



Ninety-Ninth Legislature - Second Session - 2006
Committee Statement
LB 163

Hearing Date: February 1, 2005
Committee On: Urban Affairs

Introducer(s): (Bourne, Thompson)

Title: Change the Mutual Finance Assistance Act which provides for funding fire protection, emergency response, and training

Roll Call Vote – Final Committee Action:

Advanced to General File
Advanced to General File with Amendments
X Indefinitely Postponed

Vote Results:

5	Yes	Senator Friend, Connealy, Janssen, Landis, Schimek
1	No	Senator Combs
	Present, not voting	
1	Absent	Senator Cornett

Proponents:

Kevin Edwards
Daniel Hoins
Jeffrey Strawn
James Blinn
Mike McDonnell
Michael Dineen

Representing:

Papillion Fire District
City of Papillion
City of Papillion Fire Rescue
City of Papillion
Professional Firefighters of NE
Millard Fire District

Opponents:

Jerry Stilmock
Terry Burger

Representing:

NE State Volunteer Firefighters Asso.
Gage County MFO

Neutral:

Paul Pedersen
Lynn Rex

Representing:

Lincoln County MFO & North Platte Fire Dept.
League of NE Municipalities

Summary of purpose and/or changes: This is an act relating to the Mutual Finance Assistance Act, proposing to expand the number of mutual finance organizations that could qualify for assistance. It is applicable to mutual finance organizations: rural or suburban fire protection districts that have entered into agreements with second class cities or villages.

In 1998, with the passage of LB 1120 (introduced as LB 1119 and amended into LB 1120), the legislature adopted the Mutual Finance Assistance Act. The Act was part of a series of bills proposed by the Revenue Committee and its then Chair, Sen. Bob Wickersham, to provide an incentive for political subdivisions to merge or operate jointly and thereby reduce property tax burdens on cities and counties.

This is particularly significant for rural and suburban fire protection districts that must rely upon their counties for tax levy authority since they are not granted a specific authorization for a property tax levy for their own use by statute.

The purpose of the act was to encourage fire protection districts and second class cities and villages to enter into agreements (under the Interlocal Cooperation Act or the Joint Public Agency Act) to jointly finance one another's activities under a common property tax levy. If they they did so (and qualified under the law) they would be entitled to aid in the amount of \$10.00 times the assumed population of the MFO (or the individual district if it could qualify on its own as representing 80% of the population of the county outside of the population of the metropolitan, primary, or first class cities within the county). That \$10 would be prorated if the fund was not sufficient to finance all the qualifying MFOs.

The funds for the program come from the Insurance Premiums Tax. Nearly four million dollars is distributed in each tax year for this program.

This legislation would reduce the size of the "assumed" population of a county from an absolute population threshold of thirty thousand persons down to ten thousand persons. This would broaden the range of MFOs that could qualify for funds under act (most specifically fire protection districts in the Omaha metropolitan area)

Under the current statutes, you could represent 80% of the assumed population of the county, but if that total did not exceed thirty thousand persons, you could not qualify for aid. This bill would lower than level to ten thousand persons.

Explanation of amendments, if any:

Senator Mike Friend, Chairperson