

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1130

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; to provide an operative
6 date; to repeal the original sections; and to declare an emergency.

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

24 35-1207 (1) Any rural or suburban fire protection district or mutual
25 finance organization seeking funds pursuant to the Mutual Finance
26 Assistance Act shall submit an application and any forms required by the
27 State Treasurer. Such application and forms shall be submitted to the
28 State Treasurer by September 20 ~~July 1~~. The State Treasurer shall develop
29 the application which requires calculations showing assumed population
30 eligibility under section 35-1205 and the distribution amount under
31 section 35-1206. If the applicant is a mutual finance organization, it

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

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

21 (3) Except as provided in subsection (4) of this section, funds
22 shall be disbursed by the State Treasurer in two payments which are as
23 nearly equal as possible, to be paid on or before January 20 ~~November 1~~
24 and May 20 ~~1~~. If the Mutual Finance Assistance Fund is insufficient to
25 make all payments to all applicants in the amounts provided in section
26 35-1206, the State Treasurer shall prorate payments to approved
27 applicants. Funds remaining in the Mutual Finance Assistance Fund on June
28 20 ~~1~~ shall be transferred to the General Fund before July 1.

29 (4) No funds shall be disbursed to an eligible mutual finance
30 organization until it has provided to the State Treasurer the financial
31 information regarding the manner in which it has expended or distributed

1 prior disbursements made pursuant to the Mutual Finance Assistance Act as
2 provided in subsection (1) of this section.

3 Sec. 3. This act becomes operative on June 15, 2020.

4 Sec. 4. Original sections 35-1204 and 35-1207, Revised Statutes
5 Supplement, 2019, are repealed.

6 Sec. 5. Since an emergency exists, this act takes effect when
7 passed and approved according to law.