

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1130**

FINAL READING

Introduced by Groene, 42.

Read first time January 22, 2020

Committee: Revenue

1 A BILL FOR AN ACT relating to the Mutual Finance Assistance Act; to amend  
2 sections 35-1204 and 35-1207, Revised Statutes Supplement, 2019; to  
3 change provisions relating to mutual finance organization  
4 agreements; to change certain deadlines for applications and  
5 notifications; to harmonize provisions; and to repeal the original  
6 sections.

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

1 Section 1. Section 35-1204, Revised Statutes Supplement, 2019, is  
2 amended to read:

3 35-1204 (1) A mutual finance organization may be created by  
4 agreement among its members pursuant to the Interlocal Cooperation Act or  
5 the Joint Public Agency Act. The agreement shall:

6 (a) Have a duration of ~~at least~~ three years;

7 (b) Require that each member ~~all members~~ of the mutual finance  
8 organization levy the same agreed-upon property tax rate within their  
9 boundaries for one out of the every three tax years covered by the  
10 agreement. The members need not levy such agreed-upon property tax rate  
11 during the same year; ~~and~~

12 (c) Require that all members of the mutual finance organization levy  
13 no more than such agreed-upon property tax rate for the remaining tax  
14 years covered by the agreement; and ~~-~~

15 (d) Contain a statement of the agreed-upon maximum property tax  
16 rate.

17 (2) The property tax rates described in subsection (1) of this  
18 section shall be levied for the purpose of jointly funding the operations  
19 of all members of the mutual finance organization. All such property tax  
20 rates shall exclude levies for bonded indebtedness and lease-purchase  
21 contracts in existence on July 1, 1998.

22 (3) The changes made to this section by this legislative bill do not  
23 affect eligibility for funding pursuant to the Mutual Finance Assistance  
24 Act that is to be paid on or before May 1, 2021.

25 Sec. 2. Section 35-1207, Revised Statutes Supplement, 2019, is  
26 amended to read:

27 35-1207 (1) Any rural or suburban fire protection district or mutual  
28 finance organization seeking funds pursuant to the Mutual Finance  
29 Assistance Act shall submit an application and any forms required by the  
30 State Treasurer. Such application and forms shall be submitted to the  
31 State Treasurer by September 20 ~~July 1~~. The State Treasurer shall develop

1 the application which requires calculations showing assumed population  
2 eligibility under section 35-1205 and the distribution amount under  
3 section 35-1206. If the applicant is a mutual finance organization, it  
4 shall attach to its first application a copy of the agreement pursuant to  
5 section 35-1204 and attach to any subsequent application a copy of an  
6 amended agreement or an affidavit stating that the previously submitted  
7 agreement is still accurate and effective. Any mutual finance  
8 organization making application pursuant to this section shall include  
9 with the application additional financial information regarding the  
10 manner in which any funds received by the mutual finance organization  
11 based upon the prior year's application pursuant to the act have been  
12 expended or distributed by that mutual finance organization. The State  
13 Treasurer shall provide electronic copies of such reports on mutual  
14 finance organization expenditures and distributions to the Clerk of the  
15 Legislature by December 1 of each year in which any reports are filed.

16 (2) The State Treasurer shall review all applications for  
17 eligibility for funds under the act and approve any application which is  
18 accurate and demonstrates that the applicant is eligible for funds. On or  
19 before November 4 ~~August 15~~, the State Treasurer shall notify the  
20 applicant of approval or denial of the application and certify the amount  
21 of funds for which an approved applicant is eligible. The decision of the  
22 State Treasurer may be appealed as provided in the Administrative  
23 Procedure Act.

24 (3)(a) ~~(3)~~ Except as provided in subsection (5) ~~(4)~~ of this section,  
25 funds shall be disbursed by the State Treasurer in two payments which are  
26 as nearly equal as possible. Such payments shall be made as follows: - to  
27 ~~be paid~~

28 (i) For applications received by the State Treasurer by July 1,  
29 2020, such payments shall be made on or before November 1, 2020, and May  
30 1, 2021; -

31 (ii) For applications received by the State Treasurer after July 1,

1 2020, and by September 20, 2021, such payments shall be made on or before  
2 January 20, 2022, and May 20, 2022; and

3 (iii) For applications received by the State Treasurer by September  
4 20 of any year thereafter, such payments shall be made on or before the  
5 next following January 20 and May 20.

6 (b) If the Mutual Finance Assistance Fund is insufficient to make  
7 all payments to all applicants in the amounts provided in section  
8 35-1206, the State Treasurer shall prorate payments to approved  
9 applicants.

10 (4) Funds remaining in the Mutual Finance Assistance Fund on June 20  
11 ± shall be transferred to the General Fund before July 1.

12 (5) ~~(4)~~ No funds shall be disbursed to an eligible mutual finance  
13 organization until it has provided to the State Treasurer the financial  
14 information regarding the manner in which it has expended or distributed  
15 prior disbursements made pursuant to the Mutual Finance Assistance Act as  
16 provided in subsection (1) of this section.

17 Sec. 3. Original sections 35-1204 and 35-1207, Revised Statutes  
18 Supplement, 2019, are repealed.