

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 399

FINAL READING

Introduced by Wordekemper, 15.

Read first time January 17, 2025

Committee: Revenue

- 1 A BILL FOR AN ACT relating to the Mutual Finance Assistance Act; to amend
- 2 section 35-1205, Reissue Revised Statutes of Nebraska, and section
- 3 35-1204, Revised Statutes Cumulative Supplement, 2024; to change
- 4 provisions relating to property tax rates; to change qualifications
- 5 for certain distributions; to eliminate obsolete provisions; to
- 6 provide an operative date; and to repeal the original sections.
- 7 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 35-1204, Revised Statutes Cumulative Supplement,
2 2024, is 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 three years;

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

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

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

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

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

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

26 35-1205 (1) Any rural or suburban fire protection district which
27 contains within its boundaries (a) an assumed population of thirty
28 thousand or more or (b) at least sixty ~~eighty~~ percent of the assumed
29 population of any one county which is contained in whole or in part
30 within the district residing outside the city limits of any city of the
31 first, primary, or metropolitan class in such county shall receive a

1 distribution from the Mutual Finance Assistance Fund pursuant to section
2 35-1206.

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

11 (3) For purposes of this section:

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

26 (b) The assumed county population residing outside the city limits
27 of any city of the first, primary, or metropolitan class equals (i) the
28 most recent estimated county population as determined based on the most
29 recent estimates of the United States Bureau of the Census for counties
30 minus (ii) the most recent estimated population of all cities of the
31 first, primary, or metropolitan class in the county as certified pursuant

1 to section 77-3,119;

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

6 (d) If the district or mutual finance organization is located in
7 more than one county and the district or mutual finance organization
8 meets the threshold in subsection (1) or (2) of this section in only one
9 county, the district or mutual finance organization shall qualify for
10 assistance under this section.

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

12 **Sec. 4.** Original section 35-1205, Reissue Revised Statutes of
13 Nebraska, and section 35-1204, Revised Statutes Cumulative Supplement,
14 2024, are repealed.