

LEGISLATIVE BILL 276

Approved by the Governor April 27, 2005

Introduced by Transportation and Telecommunications Committee:
 Baker, 44, Chairperson; Aguilar, 35; Foley, 29; Hudkins, 21;
 Smith, 48; Stuthman, 22

AN ACT relating to motor vehicles; to amend sections 42-371, 52-1801, 60-302, 60-314, 60-6,309, 60-6,375, 60-1411.02, 60-1417, 60-1419, 60-3004, and 75-386, Reissue Revised Statutes of Nebraska, sections 13-910, 23-186, 81-8,219, and 81-2004.02, Revised Statutes Supplement, 2004, and sections 2A-104 and 9-311, Uniform Commercial Code; to adopt the Motor Vehicle Certificate of Title Act; to provide penalties; to harmonize provisions; to repeal the original sections; and to outright repeal sections 60-102 to 60-111.01, 60-112 to 60-127, and 60-129 to 60-169, Reissue Revised Statutes of Nebraska.

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

Section 1. Sections 1 to 97 of this act shall be known and may be cited as the Motor Vehicle Certificate of Title Act.

Sec. 2. For purposes of the Motor Vehicle Certificate of Title Act, unless the context otherwise requires, the definitions found in sections 3 to 36 of this act shall be used.

Sec. 3. All-terrain vehicle means any motorized off-highway device which (1) is fifty inches or less in width, (2) has a dry weight of nine hundred pounds or less, (3) travels on three or more low-pressure tires, (4) is designed for operator use only with no passengers or is specifically designed by the original manufacturer for the operator and one passenger, (5) has a seat or saddle designed to be straddled by the operator, and (6) has handlebars or any other steering assembly for steering control.

Sec. 4. Assembled vehicle means a vehicle that is materially altered from its construction by the removal, addition, or substitution of new or used major component parts. Its make shall be assembled, and its model year shall be the year in which the vehicle was assembled. Assembled vehicle also includes a specially constructed vehicle.

Sec. 5. Body means that portion of a vehicle which determines its shape and appearance and is attached to the frame.

Sec. 6. Bus means every motor vehicle designed for carrying more than ten passengers and used for the transportation of persons and every motor vehicle, other than a taxicab, designed and used for the transportation of persons for compensation.

Sec. 7. Cabin trailer means a trailer or a semitrailer, which is designed, constructed, and equipped as a dwelling place, living abode, or sleeping place, whether used for such purposes or instead permanently or temporarily for the advertising, sale, display, or promotion of merchandise or services or for any other commercial purpose except transportation of property for hire or transportation of property for distribution by a private carrier. Cabin trailer does not mean a trailer or semitrailer which is permanently attached to real estate. There are four classes of cabin trailers:

(1) Camping trailer which includes cabin trailers one hundred two inches or less in width and forty feet or less in length and adjusted mechanically smaller for towing;

(2) Mobile home which includes cabin trailers more than one hundred two inches in width or more than forty feet in length;

(3) Travel trailer which includes cabin trailers not more than one hundred two inches in width nor more than forty feet in length from front hitch to rear bumper, except as provided in subdivision (2)(k) of section 60-6,288; and

(4) Manufactured home means a structure, transportable in one or more sections, which in the traveling mode is eight body feet or more in width or forty body feet or more in length or when erected on site is three hundred twenty or more square feet and which is built on a permanent frame and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities and includes the plumbing, heating, air conditioning, and electrical systems contained in the structure, except that manufactured home includes any structure that meets all of the requirements of this subdivision other than the size requirements and with respect to which the manufacturer voluntarily files a certification required by the United States Secretary of Housing and Urban Development and complies with the standards established under the National Manufactured Housing Construction and

Safety Standards Act of 1974, as such act existed on September 1, 2001, 42 U.S.C. 5401 et seq. Manufactured home also includes any manufactured home designed and manufactured with more than one separate living unit for the purpose of multifamily living.

Sec. 8. Collector means the owner of one or more vehicles of historical interest who collects, purchases, acquires, trades, or disposes of such vehicles or parts thereof for his or her own use in order to preserve, restore, and maintain a vehicle or vehicles for hobby purposes.

Sec. 9. Commercial trailer means any trailer or semitrailer which has a gross weight, including load thereon, of more than nine thousand pounds and which is designed, used, or maintained for the transportation of persons or property for hire, compensation, or profit or designed, used, or maintained primarily for the transportation of property. Commercial trailer does not include cabin trailers, farm trailers, fertilizer trailers, or utility trailers.

Sec. 10. Department means the Department of Motor Vehicles.

Sec. 11. Designated county official means the county official, other than the county clerk, designated by a county board to provide services pursuant to section 23-186.

Sec. 12. Director means the Director of Motor Vehicles.

Sec. 13. Electric personal assistive mobility device means a self-balancing, two-nontandem-wheeled device, designed to transport only one person and containing an electric propulsion system with an average power of seven hundred fifty watts or one horsepower, whose maximum speed on a paved level surface, when powered solely by such a propulsion system and while being ridden by an operator who weighs one hundred seventy pounds, is less than twenty miles per hour.

Sec. 14. Farm trailer means a trailer belonging to a farmer or rancher and used wholly and exclusively to carry supplies to the owner's farm or ranch, used by a farmer or rancher to carry his or her own products to storage or market, or used by a farmer or rancher for such hauling of such supplies or products in exchange of services.

Sec. 15. Fertilizer trailer means any trailer, including gooseneck applicators or trailers, designed and used exclusively to carry or apply agricultural fertilizer or agricultural chemicals and having a gross weight, including load thereon, of twenty thousand pounds or less.

Sec. 16. Frame means that portion of a vehicle upon which other components are affixed, such as the engine, body, or transmission.

Sec. 17. Historical vehicle means a vehicle of any age which is essentially unaltered from the original manufacturer's specifications and, because of its significance, is being collected, preserved, restored, or maintained by a hobbyist as a leisure pursuit. This category includes vehicles sometimes referred to by the classifications of antique, horseless carriage, classic, or action era.

Sec. 18. Inspection means an identification inspection conducted pursuant to section 46 of this act.

Sec. 19. Kit vehicle means a vehicle assembled by a person other than a generally recognized manufacturer of vehicles by the use of a replica purchased from an authorized manufacturer and accompanied by a manufacturer's statement of origin. The term kit vehicle does not include glider kits.

Sec. 20. Major component part means an engine, with or without accessories, a transmission, a cowl, a door, a frame, a body, a rear clip, or a nose.

Sec. 21. Minibike means a two-wheel device which has a total wheel and tire diameter of less than fourteen inches or an engine-rated capacity of less than forty-five cubic centimeters displacement or any other two-wheel device primarily designed by the manufacturer for off-road use only. Minibike does not include an electric personal assistive mobility device.

Sec. 22. Moped means a bicycle with fully operative pedals for propulsion by human power, an automatic transmission, and a motor with a cylinder capacity not exceeding fifty cubic centimeters which produces no more than two brake horsepower and is capable of propelling the bicycle at a maximum design speed of no more than thirty miles per hour on level ground.

Sec. 23. Motor vehicle means any vehicle propelled by any power other than muscular power except (1) mopeds, (2) farm tractors, (3) self-propelled equipment designed and used exclusively to carry and apply fertilizer, chemicals, or related products to agricultural soil and crops, agricultural floater-spreader implements, and other implements of husbandry designed for and used primarily for tilling the soil and harvesting crops or feeding livestock, (4) power unit hay grinders or a combination which includes a power unit and a hay grinder when operated without cargo, (5) vehicles which run only on rails or tracks, (6) off-road designed vehicles, including, but

not limited to, golf carts, go-carts, riding lawnmowers, garden tractors, all-terrain vehicles, snowmobiles registered or exempt from registration under sections 60-6,320 to 60-6,346, and minibikes, (7) road and general-purpose construction and maintenance machinery not designed or used primarily for the transportation of persons or property, including, but not limited to, ditchdigging apparatus, asphalt spreaders, bucket loaders, leveling graders, earthmoving carryalls, power shovels, earthmoving equipment, and crawler tractors, (8) self-propelled chairs used by persons who are disabled, and (9) electric personal assistive mobility devices.

Sec. 24. Motorcycle means any motor vehicle having a seat or saddle for the use of the operator and designed to travel on not more than three wheels in contact with the ground.

Sec. 25. Nose means that portion of the body of a vehicle from the front to the firewall when acquired or transferred as a complete unit.

Sec. 26. Parts vehicle means a vehicle generally in nonoperable condition which is owned by a collector to furnish parts that are usually not obtainable from normal sources, thus enabling a collector to preserve, restore, and maintain a historical vehicle.

Sec. 27. Patrol means the Nebraska State Patrol.

Sec. 28. Rear clip means two or more of the following, all dismantled from the same vehicle: A quarter panel or fender; a floor panel assembly; or a trunk lid or gate.

Sec. 29. Semitrailer means any trailer so constructed that some part of its weight and that of its load rests upon or is carried by the towing vehicle.

Sec. 30. Situs means the tax district where a vehicle is stored and kept for the greater portion of the calendar year. For a vehicle used or owned by a student, the situs is at the place of residence of the student if different from the place at which he or she is attending school.

Sec. 31. Specially constructed vehicle means a vehicle which was not originally constructed under a distinctive name, make, model, or type by a manufacturer of vehicles. The term specially constructed vehicle includes kit vehicle.

Sec. 32. Superintendent means the Superintendent of Law Enforcement and Public Safety.

Sec. 33. Trailer means any device without motive power designed for carrying persons or property and being towed by a motor vehicle and so constructed that no part of its weight rests upon the towing vehicle.

Sec. 34. Truck means any motor vehicle designed, used, or maintained primarily for the transportation of property.

Sec. 35. Utility trailer means a trailer having a gross weight, including load thereon, of nine thousand pounds or less.

Sec. 36. Vehicle means a motor vehicle, all-terrain vehicle, minibike, trailer, or semitrailer.

Sec. 37. (1) The Motor Vehicle Certificate of Title Act applies to all vehicles as defined in the act, except:

(a) Farm trailers;

(b) Well-boring apparatus, backhoes, bulldozers, and front-end loaders; and

(c) Trucks and buses from other jurisdictions required to pay registration fees under Chapter 60, article 3, except a vehicle registered or eligible to be registered as part of a fleet of apportionable vehicles under section 60-356.

(2) All new all-terrain vehicles and minibikes sold on or after January 1, 2004, shall be required to have a certificate of title. An owner of an all-terrain vehicle or minibike sold prior to such date may apply for a certificate of title for such all-terrain vehicle or minibike as provided in rules and regulations of the department.

(3) An owner of a utility trailer may apply for a certificate of title upon compliance with the Motor Vehicle Certificate of Title Act.

Sec. 38. No manufacturer, importer, dealer, or other person shall sell or otherwise dispose of a new vehicle to a dealer to be used by such dealer for purposes of display and resale without (1) delivering to such dealer a duly executed manufacturer's or importer's certificate with such assignments as may be necessary to show title in the purchaser and (2) having affixed to the vehicle its vehicle identification number if it is not already affixed. No dealer shall purchase or acquire a new vehicle without obtaining from the seller such manufacturer's or importer's certificate.

Sec. 39. Except as provided in section 37 or 38 of this act, no person shall sell or otherwise dispose of a vehicle without (1) delivering to the purchaser or transferee of such vehicle a certificate of title with such assignments thereon as may be necessary to show title in the purchaser and (2)

having affixed to the vehicle its vehicle identification number if it is not already affixed. No person shall bring into this state a vehicle for which a certificate of title is required in Nebraska, except for temporary use, without complying with the Motor Vehicle Certificate of Title Act.

No purchaser or transferee shall receive a certificate of title which does not contain such assignments as may be necessary to show title in the purchaser or transferee. Possession of a certificate of title which does not meet this requirement shall be prima facie evidence of a violation of this section, and such purchaser or transferee, upon conviction, shall be subject to the penalty provided by section 80 of this act.

Sec. 40. Except as provided in section 64 of this act, no person acquiring a vehicle from the owner thereof, whether such owner is a manufacturer, importer, dealer, or otherwise, shall acquire any right, title, claim, or interest in or to such vehicle until the acquiring person has had delivered to him or her physical possession of such vehicle and a certificate of title, a duly executed manufacturer's or importer's certificate with such assignments as may be necessary to show title in the purchaser, or an instrument in writing required by section 60-1417. No waiver or estoppel shall operate in favor of such person against a person having physical possession of such vehicle and such certificate of title, manufacturer's or importer's certificate, or instrument in writing required by section 60-1417. No court in any case at law or in equity shall recognize the right, title, claim, or interest of any person in or to a vehicle, for which a certificate of title has been issued in Nebraska, sold, disposed of, mortgaged, or encumbered, unless there is compliance with this section.

Sec. 41. A dealer need not apply for certificates of title for any vehicles in stock or acquired for stock purposes, but upon transfer of such vehicle in stock or acquired for stock purposes, the dealer shall give the transferee a reassignment of the certificate of title on such vehicle or an assignment of a manufacturer's or importer's certificate. If all reassignments on the manufacturer's or importer's certificate or certificate of title have been used, the dealer shall obtain title in the dealer's name prior to any subsequent transfer. No dealer shall execute a reassignment on or transfer ownership by way of a manufacturer's statement of origin unless the dealer is franchised by the manufacturer of the vehicle.

Sec. 42. (1) A collector who has assembled a vehicle meeting the specifications of a historical vehicle from parts obtained from a variety of different sources and at various different times shall be issued a historical vehicle title upon furnishing a bill or bills of sale for the major component parts, and in cases when that evidence by itself is deemed inadequate, by executing an affidavit in verification. To be considered adequate, the bills of sale shall be notarized, shall indicate the source of the major component part, and shall list the identification or serial numbers of each.

(2) The sale or trade and subsequent legal transfer of ownership of a historical vehicle or parts vehicle shall not be contingent upon any condition that would require the historical vehicle or parts vehicle to be in operating condition at the time of the sale or transfer of ownership.

Sec. 43. Vehicles with modifications or deviations from the original specifications may be permitted under the classification of historical vehicle if such modifications or deviations are of historic nature and characteristic of the approximate era to which the vehicle belongs or if they could be considered to be in the category of safety features. Safety-related modifications include hydraulic brakes, sealed-beam headlights, and occupant protection systems as defined in section 60-6,265. Accessories acceptable under such classification are those available in the era to which the vehicle belongs.

Sec. 44. (1) (a) Except as provided in subdivisions (b) and (c) of this subsection, the county clerk or designated county official shall be responsible for issuing and filing certificates of title for vehicles, and each county shall issue and file such certificates of title using the vehicle titling and registration computer system prescribed by the department. Application for a certificate of title shall be made upon a form prescribed by the department. All applications shall be accompanied by the appropriate fee or fees.

(b) The department shall issue and file certificates of title for Nebraska-based fleet vehicles. Application for a certificate of title shall be made upon a form prescribed by the department. All applications shall be accompanied by the appropriate fee or fees.

(c) The department shall issue and file certificates of title for state-owned vehicles. Application for a certificate of title shall be made upon a form prescribed by the department. All applications shall be accompanied by the appropriate fee or fees.

(2) If the owner of an all-terrain vehicle or a minibike resides in Nebraska, the application shall be filed with the county clerk or designated county official of the county in which the owner resides.

(3) If a vehicle, other than an all-terrain vehicle or a minibike, has situs in Nebraska, the application shall be filed with the county clerk or designated county official of the county in which the vehicle has situs.

(4) If the owner of a vehicle is a nonresident, the application shall be filed in the county in which the transaction is consummated.

(5) The application shall be filed within thirty days after the delivery of the vehicle.

(6) All applicants registering a vehicle pursuant to section 60-356 shall file the application for a certificate of title with the Division of Motor Carrier Services of the department. The division shall deliver the certificate to the applicant if there are no liens on the vehicle. If there are any liens on the vehicle, the division shall deliver or mail the certificate of title to the holder of the first lien on the day of issuance. All certificates of title issued by the division shall be issued in the manner prescribed for the county clerk or designated county official in section 52 of this act.

Sec. 45. For any motor vehicle which is to be used as a taxi, the application and the certificate of title shall show on the face thereof that such vehicle is being used or has been used as a taxi and such subsequent certificates of title shall show the same information.

Sec. 46. (1) An application for a certificate of title for a vehicle shall include a statement that an identification inspection has been conducted on the vehicle unless (a) the title sought is a salvage branded certificate of title or a nontransferable certificate of title, (b) the surrendered ownership document is a Nebraska certificate of title, a manufacturer's statement of origin, an importer's statement of origin, a United States Government Certificate of Release of a vehicle, or a nontransferable certificate of title, (c) the application contains a statement that the vehicle is to be registered under section 60-356, (d) the vehicle is a cabin trailer, (e) the title sought is the first title for the vehicle sold directly by the manufacturer of the vehicle to a dealer franchised by the manufacturer, or (f) the vehicle was sold at an auction authorized by the manufacturer and purchased by a dealer franchised by the manufacturer of the vehicle.

(2) The department shall prescribe a form to be executed by a dealer and submitted with an application for a certificate of title for vehicles exempt from inspection pursuant to subdivision (1)(e) or (f) of this section. The form shall clearly identify the vehicle and state under penalty of law that the vehicle is exempt from inspection.

(3) The statement that an identification inspection has been conducted shall be furnished by the county sheriff of any county or by any other holder of a certificate of training issued pursuant to section 83 of this act, shall be in a format as determined by the department, and shall expire ninety days after the date of the inspection. The county clerk or designated county official shall accept a certificate of inspection, approved by the superintendent, from an officer of a state police agency of another state.

(4) The identification inspection shall include examination and notation of the then current odometer reading, if any, and a comparison of the vehicle identification number with the number listed on the ownership records, except that if a lien is registered against a vehicle and recorded on the vehicle's ownership records, the county clerk or designated county official shall provide a copy of the ownership records for use in making such comparison. If such numbers are not identical, if there is reason to believe further inspection is necessary, or if the inspection is for a Nebraska assigned number, the person performing the inspection shall make a further inspection of the vehicle which may include, but shall not be limited to, examination of other identifying numbers placed on the vehicle by the manufacturer and an inquiry into the numbering system used by the state issuing such ownership records to determine ownership of a vehicle. The identification inspection shall also include a statement that the vehicle identification number has been checked for entry in the National Crime Information Center and the Nebraska Crime Information Service. In the case of an assembled vehicle, the identification inspection shall include, but not be limited to, an examination of the records showing the date of receipt and source of each major component part.

(5) If there is cause to believe that odometer fraud exists, written notification shall be given to the office of the Attorney General. If after such inspection the sheriff or his or her designee determines that the vehicle

is not the vehicle described by the ownership records, no statement shall be issued.

Sec. 47. (1) An application for a certificate of title for a mobile home or cabin trailer shall be accompanied by a certificate that states that sales or use tax has been paid on the purchase of the mobile home or cabin trailer or that the transfer of title was exempt from sales and use taxes. The county clerk or designated county official shall issue a certificate of title for a mobile home or cabin trailer but shall not deliver the certificate of title unless the certificate required under this subsection accompanies the application for certificate of title for the mobile home or cabin trailer, except that the failure of the application to be accompanied by such certificate shall not prevent the notation of a lien on the certificate of title to the mobile home or cabin trailer pursuant to section 64 of this act and delivery to the holder of the first lien.

(2) An application for a certificate of title to a mobile home shall be accompanied by a mobile home transfer statement prescribed by the Property Tax Administrator. The mobile home transfer statement shall be filed by the applicant with the county clerk or designated county official of the county of application for title. The county clerk or designated county official shall issue a certificate of title to a mobile home but shall not deliver the certificate of title unless the mobile home transfer statement accompanies the application for title, except that the failure to provide the mobile home transfer statement shall not prevent the notation of a lien on the certificate of title to the mobile home pursuant to section 64 of this act and delivery to the holder of the first lien. The county clerk or designated county official shall retain the original copy of the mobile home transfer statement, forward two copies to the county assessor, and provide a copy to the applicant.

Sec. 48. (1) Whenever a person applies for a certificate of title for a vehicle, the county clerk or designated county official, subject to the approval of the department, shall assign a distinguishing identification number to the vehicle whenever such vehicle identification number is destroyed, obliterated, or missing. The owner of such a vehicle to which such number is assigned shall have such number affixed to such vehicle in a manner prescribed by the department. Before the certificate of title for an assigned number is released to the applicant by the county clerk or designated county official, the applicant must provide a statement that an identification inspection has been conducted pursuant to section 46 of this act.

(2) The department shall develop a metallic assigned vehicle identification number plate which can be permanently secured to a vehicle by rivets. All distinguishing identification number plates shall display seventeen characters. When the manufacturer's vehicle identification number is known, it shall be used by the department as the assigned number. In the case of an assembled all-terrain vehicle or minibike or assembled vehicle, the department shall use a distinguishing identification number. The number shall include seventeen positions, the last two being "NE". The department shall, at the request of the county clerk or designated county official, provide the county clerk or designated county official with a number plate displaying a distinguishing identification number or the manufacturer's number provided by the county clerk or designated county official.

(3) Any vehicle to which a distinguishing identification number is assigned shall be titled under such distinguishing identification number when titling of the vehicle is required under the Motor Vehicle Certificate of Title Act.

Sec. 49. (1) If a certificate of title has previously been issued for a vehicle in this state, the application for a new certificate of title shall be accompanied by the certificate of title duly assigned except as otherwise provided in the Motor Vehicle Certificate of Title Act. If a certificate of title has not previously been issued for the vehicle in this state or if a certificate of title is unavailable pursuant to subsection (4) of section 52-1801, the application shall be accompanied by a manufacturer's or importer's certificate; a duly certified copy thereof; an affidavit by the owner affirming ownership in the case of an all-terrain vehicle or a minibike; a certificate of title from another state; or a court order issued by a court of record, a manufacturer's certificate of origin, or an assigned registration certificate, if the law of the state from which the vehicle was brought into this state does not have a certificate of title law. If the application for a certificate of title in this state is accompanied by a valid certificate of title issued by another state which meets that state's requirements for transfer of ownership, then the application may be accepted by this state. If the vehicle is a specially constructed vehicle, the application shall be accompanied by a kit manufacturer's certificate of origin and a bill of sale or manufacturer's certificates of origin and bills of sale for all major

component parts. If a certificate of title has not previously been issued for the vehicle in this state and the applicant is unable to provide such documentation, the applicant may apply for a bonded certificate of title as prescribed in section 67 of this act.

(2) For purposes of this section, certificate of title includes a salvage certificate, a salvage branded certificate of title, or any other document of ownership issued by another state or jurisdiction for a salvage vehicle. Only a salvage branded certificate of title shall be issued to any vehicle conveyed upon a salvage certificate, a salvage branded certificate of title, or any other document of ownership issued by another state or jurisdiction for a salvage vehicle.

(3) The county clerk or designated county official shall retain the evidence of title presented by the applicant and on which the certificate of title is issued.

Sec. 50. The county clerk or designated county official shall use reasonable diligence in ascertaining whether or not the statements in the application for a certificate of title are true by checking the application and documents accompanying the same with the records available. If he or she is satisfied that the applicant is the owner of such vehicle and that the application is in the proper form, the county clerk or designated county official shall issue a certificate of title over his or her signature and sealed with the appropriate seal.

Sec. 51. The certificate of title for a vehicle shall be obtained in the name of the purchaser upon application signed by the purchaser, except that (1) for titles to be held by husband and wife, applications may be accepted upon the signature of either one as a signature for himself or herself and as agent for his or her spouse and (2) for an applicant providing proof that he or she is a handicapped or disabled person as defined in section 18-1738, applications may be accepted upon the signature of the applicant's parent, legal guardian, foster parent, or agent.

Sec. 52. (1) The county clerk or designated county official shall issue a certificate of title for a vehicle in duplicate and retain one copy in his or her office. An electronic copy, in a form prescribed by the department, shall be transmitted on the day of issuance to the department. The county clerk or designated county official shall sign and affix the appropriate seal to the original certificate of title and, if there are no liens on the vehicle, deliver the certificate to the applicant. If there are one or more liens on the vehicle, the certificate of title shall be delivered or mailed to the holder of the first lien on the day of issuance.

(2) The county clerks or county treasurers of the various counties shall adopt a circular seal with the words County Clerk of (insert name) County or County Treasurer of (insert name) County thereon. Such seal shall be used by the county clerk or county treasurer or the deputy or legal authorized agent of such officer, without charge to the applicant, on any certificate of title, application for certificate of title, duplicate copy, assignment or reassignment, power of attorney, statement, or affidavit pertaining to the issuance of a Nebraska certificate of title. The designated county official or the deputy or legal authorized agent of such officer shall use the seal of the county, without charge to the applicant, on any such document.

(3) The department shall prescribe a uniform method of numbering certificates of title.

(4) The county clerk or designated county official shall (a) file all certificates of title according to rules and regulations adopted and promulgated by the department, (b) maintain in the office indices for such certificates of title, (c) be authorized to destroy all previous records five years after a subsequent transfer has been made on a vehicle, and (d) be authorized to destroy all certificates of title and all supporting records and documents which have been on file for a period of five years or more from the date of filing the certificate or a notation of lien, whichever occurs later. Any person holding a certificate of title to a vehicle may refile the same with the county clerk or designated county official to prevent destruction of the records thereof pursuant to this subsection.

Sec. 53. (1) A certificate of title shall be printed upon safety security paper to be selected by the department. The certificate of title, manufacturer's statement of origin, and assignment of manufacturer's certificate shall be upon forms prescribed by the department and may include, but shall not be limited to, county of issuance, date of issuance, certificate of title number, previous certificate of title number, vehicle identification number, year, make, model, and body type of the vehicle, name and residential and mailing address of the owner, acquisition date, issuing county clerk's or designated county official's signature and official seal, and sufficient space

for the notation and release of liens, mortgages, or encumbrances, if any. The certificate of title of an all-terrain vehicle or minibike shall include the words "not to be registered for road use".

(2) An assignment of certificate of title shall appear on each certificate of title and shall include, but not be limited to, a statement that the owner of the vehicle assigns all his or her right, title, and interest in the vehicle, the name and address of the assignee, the name and address of the lienholder or secured party, if any, and the signature of the owner or the owner's parent, legal guardian, foster parent, or agent in the case of an owner who is a handicapped or disabled person as defined in section 18-1738.

(3) A reassignment by a dealer shall appear on each certificate of title and shall include, but not be limited to, a statement that the dealer assigns all his or her right, title, and interest in the vehicle, the name and address of the assignee, the name and address of the lienholder or secured party, if any, and the signature of the dealer or designated representative. Reassignments shall be printed on the reverse side of each certificate of title as many times as convenient.

(4) The department may prescribe a secure power-of-attorney form and may contract with one or more persons to develop, provide, sell, and distribute secure power-of-attorney forms in the manner authorized or required by the federal Truth in Mileage Act of 1986 and any other federal law or regulation. Any secure power-of-attorney form authorized pursuant to a contract shall conform to the terms of the contract and be in strict compliance with the requirements of the department.

Sec. 54. (1)(a) For each original certificate of title issued by a county for a motor vehicle or trailer, the fee shall be ten dollars. Three dollars and twenty-five cents shall be retained by the county. Four dollars shall be remitted to the State Treasurer for credit to the Department of Motor Vehicles Cash Fund. Two dollars shall be remitted to the State Treasurer for credit to the General Fund. Seventy-five cents shall be remitted to the State Treasurer for credit as follows: Twenty cents to a fund to be administered by the Consumer Protection Division of the Department of Justice at the direction of the Attorney General for the purposes of the investigation and prosecution of odometer and motor vehicle fraud and motor vehicle licensing violations which may be referred by the Nebraska Motor Vehicle Industry Licensing Board; forty-five cents to the Nebraska State Patrol Cash Fund; and ten cents to the Nebraska Motor Vehicle Industry Licensing Fund for the purpose of conducting preliminary investigations of motor vehicle licensing violations relating to odometer and motor vehicle fraud.

(b) For each original certificate of title issued by a county for an all-terrain vehicle or a minibike, the fee shall be ten dollars. Three dollars and twenty-five cents shall be retained by the county. Four dollars shall be remitted to the State Treasurer for credit to the Department of Motor Vehicles Cash Fund. Two dollars shall be remitted to the State Treasurer for credit to the General Fund. Seventy-five cents shall be remitted to the State Treasurer for credit as follows: Twenty cents to a fund to be administered by the Consumer Protection Division of the Department of Justice at the direction of the Attorney General for the purposes of the investigation and prosecution of fraud and theft of all-terrain vehicles and minibikes; and fifty-five cents to the Nebraska State Patrol Cash Fund.

(2) For each original certificate of title issued by the department for a vehicle, the fee shall be ten dollars, which shall be remitted to the State Treasurer for credit to the Motor Carrier Division Cash Fund.

Sec. 55. (1) For each notation of a lien by a county, the fee shall be seven dollars. Two dollars shall be retained by the county. Four dollars shall be remitted to the State Treasurer for credit to the Department of Motor Vehicles Cash Fund. One dollar shall be remitted to the State Treasurer for credit to the General Fund.

(2) For each notation of a lien by the department, the fee shall be seven dollars, which shall be remitted to the State Treasurer for credit to the Motor Carrier Division Cash Fund.

Sec. 56. (1) For each duplicate certificate of title issued by a county for a vehicle, the fee shall be fourteen dollars. Ten dollars shall be retained by the county. Four dollars shall be remitted to the State Treasurer for credit to the Department of Motor Vehicles Cash Fund.

(2) For each duplicate certificate of title issued by the department for a vehicle, the fee shall be fourteen dollars, which shall be remitted to the State Treasurer for credit to the Motor Carrier Division Cash Fund.

Sec. 57. (1) For each refiling of a certificate of title by a county for a vehicle, the fee shall be eight dollars. Four dollars shall be retained by the county. Four dollars shall be remitted to the State Treasurer

for credit to the Department of Motor Vehicles Cash Fund.

(2) For each refiling of a certificate of title by the department for a vehicle, the fee shall be eight dollars, which shall be remitted to the State Treasurer for credit to the Motor Carrier Division Cash Fund.

Sec. 58. (1) For each identification inspection conducted by the patrol, the fee shall be ten dollars, which shall be remitted to the State Treasurer for credit to the Nebraska State Patrol Cash Fund.

(2) For each identification inspection conducted by a county sheriff, the fee shall be ten dollars, which shall be paid to the county treasurer and credited to the county sheriff's vehicle inspection account within the county general fund.

Sec. 59. For each application for a metallic assigned vehicle identification number plate, the fee shall be twenty dollars, which shall be remitted to the State Treasurer for credit to the Department of Motor Vehicles Cash Fund.

Sec. 60. For each bonded certificate of title issued for a vehicle, the fee shall be fifty dollars, which shall be remitted to the State Treasurer for credit to the Department of Motor Vehicles Cash Fund.

Sec. 61. The county clerk or designated county official shall remit all funds due the State Treasurer under sections 54 to 60 of this act monthly and not later than the fifth day of the month following collection. The county clerk or designated county official shall remit fees not due the State of Nebraska to the respective county treasurer who shall credit the fees to the county general fund.

Sec. 62. (1) The department may adopt and promulgate rules and regulations to insure uniform and orderly operation of the Motor Vehicle Certificate of Title Act, and the county clerk or designated county official of each county shall conform to such rules and regulations and proceed at the direction of the department. The department shall also provide the county clerks and designated county officials with the necessary training for the proper administration of the act.

(2) The department shall receive all instruments relating to vehicles forwarded to it by the county clerks and designated county officials under the act and shall maintain indices covering the state at large for the instruments so received. These indices shall be by motor number or by an identification number and alphabetically by the owner's name and shall be for the state at large and not for individual counties.

(3) The department shall provide and furnish the forms required by the act, except manufacturers' or importers' certificates.

(4) The county clerk or designated county official shall keep on hand a sufficient supply of blank forms which, except certificate of title forms, shall be furnished and distributed without charge to manufacturers, dealers, or other persons residing within the county.

Sec. 63. (1) The department shall check with its records all duplicate certificates of title received from a county clerk or designated county official. If it appears that a certificate of title has been improperly issued, the department shall cancel the same. Upon cancellation of any certificate of title, the department shall notify the county clerk or designated county official who issued the same, and such county clerk or designated county official shall thereupon enter the cancellation upon his or her records. The department shall also notify the person to whom such certificate of title was issued, as well as any lienholders appearing thereon, of the cancellation and shall demand the surrender of such certificate of title, but the cancellation shall not affect the validity of any lien noted thereon. The holder of such certificate of title shall return the same to the department forthwith.

(2) If a certificate of registration has been issued to the holder of a certificate of title so canceled, the department shall immediately cancel the same and demand the return of such certificate of registration and license plates or tags, and the holder of such certificate of registration and license plates or tags shall return the same to the department forthwith.

Sec. 64. (1) Except as provided in section 65 of this act, the provisions of article 9, Uniform Commercial Code, shall never be construed to apply to or to permit or require the deposit, filing, or other record whatsoever of a security agreement, conveyance intended to operate as a mortgage, trust receipt, conditional sales contract, or similar instrument or any copy of the same covering a vehicle. Any mortgage, conveyance intended to operate as a security agreement as provided by article 9, Uniform Commercial Code, trust receipt, conditional sales contract, or other similar instrument covering a vehicle, if such instrument is accompanied by delivery of such manufacturer's or importer's certificate and followed by actual and continued possession of the same by the holder of such instrument or, in the case of a

certificate of title, if a notation of the same has been made by the county clerk, designated county official, or department on the face thereof, shall be valid as against the creditors of the debtor, whether armed with process or not, and subsequent purchasers, secured parties, and other lienholders or claimants but otherwise shall not be valid against them, except that during any period in which a vehicle is inventory, as defined in section 9-102, Uniform Commercial Code, held for sale by a person or corporation that is required to be licensed as provided in Chapter 60, article 14, and is in the business of selling such vehicles, the filing provisions of article 9, Uniform Commercial Code, as applied to inventory, shall apply to a security interest in such vehicle created by such person or corporation as debtor without the notation of lien on the instrument of title. A buyer of a vehicle at retail from a dealer required to be licensed as provided in Chapter 60, article 14, shall take such vehicle free of any security interest.

(2) Subject to subsection (1) of this section, all liens, security agreements, and encumbrances noted upon a certificate of title shall take priority according to the order of time in which the same are noted thereon by the county clerk, designated county official, or department. Exposure for sale of any vehicle by the owner thereof with the knowledge or with the knowledge and consent of the holder of any lien, security agreement, or encumbrance on such vehicle shall not render the same void or ineffective as against the creditors of such owner or holder of subsequent liens, security agreements, or encumbrances upon such vehicle.

(3) The holder of a security agreement, trust receipt, conditional sales contract, or similar instrument, upon presentation of such instrument to the department, if the certificate of title was issued by the department, or to any county clerk or designated county official, together with the certificate of title and the fee prescribed for notation of lien, may have a notation of such lien made on the face of such certificate of title. The county clerk or designated county official or the department shall enter the notation and the date thereof over the signature of such officer and the official seal. If noted by a county clerk or designated county official, he or she shall on that day notify the department which shall note the lien on its records. The county clerk or designated county official or the department shall also indicate by appropriate notation and on such instrument itself the fact that such lien has been noted on the certificate of title.

(4) A transaction does not create a sale or a security interest in a vehicle, other than an all-terrain vehicle or a minibike, merely because it provides that the rental price is permitted or required to be adjusted under the agreement either upward or downward by reference to the amount realized upon sale or other disposition of the vehicle.

(5) The county clerk or designated county official or the department, upon receipt of a lien instrument duly signed by the owner in the manner prescribed by law governing such lien instruments together with the fee prescribed for notation of lien, shall notify the first lienholder to deliver to the county clerk or designated county official or the department, within fifteen days from the date of notice, the certificate of title to permit notation of such junior lien and, after such notation of lien, the county clerk or designated county official or the department shall deliver the certificate of title to the first lienholder. The holder of a certificate of title who refuses to deliver a certificate of title to the county clerk or designated county official or the department for the purpose of showing a junior lien on such certificate of title within fifteen days from the date when notified to do so shall be liable for damages to such junior lienholder for the amount of damages such junior lienholder suffered by reason of the holder of the certificate of title refusing to permit the showing of such lien on the certificate of title.

(6) When such lien is discharged, the holder shall, within fifteen days after payment is received, note a cancellation of the lien on the certificate of title over his, her, or its signature and deliver the certificate of title to the county clerk or designated county official or the department, which shall note the cancellation of the lien on the face of the certificate of title and on the records of such office. If delivered to a county clerk or designated county official, he or she shall on that day notify the department which shall note the cancellation on its records. The county clerk or designated county official or the department shall then return the certificate of title to the owner or as otherwise directed by the owner. The cancellation of lien shall be noted on the certificate of title without charge. If the holder of the title cannot locate a lienholder, a lien may be discharged ten years after the date of filing by presenting proof that thirty days have passed since the mailing of a written notice by certified mail, return receipt requested, to the last-known address of the lienholder.

Sec. 65. (1) Any security interest in an all-terrain vehicle or minibike perfected pursuant to article 9, Uniform Commercial Code, before, on, or after January 1, 2004, shall continue to be perfected until (a) the financing statement perfecting such security interest is terminated or lapses in the absence of the filing of a continuation statement pursuant to article 9, Uniform Commercial Code, or (b) an all-terrain vehicle or minibike certificate of title is issued and a notation of lien is made.

(2) Any lien noted on the face of an all-terrain vehicle or minibike certificate of title pursuant to subsection (1), (3), or (4) of this section, on behalf of the holder of a security interest in the all-terrain vehicle or minibike which was previously perfected pursuant to article 9, Uniform Commercial Code, shall have priority as of the date such security interest was originally perfected.

(3) The holder of a certificate of title for an all-terrain vehicle or minibike shall, upon request, surrender the certificate of title to a holder of a previously perfected security interest in the all-terrain vehicle or minibike to permit notation of a lien on the certificate of title and shall do such other acts as may be required to permit such notation.

(4) If the owner of an all-terrain vehicle or minibike subject to a security interest perfected pursuant to article 9, Uniform Commercial Code, fails or refuses to obtain a certificate of title after January 1, 2004, the security interest holder may obtain a certificate of title in the name of the owner of the all-terrain vehicle or minibike following the procedures of section 44 of this act and may have a lien noted on the certificate of title pursuant to section 64 of this act.

(5) The assignment, release, or satisfaction of a security interest in an all-terrain vehicle or minibike shall be governed by the laws under which it was perfected.

Sec. 66. (1) In the event of (a) the transfer of ownership of a vehicle by operation of law as upon inheritance, devise, or bequest, order in bankruptcy, insolvency, replevin, or execution sale or as provided in sections 30-24,125, 52-601.01 to 52-605, 60-1901 to 60-1911, and 60-2401 to 60-2411, (b) the engine of a vehicle being replaced by another engine, (c) a vehicle being sold to satisfy storage or repair charges, or (d) repossession being had upon default in performance of the terms of a chattel mortgage, trust receipt, conditional sales contract, or other like agreement, the county clerk or designated county official of the county in which the last certificate of title to such vehicle was issued or the department if the last certificate of title was issued by the department, upon the surrender of the prior certificate of title or the manufacturer's or importer's certificate, or when that is not possible, upon presentation of satisfactory proof of ownership and right of possession to such vehicle, and upon payment of the appropriate fee and the presentation of an application for certificate of title, may issue to the applicant a certificate of title thereto. If the prior certificate of title issued for such vehicle provided for joint ownership with right of survivorship, a new certificate of title shall be issued to a subsequent purchaser upon the assignment of the prior certificate of title by the surviving owner and presentation of satisfactory proof of death of the deceased owner. Only an affidavit by the person or agent of the person to whom possession of such vehicle has so passed, setting forth facts entitling him or her to such possession and ownership, together with a copy of the journal entry, court order, or instrument upon which such claim of possession and ownership is founded, shall be considered satisfactory proof of ownership and right of possession, except that if the applicant cannot produce such proof of ownership, he or she may submit to the department such evidence as he or she may have, and the department may thereupon, if it finds the evidence sufficient, issue the certificate of title or authorize the county clerk or designated county official to issue a certificate of title, as the case may be. If the county in which the last certificate of title to such vehicle was issued cannot be determined, the application for title shall be processed by the county clerk or designated county official of the county where the court entering the journal entry or order is located or the county where the instrument was executed upon which such claim of possession and ownership is founded, as the case may be.

(2) If from the records in the office of the county clerk or designated county official or the department there appear to be any liens on such vehicle, such certificate of title shall contain a statement of such liens unless the application is accompanied by proper evidence of their satisfaction or extinction.

Sec. 67. (1) The department shall issue a bonded certificate of title to an applicant who:

(a) Presents evidence reasonably sufficient to satisfy the

department of the applicant's ownership of the vehicle or security interest in the vehicle;

(b) Provides a statement that an identification inspection has been conducted pursuant to section 46 of this act;

(c) Pays the fee as prescribed in section 60 of this act; and

(d) Files a bond in a form prescribed by the department and executed by the applicant.

(2) The bond shall be issued by a surety company authorized to transact business in this state, in an amount equal to one and one-half times the value of the vehicle as determined by the department using reasonable appraisal methods, and conditioned to indemnify any prior owner and secured party, any subsequent purchaser and secured party, and any successor of the purchaser and secured party for any expense, loss, or damage, including reasonable attorney's fees, incurred by reason of the issuance of the certificate of title to the vehicle or any defect in or undisclosed security interest upon the right, title, and interest of the applicant in and to the vehicle. An interested person may have a cause of action to recover on the bond for a breach of the conditions of the bond. The aggregate liability of the surety to all persons having a claim shall not exceed the amount of the bond.

(3) At the end of three years after the issuance of the bond, the holder of the certificate of title may apply to the department on a form prescribed by the department for the release of the bond and the removal of the notice required by subsection (4) of this section if no claim has been made on the bond. The department may release the bond at the end of three years after the issuance of the bond if all questions as to the ownership of the vehicle have been answered to the satisfaction of the department unless the department has been notified of the pendency of an action to recover on the bond. If the currently valid certificate of title is surrendered to the department, the department may release the bond prior to the end of the three-year period.

(4) The department shall include the following statement on a bonded certificate of title issued pursuant to this section and any subsequent title issued as a result of a title transfer while the bond is in effect:

NOTICE: THIS VEHICLE MAY BE SUBJECT TO AN UNDISCLOSED INTEREST, BOND NUMBER

(5) The department shall recall a bonded certificate of title if the department finds that the application for the title contained a false statement or if a check presented by the applicant for a bonded certificate of title is returned uncollected by a financial institution.

Sec. 68. (1) In the event of a lost or destroyed certificate of title, the owner of the vehicle or the holder of a lien on the vehicle shall apply, upon a form prescribed by the department, to the department, if the certificate of title was issued by the department, or to any county clerk or designated county official for a duplicate certificate of title and shall pay the fee prescribed by section 56 of this act. The application shall be signed and sworn to by the person making the application or a person authorized to sign under section 51 of this act. Thereupon the county clerk or designated county official, with the approval of the department, or the department shall issue a duplicate certificate of title to the person entitled to receive the certificate of title. If the records of the title have been destroyed pursuant to section 52 of this act, the county clerk or designated county official shall issue a duplicate certificate of title to the person entitled to receive the same upon such showing as the county clerk or designated county official may deem sufficient. If the applicant cannot produce such proof of ownership, he or she may apply directly to the department and submit such evidence as he or she may have, and the department may, if it finds the evidence sufficient, authorize the county clerk or designated county official to issue a duplicate certificate of title. A duplicate certificate of title so issued shall show only those unreleased liens of record. The new purchaser shall be entitled to receive an original certificate of title upon presentation of the assigned duplicate copy of the certificate of title, properly assigned to the new purchaser, to the county clerk or designated county official prescribed in section 44 of this act.

(2) Any purchaser of a vehicle for which a certificate of title was lost or destroyed may at the time of purchase require the seller of the same to indemnify him or her and all subsequent purchasers of the vehicle against any loss which he, she, or they may suffer by reason of any claim presented upon the original certificate. In the event of the recovery of the original certificate of title by the owner, he or she shall forthwith surrender the same to the county clerk or designated county official or the department for cancellation.

Sec. 69. (1) Each owner of a vehicle and each person mentioned as owner in the last certificate of title, when the vehicle is dismantled, destroyed, or changed in such a manner that it loses its character as a vehicle or changed in such a manner that it is not the vehicle described in the certificate of title, shall surrender his or her certificate of title to the county clerk or designated county official of the county where such certificate of title was issued or, if issued by the department, to the department. If the certificate of title is surrendered to the county clerk or designated county official, he or she shall, with the consent of any holders of any liens noted thereon, enter a cancellation upon his or her records and shall notify the department of such cancellation. If the certificate is surrendered to the department, it shall, with the consent of any holder of any lien noted thereon, enter a cancellation upon its records.

(2) Upon cancellation of a certificate of title in the manner prescribed by this section, the county clerk or designated county official and the department may cancel and destroy all certificates and all memorandum certificates in that chain of title.

Sec. 70. (1) When an insurance company authorized to do business in Nebraska acquires a vehicle which has been properly titled and registered in a state other than Nebraska through payment of a total loss settlement on account of theft and the vehicle has not become unusable for transportation through damage and has not sustained any malfunction beyond reasonable maintenance and repair, the company shall obtain the certificate of title from the owner and may make application for a nontransferable certificate of title by surrendering the certificate of title to the county clerk or designated county official. A nontransferable certificate of title shall be issued in the same manner and for the same fee or fees as provided for a certificate of title in sections 54 to 60 of this act and shall be on a form prescribed by the department.

(2) A vehicle which has a nontransferable certificate of title shall not be sold or otherwise transferred or disposed of without first obtaining a certificate of title under the Motor Vehicle Certificate of Title Act.

(3) When a nontransferable certificate of title is surrendered for a certificate of title, the application shall be accompanied by a statement from the insurance company stating that to the best of its knowledge the vehicle has not become unusable for transportation through damage and has not sustained any malfunction beyond reasonable maintenance and repair. The statement shall not constitute or imply a warranty of condition to any subsequent purchaser or operator of the vehicle.

Sec. 71. For purposes of sections 71 to 77 of this act:

(1) Cost of repairs means the estimated or actual retail cost of parts needed to repair a vehicle plus the cost of labor computed by using the hourly labor rate and time allocations for repair that are customary and reasonable. Retail cost of parts and labor rates may be based upon collision estimating manuals or electronic computer estimating systems customarily used in the insurance industry;

(2) Late model vehicle means a vehicle which has (a) a manufacturer's model year designation of, or later than, the year in which the vehicle was wrecked, damaged, or destroyed, or any of the six preceding years or (b) (i) in the case of vehicles other than all-terrain vehicles and minibikes, a retail value of more than ten thousand five hundred dollars until January 1, 2010, and a retail value of more than ten thousand five hundred dollars increased by five hundred dollars every five years thereafter or (ii) in the case of all-terrain vehicles or minibikes, a retail value of more than one thousand seven hundred fifty dollars until January 1, 2010, and a retail value of more than one thousand seven hundred fifty dollars increased by two hundred fifty dollars every five years thereafter;

(3) Manufacturer buyback means the designation of a vehicle with an alleged nonconformity when the vehicle (a) has been replaced by a manufacturer or (b) has been repurchased by a manufacturer as the result of court judgment, arbitration, or any voluntary agreement entered into between the manufacturer or its agent and a consumer;

(4) Previously salvaged means the designation of a rebuilt or reconstructed vehicle which was previously required to be issued a salvage branded certificate of title and which has been inspected as provided in section 46 of this act;

(5) Retail value means the actual cash value, fair market value, or retail value of a vehicle as (a) set forth in a current edition of any nationally recognized compilation, including automated data bases, of retail values or (b) determined pursuant to a market survey of comparable vehicles with respect to condition and equipment; and

(6) Salvage means the designation of a vehicle which is:

(a) A late model vehicle which has been wrecked, damaged, or destroyed to the extent that the estimated total cost of repair to rebuild or reconstruct the vehicle to its condition immediately before it was wrecked, damaged, or destroyed and to restore the vehicle to a condition for legal operation, meets or exceeds seventy-five percent of the retail value of the vehicle at the time it was wrecked, damaged, or destroyed; or

(b) Voluntarily designated by the owner of the vehicle as a salvage vehicle by obtaining a salvage branded certificate of title, without respect to the damage to, age of, or value of the vehicle.

Sec. 72. A certificate of title issued on or after January 1, 2003, shall disclose in writing, from any records readily accessible to the department or county officials or a law enforcement officer, anything which indicates that the vehicle was previously issued a title in another jurisdiction that bore any word or symbol signifying that the vehicle was damaged, including, but not limited to, older model salvage, unrebuildable, parts only, scrap, junk, nonrepairable, reconstructed, rebuilt, flood damaged, damaged, buyback, or any other indication, symbol, or word of like kind, and the name of the jurisdiction issuing the previous title.

Sec. 73. When an insurance company acquires a salvage vehicle through payment of a total loss settlement on account of damage, the company shall obtain the certificate of title from the owner, surrender such certificate of title to the county clerk or designated county official, and make application for a salvage branded certificate of title which shall be assigned when the company transfers ownership. An insurer shall take title to a salvage vehicle for which a total loss settlement is made unless the owner of the salvage vehicle elects to retain the salvage vehicle. If the owner elects to retain the salvage vehicle, the insurance company shall notify the department of such fact in a format prescribed by the department. The department shall immediately enter the salvage brand onto the computerized record of the vehicle. The insurance company shall also notify the owner of the owner's responsibility to comply with this section. The owner shall, within thirty days after the settlement of the loss, ten days after settlement of the loss in the case of a salvage all-terrain vehicle or minibike, forward the properly endorsed acceptable certificate of title to the county clerk or designated county official in the county designated in section 44 of this act. The county clerk or designated county official shall, upon receipt of the certificate of title, issue a salvage branded certificate of title for the vehicle.

Sec. 74. Whenever a title is issued in this state for a vehicle that is designated a salvage, previously salvaged, or manufacturer buyback, the following title brands shall be required: Salvage, previously salvaged, or manufacturer buyback. A certificate branded salvage, previously salvaged, or manufacturer buyback shall be administered in the same manner and for the same fee or fees as provided for a certificate of title in sections 54 to 60 of this act. When a salvage branded certificate of title is surrendered for a certificate of title branded previously salvaged, the application for a certificate of title shall be accompanied by a statement of inspection as provided in section 46 of this act.

Sec. 75. Any person who acquires ownership of a salvage or manufacturer buyback vehicle for which he or she does not obtain a salvage branded or manufacturer buyback branded certificate of title shall surrender the certificate of title to the county clerk or designated county official and make application for a salvage branded or manufacturer buyback branded certificate of title within thirty days after acquisition or prior to the sale or resale of the vehicle or any major component part of such vehicle or use of any major component part of the vehicle, whichever occurs earlier.

Sec. 76. Any person who knowingly transfers a wrecked, damaged, or destroyed vehicle in violation of sections 71 to 77 of this act is guilty of a Class IV felony.

Sec. 77. Nothing in sections 71 to 77 of this act shall be construed to require the actual repair of a wrecked, damaged, or destroyed vehicle to be designated as salvage.

Sec. 78. Every sheriff, chief of police, or member of the patrol having knowledge of a stolen vehicle shall immediately furnish the department with full information in connection therewith. The department, whenever it receives a report of the theft or conversion of such a vehicle, whether owned in this or any other state, together with the make and manufacturer's serial number or motor number, if applicable, shall make a distinctive record thereof and file the same in the numerical order of the manufacturer's serial number with the index records of such vehicle of such make. The department shall prepare a report listing such vehicles stolen and recovered as disclosed by the reports submitted to it, and the report shall be distributed as it may

deem advisable. In the event of the receipt from any county clerk or designated county official of a copy of a certificate of title to such vehicle, the department shall immediately notify the rightful owner thereof and the county clerk or designated county official who issued such certificate of title, and if upon investigation it appears that such certificate of title was improperly issued, the department shall immediately cancel the same. In the event of the recovery of such stolen or converted vehicle, the owner shall immediately notify the department, which shall cause the record of the theft or conversion to be removed from its file.

Sec. 79. A person commits a Class IV felony if he or she (1) forges any certificate of title or manufacturer's or importer's certificate to a vehicle, any assignment of either certificate, or any cancellation of any lien on a vehicle, (2) holds or uses such certificate, assignment, or cancellation knowing the same to have been forged, (3) procures or attempts to procure a certificate of title to a vehicle or passes or attempts to pass a certificate of title or any assignment thereof to a vehicle, knowing or having reason to believe that such vehicle has been stolen, (4) sells or offers for sale in this state a vehicle on which the motor number or manufacturer's serial number has been destroyed, removed, covered, altered, or defaced with knowledge of the destruction, removal, covering, alteration, or defacement of such motor number or manufacturer's serial number, (5) knowingly uses a false or fictitious name, knowingly gives a false or fictitious address, knowingly makes any false statement in any application or affidavit required under the Motor Vehicle Certificate of Title Act or in a bill of sale or sworn statement of ownership, or (6) otherwise knowingly commits a fraud in any application for a certificate of title.

Sec. 80. (1) A person who operates in this state a vehicle for which a certificate of title is required without having such certificate in accordance with the Motor Vehicle Certificate of Title Act or upon which the certificate of title has been canceled is guilty of a Class III misdemeanor.

(2) A person who is a dealer or acting on behalf of a dealer and who acquires, purchases, holds, or displays for sale a new vehicle without having obtained a manufacturer's or importer's certificate or a certificate of title therefor as provided for in the Motor Vehicle Certificate of Title Act is guilty of a Class III misdemeanor.

(3) A person who fails to surrender any certificate of title or any certificate of registration or license plates or tags upon cancellation of the same by the department and notice thereof as prescribed in the Motor Vehicle Certificate of Title Act is guilty of a Class III misdemeanor.

(4) A person who fails to surrender the certificate of title to the county clerk or designated county official as provided in section 69 of this act in case of the destruction or dismantling or change of a vehicle in such respect that it is not the vehicle described in the certificate of title is guilty of a Class III misdemeanor.

(5) A person who purports to sell or transfer a vehicle without delivering to the purchaser or transferee thereof a certificate of title or a manufacturer's or importer's certificate thereto duly assigned to such purchaser as provided in the Motor Vehicle Certificate of Title Act is guilty of a Class III misdemeanor.

(6) A person who knowingly alters or defaces a certificate of title or manufacturer's or importer's certificate is guilty of a Class III misdemeanor.

(7) Except as otherwise provided in section 79 of this act, a person who violates any of the other provisions of the Motor Vehicle Certificate of Title Act or any rules or regulations adopted and promulgated pursuant to the act is guilty of a Class III misdemeanor.

Sec. 81. The Nebraska State Patrol Cash Fund shall be used to defray the expenses of training personnel in title document examination, vehicle identification, and fraud and theft investigation and to defray the patrol's expenses arising pursuant to sections 81 to 89 of this act, including those incurred for printing and distribution of forms, personal services, hearings, and similar administrative functions. Personnel may include, but shall not be limited to, county clerks, designated county officials, investigative personnel of the Nebraska Motor Vehicle Industry Licensing Board, and peace officers as defined in section 60-646. The training program shall be administered by the patrol. The patrol may utilize the Nebraska Law Enforcement Training Center to accomplish the training requirements of sections 81 to 89 of this act. The superintendent may make expenditures from the fund necessary to implement such training.

Sec. 82. The sheriff shall designate a sufficient number of persons to become certified to assure completion of inspections with reasonable promptness.

Sec. 83. No person shall conduct an inspection unless he or she is the holder of a current certificate of training issued by the patrol. The certificate of training shall be issued upon completion of a course of instruction, approved by the patrol, in the identification of stolen and altered vehicles. The superintendent may require an individual to take such additional training as he or she deems necessary in order to maintain a current certificate of training.

Sec. 84. The sheriff may designate an employee of his or her office, any individual who is a peace officer as defined in section 60-646, or, by agreement, a county clerk or designated county official to assist in accomplishing inspections. Upon designation, the person shall request approval for training from the superintendent. Any person requesting approval for training shall submit a written application to the patrol. Such application shall include the following information: (1) The name and address of the applicant; (2) the name and address of the agency employing the applicant and the name of the agency head; and (3) such biographical information as the superintendent may require to facilitate the designation authorized by this section.

Sec. 85. (1) Upon receipt of an application for training pursuant to section 84 of this act, the patrol may inquire into the qualifications of the applicant and may also inquire into the background of the applicant.

(2) The patrol shall not approve any applicant who has (a) knowingly purchased, sold, or done business in stolen vehicles or parts therefor, (b) been found guilty of any felony which has not been pardoned, been found guilty of any misdemeanor concerning fraud or conversion, or suffered any judgment in any civil action involving fraud, misrepresentation, or conversion, or (c) made a false material statement in his or her application.

Sec. 86. The patrol may, after notice and a hearing, revoke a certificate of training. The patrol shall only be required to hold a hearing if the hearing is requested in writing within fifteen days after notice of the proposed revocation is delivered by the patrol. The patrol may revoke a certificate of training for any reason for which an applicant may be denied approval for training pursuant to section 85 of this act. The patrol may revoke a certificate of training if the holder fails to keep a certificate current by taking any additional training the patrol may require. The patrol may revoke a certificate of training if the patrol finds that the holder is incompetent. A rebuttable presumption of incompetence shall arise from a finding by the patrol or a court of competent jurisdiction that the holder of a certificate of training has issued a statement of inspection for a stolen vehicle. Any person who feels himself or herself aggrieved by the patrol's decision to revoke a certificate may appeal such decision, and the appeal shall be in accordance with the Administrative Procedure Act.

Sec. 87. No individual, other than a peace officer, shall attend training for inspections funded under the Nebraska State Patrol Cash Fund unless such individual has been designated by a sheriff and approved by the patrol.

Sec. 88. A holder of a certificate of training who is an employee of a licensee as determined by the department shall not inspect any vehicle which is not owned by his or her sponsoring licensee. A holder of a certificate of training who is a licensee shall not inspect any vehicle which he or she does not own.

Sec. 89. The superintendent shall, from time to time, provide each county clerk or designated county official and each sheriff with a list of persons holding then current certificates of training.

Sec. 90. It shall be unlawful for any person to:

(1) Knowingly tamper with, adjust, alter, change, disconnect, or fail to connect an odometer of a motor vehicle, or cause any of the foregoing to occur, to reflect a mileage different than has actually been driven by such motor vehicle except as provided in section 91 of this act;

(2) With intent to defraud, operate a motor vehicle on any street or highway knowing that the odometer is disconnected or nonfunctional; or

(3) Advertise for sale, sell, use, or install on any part of a motor vehicle or on any odometer in a motor vehicle any device which causes the odometer to register any mileage other than that actually driven.

Sections 90 to 96 of this act shall not apply to gross-rated motor vehicles of more than sixteen thousand pounds.

Sec. 91. If any odometer is repaired or replaced, the reading of the repaired or replaced odometer shall be set at the reading of the odometer repaired or replaced immediately prior to repair or replacement and the adjustment shall not be deemed a violation of section 90 of this act, except that when the repaired or replaced odometer is incapable of registering the same mileage as before such repair or replacement, the repaired or replaced

odometer shall be adjusted to read zero and a notice in writing on a form prescribed by the department shall be attached to the left door frame of the motor vehicle, or in the case of a motorcycle, to the frame of the motorcycle, by the owner or his or her agent specifying the mileage prior to repair or replacement of the odometer and the date on which it was repaired or replaced and any removal or alteration of such notice so affixed shall be deemed a violation of section 90 of this act.

Sec. 92. The transferor of any motor vehicle of an age of less than ten years, which was equipped with an odometer by the manufacturer, shall provide to the transferee a statement, signed by the transferor, setting forth: (1) The mileage on the odometer at the time of transfer; and (2)(a) a statement that, to the transferor's best knowledge, such mileage is that actually driven by the motor vehicle, (b) a statement that the transferor has knowledge that the mileage shown on the odometer is in excess of the designated mechanical odometer limit, or (c) a statement that the odometer reading does not reflect the actual mileage and should not be relied upon because the transferor has knowledge that the odometer reading differs from the actual mileage and that the difference is greater than that caused by odometer calibration error. If a discrepancy exists between the odometer reading and the actual mileage, a warning notice to alert the transferee shall be included with the statement. The transferor shall retain a true copy of such statement for a period of five years from the date of the transaction.

Sec. 93. The statement required by section 92 of this act shall be on a form prescribed by the department or shall appear on the certificate of title. Such statement shall be submitted with the application for certificate of title, and the new certificate of title in the name of the transferee shall have recorded thereon the mileage shown by such statement and a notation that the recorded mileage is actual, not actual, or in excess of the mechanical odometer limit, whichever is applicable. No certificate of title shall be issued for a motor vehicle unless the application is accompanied by such statement or unless the information required by such statement appears on the certificate of title being submitted with the application.

Sec. 94. No licensed motor vehicle dealer shall have in his or her possession as inventory for sale any used motor vehicle of an age of less than twenty-five years for which the dealer does not have in his or her possession the transferor's statement required by section 92 of this act unless a certificate of title has been issued for such motor vehicle in the name of the dealer. Violation of sections 90 to 96 of this act shall be grounds for suspension or revocation of a motor vehicle dealer's license under the provisions of Chapter 60, article 14.

Sec. 95. A licensed motor vehicle dealer reassigning a certificate of title shall not be guilty of a violation of sections 90 to 96 of this act if such dealer has in his or her possession the transferor's statement and if he or she has no knowledge that the statement is false and that the odometer does not reflect the mileage actually driven by the motor vehicle.

Sec. 96. Any transferor who does not retain a true copy of the odometer statement for a period of five years from the date of the transaction as required by section 92 of this act shall be guilty of a Class V misdemeanor. Any person who violates any other provision of sections 90 to 96 of this act shall be guilty of a Class IV felony.

Sec. 97. (1) The repeal of Chapter 60, article 1, as it existed on the effective date of this act and the enactment of the Motor Vehicle Certificate of Title Act is not intended to affect the validity of manufacturer's or importer's certificates, certificates of title of any kind, odometer statements, or security interests or liens in existence on such date. All such certificates, statements, and notations are valid under the Motor Vehicle Certificate of Title Act as if issued or made under such act.

(2) The repeal of Chapter 60, article 1, as it existed on the effective date of this act and the enactment of the Motor Vehicle Certificate of Title Act is not intended to affect the validity of certificates of training for inspections in existence on such date. All such certificates are valid under the Motor Vehicle Certificate of Title Act as if issued under such act.

(3) The rules, regulations, and orders of the Director of Motor Vehicles and the Department of Motor Vehicles issued under Chapter 60, article 1, shall remain in effect as if issued under the Motor Vehicle Certificate of Title Act unless changed or eliminated by the director or the department to the extent such power is statutorily granted to the director and department.

Sec. 98. Section 13-910, Revised Statutes Supplement, 2004, is amended to read:

13-910. The Political Subdivisions Tort Claims Act and sections 16-727, 16-728, 23-175, 39-809, and 79-610 shall not apply to:

(1) Any claim based upon an act or omission of an employee of a political subdivision, exercising due care, in the execution of a statute, ordinance, or officially adopted resolution, rule, or regulation, whether or not such statute, ordinance, resolution, rule, or regulation is valid;

(2) Any claim based upon the exercise or performance of or the failure to exercise or perform a discretionary function or duty on the part of the political subdivision or an employee of the political subdivision, whether or not the discretion is abused;

(3) Any claim based upon the failure to make an inspection or making an inadequate or negligent inspection of any property other than property owned by or leased to such political subdivision to determine whether the property complies with or violates any statute, ordinance, rule, or regulation or contains a hazard to public health or safety unless the political subdivision had reasonable notice of such hazard or the failure to inspect or inadequate or negligent inspection constitutes a reckless disregard for public health or safety;

(4) Any claim based upon the issuance, denial, suspension, or revocation of or failure or refusal to issue, deny, suspend, or revoke any permit, license, certificate, or order. Nothing in this subdivision shall be construed to limit a political subdivision's liability for any claim based upon the negligent execution by an employee of the political subdivision in the issuance of a certificate of title under ~~sections 37-1278 to 37-1279, 37-1282, 37-1283, 37-1291 to 37-1298, 60-110 to 60-112, and 60-129 to 60-131~~ the Motor Vehicle Certificate of Title Act and the State Boat Act;

(5) Any claim arising with respect to the assessment or collection of any tax or fee or the detention of any goods or merchandise by any law enforcement officer;

(6) Any claim caused by the imposition or establishment of a quarantine by the state or a political subdivision, whether such quarantine relates to persons or property;

(7) Any claim arising out of assault, battery, false arrest, false imprisonment, malicious prosecution, abuse of process, libel, slander, misrepresentation, deceit, or interference with contract rights;

(8) Any claim by an employee of the political subdivision which is covered by the Nebraska Workers' Compensation Act;

(9) Any claim arising out of the malfunction, destruction, or unauthorized removal of any traffic or road sign, signal, or warning device unless it is not corrected by the political subdivision responsible within a reasonable time after actual or constructive notice of such malfunction, destruction, or removal. Nothing in this subdivision shall give rise to liability arising from an act or omission of any political subdivision in placing or removing any traffic or road signs, signals, or warning devices when such placement or removal is the result of a discretionary act of the political subdivision;

(10) Any claim arising out of snow or ice conditions or other temporary conditions caused by nature on any highway as defined in section 60-624, bridge, public thoroughfare, or other public place due to weather conditions. Nothing in this subdivision shall be construed to limit a political subdivision's liability for any claim arising out of the operation of a motor vehicle by an employee of the political subdivision while acting within the course and scope of his or her employment by the political subdivision;

(11) Any claim arising out of the plan or design for the construction of or an improvement to any highway as defined in such section or bridge, either in original construction or any improvement thereto, if the plan or design is approved in advance of the construction or improvement by the governing body of the political subdivision or some other body or employee exercising discretionary authority to give such approval; or

(12) Any claim arising out of the alleged insufficiency or want of repair of any highway as defined in such section, bridge, or other public thoroughfare. Insufficiency or want of repair shall be construed to refer to the general or overall condition and shall not refer to a spot or localized defect. A political subdivision shall be deemed to waive its immunity for a claim due to a spot or localized defect only if the political subdivision has had actual or constructive notice of the defect within a reasonable time to allow repair prior to the incident giving rise to the claim.

Sec. 99. Section 23-186, Revised Statutes Supplement, 2004, is amended to read:

23-186. A county board may consolidate under the office of a designated county official the services provided to the public by the county assessor, the county clerk, and the county treasurer relating to the issuance of certificates of title, registration certificates, certificates of number,

license plates, and renewal decals, notation and cancellation of liens, and collection of taxes and fees for motor vehicles, all-terrain vehicles, minibikes, trailers, and motorboats as provided in the Motor Vehicle Certificate of Title Act, the State Boat Act, and sections 18-1738, 18-1738.01, ~~60-106, 60-107, 60-108, 60-110, 60-111, 60-112, 60-113, 60-115, 60-119, 60-122, 60-139 to 60-169,~~ 60-301 to 60-347, 60-6,322, 60-1803, 60-3002, and 60-3007. In a county in which a city of the metropolitan class is located, the county board may designate the county treasurer to provide the services. In any other county, the county board may designate the county assessor, the county clerk, or the county treasurer to provide the services.

Sec. 100. Section 42-371, Reissue Revised Statutes of Nebraska, is amended to read:

42-371. Under the Uniform Interstate Family Support Act and sections 42-347 to 42-381, 43-290, 43-512 to 43-512.10, and 43-1401 to 43-1418:

(1) All judgments and orders for payment of money shall be liens, as in other actions, upon real property and any personal property registered with any county office and may be enforced or collected by execution and the means authorized for collection of money judgments. The judgment creditor may execute (a) a partial or total release of the judgment or (b) a document subordinating the lien of the judgment to any other lien, generally or on specific real or personal property. Release of a judgment for child support or spousal support or subordination of a lien of a judgment for child support or spousal support must be approved by the court which rendered the judgment unless all such payments are current, in which case a release or subordination document executed by the judgment creditor shall be sufficient to remove or subordinate the lien. A properly executed, notarized release or subordination document, explicitly reciting that all child support payments or spousal support payments are current, shall be prima facie evidence that such payments are in fact current. The judgment debtor may file a motion in the court which rendered the original judgment for an order releasing or subordinating the lien as to specific real or personal property. The court shall grant such order upon a showing by the judgment debtor that sufficient real or personal property or property interests will remain subject to the lien or will maintain priority over other liens sufficient to cover all support due and which may become due;

(2) Full faith and credit shall be accorded to a lien arising by operation of law against real and personal property for amounts of overdue support owed by an obligor who resides or owns property in this state when another state agency, party, or other entity seeking to enforce such lien complies with the procedural rules relating to the filing of the lien in this state. The state agency, party, or other entity seeking to enforce such lien shall send a certified copy of the support order with all modifications, the notice of lien prescribed by 42 U.S.C. 652(a)(11) and 42 U.S.C. 654(9)(E), and the appropriate fee to the clerk of the district court in the jurisdiction within this state in which the lien is sought. Upon receiving the appropriate documents and fee, the clerk of the district court shall accept the documents filed and such acceptance shall constitute entry of the foreign support order for purposes of this section only. Entry of a lien arising in another state pursuant to this section shall result in such lien being afforded the same treatment as liens arising in this state. The filing process required by this section shall not be construed as requiring an application, complaint, answer, and hearing as might be required for the filing or registration of foreign judgments under the Nebraska Uniform Enforcement of Foreign Judgments Act or the Uniform Interstate Family Support Act;

(3) Child support and spousal support judgments shall cease to be liens on real or registered personal property ten years from the date (a) the youngest child becomes of age or dies or (b) the most recent execution was issued to collect the judgment, whichever is later, and such lien shall not be reinstated;

(4) Alimony and property settlement award judgments, if not covered by subdivision (3) of this section, shall cease to be a lien on real or registered personal property ten years from the date (a) the judgment was entered, (b) the most recent payment was made, or (c) the most recent execution was issued to collect the judgment, whichever is latest, and such lien shall not be reinstated;

(5) Whenever a judgment creditor refuses to execute a release of the judgment or subordination of a lien as provided in this section, the person desiring such release or subordination may file an application for the relief desired. A copy of the application and a notice of hearing shall be served on the judgment creditor either personally or by registered or certified mail no less than ten days before the date of hearing. If the court finds that the

release or subordination is not requested for the purpose of avoiding payment and that the release or subordination will not unduly reduce the security, the court may issue an order releasing real or personal property from the judgment lien or issue an order subordinating the judgment lien. As a condition for such release or subordination, the court may require the posting of a bond with the clerk in an amount fixed by the court, guaranteeing payment of the judgment;

(6) The court may in any case, upon application or its own motion, after notice and hearing, order a person required to make payments to post sufficient security, bond, or other guarantee with the clerk to insure payment of both current and any delinquent amounts. Upon failure to comply with the order, the court may also appoint a receiver to take charge of the debtor's property to insure payment. Any bond, security, or other guarantee paid in cash may, when the court deems it appropriate, be applied either to current payments or to reduce any accumulated arrearage;

(7) (a) The lien of a mortgage or deed of trust which secures a loan, the proceeds of which are used to purchase real property, and (b) any lien given priority pursuant to a subordination document under this section shall attach prior to any lien authorized by this section. Any mortgage or deed of trust which secures the refinancing, renewal, or extension of a real property purchase money mortgage or deed of trust shall have the same lien priority with respect to any lien authorized by this section as the original real property purchase money mortgage or deed of trust to the extent that the amount of the loan refinanced, renewed, or extended does not exceed the amount used to pay the principal and interest on the existing real property purchase money mortgage or deed of trust, plus the costs of the refinancing, renewal, or extension; and

(8) Any lien authorized by this section against personal property registered with any county consisting of a motor vehicle or mobile home shall attach upon notation of the lien against the motor vehicle or mobile home certificate of title and shall have its priority established pursuant to the terms of section ~~60-110~~ 64 of this act or a subordination document executed under this section.

Sec. 101. Section 52-1801, Reissue Revised Statutes of Nebraska, is amended to read:

52-1801. (1) Any security interest in a mobile home perfected on or after July 15, 1992, and prior to April 8, 1993, shall continue to be perfected:

(a) Until the financing statement perfecting such security interest is terminated or would have lapsed in the absence of the filing of a continuation statement pursuant to article 9, Uniform Commercial Code; or

(b) Until a lien is noted on the face of the certificate of title for the mobile home pursuant to section ~~60-110~~ 64 of this act.

(2) Any lien noted on the face of a mobile home certificate of title on or after April 8, 1993, pursuant to subdivision (1)(b) of this section on behalf of the holder of a security interest in the mobile home which was perfected on or after July 15, 1992, and prior to April 8, 1993, shall have priority as of the date such security interest was originally perfected.

(3) The holder of a mobile home certificate of title shall, upon request, surrender the mobile home certificate of title to a holder of a security interest in the mobile home which was perfected on or after July 15, 1992, and prior to April 8, 1993, to permit notation of a lien on the mobile home certificate of title and shall do such other acts as may be required to permit such notation.

(4) If the owner of a mobile home subject to a security interest perfected on or after July 15, 1992, and prior to April 8, 1993, fails or refuses to obtain a certificate of title after April 8, 1993, the security interest holder may obtain a certificate of title in the name of the owner of the mobile home following the procedures of section ~~60-106~~ subsection (2) of section 47 of this act and may have a lien noted on the certificate of title pursuant to section ~~60-110~~ 64 of this act.

(5) The assignment, release, or satisfaction of a security interest in a mobile home shall be governed under the laws under which it was perfected.

(6) This section shall not affect the validity or priority of a lien established against a mobile home by the notation of such lien on the mobile home certificate of title prior to July 15, 1992.

Sec. 102. Section 60-302, Reissue Revised Statutes of Nebraska, is amended to read:

60-302. (1) No motor vehicle, trailer, semitrailer, or cabin trailer, unless otherwise expressly provided, shall be operated or parked on the highways of this state unless the vehicle is registered in accordance with

Chapter 60, article 3. There shall be a rebuttable presumption that any vehicle stored and kept more than thirty days in the state is being operated or parked on the highways of this state and shall be registered in accordance with Chapter 60, article 3, from the date of title of the motor vehicle or, if no transfer in ownership of the motor vehicle has occurred, from the expiration of the last registration period for which the motor vehicle was registered. Every owner of a vehicle required to be registered shall make application for registration to the county treasurer of the county in which the vehicle has situs as defined in section 60-3001. The application shall be a copy of a certificate of title or, in the case of a renewal of a registration, the application shall be the previous registration period's certificate. A salvage branded certificate of title and a nontransferable certificate of title provided for in section ~~60-131~~ 70 of this act shall not be valid for registration purposes.

(2) An application for registration of a motor vehicle shall be accompanied by proof of financial responsibility or evidence of insurance covering the motor vehicle. Proof of financial responsibility shall be evidenced by a copy of proof of financial responsibility filed pursuant to subdivision (2), (3), or (4) of section 60-528 bearing the seal of the Department of Motor Vehicles. Evidence of insurance shall give the effective dates of the automobile liability policy, which dates shall be evidence that the coverage is in effect on and following the date of registration, and shall designate, by explicit description or by appropriate reference, all motor vehicles covered. Evidence of insurance in the form of a certificate of insurance for fleet vehicles may include, as an appropriate reference, a designation that the insurance coverage is applicable to all vehicles owned by the named insured, or wording of similar effect, in lieu of an explicit description. Proof of financial responsibility also may be evidenced by (a) a check by the department or its agents of the motor vehicle insurance data base created under section 60-302.05 or (b) any other automated or electronic means as prescribed or developed by the department.

(3) Any nonresident owner who desires to register a vehicle or vehicles in this state shall register in the county where the vehicle is domiciled or where the owner conducts a bona fide business.

(4) Each new application shall contain, in addition to other information as may be required by the department, the name and post office address of the applicant and a description of the vehicle, including the color, the manufacturer, the identification number, and the weight of the vehicle required by Chapter 60, article 3. With the application the applicant shall pay the proper registration fee as provided in sections 60-305.08 to 60-339 and shall state whether the vehicle is propelled by alternative fuel as defined in section 66-686 and, if alternative fuel, the type of fuel. The form shall also contain a notice that bulk fuel purchasers may be subject to federal excise tax liability. The department shall prescribe a form, containing the notice, for supplying the information for vehicles to be registered. The county treasurer shall include the form in each mailing made pursuant to section 60-3003. The county treasurer or his or her agent shall notify the Motor Fuel Tax Enforcement and Collection Division of the Department of Revenue whenever a vehicle powered by an alternative fuel as defined in section 66-686 is registered. The notification shall include the name and address of the registrant, the date of registration, the type of motor vehicle registered, and the type of alternative fuel used to propel the vehicle as indicated on the registration application.

(5) The county treasurer or his or her agent shall collect, in addition to the registration fees, one dollar and fifty cents for each certificate issued and shall remit one dollar and fifty cents of each additional fee collected to the State Treasurer for credit to the Department of Motor Vehicles Cash Fund.

(6) The county treasurer or his or her agent shall collect, in addition to other registration fees, fifty cents for each certificate issued and shall remit the fee to the State Treasurer for credit to the Nebraska Emergency Medical System Operations Fund.

(7) The county treasurer or his or her agent shall collect, in addition to other registration fees, one dollar and fifty cents for each certificate issued and shall remit the fee to the State Treasurer for credit to the State Recreation Road Fund.

(8) If a citation is issued to an owner or operator of a vehicle for a violation of this section and the owner properly registers and licenses the vehicle not in compliance and pays all taxes and fees due and the owner or operator provides proof of such registration to the prosecuting attorney within ten days after the issuance of the citation, no prosecution for the offense cited shall occur.

(9) If a county board consolidates services under the office of a designated county official other than the county treasurer pursuant to section 23-186, the powers and duties of the county treasurer relating to registration under sections 60-301 to 60-347 shall be performed by the designated county official.

(10) A county treasurer or county official or his or her agent may accept credit cards, charge cards, debit cards, or electronic funds transfers as a means of payment for registration pursuant to section 13-609.

(11) For the period January 1, 2003, through December 31, 2005, the county treasurer or his or her agent shall collect, in addition to the other registration fees, twenty-five cents for each certificate issued to pay for the costs of the motor vehicle insurance data base created under section 60-302.05 and shall remit such additional fee to the State Treasurer for credit to the Department of Motor Vehicles Cash Fund.

Sec. 103. Section 60-314, Reissue Revised Statutes of Nebraska, is amended to read:

60-314. Upon the transfer of ownership of any motor vehicle, its registration shall expire. ~~and the person in whose name such vehicle is registered shall be required to observe the provisions of sections 60-102 to 60-117.~~

Sec. 104. Section 60-6,309, Reissue Revised Statutes of Nebraska, is amended to read:

60-6,309. Mopeds, their owners, and their operators shall be subject to ~~Chapter 60, article 4~~ the Motor Vehicle Operator's License Act, but shall be exempt from the requirements of Chapter 60, ~~articles 1, 3, and 5~~ article 3, the Motor Vehicle Certificate of Title Act, and the Motor Vehicle Safety Responsibility Act.

Sec. 105. Section 60-6,375, Reissue Revised Statutes of Nebraska, is amended to read:

60-6,375. An electric personal assistive mobility device, its owner, and its operator shall be exempt from the requirements of Chapter 60, ~~articles 1, 3, 4, and 5~~ article 3, the Motor Vehicle Certificate of Title Act, the Motor Vehicle Operator's License Act, and the Motor Vehicle Safety Responsibility Act.

Sec. 106. Section 60-1411.02, Reissue Revised Statutes of Nebraska, is amended to read:

60-1411.02. The board may, upon its own motion, and shall, upon a sworn complaint in writing of any person, investigate the actions of any person acting, registered, or licensed under Chapter 60, article 14, as a motor vehicle dealer, trailer dealer, motor vehicle or trailer salesperson, dealer's agent, manufacturer, factory branch, distributor, factory representative, distributor representative, supplemental motor vehicle dealer, wrecker or salvage dealer, finance company, motorcycle dealer, or motor vehicle auction dealer or operating without a registration or license when such registration or license is required. The board may deny any application for a license, may revoke or suspend a license, may place the licensee or registrant on probation, may assess an administrative fine in an amount not to exceed five thousand dollars per violation, or may take any combination of such actions if the violator, applicant, registrant, or licensee including any officer, stockholder, partner, or limited liability company member or any person having any financial interest in the violator, applicant, registrant, or licensee:

(1) Has had any license issued under Chapter 60, article 14, revoked or suspended and, if the license has been suspended, has not complied with the terms of suspension;

(2) Has knowingly purchased, sold, or done business in stolen motor vehicles, motorcycles, or trailers or parts therefor;

(3) Has failed to provide and maintain an established place of business;

(4) Has been found guilty of any felony which has not been pardoned, has been found guilty of any misdemeanor concerning fraud or conversion, or has suffered any judgment in any civil action involving fraud, misrepresentation, or conversion. In the event felony charges are pending against an applicant, the board may refuse to issue a license to the applicant until there has been a final determination of the charges;

(5) Has made a false material statement in his or her application or any data attached to the application or to any investigator or employee of the board;

(6) Has willfully failed to perform any written agreement with any consumer or retail buyer;

(7) Has made a fraudulent sale, transaction, or repossession, or created a fraudulent security interest as defined in the Uniform Commercial

Code, in a motor vehicle, trailer, or motorcycle;

(8) Has failed to notify the board of a change in the location of his or her established place or places of business and in the case of a salesperson has failed to notify the board of any change in his or her employment;

(9) Has willfully failed to deliver to a purchaser a proper certificate of ownership for a motor vehicle, trailer, or motorcycle sold by the licensee or to refund the full purchase price if the purchaser cannot legally obtain proper certification of ownership within thirty days;

(10) Has forged the signature of the registered or legal owner on a certificate of title;

(11) Has failed to comply with Chapter 60, article 14, and any orders, rules, or regulations of the board adopted and promulgated under Chapter 60, article 14;

(12) Has failed to comply with the advertising and selling standards established in section 60-1411.03;

(13) Has failed to comply with any provisions of the Motor Vehicle Certificate of Title Act, section 60-320, Chapter 60, article ~~14~~ 14, or the rules or regulations adopted and promulgated by the board pursuant to Chapter 60, article 14;

(14) Has failed to comply with any provision of Chapter 71, article 46, or with any code, standard, rule, or regulation adopted or made under the authority of or pursuant to Chapter 71, article 46;

(15) Has willfully defrauded any retail buyer or other person in the conduct of the licensee's business;

(16) Has employed any unlicensed salesperson or salespersons;

(17) Has failed to comply with sections ~~60-132 to 60-138~~ 90 to 96 of this act;

(18) Has engaged in any unfair methods of competition or unfair or deceptive acts or practices prohibited under the Uniform Deceptive Trade Practices Act; or

(19) Has conspired, as defined in section 28-202, with other persons to process ~~titles~~ certificates of title in violation of ~~Chapter 60, article 14~~ the Motor Vehicle Certificate of Title Act.

If the violator, applicant, registrant, or licensee is a publicly held corporation, the board's authority shall extend only to the corporation and its managing officers and directors.

Sec. 107. Section 60-1417, Reissue Revised Statutes of Nebraska, is amended to read:

60-1417. Every motor vehicle, motorcycle, or trailer sale, except between a manufacturer or distributor, shall be evidenced by an instrument in writing upon a form that may be adopted and promulgated by the board and approved by the Attorney General which shall contain all the agreements of the parties and shall be signed by the buyer and seller or a duly acknowledged agent of the seller. Prior to or concurrent with any such motor vehicle, motorcycle, or trailer sale, the seller shall deliver to the buyer written documentation which shall contain the following information:

(1) Name of seller;

(2) Name of buyer;

(3) Year of model and identification number;

(4) Cash sale price;

(5) Year and model of trailer and serial number, if any;

(6) The amount of buyer's downpayment and whether made in money or goods or partly in money and partly in goods, including a brief description of any goods traded in;

(7) The difference between subdivisions (4) and (6) of this section;

(8) The amount included for insurance if a separate charge is made for insurance, specifying the types of coverages;

(9) If the sale is an installment sale:

(a) The basic time price, which is the sum of subdivisions (7) and (8) of this section;

(b) The time-price differential;

(c) The amount of the time-price balance, which is the sum of subdivisions (a) and (b) of this subdivision, payable in installments by the buyer to the seller;

(d) The number, amount, and due date or period of each installment payment; and

(e) The time-sales price;

(10) Whether the sale is as is or subject to warranty and, if subject to warranty, specifying the warranty; and

(11) If repairs or inspections arising out of the conduct of a dealer's business cannot be provided by the dealer in any representations or

warranties that may arise, the instrument shall so state that fact and shall provide the purchaser with the location of a facility where such repairs or inspections, as provided for in the service contract, can be accomplished.

A copy of all such instruments and written documentation shall be retained in the file of the dealer for five years from the date of sale. The dealer shall keep a copy of the odometer statement required by section ~~60-134~~ 92 of this act which is furnished to him or her for each motor vehicle the dealer purchases or sells. The dealer shall keep such statements for five years from the date of the transaction as shown on the odometer statement.

If a transaction for the sale of a new motor vehicle which does not take place in the State of Nebraska provides for delivery in Nebraska, delivery in Nebraska shall only be made through a motor vehicle dealer licensed and bonded in Nebraska. The motor vehicle dealer may charge the seller for such service but shall not charge the purchaser. The motor vehicle dealer shall be jointly and severally liable for compliance with all applicable laws and contracts with the seller. If the dealer is not a franchisee of the manufacturer or distributor of the line-make of the vehicle, the dealer shall notify the purchaser in writing that the dealer is jointly and severally liable with the seller for compliance with all applicable laws and contracts with the seller and that the dealer is not authorized to provide repairs or inspections pursuant to the manufacturer's warranty.

Sec. 108. Section 60-1419, Reissue Revised Statutes of Nebraska, is amended to read:

60-1419. Applicants for a motor vehicle dealer's license, trailer dealer's license, or motorcycle dealer's license shall, at the time of making application, furnish a corporate surety bond in the penal sum of twenty thousand dollars, but for the year 1985 and thereafter shall, at the time of making application, furnish a corporate surety bond in the penal sum of twenty-five thousand dollars. Applicants for a motor vehicle auction dealer's license shall, at the time of making application, furnish a corporate surety bond in the penal sum of not less than one hundred thousand dollars. The bond shall be on a form prescribed by the Attorney General of the State of Nebraska and shall be signed by the Nebraska registered agent. The bond shall provide: (1) That the applicant will faithfully perform all the terms and conditions of such license; (2) that the licensed dealer will first fully indemnify any holder of a lien or security interest created pursuant to section ~~60-110~~ 64 of this act or article 9, Uniform Commercial Code, whichever applies, in the order of its priority and then any person or other dealer by reason of any loss suffered because of (a) the substitution of any motor vehicle or trailer other than the one selected by the purchaser, (b) the dealer's failure to deliver to the purchaser a clear and marketable title, (c) the dealer's misappropriation of any funds belonging to the purchaser, (d) any alteration on the part of the dealer so as to deceive the purchaser as to the year model of any motor vehicle or trailer, (e) any false and fraudulent representations or deceitful practices whatever in representing any motor vehicle or trailer, (f) the dealer's failure to remit the proceeds from the sale of any motor vehicle which is subject to a lien or security interest to the holder of such lien or security interest, and (g) the dealer's failure to pay any person or other dealer for the purchase of a motor vehicle, motorcycle, trailer, or any part or other purchase; and (3) that the motor vehicle, motorcycle, motor vehicle auction, or trailer dealer or wholesaler shall well, truly, and faithfully comply with all the provisions of his or her license and the acts of the Legislature relating to such license. The aggregate liability of the surety shall in no event exceed the penalty of such bond.

Sec. 109. Section 60-3004, Reissue Revised Statutes of Nebraska, is amended to read:

60-3004. (1) The motor vehicle tax schedules are set out in this section.

(2) The motor vehicle tax shall be calculated by multiplying the base tax times the fraction which corresponds to the age category of the vehicle as shown in the following table:

YEAR	FRACTION
First	1.00
Second	0.90
Third	0.80
Fourth	0.70
Fifth	0.60
Sixth	0.51
Seventh	0.42
Eighth	0.33
Ninth	0.24
Tenth and Eleventh	0.15

Twelfth and Thirteenth 0.07
 Fourteenth and older 0.00

(3) The base tax shall be:

(a) Passenger cars, trucks, utility vehicles, and vans, up to and including seven tons -- An amount determined using the following table:

Value when new	Base tax
Up to \$9,999	\$ 60
\$10,000 to \$11,999	100
\$12,000 to \$13,999	140
\$14,000 to \$15,999	180
\$16,000 to \$17,999	220
\$18,000 to \$19,999	260
\$20,000 to \$21,999	300
\$22,000 to \$23,999	340
\$24,000 to \$25,999	380
\$26,000 to \$27,999	420
\$28,000 to \$29,999	460
\$30,000 to \$31,999	500
\$32,000 to \$33,999	540
\$34,000 to \$35,999	580
\$36,000 to \$37,999	620
\$38,000 to \$39,999	660
\$40,000 to \$41,999	700
\$42,000 to \$43,999	740
\$44,000 to \$45,999	780
\$46,000 to \$47,999	820
\$48,000 to \$49,999	860
\$50,000 to \$51,999	900
\$52,000 to \$53,999	940
\$54,000 to \$55,999	980
\$56,000 to \$57,999	1,020
\$58,000 to \$59,999	1,060
\$60,000 to \$61,999	1,100
\$62,000 to \$63,999	1,140
\$64,000 to \$65,999	1,180
\$66,000 to \$67,999	1,220
\$68,000 to \$69,999	1,260
\$70,000 to \$71,999	1,300
\$72,000 to \$73,999	1,340
\$74,000 to \$75,999	1,380
\$76,000 to \$77,999	1,420
\$78,000 and over	1,460

(b) Assembled passenger cars, trucks, utility vehicles, and vans --

\$60

(c) Motorcycles -- An amount determined using the following table:

Value when new	Base tax
Up to \$3,999	\$ 25
\$ 4,000 to \$ 5,999	50
\$ 6,000 to \$ 7,999	75
\$ 8,000 to \$ 9,999	100
\$10,000 to \$11,999	125
\$12,000 to \$13,999	150
\$14,000 to \$15,999	175
\$16,000 to \$17,999	200
\$18,000 to \$19,999	225
\$20,000 and over	250

(d) Assembled motorcycles -- \$25

(e) Recreational vehicles -- Cabin trailers, up to one thousand pounds -- \$10

(f) Recreational vehicles -- Cabin trailers, one thousand pounds and over and less than two thousand pounds -- \$25

(g) Recreational vehicles -- Cabin trailers, two thousand pounds and over -- \$40

(h) Recreational vehicles -- Self-propelled mobile homes, less than eight thousand pounds -- \$160

(i) Recreational vehicles -- Self-propelled mobile homes, eight thousand pounds and over and less than twelve thousand pounds -- \$410

(j) Recreational vehicles -- Self-propelled mobile homes, twelve thousand pounds and over -- \$860

(k) Assembled recreational vehicles and buses shall follow the schedules for body type and registered weight

(l) Trucks -- Over seven tons and less than ten tons -- \$360

(m) Trucks -- Ten tons and over and less than thirteen tons -- \$560
 (n) Trucks -- Thirteen tons and over and less than sixteen tons -- \$760
 (o) Trucks -- Sixteen tons and over and less than twenty-five tons -- \$960
 (p) Trucks -- Twenty-five tons and over -- \$1,160
 (q) Buses -- \$360
 (r) Trailers other than semitrailers -- \$10
 (s) Semitrailers -- \$110
 (t) All other motor vehicles not listed in subdivisions (3)(a) through (s) of this section -- \$310

(4) For purposes of subsection (3) of this section, truck means all trucks and combinations of trucks or truck-tractors, except those trucks, truck-trailers, trailers, semitrailers, or combinations thereof registered under section 60-356, and the tax is based on the gross vehicle weight rating as reported by the manufacturer.

(5) For purposes of subsection (3) of this section, trailer and semitrailer have the same meanings as in section 60-301.

(6) Current model year vehicles are designated as first-year vehicles for purposes of the schedules.

(7) When a motor vehicle is registered which is newer than the current model year by the manufacturer's designation, the motor vehicle is subject to the initial motor vehicle tax in the first registration period and ninety-five percent of the initial motor vehicle tax in the second registration period.

(8) Assembled recreational vehicles and buses shall be designated as sixth-year vehicles in their first year of registration for purposes of the schedules.

(9) When a motor vehicle is registered which is required to have a title branded as previous salvage pursuant to section ~~60-130~~ 75 of this act, the motor vehicle tax shall be reduced by twenty-five percent.

Sec. 110. Section 75-386, Reissue Revised Statutes of Nebraska, is amended to read:

75-386. The Division of Motor Carrier Services shall:

(1) Foster, promote, and preserve the motor carrier industry of the State of Nebraska;

(2) Protect and promote the public health and welfare of the citizens of the state by ensuring that the motor carrier industry is operated in an efficient and safe manner;

(3) Promote and provide for efficient and uniform governmental oversight of the motor carrier industry;

(4) Promote financial responsibility on the part of motor carriers operating in and through the State of Nebraska;

(5) Administer all provisions of the International Fuel Tax Agreement Act and the International Registration Plan Act, and the single state insurance registration system pursuant to sections 75-348 to 75-358;

(6) Provide for the issuance of certificates of title to apportioned registered motor vehicles as provided for by ~~subdivision (3)(c) of section 60-106~~ subsection (6) of section 44 of this act;

(7) Serve as the agent of the Public Service Commission in the filing of proof of insurance by intrastate common, contract, and private motor carriers as prescribed by sections 75-307 to 75-307.03;

(8) Serve as an agent for the Department of Roads in the issuance of routine permits administered by the Department of Roads. For purposes of this subdivision, routine permit means a permit designated as a routine permit by the Department of Roads pursuant to subsection (5) of section 60-6,298; and

(9) Carry out such other duties and responsibilities as directed by the Legislature.

Sec. 111. Section 81-8,219, Revised Statutes Supplement, 2004, is amended to read:

81-8,219. The State Tort Claims Act shall not apply to:

(1) Any claim based upon an act or omission of an employee of the state, exercising due care, in the execution of a statute, rule, or regulation, whether or not such statute, rule, or regulation is valid, or based upon the exercise or performance or the failure to exercise or perform a discretionary function or duty on the part of a state agency or an employee of the state, whether or not the discretion is abused;

(2) Any claim arising with respect to the assessment or collection of any tax or fee, or the detention of any goods or merchandise by any law enforcement officer;

(3) Any claim for damages caused by the imposition or establishment of a quarantine by the state whether such quarantine relates to persons or

property;

(4) Any claim arising out of assault, battery, false imprisonment, false arrest, malicious prosecution, abuse of process, libel, slander, misrepresentation, deceit, or interference with contract rights;

(5) Any claim by an employee of the state which is covered by the Nebraska Workers' Compensation Act;

(6) Any claim based on activities of the Nebraska National Guard when such claim is cognizable under the Federal Tort Claims Act, 28 U.S.C. 2674, or the National Guard Tort Claims Act of the United States, 32 U.S.C. 715, or when such claim accrues as a result of active federal service or state service at the call of the Governor for quelling riots and civil disturbances;

(7) Any claim based upon the failure to make an inspection or making an inadequate or negligent inspection of any property other than property owned by or leased to the state to determine whether the property complies with or violates any statute, ordinance, rule, or regulation or contains a hazard to public health or safety unless the state had reasonable notice of such hazard or the failure to inspect or inadequate or negligent inspection constitutes a reckless disregard for public health or safety;

(8) Any claim based upon the issuance, denial, suspension, or revocation of or failure or refusal to issue, deny, suspend, or revoke any permit, license, certificate, or order. Such claim shall also not be filed against a state employee acting within the scope of his or her office. Nothing in this subdivision shall be construed to limit the state's liability for any claim based upon the negligent execution by a state employee in the issuance of a certificate of title under ~~sections 37-1278 to 37-1279, 37-1282, 37-1283, 37-1291 to 37-1298, 60-110 to 60-112, and 60-129 to 60-131~~ the Motor Vehicle Certificate of Title Act and the State Boat Act;

(9) Any claim arising out of the malfunction, destruction, or unauthorized removal of any traffic or road sign, signal, or warning device unless it is not corrected by the governmental entity responsible within a reasonable time after actual or constructive notice of such malfunction, destruction, or removal. Nothing in this subdivision shall give rise to liability arising from an act or omission of any governmental entity in placing or removing any traffic or road signs, signals, or warning devices when such placement or removal is the result of a discretionary act of the governmental entity;

(10) Any claim arising out of snow or ice conditions or other temporary conditions caused by nature on any highway as defined in section 60-624, bridge, public thoroughfare, or other state-owned public place due to weather conditions. Nothing in this subdivision shall be construed to limit the state's liability for any claim arising out of the operation of a motor vehicle by an employee of the state while acting within the course and scope of his or her employment by the state;

(11) Any claim arising out of the plan or design for the construction of or an improvement to any highway as defined in such section or bridge, either in original construction or any improvement thereto, if the plan or design is approved in advance of the construction or improvement by the governing body of the governmental entity or some other body or employee exercising discretionary authority to give such approval; or

(12) Any claim arising out of the alleged insufficiency or want of repair of any highway as defined in such section, bridge, or other public thoroughfare. Insufficiency or want of repair shall be construed to refer to the general or overall condition and shall not refer to a spot or localized defect. The state shall be deemed to waive its immunity for a claim due to a spot or localized defect only if the state has had actual or constructive notice of the defect within a reasonable time to allow repair prior to the incident giving rise to the claim.

Sec. 112. Section 81-2004.02, Revised Statutes Supplement, 2004, is amended to read:

81-2004.02. There is hereby created the Nebraska State Patrol Cash Fund. Money from this fund shall be used to defray expenses incident to the administration of the Nebraska State Patrol. All funds received by the Nebraska State Patrol for services rendered shall be remitted to the State Treasurer for credit to the Nebraska State Patrol Cash Fund. Such fund shall be administered by the Superintendent of Law Enforcement and Public Safety.

Allowable uses of the fund shall include, but not be limited to, defraying the cost of:

(1) ~~The vehicle identification inspection program established in sections 60-118 to 60-127~~ 81 to 89 of this act;

(2) Investigations of odometer and motor vehicle fraud, motor vehicle licensing violations, and motor vehicle theft; and

(3) Other investigative expenses when money is specifically

appropriated by the Legislature for such purposes.

Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

~~The State Treasurer shall transfer five hundred thousand dollars from the Nebraska State Patrol Cash Fund to the General Fund within five days after August 16, 2002.~~

Sec. 113. Section 2A-104, Uniform Commercial Code, is amended to read:

2A-104. Leases subject to other law.

(1) A lease, although subject to this article, is also subject to any applicable:

(a) certificate of title statute of this state (~~section 60-103 or 60-104, Reissue Revised Statutes of Nebraska~~) (the Motor Vehicle Certificate of Title Act);

(b) certificate of title statute of another jurisdiction (section 2A-105); or

(c) consumer protection statute of this state, or final consumer protection decision of a court of this state existing on September 6, 1991.

(2) In case of conflict between this article, other than sections 2A-105, 2A-304(3), and 2A-305(3), and a statute or decision referred to in subsection (1), the statute or decision controls.

(3) Failure to comply with an applicable law has only the effect specified therein.

Sec. 114. Section 9-311, Uniform Commercial Code, is amended to read:

9-311. Perfection of security interests in property subject to certain statutes, regulations, and treaties.

(a) Except as otherwise provided in subsection (d), the filing of a financing statement is not necessary or effective to perfect a security interest in property subject to:

(1) a statute, regulation, or treaty of the United States whose requirements for a security interest's obtaining priority over the rights of a lien creditor with respect to the property preempt section 9-310(a);

(2) the following statutes of this state: (i) ~~section 60-110 64 of this act, Reissue Revised Statutes of Nebraska~~, but during any period in which collateral is inventory held for sale by a person who is in the business of selling goods of that kind, the filing provisions of part 5 apply to a security interest in that collateral created by him or her as debtor; and (ii) ~~section 37-1282, Reissue Revised Statutes of Nebraska~~, but during any period in which collateral is inventory held for sale by a person who is in the business of selling goods of that kind, the filing provisions of part 5 apply to a security interest in that collateral created by him or her as debtor; or

(3) a certificate-of-title statute of another jurisdiction which provides for a security interest to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the property.

(b) Compliance with the requirements of a statute, regulation, or treaty described in subsection (a) for obtaining priority over the rights of a lien creditor is equivalent to the filing of a financing statement under this article. Except as otherwise provided in subsection (d) and sections 9-313 and 9-316(d) and (e) for goods covered by a certificate of title, a security interest in property subject to a statute, regulation, or treaty described in subsection (a) may be perfected only by compliance with those requirements, and a security interest so perfected remains perfected notwithstanding a change in the use or transfer of possession of the collateral.

(c) Except as otherwise provided in subsection (d) and section 9-316(d) and (e), duration and renewal of perfection of a security interest perfected by compliance with the requirements prescribed by a statute, regulation, or treaty described in subsection (a) are governed by the statute, regulation, or treaty. In other respects, the security interest is subject to this article.

(d) During any period in which collateral subject to a statute specified in subdivision (a)(2) is inventory held for sale or lease by a person or leased by that person as lessor and that person is in the business of selling goods of that kind, this section does not apply to a security interest in that collateral created by that person.

Sec. 115. Original sections 42-371, 52-1801, 60-302, 60-314, 60-6,309, 60-6,375, 60-1411.02, 60-1417, 60-1419, 60-3004, and 75-386, Reissue Revised Statutes of Nebraska, sections 13-910, 23-186, 81-8,219, and 81-2004.02, Revised Statutes Supplement, 2004, and sections 2A-104 and 9-311, Uniform Commercial Code, are repealed.

Sec. 116. The following sections are outright repealed: Sections 60-102 to 60-111.01, 60-112 to 60-127, and 60-129 to 60-169, Reissue Revised Statutes of Nebraska.