

LEGISLATIVE BILL 1114

Approved by the Governor March 14, 1986

Introduced by V. Johnson, 8

AN ACT relating to insurance; to amend sections 44-2407, 44-2716, 44-3110, 77-907, and 77-910 to 77-913, Reissue Revised Statutes of Nebraska, 1943, sections 13-206 and 77-908, Revised Statutes Supplement, 1984, and sections 13-203, 13-207, 44-4233, and 77-2734.03, Revised Statutes Supplement, 1985; to define and redefine terms; to change the premium tax rate as prescribed; to provide for refunds as prescribed; to provide a procedure to challenge payment of a tax as prescribed; to require prepayments; to create a fund; to change provisions relating to the distribution of such tax; to eliminate a premium tax; to harmonize provisions; to provide duties for the Revisor of Statutes; to provide an operative date; to provide severability; to repeal the original sections, and also sections 44-1213 and 77-914, Reissue Revised Statutes of Nebraska, 1943, and section 77-909, Revised Statutes Supplement, 1984; and to declare an emergency.

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

Section 1. That section 13-203, Revised Statutes Supplement, 1985, be amended to read as follows:

13-203. As used in the Community Development Assistance Act, unless the context otherwise requires:

(1) Business firm shall mean any business entity including a corporation, fiduciary, sole proprietorship, partnership, or corporation having an election in effect under subchapter S of the Internal Revenue Code subject to the state income tax imposed by section 77-2715 or 77-2734.02 or an insurance company paying a tax in this state pursuant to section ~~44-1213~~, 77-908; ~~or 77-909~~;

(2) Community services shall mean any type of the following in a community development area: (a) Employment training; (b) human services; (c) medical services; (d) physical facility and neighborhood development services; (e) recreational services or

activities; (f) educational services; or (g) crime prevention activities, including, but not limited to, the instruction of any individual in the community development area that enables him or her to acquire vocational skills; counseling and advice; emergency services; community, youth, day care, and senior citizen centers; inhome services; home improvement services and programs; and any legal enterprise which aids in the prevention or reduction of crime;

(3) Department shall mean the Department of Economic Development;

(4) Director shall mean the Director of Economic Development;

(5) Community development area shall mean any village, city, county, or part thereof which has been designated by the department as an area of chronic economic distress;

(6) Community assistance shall mean furnishing financial assistance, labor, material, or technical advice to aid in the physical improvement of any part or all of a community development area;

(7) Community betterment organization shall mean any organization performing community services or offering community assistance in a community development area and to which contributions are tax deductible under the provisions of the Internal Revenue Service of the United States Department of the Treasury; and

(8) Area of chronic economic distress shall mean an area of the state which exceeds state averages in a majority of the following categories:

- (a) Unemployment;
- (b) Percentage of the population below the median family income;
- (c) Vacant and substandard housing stock;
- (d) Depressed housing valuations; and
- (e) Crime.

Sec. 2. That section 13-206, Revised Statutes Supplement, 1984, be amended to read as follows:

13-206. (1) The director shall adopt and promulgate rules and regulations for the approval or disapproval of the program proposals submitted pursuant to section 13-205 taking into account the economic need level and the geographic distribution of the population of the community development area. The director shall also adopt and promulgate rules and regulations concerning the amount of the tax credit for which a program shall be certified. The tax credits shall be available only for those contributions to a certified program which may qualify as a charitable contribution

deduction on the federal income tax return filed by the business entity making such contribution. The decision of the department to approve or disapprove all or any portion of a proposal shall be in writing. If the proposal is approved, the maximum tax credit allowance for the certified program shall be stated along with the approval. The maximum tax credit allowance approved by the department shall be final for the fiscal year in which the program is certified. A copy of all decisions shall be transmitted to the Tax Commissioner. A copy of all credits allowed to business firms under sections 44-1213, section 77-908, and 77-909 shall be transmitted to the Director of Insurance.

(2) For all business firms eligible for the credit allowed by section 13-207, except for insurance companies paying an annual tax in this state pursuant to sections 44-1213, section 77-908, and 77-909, the Tax Commissioner shall provide for the manner in which the credit allowed by section 13-207 shall be taken and the forms on which such credit shall be allowed. The Tax Commissioner shall adopt and promulgate rules and regulations for the method of providing tax credits. The Director of Insurance shall provide for the manner in which the credit allowed by section 13-207 to insurance companies paying an annual tax in this state pursuant to sections 44-1213, section 77-908, and 77-909 shall be taken and the forms on which such credit shall be allowed. The Director of Insurance shall adopt and promulgate rules and regulations for the method of providing the tax credit. The Tax Commissioner shall allow against any income tax due from the insurance companies paying an annual tax in this state pursuant to sections 44-1213, section 77-908, and 77-909, a credit for the credit provided by section 13-207 and allowed by the Director of Insurance.

Sec. 3. That section 13-207, Revised Statutes Supplement, 1985, be amended to read as follows:

13-207. (1) Any business firm which plans to or which has contributed to a certified program of a community betterment organization may apply to the department for authorization for a tax credit for the contribution to the certified program in an amount up to but not exceeding the maximum tax credit allowed by the department. The maximum tax credit allowed by the department for each approved business firm shall be in an amount which does not exceed forty per cent of the total amount contributed by the business firm during its taxable year to any programs certified pursuant to section 13-205. The director shall send a copy of the

approved application which includes the amount of the tax credit to be allowed and a certification by the department that the contribution has been paid as proposed by the business firm to the Tax Commissioner who shall grant a tax credit against any tax due under sections 77-2715 and 77-2734.02 and to the Director of Insurance who shall grant a tax credit against any tax due under ~~sections 44-1213,~~ section 77-908, ~~7~~ and 77-909.

(2) No tax credit shall be granted to any business firm in this state pursuant to the Community Development Assistance Act for activities that are a part of its normal course of business. Any tax credit balance may be carried over and applied against the business firm's tax liability for the next five years immediately succeeding the tax year in which the credit was first allowed.

Sec. 4. Commencing with any fee or charge imposed for 1985 or any subsequent year, whenever it appears to the satisfaction of the Director of Insurance that, because of a mistake of fact, error in calculation, or erroneous interpretation of a statute of this or any other state, district, province, territory, or country, any fee or charge, excluding taxes, has been paid to the director pursuant to any provision of law which is not required by law or which is in excess of the amount legally chargeable, he or she shall have the authority to refund the amount of such payment or overpayment. The refund may be made by applying such amount towards the payment of other like or similar fees or charges, except taxes, already due or which may become due until such payment or overpayment has been fully refunded. No amount shall be refunded for payment or overpayment made after two years have elapsed from the end of the year for which any fee or charge was payable. This section shall not authorize or permit refunding of any taxes.

Sec. 5. That section 44-2407, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

44-2407. (1) The association shall:

(a) Allocate claims paid and expenses incurred among the three accounts separately, and assess member insurers separately for each account in the amounts necessary to pay the obligations of the association under the ~~provisions of~~ section 44-2406, ~~the~~ expenses of handling covered claims, ~~the~~ cost of examinations under the ~~provisions of~~ sections 44-2412 and 44-2413, ~~and other expenses authorized by sections 44-2401 to~~

44-2418 the Nebraska Property and Liability Insurance Guaranty Association Act. The assessments of each member insurer shall be in proportion that the net direct written premiums of such member insurer, on the basis of the insurance in the account involved, bears to the net direct written premiums of all member insurers for the same period and in the same account for the calendar year preceding the date the member insurer becomes an insolvent insurer. After an initial assessment has been made for an insolvency, any subsequent assessments for that insolvency may be calculated in the same manner as the initial assessment and may use the same calendar year's net direct written premiums as were used in determining the original assessment. The association may make an assessment for the purpose of meeting administrative costs and other general expenses not related to a particular impaired insurer, not to exceed fifty dollars per member company in any one year. Each member insurer shall be notified of the assessment not later than thirty days before it is due. Except for such administrative assessment, no member insurer may be assessed in any year on any account an amount greater than one per cent of that member insurer's net direct written premiums for the preceding calendar year on the kinds of insurance in the account. The association may defer, in whole or in part, the assessment of any member insurer if the assessment would cause the member insurer's financial statement to reflect amounts of capital or surplus less than the minimum required for a certificate of authority by any jurisdiction in which the member insurer is authorized to transact business as an insurer. Deferred assessments shall be paid when such payment will not reduce capital or surplus below such required minimum amounts. Such deferred assessments when paid shall be refunded to those member companies that received larger assessments by virtue of such deferment, or, in the discretion of any such company, credited against future assessments. No member insurer may pay a dividend to stockholders or policyholders while such insurer has an unpaid deferred assessment;

(b) Handle claims through its employees or through one or more insurers or other persons designated by the association as a servicing facility, except ; PROVIDED, that the designation of a servicing facility shall be subject to the approval of the director and such designation may be declined by a member insurer;

(c) Reimburse any servicing facility for obligations of the association paid by the facility and

for expenses incurred by the facility while handling claims on behalf of the association; and such other expenses of the association as are authorized by sections 44-2401 to 44-2418 the Nebraska Property and Liability Insurance Guaranty Association Act; and

(d) Issue to each insurer paying an assessment under this section a certificate of contribution in appropriate form and terms as prescribed by the director for the amount so paid. All outstanding certificates shall be of equal dignity and priority without reference to amounts or dates of issue. Such certificate of contribution shall be shown by the insurer in its financial statement as an admitted asset. The insurer shall have the right to show a certificate of contribution as an admitted asset at percentages of original face amount for calendar years not to exceed the following: One hundred per cent for the calendar year of issuance; eighty per cent for the first calendar year after the year of issuance; sixty per cent for the second calendar year after the year of issuance; forty per cent for the third calendar year after the year of issuance; and twenty per cent for the fourth calendar year after the year of issuance. The insurer shall offset not to exceed the amount written off by it in a calendar year under this section against its tax liability imposed by sections 44-1213, section 77-908, and 77-909 to the state accrued with respect to business transacted in such year. Should the association recover any sum representing amounts previously written off by member insurers and offset against taxes imposed by sections 44-1213, section 77-908, and 77-909; such recovered sum shall be paid by the association to the Director of Insurance who shall handle such funds in the same manner as provided in Chapter 77, article 9.

(2) The association may:

(a) Appear in, defend, and appeal any action;

(b) Employ or retain such persons as are necessary to handle claims and perform other duties of the association;

(c) Borrow funds necessary to effect the purposes of the Nebraska Property and Liability Insurance Guaranty Association Act sections 44-2401 to 44-2418 in accord with the plan of operation;

(d) Sue or be sued;

(e) Negotiate and become a party to such contracts as are necessary to carry out the purpose of sections 44-2401 to 44-2418 such act;

(f) Perform such other acts as are necessary or proper to effectuate the purpose of sections 44-2401

to 44-2418 such act; and

(g) Refund to the member insurers in proportion to the contribution of each member insurer to any account that amount by which the assets of the account exceed the liabilities; if, at the end of any calendar year, the board of directors finds that the assets of the association in the account exceed the liabilities of that account as estimated by the board of directors for the coming year.

Sec. 6. That section 44-2716, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

44-2716. (1) Unless a longer period has been allowed by the director, a member insurer shall, at its option, have the right to show a certificate of contribution as a nonadmitted asset in the form approved by the director pursuant to subsection (8) {7} of section 44-2708, at percentages of the original face amount approved by the director, for calendar years not to exceed the following:

(a) One hundred per cent for the calendar year of issuance;

(b) Eighty per cent for the first calendar year after the year of issuance;

(c) Sixty per cent for the second calendar year after the year of issuance;

(d) Forty per cent for the third calendar year after the year of issuance;

(e) Twenty per cent for the fourth calendar year after the year of issuance; and

(f) Zero per cent for the fifth calendar year after the year of issuance, and thereafter.

(2) The insurer may offset the amount written off by it in a calendar year under the provisions of subsection (1) of this section against its premium tax liability to this state pursuant to the provisions of sections 44-1213, section 77-908, and 77-909, accrued with respect to business transacted in such year.

(3) Any sums acquired by refund pursuant to subsection (6) of section 44-2708 from the association which have previously been written off by contributing insurers and offset against premium taxes as provided in subsection (2) of this section, and are not then needed for purposes of Chapter 44, shall be paid by the association to the director who shall handle such funds in the same manner as provided for in section 77-912.

Sec. 7. That section 44-3110, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

44-3110. (1) In addition to the premium tax prescribed in ~~sections 77-907 to 77-914~~ Chapter 77, article 9, every professional association mutual insurance company licensed pursuant to the Nebraska Professional Association Mutual Insurance Company Act sections 44-3101 to 44-3112 shall, on or before March 1 of each year, pay an administrative fee to the director in the amount of three-tenths of one per cent of the gross amount of direct-writing premiums received by it during the preceding calendar year for business done in this state.

(2) The computation of the administrative fee shall be made on forms furnished by the Department of Insurance and the fee shall be forwarded to the department together with a sworn statement by an appropriate officer of the company attesting the accuracy of the fee computation. The department shall furnish such forms prior to the end of the year for which the fees are payable.

(3) The director shall rescind or refuse to reissue the license of any company which fails to remit the administrative fee in conformity with this section. Prior to rescinding such license, the director shall issue an order to the company directing the company to show cause why such rescission should not be made. The director shall give not less than ten days' notice of a rescission hearing before the department. Should the company be aggrieved by such determination, an appeal may be made under sections 84-917 and 84-918.

Sec. 8. That section 44-4233, Revised Statutes Supplement, 1985, be amended to read as follows:

44-4233. Any insurer subject to premium tax liability imposed by section ~~44-4213, 77-908, or 77-909~~ may offset assessments paid to the pool by such insurer in a calendar year against its tax liability.

Sec. 9. That section 77-907, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-907. As used in ~~sections 77-907 to 77-914~~ Chapter 77, article 9, unless the context otherwise requires:

(1) Domestic, foreign, and alien insurance companies, ~~and department~~ shall have the meanings as set forth in section 44-103 and shall include reciprocal or interinsurance exchanges and their designated attorneys-in-fact as defined in Chapter 44, article 12;

(2) Department shall mean the Department of Insurance;

(3) Director shall mean Director of Insurance;

(4) ~~(3)~~ Premiums shall mean the consideration paid to insurance companies for insurance and shall include policy fees, assessments, dues, or other similar payments except that premiums on pension, profit-sharing, individually sponsored retirement plans, and other ~~employee benefit plans~~ pension plan contracts which are described in section 805 ~~(d)~~ 818(a) of the Internal Revenue Code of 1954, as amended, shall be exempt from taxation;

(5) ~~(4)~~ License shall mean certificate of authority as contemplated by section 44-105; and

(6) ~~(5)~~ Direct writing shall mean insurance as defined in section 44-102, but shall not include reinsurance as defined in section 44-103.

Sec. 10. That section 77-908, Revised Statutes Supplement, 1984, be amended to read as follows:

77-908. Every foreign or alien insurance company organized under the stock, mutual, assessment, or reciprocal plan and every nonprofit hospital service corporation, except fraternal benefit societies, which is are transacting business in this state, except fraternal beneficiary associations, shall on or before March 1 of each year May 1, 1986, and March 1 of each year thereafter, in lieu of any other intangible property tax, pay a tax to the director of one two per cent of the gross amount of direct writing premiums received by it during the preceding calendar year for business done in this state, except that (1) for group sickness and accident insurance the rate of such tax shall be five-tenths of one per cent and (2) for property and casualty insurance, excluding individual sickness and accident insurance, the rate of such tax shall be six-tenths of one per cent for the 1985 taxable year, seven-tenths of one per cent for the 1986 taxable year, eight-tenths of one per cent for the 1987 taxable year, and one per cent for the 1988 taxable year and each year thereafter. The taxable life insurance premiums shall include premiums paid on the lives of persons residing in this state and premiums paid for risks located in this state whether the insurance was written in this state or not, including that portion of a group premium paid which represents the premium for insurance on Nebraska residents or risks located in Nebraska included within the group when the number of lives in the group exceeds five hundred. The tax shall also apply to premiums received by domestic companies for insurance written on individuals residing outside

this state or risks located outside this state if no comparable tax is paid by the direct writing domestic company to any other appropriate taxing authority. Companies whose scheme of operation contemplates the return of a portion of premiums to policyholders, without such policyholders being claimants under the terms of their policies, may deduct such return premiums or dividends from their gross premiums for the purpose of tax calculations. Any such insurance company shall receive a credit on the tax imposed as provided in the Community Development Assistance Act.

Sec. 11. That section 77-910, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-910. (1) The computation of the taxes as provided in sections 77-908 and 77-909 Chapter 77, article 9, shall be made on forms furnished by the Department of Insurance, and shall be forwarded to the department together with a sworn statement by an appropriate fiscal officer of the company attesting the accuracy of the tax computation. The department shall furnish such forms to the companies prior to the end of the year for which the taxes are payable together with any information relative to the taxes as may be needful or desirable. Upon receipt of the tax payment, the director shall audit and examine the computations and satisfy himself or herself that the taxes have been properly paid in conformity with the provisions of sections 77-907 to 77-914 Chapter 77, article 9.

(2) Commencing with taxes imposed for 1985 or any subsequent year, whenever it appears to the satisfaction of the director that, because of a mistake of fact, error in calculation, or erroneous interpretation of a statute not pertaining to the statute's constitutionality, any tax has been erroneously paid to the director, he or she shall have the authority to refund or credit the amount of such erroneous overpayment. The refund or credit may be made by applying such amount towards the payment of other similar taxes already due or which may become due until such overpayment has been fully reimbursed. A claim for refund or credit of an overpayment of a tax caused by a mistake of fact, error in calculation, or erroneous interpretation of a statute not pertaining to the statute's constitutionality shall be filed by the taxpayer within one year from the date the overpayment was made or such claim shall be forever barred.

Sec. 12. That section 77-911, Reissue Revised Statutes of Nebraska, 1943, be amended to read as

follows:

77-911. The director shall rescind or refuse to reissue the license of any company which fails to remit its taxes in conformity with the provisions of sections 77-907 to 77-914 Chapter 77, article 9. Prior to rescinding such license, the director shall issue an order to such company directing the company to show cause why such rescission should not be made. He or she shall in the order give not less than ten days' notice for a hearing before the department. Should the company be aggrieved by such determination, appeal may be had as set forth in Chapter 44.

Sec. 13. That section 77-912, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-912. The Director of Insurance shall transmit one half of the taxes paid in conformity with the provisions of sections 77-907 to 77-914 Chapter 44, article 1, and Chapter 77, article 9, to the State Treasurer and one half of such taxes paid to the General Fund promptly upon completion of his or her audit and examination; and in no event later than June 1, 1986, and May 1 of each year thereafter. May 1 of the year in which the tax has been received. Provided, that in the event there is a dispute as to the amount of the tax payable, the proceeds of the tax need not be transmitted by the director to the State Treasurer until the disposition of the controversy.

Sec. 14. (1) Commencing with taxes imposed for 1985 or any subsequent year, if a taxpayer believes any tax imposed pursuant to Chapter 77, article 9, is unconstitutional and chooses to challenge such tax, the taxpayer shall pay the tax under protest and, within thirty days after payment or within thirty days after the effective date of this section, whichever is later, initiate a court challenge to the tax in the district court of Lancaster County, which challenge shall be heard by the district court de novo.

(2) If, by judgment or final order of any court of competent jurisdiction in this state in an action not pending on appeal or error, it is adjudged and determined that such taxes are unconstitutional, such taxes shall be refunded only by applying such refund as a credit against the payment of any such tax falling due thereafter unless special circumstances, as determined by the director, require a refund.

Sec. 15. No injunction shall be granted restraining the collection of taxes levied pursuant to Chapter 77, article 9. The provisions of section 14 of

this act shall be the exclusive remedy available to the taxpayer.

Sec. 16. Any political subdivision which has received funds pursuant to section 77-913 shall not be required to return any funds received pursuant to such section resulting from a final order or judgment of a court that such tax is unconstitutional.

Sec. 17. For all taxable years commencing on or after January 1, 1986, insurers transacting insurance in this state whose annual tax for the preceding taxable year was four thousand dollars or more shall make prepayments of the annual taxes imposed pursuant to Chapter 77, article 9, and related retaliatory taxes imposed pursuant to Chapter 44, article 1.

Each insurer required to make prepayments shall remit such prepayments on or before April 15, June 15, and September 15 of the current taxable year. Remittance for such prepayments shall be accompanied by a prepayment form prescribed by the director.

The amount of each such prepayment shall be at least one-fourth of either (1) the total tax paid for the immediately preceding taxable year or (2) eighty per cent of the actual tax due for the current taxable year.

The director, for good cause shown, may extend for not more than ten days the time for making a prepayment. The extension may be granted at any time if a request for such extension is filed with the director within or prior to the period for which the extension may be granted. Insurers who fail to pay any premium or retaliatory tax, including prepayments, when due shall pay interest at the rate prescribed by section 45-104.01, as such rate may from time to time be adjusted by the Legislature, until such tax is paid. Any insurer who fails to make the prepayments within the prescribed time period or to obtain an extension shall be subject to the penalties prescribed in section 77-911.

The director shall immediately deposit one half of the prepayments received in the Premium and Retaliatory Tax Suspense Fund, which fund is hereby created, and one half of the prepayments received in the General Fund. On May 1 of each year the director shall transfer all of the interest earned in the Premium and Retaliatory Tax Suspense Fund on the immediately preceding year's prepayments to the General Fund and transfer the balance of the preceding year's prepayments deposited in the Premium and Retaliatory Tax Suspense Fund to the Insurance Tax Fund. Any money in the Premium and Retaliatory Tax Suspense Fund available for

investment shall be invested by the state investment officer pursuant to sections 72-1237 to 72-1269.

Sec. 18. That section 77-913, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-913. The State Treasurer shall receive the funds paid under the provisions of sections 77-907 to 77-914 pursuant to Chapter 77, article 9, and, except as provided in section 77-912 and section 17 of this act, shall keep all money received in a separate fund to be known as the Insurance Tax Fund. Prior to July 1, 1986, and June 1 of each year thereafter, the State Treasurer shall disburse all of the funds in the Insurance Tax Fund on May 1 last past June 1, 1986, and May 1 of each year thereafter, as follows:

(1) Fifty per cent of the total shall be transferred to the state General Fund; and

(1) Ten (2) Fifty per cent of the total shall be allocated to the counties proportionately in the proportion that the population of each county bears to the entire state, as shown by the last United States government census;

(2) Thirty per cent of the total shall be allocated to incorporated municipalities proportionately in the proportion that the population of each incorporated municipality bears to the total population of all incorporated municipalities, as determined by the last United States government census; and

(3) Sixty per cent of the total shall be allocated to the State Department of Education for distribution to school districts based on the pro rata enumeration of children between the ages of five and eighteen years in each school district. The Commissioner of Education shall certify the amount allocated to each school district to the Director of Administrative Services who shall, on July 1, 1986, and June 1 of each year thereafter, draw a warrant on the State Treasurer in favor of each such school district for the respective amounts so certified by the commissioner.

Sec. 19. That section 77-2734.03, Revised Statutes Supplement, 1985, be amended to read as follows:

77-2734.03. (1) Any (a) corporation subject to tax under Chapter 77, article 9, section 44-1213, 77-908, 77-909, or section 81-523, (b) electric cooperative organized under Chapter 70, article 14, or (c) credit union shall be credited, in the computation of the tax due under the provisions of the Nebraska

Revenue Act of 1967, with the amount paid during the taxable year as taxes in lieu of intangible tax.

(2) There shall be allowed to corporate taxpayers a credit for nonhighway use motor vehicle fuels as provided in section 66-452.

(3) There shall be allowed to corporate taxpayers a renewable energy source systems credit or a builder's credit as provided in sections 66-1048 and 66-1050.

(4) There shall be allowed to corporate taxpayers a tax credit for contributions to community betterment programs as provided in the Community Development Assistance Act.

Sec. 20. The Revisor of Statutes shall assign section 4 of this act to Chapter 44, article 1, and any reference to Chapter 44, article 1, shall be construed to include such section.

The Revisor of Statutes shall assign sections 14, 15, 16, and 17 of this act to Chapter 77, article 9, and any reference to Chapter 77, article 9, shall be construed to include such sections.

Sec. 21. This act shall become operative for all taxable years commencing on or after January 1, 1985.

Sec. 22. If any section in this act or any part of any section shall be declared invalid or unconstitutional, such declaration shall not affect the validity or constitutionality of the remaining portions thereof.

Sec. 23. That original sections 44-2407, 44-2716, 44-3110, 77-907, and 77-910 to 77-913, Reissue Revised Statutes of Nebraska, 1943, sections 13-206 and 77-908, Revised Statutes Supplement, 1984, and sections 13-203, 13-207, 44-4233, and 77-2734.03, Revised Statutes Supplement, 1985, and also sections 44-1213 and 77-914, Reissue Revised Statutes of Nebraska, 1943, and section 77-909, Revised Statutes Supplement, 1984, are repealed.

Sec. 24. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.