

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 918**

Introduced by Murante, 49.

Read first time January 12, 2016

Committee: Transportation and Telecommunications

1 A BILL FOR AN ACT relating to motor vehicles; to amend sections 60-3,186  
2 and 60-1505, Revised Statutes Cumulative Supplement, 2014; to change  
3 the use of motor vehicle tax proceeds; to provide for placement of  
4 funds in the Vehicle Title and Registration System Replacement and  
5 Maintenance Cash Fund as prescribed; to provide an operative date;  
6 to repeal the original sections; and to declare an emergency.

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

1 Section 1. Section 60-3,186, Revised Statutes Cumulative Supplement,  
2 2014, is amended to read:

3 60-3,186 (1) The department shall annually determine the motor  
4 vehicle tax on each motor vehicle registered pursuant to section 60-3,187  
5 and shall cause a notice of the amount to be delivered to the registrant.  
6 The notice may be delivered to the registrant at the address shown upon  
7 his or her registration certificate or the registrant's most recent  
8 address according to information received by the department from the  
9 National Change of Address program of the United States Postal Service or  
10 delivered electronically to the registrant if the registrant has provided  
11 electronic contact information to the department. The notice shall be  
12 provided on or before the first day of the last month of the registration  
13 period.

14 (2)(a) The motor vehicle tax, motor vehicle fee, registration fee,  
15 sales tax, and any other applicable taxes and fees shall be paid to the  
16 county treasurer prior to the registration of the motor vehicle for the  
17 following registration period. If the motor vehicle being registered has  
18 been transferred as a gift or for a nominal amount, any sales tax owed by  
19 the transferor on the purchase of the motor vehicle shall have been paid  
20 or be paid to the county treasurer prior to the registration of the motor  
21 vehicle for the following registration period.

22 (b) After retaining one percent of the motor vehicle tax proceeds  
23 collected for costs incurred by the county treasurer, and after  
24 transferring one percent of the motor vehicle tax proceeds collected to  
25 the State Treasurer for credit to the Vehicle Title and Registration  
26 System Replacement and Maintenance Cash Fund, the remaining motor vehicle  
27 tax proceeds shall be allocated to each county, local school system,  
28 school district, city, and village in the tax district in which the motor  
29 vehicle has situs.

30 (c)(i) Twenty-two percent of the remaining motor vehicle tax  
31 proceeds shall be allocated to the county, (ii) sixty percent shall be

1 allocated to the local school system or school district, and (iii)  
2 eighteen percent shall be allocated to the city or village, except that  
3 (A) if the tax district is not in a city or village, forty percent shall  
4 be allocated to the county, and (B) in counties containing a city of the  
5 metropolitan class, eighteen percent shall be allocated to the county and  
6 twenty-two percent shall be allocated to the city or village.

7 (d) The amount allocated to a local school system shall be  
8 distributed to school districts in the same manner as property taxes.

9 (3) Proceeds from the motor vehicle tax shall be treated as property  
10 tax revenue for purposes of expenditure limitations, matching of state or  
11 federal funds, and other purposes.

12 Sec. 2. Section 60-1505, Revised Statutes Cumulative Supplement,  
13 2014, is amended to read:

14 60-1505 The Vehicle Title and Registration System Replacement and  
15 Maintenance Cash Fund is hereby created. The fund shall be administered  
16 by the Department of Motor Vehicles. Revenue credited to the fund shall  
17 include fees collected by the department from participation in any  
18 multistate electronic data security program, except as otherwise  
19 specifically provided by law, and funds transferred as provided in  
20 section 60-3,186. The fund shall be used by the department to pay for  
21 costs associated with the acquisition, implementation, maintenance,  
22 support, upgrades, and replacement of the vehicle titling and  
23 registration computer system. Any money in the fund available for  
24 investment shall be invested by the state investment officer pursuant to  
25 the Nebraska Capital Expansion Act and the Nebraska State Funds  
26 Investment Act.

27 Sec. 3. This act becomes operative on July 1, 2016.

28 Sec. 4. Original sections 60-3,186 and 60-1505, Revised Statutes  
29 Cumulative Supplement, 2014, are repealed.

30 Sec. 5. Since an emergency exists, this act takes effect when  
31 passed and approved according to law.