

## LEGISLATIVE BILL 399

Approved by the Governor May 20, 2025

Introduced by Wordekemper, 15.

A BILL FOR AN ACT relating to the Mutual Finance Assistance Act; to amend section 35-1205, Reissue Revised Statutes of Nebraska, and section 35-1204, Revised Statutes Cumulative Supplement, 2024; to change provisions relating to property tax rates; to change qualifications for certain distributions; to eliminate obsolete provisions; to provide an operative date; and to repeal the original sections.

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

**Section 1.** Section 35-1204, Revised Statutes Cumulative Supplement, 2024, is amended to read:

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

(a) Have a duration of three years;

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

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

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

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

~~(3) The changes made to this section by Laws 2020, LB1130, do not affect eligibility for funding pursuant to the Mutual Finance Assistance Act that is to be paid on or before May 1, 2021.~~

**Sec. 2.** Section 35-1205, Reissue Revised Statutes of Nebraska, is amended to read:

35-1205 (1) Any rural or suburban fire protection district which contains within its boundaries (a) an assumed population of thirty thousand or more or (b) at least sixty eighty percent of the assumed population of any one county which is contained in whole or in part within the district residing outside the city limits of any city of the first, primary, or metropolitan class in such county shall receive a distribution from the Mutual Finance Assistance Fund pursuant to section 35-1206.

(2) Any mutual finance organization which (a) has entered into an agreement pursuant to section 35-1204 and (b) contains within the boundaries of its members (i) an assumed population of thirty thousand or more or (ii) at least sixty eighty percent of the assumed county population of any one county which is contained in whole or in part within the mutual finance organization residing outside the city limits of any city of the first, primary, or metropolitan class in such county shall receive a distribution from the fund pursuant to section 35-1206.

(3) For purposes of this section:

(a) The assumed population residing within the boundaries of a rural or suburban fire protection district or mutual finance organization equals (i) the estimated county population as determined based on the most recent estimates of the United States Bureau of the Census for counties, minus (ii) the estimated population of all cities and villages in the county as certified pursuant to section 77-3,119, multiplied by (iii) a fraction, the numerator of which is the valuation within the rural or suburban fire protection district or mutual finance organization which is not within a city or village and the denominator of which is the valuation in the county which is not contained within a city of the first, primary, or metropolitan class, and added to (iv) the most recent estimated population of all cities of the second class and villages in the fire protection district or mutual finance organization as certified pursuant to section 77-3,119;

(b) The assumed county population residing outside the city limits of any city of the first, primary, or metropolitan class equals (i) the most recent estimated county population as determined based on the most recent estimates of the United States Bureau of the Census for counties minus (ii) the most recent estimated population of all cities of the first, primary, or metropolitan class in the county as certified pursuant to section 77-3,119;

(c) If a city or village is located in more than one county, the population of the city or village which resides in the county is presumed to be in proportion to the valuation of such city or village which is located in the county; and

(d) If the district or mutual finance organization is located in more than one county and the district or mutual finance organization meets the threshold

in subsection (1) or (2) of this section in only one county, the district or mutual finance organization shall qualify for assistance under this section.

**Sec. 3.** This act becomes operative on October 1, 2025.

**Sec. 4.** Original section 35-1205, Reissue Revised Statutes of Nebraska, and section 35-1204, Revised Statutes Cumulative Supplement, 2024, are repealed.