

# **One Hundred Sixth Legislature - Second Session - 2020**

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

### **LB1130**

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**Chairperson: Senator Lou Ann Linehan**

**Committee: Revenue**

**Date of Hearing: February 12, 2020**

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

LB1130 modifies statutes pertaining to mutual finance organization (MFO) agreements and clarifies select provisions enacted by our bill LB63 (2019).

-Under current Neb. Rev. Stat. § 35-1204(1)(a), MFO agreements must meet or exceed a minimum duration of three years. LB1130 removes the minimum duration language and requires all MFO agreements to have a duration of exactly three years.

-LB1130 establishes that MFO members must note their agreed-upon maximum levy within their agreements, and clarifies that MFO members need not all levy the agreed-upon maximum rate during the same year of the agreement.

-LB1130 changes the date by which application materials for Mutual Finance Assistance Act funds must be submitted from July 1 to September 20. The July 1 deadline requires each MFO to set a levy prior to property valuation. By shifting the deadline later in the year, the levy amount can reflect current valuation information.

-To align the rest of the MFO funding timeline with the new application deadline, LB1130 also makes the following date changes:

- Date by which State Treasurer must approve or deny application is moved from August 15 to November 4
- Dates for disbursement of funds are changed from November 1 and May 1 to January 20 and May 20
- Any funds remaining in the Mutual Finance Assistance Fund on June 20 shall be transferred to the General Fund before July 1. Currently, funds remaining as of June 1 are so transferred.

-In order to ensure the new language is effective for the 2020 application year, the bill includes an emergency clause and an operative date of June 15, 2020.

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

Senator Mike Groene