation is intended to clarify the original intent of LB 1096 adopted in the 2008 session. It provides that funds derived from fees or charges for volunteer department emergency response services (as defined in subdivision 4(b) of section 35-901) which are in the possession of the sponsoring %u201Ctaxing authority%u201D (the city, village, or fire protection district) shall only be expended for three purposes:

- (a) for the support of the emergency response activities of the volunteer department that gave rise to the funds, fees, or charges collected,
- (b) for costs directly related to the collection of those funds, fees, or charges, or
- (c) for the support of a service award benefit program adopted and conducted pursuant to the Volunteer Emergency Responders Recruitment and Retention Act.

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Mike Friend, Chairperson