

# **One Hundred Seventh Legislature - First Session - 2021**

## **Introducer's Statement of Intent**

### **LB664**

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**Chairperson: Senator Tom Brewer**

**Committee: Government, Military and Veterans Affairs**

**Date of Hearing: February 11, 2021**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

In 1998, the legislature created the Mutual Finance Assistance Fund Act to allow for state aid to rural fire districts who agree to participate in a county wide Mutual Finance Organization.

The source of the funding is ten percent of the total Insurance Premium Tax. The dollars available for disbursement has averaged nearly nine million per year. Presently, the fund is allocated on a ten dollar per-capita rate for each Mutual Finance Organization, and has only required less than four million dollars in appropriations.

LB 664 will update the disbursement formula to more adequately reflect the needs of the fire districts as populations decline but needed fire protection services have increased. The ten dollar per capita disbursement will stay intact. LB 664 will add a ten thousand dollar payment for each fire district in a Mutual Finance Organization. The payments may be limited by 35-1207 (3)(b) "If Mutual Finance Assistance Fund is insufficient to make all payments to all applicants in the amounts provided in section 35-1206, the State Treasurer shall prorate payments to approved applicants."

The intent of the legislature was to disperse all of the Mutual Assistance Funds to rural fire districts. LB664 will help achieve that purpose.

**Principal Introducer:** \_\_\_\_\_

**Senator Mike Groene**