

## LEGISLATIVE BILL 271

Approved by the Governor June 10, 1997

Introduced by Warner, 25; Coordsen, 32; Hartnett, 45; Kristensen, 37; Schellpeper, 18; Wickersham, 49

AN ACT relating to motor vehicles; to amend sections 37-1103, 39-2510, 39-2519, 39-2520, 60-302.01, 60-303, 60-305.04, 60-310, 60-311.02, 60-311.14, 60-311.21, 60-315, 60-318, 60-344, 60-1807, 66-4, 128, 70-651.05, 77-201, 77-202 to 77-202.06, 77-202.24, 77-202.25, 77-1201, 77-1202, 77-1342, 77-1736.08, 77-4501, and 79-1016, Reissue Revised Statutes of Nebraska, sections 13-504 to 13-506, 23-186, 60-106, 60-302, 60-305.11, 60-305.15, 60-320, 60-1411.03, and 60-1803, Revised Statutes Supplement, 1996, and section 13-509, Revised Statutes Supplement, 1996, as amended by section 2, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997; to define terms; to impose fees and taxes on motor vehicles; to provide exemptions and schedules; to transfer powers and duties; to change provisions relating to budget documents and dealer number license plates; to eliminate provisions relating to the valuation and taxation of motor vehicles; to harmonize provisions; to provide operative dates; to repeal the original sections; to outright repeal sections 60-1806, 77-202.08, 77-1238, 77-1239 to 77-1239.02, 77-1239.05, 77-1239.06, 77-1240.01, 77-1240.03, 77-1240.04, 77-1241.01, 77-1242.01, and 77-1242.02, Reissue Revised Statutes of Nebraska; and to declare an emergency.

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

Section 1. For purposes of sections 1 to 8 of this act:

(1) Bus has the same meaning as in section 60-612;

(2) Current model year vehicle means a motor vehicle for which the model year as designated by the manufacturer corresponds to the calendar year;

(3) Motor vehicle means every motor vehicle, trailer, and semitrailer subject to the payment of registration fees or permit fees under the laws of this state and every cabin trailer as defined in section 60-301 registered for operation upon the highways of this state;

(4) Motor vehicle fee means the fee imposed upon motor vehicles under section 7 of this act;

(5) Motor vehicle tax means the tax imposed upon motor vehicles under section 2 of this act;

(6) Registration period means the period from the date of registration pursuant to section 60-302 to the first day of the month following one year after such date; and

(7) Situs of a motor vehicle means the tax district where the motor vehicle is stored and kept for the greater portion of the calendar year. For a motor 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. 2. In addition to the registration fees provided by Chapter 60, article 3, and the motor vehicle fee imposed in section 7 of this act, a motor vehicle tax is imposed on motor vehicles registered for operation upon the highways of this state except:

(1) Motor vehicles exempt from the registration fee in section 60-335;

(2) One motor vehicle owned and used for his or her personal transportation by a disabled or blind honorably discharged veteran of the United States Armed Forces whose disability or blindness is recognized by the United States Department of Veterans Affairs if an application for the exemption has been approved under subsection (1) of section 6 of this act;

(3) Motor vehicles owned by Indians as defined in 25 U.S.C. 479;

(4) Motor vehicles owned by a member of the United States Armed Forces serving in this state in compliance with military or naval orders if such person is a resident of a state other than Nebraska;

(5) Motor vehicles owned by the state and its governmental subdivisions and exempt as provided in subdivision (1)(a) of section 77-202;

(6) Motor vehicles owned and used exclusively by an organization or society qualified for a tax exemption provided in subdivision (1)(b) or (1)(c) of section 77-202 if an application for the exemption provided in this subdivision has been approved under subsection (2) of section 6 of this act; and

(7) Trucks, truck-trailers, trailers, semitrailers, or combinations thereof registered under section 60-305.09.

Sec. 3. (1) The county treasurer or designated county official pursuant to section 23-186 shall annually determine the motor vehicle tax on each motor vehicle registered in the county based on the age of the motor vehicle pursuant to section 4 of this act and cause a notice of the amount of the tax to be mailed to the registrant at the address shown upon his or her registration certificate. The notice shall be printed on a prenumbered statement form prescribed by the Department of Motor Vehicles and shall be mailed on or before the first day of the last month of the registration period.

(2) The motor vehicle tax, motor vehicle fee, and registration fee shall be paid to the county treasurer or designated county official prior to the registration of the motor vehicle for the following registration period. After retaining one percent of the motor vehicle tax proceeds collected for costs, the remaining motor vehicle tax proceeds shall be allocated to each taxing unit levying taxes on taxable property in the tax district in which the motor vehicle has situs in the same proportion that the levy of such taxing unit bears to the total levy on taxable property of all the taxing units in the tax district in which the motor vehicle has situs.

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

Sec. 4. (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 five 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) 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

(c) Recreational vehicles -- Cabin trailers, up to one thousand

pounds -- \$10

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

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

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

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

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

(i) Trucks -- Five tons and over and less than ten tons -- \$260

(j) Trucks -- Ten tons and over and less than sixteen tons -- \$560

(k) Trucks -- Sixteen tons and over and less than thirty tons -- \$860

(l) Trucks -- Thirty tons and over -- \$1,160

(m) Buses -- \$360

(n) Trailers other than semitrailers -- Less than four thousands pounds -- \$15

(o) Trailers other than semitrailers -- Four thousand pounds and over and less than nine thousand pounds -- \$30

(p) Trailers other than semitrailers -- Nine thousand pounds and over -- \$45

(q) Semitrailers -- \$110

(r) All other motor vehicles not listed in subdivisions (3)(a) through (q) 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 60-305.09, and the tax is based on the gross vehicle weight for purposes of registration.

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

(9) If the owner of any motor vehicle increases the gross vehicle weight for which the motor vehicle is registered and the increase results in a higher motor vehicle tax, the owner shall register the motor vehicle under the new weight and pay the difference between the motor vehicle taxes prorated for the remainder of the period of registration.

Sec. 5. (1) The Property Tax Administrator shall (a) determine the value when new of passenger cars, trucks, utility vehicles, and vans, weighing

up to five tons, and (b) certify such determination to the county treasurer or designated county official pursuant to section 23-186 of each county by September 1 of the prior year. The Property Tax Administrator shall make a determination for such makes and models of motor vehicles already manufactured or being manufactured and shall, as new makes and models of motor vehicles become available to Nebraska residents, continue to make such determinations. The value when new is the manufacturer's suggested retail price for a new motor vehicle of that year using the manufacturer's body type and model with standard equipment and not including transportation or delivery cost.

(2) Any person or taxing official may, within ten days after a determination has been certified by the Property Tax Administrator, file objections in writing with the Property Tax Administrator stating why the determination is incorrect.

(3) Any affected person may file an objection to the determination of the Property Tax Administrator not more than fifteen days before and not later than thirty days after the registration date. The objection must be filed in writing with the Property Tax Administrator and state why the determination is incorrect.

(4) Upon the filing of objections the Property Tax Administrator shall fix a time for a hearing. Any party may introduce evidence in reference to the objections, and the Property Tax Administrator shall act upon the objections and make an order. The final determination by the Property Tax Administrator may be appealed. The appeal shall be in accordance with the Tax Equalization and Review Commission Act.

(5) Beginning on January 1, 1998, the powers and duties of the Property Tax Administrator under this section shall be transferred to the Department of Motor Vehicles. The personnel of the property tax division of the Department of Revenue involved in such powers and duties shall become personnel of the Department of Motor Vehicles on such date. The furniture, equipment, books, files, records, and other property used by the property tax division in carrying out the powers and duties of this section shall be transferred and delivered to the Department of Motor Vehicles on or before such date. The rules, regulations, and orders of the Property Tax Administrator under this section shall remain in effect unless changed or eliminated by the Department of Motor Vehicles.

Sec. 6. (1) A veteran of the United States Armed Forces who qualifies for an exemption from the motor vehicle tax under subdivision (2) of section 2 of this act shall apply for the exemption to the county treasurer or designated county official pursuant to section 23-186 not more than fifteen days before and not later than thirty days after the registration date for the motor vehicle. A renewal application shall be made annually not sooner than the first day of the last month of the registration period or later than the last day of the registration period. The county treasurer or designated county official shall approve or deny the application and notify the applicant of his or her decision within twenty days after the filing of the application. An applicant may appeal the denial of an application to the county board within twenty days after the date the notice was mailed.

(2) An organization which qualifies for an exemption from the motor vehicle tax under subdivision (6) of section 2 of this act shall apply for the exemption to the county treasurer or designated county official not more than fifteen days before and not later than thirty days after the registration date for the motor vehicle. For a newly acquired motor vehicle, an application for exemption must be made within thirty days after the purchase date. A renewal application shall be made annually not sooner than the first day of the last month of the registration period or later than the last day of the registration period. The county treasurer or designated county official shall examine the application and recommend either exempt or nonexempt status to the county board within twenty days after receipt of the application. The county board, after a hearing on ten days' notice to the applicant and after considering the recommendation of the county treasurer or designated county official and any other information it may obtain, shall approve or deny the exemption on the basis of law and of rules and regulations adopted and promulgated by the Property Tax Administrator. The county board shall certify its decision to the applicant, the county treasurer or designated county official, and the Property Tax Administrator within ten days after the hearing.

Sec. 7. (1) In addition to the registration fees provided by Chapter 60, article 3, and the motor vehicle tax imposed in section 2 of this act, a motor vehicle fee is imposed on all motor vehicles registered for operation in this state.

(2) The county treasurer or designated county official pursuant to section 23-186 shall annually determine the motor vehicle fee on each motor



vehicle registered in the county based on the age of the motor vehicle pursuant to this section and cause a notice of the amount of the fee to be mailed to the registrant at the address shown upon his or her registration certificate. The notice shall be printed on a prenumbered statement form prescribed by the Department of Motor Vehicles, shall be combined with the notice of the motor vehicle tax, and shall be mailed on or before the first day of the last month of the registration period.

(3) The motor vehicle tax, motor vehicle fee, and registration fee shall be paid to the county treasurer or designated official prior to the registration of the motor vehicle for the following registration period. After retaining one percent of the motor vehicle fee collected for costs, the remaining proceeds shall be remitted to the State Treasurer for credit to the Motor Vehicle Fee Fund. The State Treasurer shall return funds from the Motor Vehicle Fee Fund remitted by a county treasurer or designated county official which are needed for refunds or credits authorized by law.

(4) The Motor Vehicle Fee Fund is created. On or before the last day of each calendar quarter, the State Treasurer shall distribute all funds in the Motor Vehicle Fee Fund as follows: (a) Fifty percent to the county treasurer of each county, amounts in the same proportion as the most recent allocation received by each county from the Highway Allocation Fund; and (b) fifty percent to the treasurer of each municipality, amounts in the same proportion as the most recent allocation received by each municipality from the Highway Allocation Fund. Funds from the Motor Vehicle Fee Fund shall be considered local revenue available for matching state sources. All receipts by counties and municipalities from the Motor Vehicle Fee Fund shall be used for road, bridge, and street 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.

(5) The motor vehicle fee schedules are set out in this section. Except for passenger cars, trucks, utility vehicles, and vans, up to five tons, with a value when new of less than \$20,000, the fee shall be calculated by multiplying the base fee times the fraction which corresponds to the age category of the vehicle as shown in the following table:

YEAR	FRACTION
First through fifth	1.00
Sixth through tenth	.70
Eleventh and over	.35

(6) The base fee shall be:

(a) Passenger cars, trucks, utility vehicles, and vans -- Up to five tons, with a value when new of \$20,000 through \$39,999 -- \$20

(b) Passenger cars, trucks, utility vehicles, and vans -- Up to five tons, with a value when new of \$40,000 or more -- \$30

(c) Motorcycles -- \$10

(d) Recreational vehicles -- Cabin trailers and self-propelled mobile homes -- \$10

(e) Trucks and buses -- \$30

(f) Trailers other than semitrailers -- \$20

(g) Semitrailers -- \$30

The fee for passenger cars, trucks, utility vehicles, and vans, up to five tons, with a value when new of less than \$20,000, shall be five dollars.

(7) For purposes of subsection (6) of this section, truck means all trucks and combinations of trucks or truck-tractors, except those trucks, truck-trailers, trailers, or semitrailers registered under section 60-305.09, and the fee is based on the gross vehicle weight for purposes of registration.

(8) For purposes of subsection (6) of this section, trailer and semitrailer have the same meanings as in section 60-301.

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

(10) 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 fee for six registration periods.

(11) If the owner of any motor vehicle increases the gross vehicle weight for which the motor vehicle is registered and the increase results in a higher motor vehicle fee, the owner shall register the motor vehicle under the new weight and pay the difference between the motor vehicle fees prorated for the remainder of the registration period.

(12) An owner of a motor vehicle which is exempt from the imposition of a motor vehicle tax pursuant to subdivisions (1) through (6) of section 2 of this act shall also be exempt from the imposition of the motor vehicle fee imposed pursuant to this section.

Sec. 8. (1) Upon the transfer of title ownership of any motor

vehicle, upon a change in the tax situs of a motor vehicle to a location outside of this state, upon a trade-in or surrender of a motor vehicle under a lease, or whenever a type or class of motor vehicle previously taxed and registered is subsequently declared by legislative act or court decision to be illegal or ineligible to be operated on the public roads and no longer subject to registration fees and motor vehicle fees and taxes, the transferor, in the case of a transfer, the owner, in the case of a change in the tax situs, the lessee, in the case of a trade-in or surrender under a lease, or the last registered owner, in the case of a legislative act or court decision, shall be credited with or refunded the fee and tax for the number of unexpired months remaining in the registration period from the date of transfer, date of registration in another state, date of trade-in or surrender under a lease, effective date of the legislative act, or date the court decision is rendered, except that when the motor vehicle is transferred, the situs is changed, the motor vehicle is traded in or surrendered under a lease, a legislative act is enacted, or a court decision is rendered within the same calendar month in which the vehicle is acquired, no credit or refund of the fee and tax shall be allowed for that month.

(2) If the transferor or lessee acquires another motor vehicle at the time of the transfer, trade-in, or surrender, the transferor or lessee shall have the credit provided for in this section applied toward payment of the motor vehicle fees and taxes then owing. Otherwise the transferor or lessee shall file a claim for refund with the county treasurer or designated county official pursuant to section 23-186 upon a form prescribed by the Auditor of Public Accounts.

(3) The transferor, owner, lessee, or last registered owner shall make a claim for credit or refund of the fee and tax for the unexpired months in the registration period within sixty days from the date of transfer, date of registration in another state, date of trade-in or surrender, effective date of the legislative act, or date the court decision is rendered or shall be deemed to have forfeited his or her right to the refund.

(4) The county treasurer or designated county official pursuant to section 23-186 shall refund the motor vehicle fee from motor vehicle fees which have not been transferred to the State Treasurer. The county treasurer shall make payment to the claimant from the undistributed motor vehicle taxes of the taxing unit where the tax money was originally distributed, but no refund of less than two dollars shall be paid.

Sec. 9. Section 13-504, Revised Statutes Supplement, 1996, is amended to read:

13-504. (1) Each governing body shall prepare in writing and file with its secretary or clerk, in the year of its organization and each year thereafter, not later than the first day of August of each year on forms prescribed and furnished by the auditor following consultation with representatives of such governing bodies or as otherwise authorized by state law, a proposed budget statement containing the following information, except as provided by state law:

(a) For the immediate two prior fiscal years, the revenue from all sources, including motor vehicle taxes, other than revenue received from personal and real property taxation, allocated to each of the several funds and separately stated as to each such source, and for each fund: The unencumbered cash balance of such fund at the beginning and end of the year; the amount received by taxation of personal and real property allocated to each fund; and the amount of actual expenditure for each fund;

(b) For the current fiscal year, actual and estimated revenue from all sources, including motor vehicle taxes, allocated to each of the several funds and separately stated as to each such source, and for each fund: The actual unencumbered cash balance available for such fund at the beginning of the year; the amount received from personal and real property taxation allocated to each fund; and the amount of actual and estimated expenditure, whichever is applicable. For fiscal year 1997-98 only, the estimated receipts for motor vehicle taxes shall be no less than seventy percent of the receipts from motor vehicle taxes in the prior fiscal year. Such statement shall contain the cash reserve for each such fund for each fiscal year and shall note whether or not such reserve is encumbered. Such cash reserve projections shall be based upon the actual experience of prior years. The cash reserve shall not exceed fifty percent of the total budget adopted for such fund exclusive of capital outlay items;

(c) For the immediately ensuing fiscal year, an estimate of revenue from all sources, including motor vehicle taxes, other than revenue to be received from taxation of personal and real property, separately stated as to each such source, to be allocated to each of the several funds, and for each fund: The actual or estimated unencumbered cash balances, whichever is



applicable, to be available at the beginning of the year; the amounts proposed to be expended during the year; and the amount of cash reserve, based on actual experience of prior years, which cash reserve shall not exceed fifty percent of the total budget adopted exclusive of capital outlay items;

(d) A statement setting out separately the amount sought to be raised from the levy of a tax on the taxable value of real property (i) for the purpose of paying the principal or interest on bonds issued by the governing body and (ii) for all other purposes;

(e) A uniform summary of the proposed budget statement which shall include a separate total for each fund, including each proprietary function fund included in a separate proprietary budget statement prepared pursuant to the Municipal Proprietary Function Act, and a grand total of all funds maintained by the governing body; and

(f) For municipalities, a list of the proprietary functions which are not included in the budget statement. Such proprietary functions shall have a separate budget statement which is approved by the city council or village board as provided in the Municipal Proprietary Function Act.

(2) Any governing body required by a final order of a court, the State Board of Equalization and Assessment, the Tax Commissioner, the Tax Equalization and Review Commission, or the Property Tax Administrator from which no appeal is taken to reimburse property taxes to a taxpayer may certify to the county clerk of the county in which any part of the political subdivision is situated, not later than September 10, an itemized estimate of the amount necessary to be expended to reimburse the property taxes. Such amounts shall be levied by the county board of equalization. The taxes shall be collected by the county treasurer at the same time and in the same manner as county taxes are collected and, when collected, shall be paid to the treasurer of the political subdivision and used to cover the reimbursement of the property taxes.

Any governing body which submits an itemized estimate shall establish a property tax reimbursement fund. Taxes collected pursuant to this section shall be credited to such fund to cover the reimbursement of the property taxes.

The authority conferred by this section shall apply only to reimbursements made during fiscal years 1993-94 through 1999-2000.

(3) The actual or estimated unencumbered cash balance of each fund required to be included in the budget statement by this section shall include deposits and investments of the political subdivision as well as any funds held by the county treasurer for the political subdivision and shall be accurately stated on the proposed budget statement.

(4) The political subdivision shall correct any material errors in the budget statement detected by the auditor or by other sources.

Sec. 10. Section 13-505, Revised Statutes Supplement, 1996, is amended to read:

13-505. The estimated expenditures plus the required cash reserve for the ensuing fiscal year less all estimated and actual unencumbered balances at the beginning of the year and less the estimated income from all sources, including motor vehicle taxes, other than taxation of personal and real property and the estimated amount for reimbursements of property tax pursuant to subsection (2) of section 13-504 shall equal the amount to be received from taxes, and such amount shall be shown on the proposed budget statement and the itemized estimate for reimbursement of property taxes filed pursuant to section 13-504. The amount to be raised from taxation of personal and real property, as determined above, plus the estimated revenue from other sources, including motor vehicle taxes, other than taxation and the unencumbered balances shall equal the estimated expenditures, plus the necessary required cash reserve, for the ensuing year.

Sec. 11. Section 13-506, Revised Statutes Supplement, 1996, is amended to read:

13-506. Each governing body, after the filing of the proposed budget statement with its secretary or clerk, shall each year conduct a public hearing on such proposed budget statement and the itemized estimate for reimbursement of property taxes pursuant to subsection (2) of section 13-504. Notice of place and time of such hearing, together with a summary of the proposed budget statement and the itemized estimate for reimbursement of property taxes pursuant to subsection (2) of section 13-504, shall be published at least five days prior to the date set for hearing, in a newspaper of general circulation within the governing body's jurisdiction or by direct mailing of the notice to each resident within the community. When the total operating budget, including the amount necessary for reimbursement of property taxes, not including reserves, does not exceed ten thousand dollars per year, the proposed budget summary may be posted at the governing body's principal

headquarters. After such hearing, the proposed budget statement, including the amount necessary for reimbursement of property taxes, shall be adopted, or amended and adopted as amended, and a written record shall be kept of such hearing. The amount to be received from personal and real property taxation shall be certified to the levying board after the proposed budget statement, including the amount necessary for reimbursement of property taxes, is adopted, or is amended and adopted as amended, and if the levying board represents more than one county, a member or a representative of the governing board shall appear and present its budget at the hearing of each county in which is located a major area of the county affected by its budget. The certification of the amount to be received from personal and real property taxation shall specify separately (1) the amount to be applied to the payment of principal or interest on bonds issued by the governing body and (2) the amount to be received for all other purposes. If the adopted budget statement, including the amount necessary for reimbursement of property taxes, reflects a change from that shown in the published proposed budget statement, a summary of such changes shall be published within twenty days after its adoption in the manner provided in this section, but without provision for hearing, setting forth the items changed and the reasons for such changes.

Sec. 12. Section 13-509, Revised Statutes Supplement, 1996, as amended by section 2, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997, is amended to read:

13-509. On or before August 31 of each year, the county assessor shall certify to each governing body or board empowered to levy or certify a tax levy the current taxable value of the taxable real and personal property subject to the applicable levy. Current taxable value for real property shall mean the value established by the county assessor and equalized by the county board of equalization, the agricultural and horticultural land valuation board, and the Tax Equalization and Review Commission. Current taxable value for tangible personal property other than motor vehicles shall mean the net book value reported by the taxpayer and certified by the county assessor, and current taxable value for motor vehicles shall mean the value certified by the county assessor pursuant to section 77-1514.

Sec. 13. Section 23-186, Revised Statutes Supplement, 1996, 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 and motorboats as provided in 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, 60-301 to 60-347, 60-6, 322, and 60-1803; ~~77-1240-03, and 77-1240-04~~ and sections 2 and 7 of this act. 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. 14. Section 37-1103, Reissue Revised Statutes of Nebraska, is amended to read:

37-1103. Permits shall be furnished for sale in such form and manner as prescribed in sections 37-1101 to 37-1114 and shall be required to be permanently affixed to all motor vehicles entering designated permit areas except:

- (1) Motor vehicles bearing tax-exempt state licenses;
- (2) Motor vehicles in use for law enforcement or emergency purposes;
- (3) Motor vehicles engaged in the servicing, enforcement, administration, repair, maintenance, or construction of facilities or property and motor vehicles engaged in the delivery of commodities or materials to the permit areas;
- (4) Motor vehicles being operated on a federal, state, or county highway which crosses a permit area, entering at one point and exiting at another;
- (5) Motor vehicles which are traveling directly between the permit boundary and the site within the area where permits are vended;
- (6) Motor vehicles being operated by the holders of easements across permit areas or their agents, employees, or contractors; and
- (7) Motor vehicles bearing dealer number plates which shall not be required to have a permit permanently affixed but which shall display such permit.

Sec. 15. Section 39-2510, Reissue Revised Statutes of Nebraska, is amended to read:



39-2510. No money derived from fees, excises, or license fees relating to registration, operation, or use of vehicles on the public highways, or to fuels used for the propulsion of such vehicles, shall be expended for other than cost of administering laws under which such money is derived, statutory refunds and adjustments provided therein, payment of highway obligations, cost of construction, reconstruction, maintenance, and repair of public highways and bridges and county, city, township, and village roads, streets, and bridges, and all facilities, appurtenances, and structures, deemed necessary or desirable in connection with such highways, bridges, roads, and streets, except ~~7~~ PROVIDED, that the provisions of this section shall not apply to money derived from the motor vehicle tax imposed under Article VIII, section 1, of the Constitution of Nebraska, motor vehicle operators' license fees, or to money received from parking meter proceeds, fines, and penalties.

Sec. 16. Section 39-2519, Reissue Revised Statutes of Nebraska, is amended to read:

39-2519. (1) Each city of the metropolitan or primary class shall be entitled to the first one-third of its annual allocation with no requirement of matching, but shall be required to match the second one-third, on the basis of one dollar for each dollar it receives, with funds provided locally for street purposes, and shall be required to match the final one-third, on the basis of one dollar for each two dollars it receives, with funds so provided. Each city of the first or second class or village shall be entitled to one-half of its annual allocation with no requirement of matching, but shall be required to match the second one-half on the basis of one dollar for each two dollars it receives, with any available funds. Any municipality which during the preceding fiscal year failed to provide the matching funds required by this subsection shall, except as provided in subsection (2) or (3) of this section, forfeit so much of its allocation as it fails to match. Any amount so forfeited shall be reallocated and distributed to the municipalities which have met the full matching provisions of this subsection. Such reallocation shall be made in the manner provided in sections 39-2517 and 39-2518.

(2) Any municipality may accumulate and invest any portion or all of the money it receives for a period not to exceed four years so as to provide funds for one or more specific street improvement projects. Any municipality so accumulating funds shall certify to the State Treasurer that the required matching funds are being accumulated and invested each year of the accumulation.

(3) Any municipality may, for any year, certify to the State Treasurer that it relinquishes, to the county in which it is situated in whole or in part, all or a part of the state funds allocated to it for that year. The amount so relinquished shall be available for distribution to such county subject to the same matching as would have been required of the municipality had it not relinquished such funds and without regard to the provisions of sections 39-2501 to 39-2510. Any amount so distributed to the county shall be used exclusively for road purposes within the trade area of the relinquishing municipality as may be agreed upon by the county and municipal governing bodies.

(4) Any municipality may certify to the State Treasurer that it relinquishes, to the county in which it is situated in whole or in part, all or a part of the state funds allocated to it for not to exceed three years. The amount so relinquished shall be available for distribution to such county subject to the same matching as would have been required of the municipality had it not relinquished such funds and without regard to the provisions of sections 39-2501 to 39-2510. Any relinquishment under this subsection shall be made pursuant to an agreement between the relinquishing municipality and the county, to which other political subdivisions may also be parties, which provides for the accumulation and investment by the county of the amount relinquished for not to exceed three years so as to provide funds for one or more specific road improvement projects.

(5) For purposes of this section, provided locally shall include, but not be limited to, money provided for street purposes through the following, except that there shall not be duplication in the following in the determination of the total:

- (a) Local motor vehicle or wheel fees or taxes;
- (b) Property taxes levied by action of the local governing body for construction, improvement, maintenance, and repair of streets and bridges, curbs, snow removal, street cleaning, grading of dirt and gravel streets and roads, traffic signs and signals, construction of storm sewers directly related to streets, offstreet public parking owned by the municipality, and the payment of the principal and interest on general obligation bonds for any

of the foregoing;

(c) Special assessments levied for street paving or improvement districts and offstreet public parking owned by the municipality;

(d) Local costs in the acquisition of street right-of-way including incidental expenses directly related to such acquisition; and

(e) Any other funds provided solely for street purposes.

Sec. 17. Section 39-2520, Reissue Revised Statutes of Nebraska, is amended to read:

39-2520. No money derived from fees, excises, or license fees relating to registration, operation, or use of vehicles on the public highways, or to fuels used for the propulsion of such vehicles, shall be expended for other than cost of administering laws under which such money is derived, statutory refunds and adjustments provided therein, payment of highway obligations, cost of construction, reconstruction, maintenance, and repair of public highways and bridges and county, city, township, and village roads, streets, and bridges, offstreet public parking owned by the municipality, and bridges, and all facilities, appurtenances, and structures, deemed necessary or desirable in connection with such highways, bridges, roads, and streets, ~~except~~ ~~PROVIDED~~, that the provisions of this section shall not apply to money derived from the motor vehicle tax imposed under Article VIII, section 1, of the Constitution of Nebraska; motor vehicle operators' license fees, or to money received from parking meter proceeds, fines, and penalties.

Sec. 18. Section 60-106, Revised Statutes Supplement, 1996, is amended to read:

60-106. (1)(a) The Department of Motor Vehicles in conjunction with the Department of Administrative Services and the counties shall develop an implementation plan to provide for adequate planning preceding a mandate for the implementation of the vehicle titling and registration component system of the statewide county automation project. The implementation plan shall include installation costs, training, and any other costs associated with the project.

(b) The Department of Motor Vehicles shall submit the implementation plan on or before December 1, 1993, to the Governor and the Clerk of the Legislature. Each member of the Legislature shall receive a copy of such report by making a request for it to the Director of Motor Vehicles or the Director of Administrative Services.

(c) Each county shall issue and file certificates of title using the vehicle titling and registration computer system prescribed by the Department of Motor Vehicles by January 1, 1996.

(2)(a) Application for a certificate of title shall be made upon a form prescribed by the Department of Motor Vehicles. All applications shall be accompanied by the fee prescribed in section 60-115.

(b) All applications for a certificate of title to a mobile home as defined in subdivision (2) of section 60-614 shall be accompanied by a mobile home transfer statement prescribed by the Tax Commissioner. The mobile home transfer statement shall be filed by the applicant with the county clerk of the county of application for title. The county clerk 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 face of the certificate of title to the mobile home pursuant to section 60-110 and delivery to the holder of the first lien. The mobile home transfer statement and the information contained in the statement shall be confidential and only available to tax officials.

(3)(a) If the motor vehicle has ~~tax~~ situs in Nebraska, the application shall be filed with the county clerk of the county in which the vehicle has ~~tax~~ situs as defined in section 77-1238 ~~of this act~~.

(b) If the applicant is a nonresident, the application shall be filed in the county in which the transaction is consummated.

(c) All applicants registering a vehicle pursuant to section 60-305.09 shall file the application for title to the vehicle with the Division of Motor Carrier Services of the Department of Motor Vehicles. 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 in section 60-107.

(4) If a certificate of title has previously been issued for the motor vehicle in this state, the application for a new certificate of title shall be accompanied by the certificate of title duly assigned unless



otherwise provided for in sections 60-102 to 60-117. If a certificate of title has not previously been issued for the motor vehicle in this state or if a certificate of title is unavailable pursuant to subsection (4) of section 52-1801, the application, unless otherwise provided for in sections 60-102 to 60-117, shall be accompanied by a manufacturer's or importer's certificate, as provided for in such sections, a duly certified copy thereof, a certificate of title, 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 motor vehicle was brought into this state does not have a certificate of title law. For purposes of this subsection, certificate of title shall include a salvage certificate, a salvage certificate of title, or any other document of ownership issued by another state or jurisdiction for a salvage vehicle. Only a salvage certificate of title shall be issued to any vehicle conveyed upon a salvage certificate, a salvage certificate of title, or any other document of ownership issued by another state or jurisdiction for a salvage vehicle. 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 60-111.01. The county clerk shall retain the evidence of title presented by the applicant and on which the certificate of title is issued.

(5) The county clerk 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 of motor vehicles in his or her office. If he or she is satisfied that the applicant is the owner of such motor vehicle and that the application is in the proper form, the county clerk shall issue a certificate of title over his or her signature and sealed with his or her seal.

(6) In the case of the sale of a motor vehicle, the certificate of title shall be obtained in the name of the purchaser upon application signed by the purchaser, except that (a) 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 (b) 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.

(7) In all cases of transfers of motor vehicles, commercial trailers, semitrailers, or cabin trailers, the application for a certificate of title shall be filed within thirty days after the delivery of such vehicle or trailer. A licensed dealer need not apply for certificates of title for motor vehicles, commercial trailers, semitrailers, or cabin trailers in stock or acquired for stock purposes, but upon transfer of such vehicle or trailer in stock or acquired for stock purposes, the licensed dealer shall give the transferee a reassignment of the certificate of title on such vehicle or trailer or an assignment of a manufacturer's or importer's certificate. If all reassignments on the certificate of title have been used, the licensed dealer shall obtain title in his or her name prior to any subsequent transfer.

(8) An application for a certificate of title shall include a statement that an identification inspection has been conducted on the vehicle unless (a) the title sought is a salvage certificate of title as defined in section 60-129 or a nontransferable certificate of title provided for in section 60-131, (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 motor vehicle, or a nontransferable certificate of title issued under section 60-131, (c) the application for a certificate of title contains a statement that such vehicle is to be registered under section 60-305.09, (d) the vehicle is a cabin trailer, (e) the title sought is the first title for a motor vehicle sold directly by the manufacturer of the motor vehicle to a licensed dealer franchised by the manufacturer, or (f) the vehicle was sold at an auction authorized by the manufacturer and purchased by a licensed dealer franchised by the manufacturer of the motor vehicle. The Department of Motor Vehicles 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 (8)(e) or (f) of this section, which form shall clearly identify the vehicle and state under penalty of law that the vehicle is exempt from inspection. 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 current certificate of training issued pursuant to section 60-121 and shall be in a format as determined by the department. The county clerk shall accept a certificate of inspection, approved by the Superintendent of Law Enforcement and Public Safety, from an officer of a

state police agency of another state. For each inspection a fee of ten dollars shall be paid to the county treasurer. All such fees shall be credited to the county sheriff's vehicle inspection account within the county general fund. The identification inspection required by this subsection shall include examination and notation of the current odometer reading 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 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. 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. In the case of an assembled vehicle such 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 as defined in section 60-2601.

(9) If a county board consolidates services under the office of a designated county official other than the county clerk pursuant to section 23-186:

(a) Applications under subsections (2) and (3) of this section shall be submitted to the designated county official;

(b) The designated county official shall perform the duties imposed on the county clerk under subsections (2) and (5) of this section;

(c) The designated county official may accept certificates of inspection under the conditions described in subsection (8) of this section; and

(d) The designated county official shall act as office of record for title documents, applications, odometer statements, certificates of inspections, and lien and cancellation of lien notations.

Sec. 19. Section 60-302, Revised Statutes Supplement, 1996, 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 ~~tax~~ situs as defined in section 77-1238 1 of this act. 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 certificate of title as defined in section 60-129 and a nontransferable certificate of title provided for in section 60-131 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. 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.

(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 motor vehicle fuel as defined in section 66-482, diesel fuel as defined in section 66-654, compressed fuel as defined in section 66-6,100, or 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 assessor treasurer shall include the form in each mailing made pursuant to section 77-1240-01 3 of this act. 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, 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.

(7) 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.

(8) 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.

Sec. 20. Section 60-302.01, Reissue Revised Statutes of Nebraska, is amended to read:

60-302.01. (1)(a) The Department of Motor Vehicles in conjunction with the Department of Administrative Services and the counties shall develop an implementation plan to provide for adequate planning preceding a mandate for the implementation of the vehicle titling and registration component system of the statewide county automation project. The implementation plan shall include installation costs, training, and any other costs associated with the project.

(b) The Department of Motor Vehicles shall submit the implementation plan on or before December 1, 1993, to the Governor and the Clerk of the Legislature. Each member of the Legislature shall receive a copy of such report by making a request for it to the Director of Motor Vehicles or the Director of Administrative Services.

(c) Each county shall issue and file registration certificates using the vehicle titling and registration computer system prescribed by the Department of Motor Vehicles by January 1, 1996.

(2) The county treasurer or designated county official as provided in section 60-302 may appoint an agent to issue registration certificates and to accept the payment of taxes and fees as provided in section 60-302, upon approval of the county board. The agent shall furnish a bond in such amount and upon such conditions as determined by the county board.

Sec. 21. Section 60-303, Reissue Revised Statutes of Nebraska, is amended to read:

60-303. In registering motor vehicles, the county treasurer or designated county official as provided in section 60-302 shall neither receive nor accept such application nor registration fee nor issue any registration certificate for any motor vehicle unless the applicant first exhibits proof by ~~tax~~ receipt or otherwise that he or she has paid ~~all personal taxes~~ the taxes and the fees imposed in sections 2 and 7 of this act upon such motor vehicle or, if applicable, has furnished proof of payment, in the form prescribed by the Director of Motor Vehicles as directed by the United States Secretary of the Treasury, of the federal heavy vehicle use tax imposed by the Internal Revenue Code, 26 U.S.C. 4481.

Sec. 22. Section 60-305.04, Reissue Revised Statutes of Nebraska, is amended to read:

60-305.04. A nonresident may, if he or she applies within ninety days from his or her original registration date and surrenders the registration certificate and license plates which were assigned to him or her, receive from the county treasurer or designated county official as provided in section 60-302, or the Department of Motor Vehicles if registration was pursuant to section 60-305.09, a refund in the amount of fifty percent of the original license fee, fifty percent of the motor vehicle tax imposed in section 2 of this act, and fifty percent of the motor vehicle fee imposed in section 7 of this act, except that no refunds shall be made on any license surrendered after the ninth month of the registration period for which the vehicle was registered.

Sec. 23. Section 60-305.11, Revised Statutes Supplement, 1996, is amended to read:

60-305.11. Whenever a motor vehicle is registered by the owner under section 60-302 and the personal property taxes imposed in section 77-1240.01 have motor vehicle tax and motor vehicle fee imposed in sections 2 and 7 of this act have been paid on that motor vehicle for the registration period, and then the motor vehicle is registered under section 60-305.09, the Division of Motor Carrier Services, upon application of the owner of the motor vehicle on forms prescribed by the division, shall certify that the motor vehicle is registered under section 60-305.09 and that the owner is entitled to receive the refunds of the unused registration fees and personal property taxes for the balance of the registration period as prescribed in the manner set forth in sections section 60-315, and 77-1240.03.

Sec. 24. Section 60-305.15, Revised Statutes Supplement, 1996, is amended to read:

60-305.15. (1) As registration fees are received by the Division of Motor Carrier Services of the Department of Motor Vehicles pursuant to section 60-305.09, the division shall transmit remit the fees to the State Treasurer, less a collection fee of three percent of thirty percent of the registration fees collected. The collection fee shall be deposited into credited to the Tax Commissioner Revolving Fund. The State Treasurer shall deposit credit the remainder of the thirty percent of the fees collected in to the Motor Vehicle Tax Fund and the remaining seventy percent of the fees collected in to the Highway Trust Fund.

(2) On or before the last day of each quarter of the calendar year, the State Treasurer shall distribute all funds in the Motor Vehicle Tax Fund to the county treasurer of each county in the same proportion as the number of original motor vehicle registrations in each county bears to the total of all original registrations within the state in the registration year immediately preceding.

(3) The Motor Vehicle Tax Fund is created. 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. Upon receipt of motor vehicle tax funds from the State Treasurer, the county treasurer shall distribute such funds to taxing agencies within the county in the same proportion that the levy of each such taxing agency bears to the total of such levies of all taxing agencies in the county.

(4) In the event any taxing district has been annexed, merged, dissolved, or in any way absorbed into another taxing district any apportionment of motor vehicle tax funds to which such taxing district would have been entitled shall be apportioned to the successor taxing district which has assumed the functions of the annexed, merged, dissolved, or absorbed taxing district.

(5) On or before March 1 of each year, the Department of Motor Vehicles shall furnish to the State Treasurer a tabulation showing the total number of original motor vehicle registrations in each county for the immediately preceding calendar year, which shall be the basis for computing the distribution of motor vehicle tax funds as provided in subsection (2) of this section.

Sec. 25. Section 60-310, Reissue Revised Statutes of Nebraska, is amended to read:

60-310. Such registration may be renewed annually in the same manner and upon payment of the same fee as provided for the original registration. On making an application for renewal, the registration certificate for the preceding registration period shall be presented with the application. If the certificate is not presented, a fee of one dollar shall be added to the registration fee.

The certificate of registration and license plates furnished by the department shall be valid during the registration period for which they are



issued and, when renewal tabs furnished pursuant to section 60-311 have been affixed thereto, they shall also be valid for the registration period designated by such renewal tabs.

The registration period for motor vehicles, trailers, semitrailers, and cabin trailers required to be registered as provided in section 60-302 shall expire on the first day of the month one year from the month of issuance, and renewal shall become due on such day and shall become delinquent on the first day of the following month.

The above provisions shall not apply to dealer's license plates, repossession plates, and transporter plates as provided in section 60-320, which plates shall be issued for a calendar year. The registration period for vehicles licensed as apportioned vehicles as provided in section 60-305.09 shall expire December 31 of each year and shall become delinquent February 1 of the following year.

Any owner who has two or more vehicles required to be registered under Chapter 60, article 3, may register all such vehicles on a calendar-year basis or on an annual basis for the same registration period beginning in a month chosen by the owner. When electing to establish the same registration period for all such vehicles, the owner shall pay the registration fee, the motor vehicle tax imposed in section 2 of this act, and the motor vehicle fee imposed in section 7 of this act and motor vehicle tax on each vehicle for the number of months necessary to extend its current registration period to the registration period under which all such vehicles will be registered. Credit shall be given for registration paid on each vehicle when the vehicle has a later expiration date than that chosen by the owner. Thereafter all such vehicles shall be registered on an annual basis starting in the month chosen by the owner.

Sec. 26. Section 60-311.02, Reissue Revised Statutes of Nebraska, is amended to read:

60-311.02. The letters and figures for motorcycle and trailer plates may be one-half the size of those required for motor vehicles. On number plates issued to a manufacturer or dealer, there shall be displayed, in addition to the registration number, the letter D. On number plates issued for use on motor vehicles which have been granted tax-exempt status under subdivision (1)(b) or (1)(c) of section 77-202 pursuant to the procedure in section 77-202.08 are exempt pursuant to subdivision (6) of section 2 of this act, there shall be embossed, in addition to the registration number, the words tax word exempt which shall appear at the bottom of the license plate plates issued after January 1, 1999. The Department of Motor Vehicles may provide distinctive plates for such tax-exempt the exempt vehicles. On trucks there shall be displayed, in addition to the registration number, the weight that such vehicle is licensed for, which is to be displayed by sticker or tab on the registration plates thereof in letters and figures of such size and design as shall be determined and furnished by the Department of Motor Vehicles department.

When two registration plates are issued, one shall be prominently displayed at all times on the front and one on the rear of the registered vehicle. When only one plate is issued, it shall be prominently displayed on the rear of the registered vehicle, except that for truck-tractors, it shall be prominently displayed on the front thereof.

Any violation of this section shall be subject to a penalty or penalties as provided in section 60-348.

Sec. 27. Section 60-311.14, Reissue Revised Statutes of Nebraska, is amended to read:

60-311.14. The Department of Motor Vehicles shall, without the payment of any fee except the taxes and fees required by section 60-311 and sections 2 and 7 of this act, issue license plates for one motor vehicle not used for hire to any handicapped or disabled person as defined in section 18-1738 or his or her parent, legal guardian, foster parent, or agent upon application and proof of handicap or disability. The license plates shall carry the internationally accepted wheelchair symbol, which symbol is a representation of a person seated in a wheelchair surrounded by a border six units wide by seven units high, and such other letters or numbers as the Director of Motor Vehicles prescribes. Such plates shall be used by such person in lieu of the usual license plates.

Sec. 28. Section 60-311.21, Reissue Revised Statutes of Nebraska, is amended to read:

60-311.21. Any motor vehicle which is used for the same general purposes and under the same conditions as motor vehicles registered with regular plates shall be required to be registered with regular plates, regardless of its age, and shall be subject to the payment of the same taxes and fees and taxes as required of motor vehicles registered with regular

plates. It shall be unlawful to own or operate a motor vehicle in violation of this section or of sections 60-311.16 and 60-311.17, and upon conviction of a violation of any of such sections, such person shall be guilty of a Class V misdemeanor.

Sec. 29. Section 60-315, Reissue Revised Statutes of Nebraska, is amended to read:

60-315. (1)(a) Upon transfer of ownership of any motor vehicle or cabin trailer as defined in section 60-301, (b) in case of loss of possession because of fire, theft, dismantlement, or junking, (c) when a salvage certificate of title is issued, (d) whenever a type or class of motor vehicle previously registered is subsequently declared by legislative act or court decision to be illegal or ineligible to be operated on the public roads and no longer subject to registration fees, the motor vehicle tax imposed in section 2 of this act, and the motor vehicle fee imposed in section 7 of this act, and taxes or (e) in case of a change in the tax situs of a motor vehicle as defined in section 1 of this act to a location outside of this state, the registration shall expire and the registered owner may, by returning the registration certificate, the number plates, and, when appropriate, the renewal tabs and by either making affidavit to the county treasurer or designated county official as provided in section 60-302 of the occurrence of an event described in subdivisions (a) through (d) of this subsection or, in the case of a change in tax situs, displaying to the county treasurer or designated county official the registration certificate of such other state as evidence of a change in tax situs, receive a refund of that part of the unused fees on passenger vehicles, trucks, and cabin trailers based on the number of unexpired months remaining in the registration period from the date of the event, except that when such date falls within the same calendar month in which the vehicle or trailer is acquired, no refund shall be allowed for such month. The registered owner shall make a claim for credit or refund of the unused fees within sixty days from the date of the event or shall be deemed to have forfeited his or her right to such refund. For purposes of this subsection, the date of the event shall be, in the case of a transfer or loss, the date of the transfer or loss, in the case of a change in the tax situs, the date of registration in another state, in the case of a legislative act, the effective date of the act, and in the case of a court decision, the date the decision is rendered. Application for registration or for reassignment of number plates and, when appropriate, renewal tabs to another motor vehicle or cabin trailer shall be made within thirty days of the date of purchase.

(2) Whenever the registered owner files an application with the county treasurer or designated county official showing that a motor vehicle is disabled and has been removed from service, the registered owner may, by returning the registration certificate, the number plates, and, when appropriate, the renewal tabs or, in the case of the unavailability of such certificate or certificates, number plates, or tabs, then by making an affidavit to the county treasurer or designated county official of such disablement and removal from service, receive a credit for a portion of the registration fee from the fee deposited with the State Treasurer at the time of registration based upon the number of unexpired months remaining in the registration year. The owner shall also receive a credit for the unused portion of the motor vehicle tax and fee based upon the number of unexpired months remaining in the registration year. When the owner registers a replacement vehicle at the time of filing such affidavit, the credit may be immediately applied against the registration fee and the motor vehicle tax and fee for the replacement vehicle. When no such replacement vehicle is so registered, the county treasurer or designated county official shall forward the application and affidavit, if any, to the State Treasurer who shall determine the amount, if any, of the allowable credit for the registration fee and furnish a certificate therefor to the owner. For the motor vehicle tax and fee, the county treasurer shall determine the amount, if any, of the allowable credit and furnish a certificate to the owner. When such motor vehicle is removed from service within the same month in which it was registered, no credit credits shall be allowed for such month. The credits ~~Such credit~~ may be applied against registration taxes and fees for new or replacement vehicles incurred within one year after cancellation of registration of the motor vehicle for which the ~~credit was~~ credits were allowed. When any such vehicle is reregistered within the same registration year in which its registration has been canceled, the fee taxes and fees shall be that portion of the registration fee and the motor vehicle tax and fee for the remainder of the registration year.

Sec. 30. Section 60-318, Reissue Revised Statutes of Nebraska, is amended to read:

60-318. All fees for the registration of vehicles, unless otherwise



expressly provided, shall be paid to the county treasurer or designated county official as provided in section 60-302 of the county in which the vehicle has ~~tax~~ situs as defined in section 77-1238 1 of this act. If registered pursuant to section 60-305.09, all fees shall be paid to the Department of Motor Vehicles.

Sec. 31. Section 60-320, Revised Statutes Supplement, 1996, is amended to read:

60-320. (1)(a) Each licensed motor vehicle dealer or trailer dealer as defined in section 60-1401.02 doing business in this state, in lieu of the registering of each motor vehicle or trailer which such dealer owns of a type otherwise required to be registered, or any full-time or part-time employee or agent of such dealer may, if the motor vehicle or trailer displays dealer number plates:

(i) Operate (a) operate or move the same upon the streets and highways of this state solely for purposes of transporting, testing, demonstrating, or use in the ordinary course and conduct of his or her business as a motor vehicle or trailer dealer. Such use may include 7 including the personal or private use of such by the dealer and the personal or private use of by any bona fide employee licensed pursuant to Chapter 60, article 14, if the employee can be verified by payroll records maintained at the dealership as ordinarily working more than thirty hours per week or fifteen hundred hours per year at the dealership;

(ii) Operate or move the same upon the streets and highways of this state or for transporting industrial equipment held by the licensee for purposes of demonstration, sale, rental, or delivery; or

(iii) Sell or (b) sell the same.  
The without registering each such motor vehicle or trailer upon the condition that any such vehicle display thereon, in the manner prescribed in section 60-323; dealer number plates as provided for in subsection (3) of this section shall be displayed in the manner provided in section 60-323.

(b) Each licensed manufacturer as defined in section 60-1401.02 which actually manufactures or assembles motor vehicles, motorcycles, or trailers within this state, in lieu of the registering of each motor vehicle or trailer which such manufacturer owns of a type otherwise required to be registered, or any employee of such manufacturer may operate or move the same upon the streets and highways of this state solely for purposes of transporting, testing, demonstrating to prospective customers, or use in the ordinary course and conduct of business as a motor vehicle, motorcycle, or trailer manufacturer, upon the condition that any such vehicle display thereon, in the manner prescribed in section 60-323, dealer number plates as provided for in subsection (3) of this section.

(c) In no event shall such plates be used on motor vehicles or trailers hauling other than automotive or trailer equipment, complete motor vehicles, semitrailers, or trailers which are inventory of such licensed dealer or manufacturer unless there is issued by the Department of Motor Vehicles a special permit specifying the hauling of other products. This section shall not be construed to allow a dealer to operate a motor vehicle or trailer with dealer number plates for the delivery of parts inventory. A dealer may use such motor vehicle or trailer to pick up parts to be used for the motor vehicle or trailer inventory of the dealer.

(2) Motor vehicles or trailers owned by such dealer and bearing such dealer number plates may be driven upon the streets and highways for demonstration purposes by any prospective buyer thereof for a period of forty-eight hours. Motor vehicles or trailers owned and held for sale by such dealer and bearing such dealer number plates may be driven upon the streets and highways for a period of forty-eight hours as service loaner vehicles by customers having their vehicles repaired by the dealer. Upon delivery of such motor vehicle or trailer to such prospective buyer for demonstration purposes or to a service customer, the dealer shall deliver to the prospective buyer or service customer a card or certificate giving the name and address of the dealer, the name and address of the prospective buyer or service customer, and the date and hour of such delivery and the products to be hauled, if any, under a special permit. The special permit and card or certificate shall be in such form as shall be prescribed by the Department of Motor Vehicles department and shall be carried by such prospective buyer or service customer while driving such motor vehicle or pulling such trailer. The Department of Motor Vehicles department shall make a charge of ten dollars for each special permit issued hereunder under this section. A finance company as defined in section 60-1401.02 which is licensed to do business in this state may, in lieu of registering each motor vehicle or trailer repossessed, upon the payment of a fee of ten dollars, make an application to the Department of Motor Vehicles department for a repossession certificate and one repossession plate.

Additional certificates and repossession plates may be procured for a fee of ten dollars each. Such repossession plates may be used only for moving motor vehicles or trailers on the streets and highways for the purpose of repossession, demonstration, and disposal of such motor vehicles or trailers repossessed. Such repossession plates shall be of the same size and material as the normal motor vehicle license plates and shall be prefixed with a large letter R and be serially numbered from 1 to distinguish them from each other. Such plates shall be displayed only on the rear of a repossessed motor vehicle or trailer. The certificate shall be displayed on demand for any motor vehicle or trailer being operated on a repossession plate. A finance company shall be entitled to a dealer number plate only in the event such company has qualified as a motor vehicle dealer under Chapter 60, article 14.

(3)(a) Any licensed dealer or manufacturer described in subsection (1) of this section may, upon payment of a fee of thirty dollars, make an application, on a form approved by the Nebraska Motor Vehicle Industry Licensing Board, to the county treasurer or designated county official as provided in section 60-302 of the county in which his or her place of business is located for a certificate and one dealer number plate for the type of vehicle the dealer has been authorized by the Nebraska Motor Vehicle Industry Licensing Board to sell and demonstrate. One additional dealer number plate may be procured for the type of vehicle the dealer has sold during the last previous period of October 1 through September 30 for each twenty vehicles sold at retail during such period or one additional dealer number plate for each thirty vehicles sold at wholesale during such period, but not to exceed a total of five additional dealer number plates in the case of vehicles sold at wholesale, or, in the case of a manufacturer, for each ten vehicles actually manufactured or assembled within the state within the last previous period of October 1 through September 30 for a fee of fifteen dollars each. However, when

(b) Any licensed dealer or manufacturer described in subsection (1) of this section may, upon payment of an annual fee of two hundred fifty dollars, make an application, on a form approved by the Nebraska Motor Vehicle Industry Licensing Board, to the county treasurer of the county in which his or her place of business is located for a certificate and one personal-use dealer number plate for the type of vehicle the dealer has been authorized by the Nebraska Motor Vehicle Industry Licensing Board to sell and demonstrate. Additional personal-use dealer number plates may be procured upon payment of an annual fee of two hundred fifty dollars each, subject to the same limitations as provided in subdivision (a) of this subsection as to the number of additional dealer number plates. Beginning January 1, 1998, a personal-use dealer number plate may be displayed on a passenger car as defined in section 60-301 or a truck having a gross weight including any load on the truck of six thousand pounds or less belonging to the dealer, may be used in the same manner as a dealer number plate, and may be used for personal or private use of the dealer, the dealer's immediate family, or any bona fide employee of the dealer licensed pursuant to Chapter 60, article 14. Personal-use dealer number plates shall have the same design and shall be displayed as provided in sections 60-311 and 60-311.01.

(c) When an applicant applies for a license, the Nebraska Motor Vehicle Industry Licensing Board may authorize the county treasurer or designated county official to issue additional dealer number plates when the dealer or manufacturer furnishes satisfactory proof for a need of additional dealer number plates because of special condition or hardship. In the case of unauthorized use of dealer number plates by any licensed dealer, the Nebraska Motor Vehicle Industry Licensing Board is empowered to ~~may~~ hold a hearing and after such hearing may determine that such dealer is not qualified for continued usage of such dealer number plates for a set period not to exceed one year. ~~Such~~ All additional dealer number plates shall, in addition to all other numbers and letters required by section 60-311.02, bear such mark or number as will distinguish such plates one from another.

~~(b)~~ (d) Subject to all the provisions of law relating to motor vehicles and trailers not inconsistent with this section, any person, firm, or corporation holding a dealer's license issued pursuant to the laws of this state who is regularly engaged within this state in the business of buying and selling motor vehicles and trailers, who regularly maintains within this state an established place of business, and who desires to effect delivery of any motor vehicle or trailer bought or sold by him or her from the point where purchased or sold to points within or outside this state may, solely for the purpose of such delivery by himself or herself, agent, or bona fide purchaser, drive such motor vehicle or pull such trailer on the highways of this state without charge or registration of such vehicle or trailer. There shall be displayed on the front and rear windows of such motor vehicle, except a



motorcycle, and displayed on the front and rear of each such trailer a decal on which shall be plainly printed in black letters the words In Transit. One In Transit decal shall be displayed on a motorcycle, which decal may be one-half the size required for other motor vehicles. Such decals shall include a registration number, which registration number shall be different for each decal or pair of decals issued, and the form of such decal and the numbering system shall be as prescribed by the Department of Motor Vehicles. Each dealer issuing such decals shall keep a record of the registration number of each decal or pair of decals on the invoice of such sale. Such transit decal shall allow such owner to operate the motor vehicle or pull such trailer for a period of thirty days in order to effect proper registration of the new or used motor vehicle or trailer. When any person, firm, or corporation has had a motor vehicle or trailer previously registered and license plates assigned to such person, firm, or corporation, such owner may operate the motor vehicle or pull such trailer for a period of thirty days in order to effect transfer of plates to the new or used motor vehicle or trailer. Upon demand of proper authorities, there shall be presented by the person in charge of such motor vehicle or trailer, for examination, a duly executed bill of sale therefor, a certificate of title, or other satisfactory evidence of the right of possession by such person of such motor vehicle or trailer.

(4) Any transporter doing business in this state may, in lieu of registering each motor vehicle or trailer which such transporter is transporting, upon payment of a fee of ten dollars, make an application to the Department of Motor Vehicles for a transporter's certificate and one transporter number plate. Additional certificates and plates may be procured for a fee of ten dollars each. Such transporter number plates may be the same size as plates issued for motorcycles, shall bear thereon a mark to distinguish them as transporter plates, and shall be serially numbered so as to distinguish them from each other. Such plates may only be displayed upon the front of a driven vehicle of a lawful combination or upon the front of a motor vehicle driven singly or upon the rear of a trailer being pulled. The certificate shall be issued in duplicate. The original thereof shall be kept on file by the transporter, and the duplicate shall be displayed upon demand by the driver of any vehicle or trailer being transported. A transporter plate or certificate may not be displayed upon a work or service vehicle, except that when a properly registered truck or tractor being a work or service vehicle is in the process of towing or drawing a trailer or semitrailer, including a cabin trailer, which itself is being delivered by the transporter, then the registered truck or tractor shall also display a transporter plate upon the front thereof. The applicant for a transporter plate shall keep for three years a record of each vehicle transported by him or her hereunder under this section, and such record shall be available to the department for inspection. Each applicant hereunder shall file proof of his or her status as a bona fide transporter.

(5) Any boat dealer when transporting a boat which is part of the inventory of the boat dealer on a trailer required to be registered may annually, in lieu of registration of the trailer and upon application to the Department of Motor Vehicles and payment of a fee of ten dollars, obtain a certificate and a number plate. The plate may be displayed on any trailer owned by the boat dealer when the trailer is transporting such a boat. The number plate shall be of a type designed by the department and so numbered as to distinguish one plate from another.

For purposes of this subsection, boat dealer shall mean a person engaged in the business of buying, selling, or exchanging boats at retail who has a principal place of business for such purposes in this state.

(6) It shall be the duty of all law enforcement officers to arrest and prosecute all violators of the provisions of subsection (1), (2), (3), (4), or (5) of this section and see that they are properly prosecuted according to law. Any person, firm, or corporation, including any motor vehicle, trailer, or boat dealer or manufacturer, who fails to comply with such provisions shall be deemed guilty of a Class V misdemeanor and, in addition thereto, shall pay the county treasurer or designated county official any and all motor vehicle and trailer taxes and fees imposed in sections 2 and 7 of this act, registration fees, or certification fees due had the motor vehicle or trailer been properly registered or certified according to law.

When any motor vehicle or trailer dealer's or manufacturer's license has been revoked or otherwise terminated, it shall be the duty of such dealer or manufacturer to immediately surrender to the Department of Motor Vehicles or to the Nebraska Motor Vehicle Industry Licensing Board any dealer number plates issued to him or her for the current year. Failure of such dealer or manufacturer to immediately surrender such dealer license number plates to the department upon demand by the department shall be unlawful.

(7) Any motor vehicle or trailer owned by a dealer and bearing other than dealer number plates as provided in this section shall be conclusively presumed not to be a part of the dealer's inventory and not for demonstration or sale and therefore not eligible for any exemption from taxation taxes or fees applicable to vehicles with dealer number plates.

Sec. 32. Section 60-344, Reissue Revised Statutes of Nebraska, is amended to read:

60-344. Any person applying for or taking out motor vehicle, trailer, semitrailer, or cabin trailer registration in any county or location other than that specified in section 60-305.09 or 77-1230 section 1 of this act shall be deemed guilty of a Class IV misdemeanor.

Sec. 33. Section 60-1411.03, Revised Statutes Supplement, 1996, is amended to read:

60-1411.03. It shall be unlawful for any licensee or motor vehicle dealer to engage, directly or indirectly, in the following acts:

(1) To advertise and offer any year, make, engine size, model, type, equipment, price, trade-in allowance, or terms or make other claims or conditions pertaining to the sale, leasing, or rental of motor vehicles, motorcycles, and trailers which are not truthful and clearly set forth;

(2) To advertise for sale, lease, or rental a specific motor vehicle, motorcycle, or trailer which is not in the possession of the dealer, owner, or advertiser and willingly shown and sold, as advertised, illustrated, or described, at the advertised price and terms, at the advertised address. Unless otherwise specified, a motor vehicle, motorcycle, or trailer advertised for sale shall be in operable condition and, on request, the advertiser thereof shall show records to substantiate an advertised offer;

(3) To advertise a new motor vehicle, motorcycle, or trailer at a price which does not include standard equipment with which it is fitted or is ordinarily fitted, without disclosing such fact, or eliminating any such equipment for the purpose of advertising a low price;

(4) To advertise (a) that the advertiser's prices are always or generally lower than competitive prices and not met or equalled by others or that the advertiser always or generally undersells competitors, (b) that the advertiser's prices are always or generally the lowest or that no other dealer has lower prices, (c) that the advertiser is never undersold, or (d) that no other advertiser or dealer will have a lower price;

(5) To advertise and make statements such as, Write Your Own Deal, Name Your Own Price, or Name Your Own Monthly Payments and other statements of a similar nature;

(6) To advertise by making disparaging comparisons with competitors' services, quality, price, products, or business methods;

(7) To advertise by making the layout, headlines, illustrations, and type size of an advertisement so as to convey or permit an erroneous impression as to which motor vehicle, motorcycle, or trailer or motor vehicles, motorcycles, or trailers are offered at featured prices. No advertised offer, expression, or display of price, terms, downpayment, trade-in allowance, cash difference, or savings shall be misleading by itself, and any qualification to such offer, expression, or display shall be clearly and conspicuously set forth in comparative type size and style, location, and layout to prevent deception;

(8) To advertise the price of a motor vehicle, motorcycle, or trailer without including all charges which the customer must pay for the motor vehicle, motorcycle, or trailer, excepting state and local ~~tax~~ taxes and license, and title, and other fees. It shall be unlawful to advertise prices described as unpaid balance unless they are the full cash selling price and to advertise price which is not the full selling price even though qualified with expressions such as with trade, with acceptable trade, or other similar words;

(9) To advertise as at cost, below cost, below invoice, or wholesale, unless the term used is strictly construed that the word cost as used in this subdivision or in a similar meaning is the actual price paid by the advertiser to the manufacturer for the motor vehicle, motorcycle, or trailer so advertised;

(10) To advertise claims that Everybody Financed, No Credit Rejected, or We Finance Anyone and other similar affirmative statements;

(11) To advertise a specific trade-in amount or range of amounts;

(12) To advertise the words Finance, Loan, or Discounts or others of similar import in the firm name or trade style of a person offering motor vehicles, motorcycles, and trailers for sale unless such person is actually engaged in the finance business and offering only bona fide repossessed motor vehicles, motorcycles, and trailers. It shall be unlawful to use the word Repossessed in the name or trade style of a firm in the advertising of motor vehicles, motorcycles, and trailers sold by such a company unless they are



bona fide repossessions sold for unpaid balances due only. Advertisers offering repossessed automobiles for sale shall be able to offer proof of repossession;

(13) To advertise the term Authorized Dealer in any way as to mislead as to the make or makes of motor vehicles, motorcycles, or trailers for which a dealer is franchised to sell at retail;

(14) To advertise or sell new motor vehicles, motorcycles, and trailers by any person not enfranchised by the manufacturer of the motor vehicle, motorcycle, or trailer offered without disclosing the fact in each advertisement which includes the motor vehicle, motorcycle, or trailer, and in writing in the lease or purchase agreement that the licensee or motor vehicle dealer is not enfranchised by the manufacturer for service under factory warranty provisions. No person shall transfer ownership of a motor vehicle by reassignment on a manufacturer's statement of origin unless the person is enfranchised to do so by the manufacturer of the motor vehicle;

(15) To advertise used motor vehicles, motorcycles, or trailers so as to create the impression that they are new. Used motor vehicles, motorcycles, and trailers of the current and preceding model year shall be clearly identified as Used, Executive Driven, Demonstrator, or Driver Training, and lease cars, taxicabs, fleet vehicles, police motor vehicles, or motorcycles as may be the case and descriptions such as Low Mileage or Slightly Driven may also be applied only when correct. The terms demonstrator's, executive's, and official's motor vehicles, motorcycles, or trailers shall not be used unless (a) they have never been sold to a member of the public, (b) such terms describe motor vehicles, motorcycles, or trailers used by new motor vehicle, motorcycle, or trailer dealers or their employees for demonstrating performance ability, and (c) such vehicles are advertised for sale as such only by an authorized dealer in the same make of motor vehicle, motorcycle, or trailer. Phrases such as Last of the Remaining, Closeout, or Final Clearance and others of similar import shall not be used in advertising used motor vehicles, motorcycles, and trailers so as to convey the impression that the motor vehicles, motorcycles, and trailers offered are holdover new motor vehicles, motorcycles, and trailers. When new and used motor vehicles, motorcycles, and trailers of the current and preceding model year are offered in the same advertisement, such offers shall be clearly separated by description, layout, and art treatment;

(16) To advertise executives' or officials' motor vehicles, motorcycles, or trailers unless they have been used exclusively by the personnel or executive of the motor vehicle, motorcycle, or trailer manufacturer or by an executive of any authorized dealer of the same make thereof and such motor vehicles, motorcycles, and trailers have not been sold to a member of the public prior to the appearance of the advertisement;

(17) To advertise motor vehicles, motorcycles, and trailers owned by or in the possession of dealers without the name of the dealership or in any other manner so as to convey the impression that they are being offered by private parties;

(18) To advertise the term wholesale in connection with the retail offering of used motor vehicles, motorcycles, and trailers;

(19) To advertise the terms auction or auction special and other terms of similar import unless such terms are used in connection with motor vehicles, motorcycles, and trailers offered or sold at a bona fide auction to the highest bidder and under such other specific conditions as may be required in Chapter 60, article 14;

(20) To advertise free driving trial unless it means a trial without obligation of any kind and that the motor vehicle, motorcycle, or trailer may be returned in the period specified without obligation or cost. A driving trial advertised on a money back basis or with privilege of exchange or applying money paid on another motor vehicle, motorcycle, or trailer shall be so explained. Terms and conditions of driving trials, free or otherwise, shall be set forth in writing for the customer;

(21) To advertise (a) the term Manufacturer's Warranty unless it is used in advertising only in reference to cars covered by a bona fide factory warranty for that particular make of motor vehicle, motorcycle, or trailer. In the event only a portion of such warranty is remaining, then reference to a warranty may be used only if stated that that unused portion of the warranty is still in effect, (b) the term New Car Guarantee except in connection with new motor vehicles, motorcycles, and trailers, and (c) the terms Ninety-day Warranty, Fifty-fifty Guarantee, Three-hundred-mile Guarantee, and Six-month Warranty, unless the major terms and exclusions are sufficiently described in the advertisement;

(22) To advertise representations inconsistent with or contrary to the fact that a motor vehicle, motorcycle, or trailer is sold as is and

without a guarantee. The customer contract shall clearly indicate when a car will be sold with a guarantee and what that guarantee is and similarly shall clearly indicate when a car is sold as is and without a guarantee; and

(23) To advertise or to make any statement, declaration, or representation in any advertisement that cannot be substantiated in fact, and the burden of proof of the factual basis for the statement, declaration, or representation shall be on the licensee or motor vehicle dealer and not on the board.

Sec. 34. Section 60-1803, Revised Statutes Supplement, 1996, is amended to read:

60-1803. Every owner of a camper unit shall make application for a permit to the county treasurer or designated county official as provided in section 60-302 of the county in which such owner resides or is domiciled or conducts a bona fide business, or if such owner is not a resident of this state, such application shall be made to the county treasurer or designated county official of the county in which such owner actually lives or conducts a bona fide business, except as otherwise expressly provided. Any person, firm, association, or corporation who is neither a resident of this state nor domiciled in this state, but who desires to obtain a permit for a camper unit owned by such person, firm, association, or corporation, may register the same in any county of this state. The application shall contain a statement of the name, post office address, and place of residence of the applicant, a description of the camper unit, including the name of the maker, the number, if any, affixed or assigned thereto by the manufacturer, the weight, width, and length of the vehicle, the year, the model, and the trade name or other designation given thereto by the manufacturer, if any. Camper unit permits required by sections 60-1801 to 60-1808 shall be issued by the county treasurer or designated county official in the same manner as motor vehicle licenses as provided in sections 60-301 to 60-344, except as otherwise herein expressly provided in sections 60-1801 to 60-1808. Every applicant for permit, at the time of making such application, shall exhibit to the county treasurer or designated county official evidence of ownership of such camper unit. Contemporaneously with such application, the applicant shall pay a permit fee in the amount of two dollars which shall be distributed in the same manner as all other motor vehicle license fees. Upon proper application being made and the payment of the permit fee, and the tax provided in section 60-1806, the applicant shall be issued a permit.

Sec. 35. Section 60-1807, Reissue Revised Statutes of Nebraska, is amended to read:

60-1807. In issuing such permits or renewals, the county treasurer or designated county official as provided in section 60-302 shall neither receive nor accept such application nor permit fee nor issue any permit for any such camper unit, unless the applicant shall first exhibit first exhibits proof by tax receipt or otherwise (1) that he or she has paid all applicable personal taxes and fees upon such camper unit based on the computation thereof made in the year preceding the year for which such application for permit is made, (2) that he or she was the owner of another camper unit, or other motor vehicles, on which he or she paid the personal taxes and fees during such year, or (3) that he or she owned no camper unit or other motor vehicle upon which personal taxes and fees might have been levied imposed during such year.

Sec. 36. Section 66-4,128, Reissue Revised Statutes of Nebraska, is amended to read:

66-4,128. After a purchaser and claimant purchases or acquires for use motor vehicle fuel upon which a credit for the tax may be due, he or she may file with his or her Nebraska income tax return a statement of claim, hereinafter called claim, on such forms as may be prescribed by the department. The claimant shall not file more than one claim annually and no claim shall be allowed except those claims resulting from tax credit gasoline purchases made during the taxable year for which the taxpayer is filing a Nebraska income tax return, except that any claimant who during the taxable year is entitled to a credit in excess of sixty thousand dollars, based on the claims filed for the preceding taxable year, may file a claim each month for tax credit gasoline purchased during the preceding month. Monthly claims shall be filed on the first day of the month.

A refund shall be allowed to the extent the credit for tax credit gasoline exceeds the income tax or franchise tax levied by the Nebraska Revenue Act of 1967, but no refund shall be made in any amount less than two dollars.

The claim shall include a statement (1) as to the source or place of business where such motor vehicle fuel, used solely for agricultural, quarrying, industrial, or nonhighway purposes, was acquired, (2) that no part of such motor vehicle fuel was used in propelling motor vehicles, and (3) that



the motor vehicle fuel for which credit for the tax thereon is claimed was used solely for agricultural, quarrying, industrial, or nonhighway purposes as provided in sections 66-4,118 to 66-4,132.

Claims for credit shall in no event be considered or allowed upon a total quantity of less than forty gallons of tax credit gasoline. The department shall neither receive nor allow such a claim for credit unless such claim includes a statement that the tractor, ~~engine, or tractors, engine or engines, machinery, or motor vehicle~~ owned by the claimant was included in the claimant's personal tax list for the preceding year or that he or she owned no such tractor, ~~or engine, or machinery~~ upon which personal taxes might have been levied during such year. The department may require other evidence in addition to the claim in such form and at such time as the department deems advisable or may refer the same to a field representative for investigation.

Sec. 37. Section 70-651.05, Reissue Revised Statutes of Nebraska, is amended to read:

70-651.05. All payments made under the provisions of sections 70-651.01 to 70-651.05 shall be in lieu of all other taxes, payments in lieu of taxes, franchise payments, occupation taxes, and excise taxes, but shall not be in lieu of the taxes and fees imposed in sections 2 and 7 of this act, motor vehicle licenses and wheel taxes, permit fees, ~~gasoline tax fuel taxes,~~ and other such excise taxes or general sales taxes levied against the public generally.

Sec. 38. Section 77-201, Reissue Revised Statutes of Nebraska, is amended to read:

77-201. (1) Except as provided in subsection (2) of this section, all real property in this state, not expressly exempt therefrom, shall be subject to taxation and shall be valued at its actual value.

(2) Agricultural land and horticultural land used solely for agricultural or horticultural purposes shall constitute a separate and distinct class of property for purposes of property taxation, shall be subject to taxation, unless expressly exempt from taxation, and shall be valued at its taxable value.

(3) Tangible personal property, not including motor vehicles registered for operation on the highways of this state, shall constitute a separate and distinct class of property for purposes of property taxation, shall be subject to taxation, unless expressly exempt from taxation, and shall be valued at its net book value. Tangible personal property transferred as a gift or devise or as part of a transaction which is not a purchase shall be subject to taxation based upon the date the property was acquired by the previous owner and at the previous owner's Nebraska adjusted basis.

(4) ~~Motor vehicles registered for operation on the highways of this state shall constitute a separate and distinct class of property for purposes of taxation, shall be subject to taxation, unless expressly exempt from taxation, and shall be valued as provided in sections 77-1239 to 77-1241-01.~~

Sec. 39. Section 77-202, Reissue Revised Statutes of Nebraska, is amended to read:

77-202. (1) The following property shall be exempt from property taxes:

(a) Property of the state and its governmental subdivisions;  
(b) Property owned by and used exclusively for agricultural and horticultural societies;

(c) Property owned by educational, religious, charitable, or cemetery organizations and used exclusively for educational, religious, charitable, or cemetery purposes, when such property is not (i) owned or used for financial gain or profit to either the owner or user, (ii) used for the sale of alcoholic liquors for more than twenty hours per week, or (iii) owned or used by an organization which discriminates in membership or employment based on race, color, or national origin. For purposes of this subdivision, educational organization shall mean an institution operated exclusively for the purpose of offering regular courses with systematic instruction in academic, vocational, or technical subjects or a museum or historical society operated exclusively for the benefit and education of the public. For purposes of this subdivision, charitable organization shall mean an organization operated exclusively for the purpose of the mental, social, or physical benefit of the public or an indefinite number of persons; and

(d) Household goods and personal effects not owned or used for financial gain or profit to either the owner or user.

(2) The increased value of land by reason of shade and ornamental trees planted along the highway shall not be taken into account in the valuation of land.

(3) Tangible personal property which is not depreciable tangible personal property as defined in section 77-119 shall be exempt from property

tax.

(4) Vehicles registered pursuant to section 60-305.09 and for which the registration fees prescribed in such section have been paid Motor vehicles required to be registered for operation on the highways of this state shall be exempt from payment of property taxes.

(5) Business and agricultural inventory shall be exempt from the personal property tax. For purposes of this subsection, business inventory shall include personal property owned for purposes of leasing or renting such property to others for financial gain only if the personal property is of a type which in the ordinary course of business is leased or rented thirty days or less and may be returned at the option of the lessee or renter at any time and the personal property is of a type which would be considered household goods or personal effects if owned by an individual. All other personal property owned for purposes of leasing or renting such property to others for financial gain shall not be considered business inventory.

(6) Any personal property exempt pursuant to subsection (2) of section 77-4105 shall be exempt from the personal property tax.

(7) Livestock shall be exempt from the personal property tax.

Sec. 40. Section 77-202.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-202.01. Any organization or society seeking a tax exemption provided in subdivisions (1)(b) and (1)(c) of section 77-202 for any real or personal property, ~~except motor vehicles~~, shall apply for exemption to the county assessor before January 1 of the year for which the exemption is sought on forms prescribed by the Property Tax Administrator. The county assessor shall examine the application and recommend either taxable or exempt status for the real property or tangible personal property, ~~except motor vehicles~~, to the county board of equalization on or before February 1 following.

Any organization or society which misses the January 1 deadline for applying for exemption may apply prior to July 1 to the county board of equalization for a waiver so that the county assessor may consider the application for exemption. The county board of equalization shall grant the waiver upon a finding that good cause exists for the failure to make application by January 1. When the waiver is granted, the county assessor shall examine the application and recommend either taxable or exempt status for the real property or tangible personal property, ~~except motor vehicles~~, to the county board of equalization and may assess a penalty against the organization of ten percent of the tax that would have been assessed had the waiver been denied for each calendar month or fraction thereof for which the filing of the application for waiver missed the January 1 deadline.

The changes made to this section by Laws 1996, LB 1122, apply to applications filed for 1996 taxes and all years thereafter.

Sec. 41. Section 77-202.02, Reissue Revised Statutes of Nebraska, is amended to read:

77-202.02. The county board of equalization, between February 1 and June 1 after a hearing on ten days' notice to the applicant, and after considering the recommendation of the county assessor and any other information it may obtain, shall grant or withhold tax exemption for the real property or tangible personal property, ~~except motor vehicles~~, on the basis of law and of regulations promulgated by the Property Tax Administrator. The board shall certify its decision to the applicant, the county assessor, and the Property Tax Administrator within ten days thereafter.

Sec. 42. Section 77-202.03, Reissue Revised Statutes of Nebraska, is amended to read:

77-202.03. (1)(a) A properly granted exemption of real or tangible personal property, ~~except motor vehicles~~ and real property used for cemetery purposes, provided for in subdivisions (1)(b) and (1)(c) of section 77-202 shall continue for a period of four years if the affidavit required by subsection (2) of this section is filed when due. The four-year period shall begin with years evenly divisible by four.

(b) A properly granted exemption of real property used for cemetery purposes provided for in subdivision (1)(c) of section 77-202 shall continue for a period of ten years. At the end of each ten-year period, the county board may renew the exemption for another ten years without reapplication. This subdivision shall apply to applications granted after August 25, 1989.

(2) In each intervening year occurring between application years, the organization or society which filed the granted exemption application for the real or tangible personal property, ~~except motor vehicles~~ and real property used for cemetery purposes, shall file an affidavit with the county assessor before January 1, on forms prescribed by the Property Tax Administrator, certifying that the ownership and use of the exempted property has not changed during the year. Any organization or society which misses the



January 1 deadline for filing the affidavit may file the affidavit by July 1. Such filing shall maintain the tax-exempt status of the property without further action by the county and regardless of any previous action by the county board to deny the exemption due to late filing of the affidavit. Upon any such late filing, the county board may assess a penalty against such organization or society of ten percent of the tax that would have been assessed had the affidavit not been filed for each calendar month or fraction thereof for which the filing of the affidavit is late. The changes made to this subsection by Laws 1996, LB 1122, apply to affidavits filed for 1996 taxes and all years thereafter.

(3) Prior to January 1 of any application year, a new application shall be filed with the county assessor as provided in section 77-202.01.

(4) If any organization or society seeks a tax exemption for any real or tangible personal property, ~~except motor vehicles,~~ acquired after January 1 of any year or converted to exempt use after January 1 of any year, the organization or society shall make application for exemption on or before August 15 of that year as provided in section 77-202.01. The procedure for reviewing the application shall be as in sections 77-202.01 to 77-202.07, except that the exempt use shall be determined as of the date of application. The exemption shall continue for the same period and under the same conditions as if it had been granted on an application which had been filed in accordance with subsections (1) and (2) of this section and section 77-202.01.

(5) In any year, the county assessor or the county board may cause a review of any exemption to determine whether the exemption is proper. Such a review may be taken even if the ownership or use of the property has not changed from the date of the allowance of the exemption. The review shall follow the procedure set out in section 77-202.02. If it is determined that a change in exempt status is warranted, the procedure for hearing set out in section 77-202.02 shall be followed. If an exemption is denied, the county board shall place the property on the tax rolls retroactive to January 1 of that year if on August 15 of that year the property no longer qualifies for an exemption.

(6) During the month of September of each year, the county board shall cause to be published in a paper of general circulation in the county a list of all real estate in the county exempt from taxation for that year pursuant to subdivisions (1)(b) and (1)(c) of section 77-202. Such list shall be grouped into categories as provided by the Property Tax Administrator. A copy of the list and proof of publication shall be forwarded to the Department of Revenue.

Sec. 43. Section 77-202.04, Reissue Revised Statutes of Nebraska, is amended to read:

77-202.04. Persons, corporations, or organizations denied exemption from taxation for real or tangible personal property, ~~including motor vehicles,~~ by a county board of equalization may appeal to the Tax Equalization and Review Commission. The Property Tax Administrator may in his or her discretion intervene in any such appeal.

Sec. 44. Section 77-202.05, Reissue Revised Statutes of Nebraska, is amended to read:

77-202.05. The Property Tax Administrator shall prescribe forms for distribution to the county assessors on which persons, corporations, and organizations may apply for tax-exempt status for real or tangible personal property, ~~including motor vehicles.~~ The forms shall include the following information:

(1) Name of owner or owners of the property, and if a corporation, the names of the officers and directors, and place of incorporation;

(2) Legal description of real property; ~~specific description of motor vehicles and their use,~~ and a general description as to class and use of all other tangible personal property;

(3) The precise statutory provision under which exempt status for such property is claimed; and

(4) A statement that all taxes levied on such property have been paid up to the year for which exempt status is being claimed.

Sec. 45. Section 77-202.06, Reissue Revised Statutes of Nebraska, is amended to read:

77-202.06. The Property Tax Administrator shall adopt and promulgate rules and regulations governing tax-exempt status for real or tangible personal property. The Tax Equalization and Review Commission may review and reverse any decision of the county board of equalization granting tax-exempt status for real or tangible personal property, ~~including motor vehicles,~~ but only after a hearing has been held by the commission, upon ten days' written notice to the applicant and to the county board of equalization. The commission shall within thirty days after the hearing mail an order to the

applicant, the county assessor, and the county board of equalization.

Sec. 46. Section 77-202.24, Reissue Revised Statutes of Nebraska, is amended to read:

77-202.24. The following property shall be exempt from taxation:

(1) A mobile home owned and occupied by a disabled or blind honorably discharged veteran of the United States Armed Forces whose disability or blindness is recognized by the United States Department of Veterans Affairs as service connected shall be exempt from taxation. 7 and

(2) One motor vehicle owned and used for his or her personal transportation by a disabled or blind honorably discharged veteran of the United States Armed Forces whose disability or blindness is recognized by the United States Department of Veterans Affairs as service connected.

Sec. 47. Section 77-202.25, Reissue Revised Statutes of Nebraska, is amended to read:

77-202.25. Application for the exemption provided in subdivision (2) of section 77-202.24 shall be made to the county assessor not more than fifteen days before and not later than thirty days after the registration date for the motor vehicle. The county assessor shall approve or disapprove such application and notify the taxpayer of his or her decision within twenty days of the filing of the application. The taxpayer may appeal the decision of the county assessor to the county board of equalization within twenty days after notice of the decision is mailed by the county assessor.

Application for the exemption provided in subdivision (1) of section 77-202.24 shall be made to the county assessor on or before April 1 of every year. The county assessor shall approve or disapprove such application and shall notify the taxpayer of his or her decision within twenty days of the filing of the application. The taxpayer may appeal the decision of the county assessor to the county board of equalization within twenty days after notice of the decision is mailed by the county assessor.

The taxpayer may appeal any decision of the county board of equalization under this section pursuant to section 77-202.04.

Sec. 48. Section 77-1201, Reissue Revised Statutes of Nebraska, is amended to read:

77-1201. All tangible personal property in this state subject to taxation shall be assessed as of January 1 at 12:01 a.m., which assessment shall be used as a basis of taxation until the next regular assessment. A complete list of all taxable tangible personal property held or owned on the assessment date, except motor vehicles as defined in section 77-1238, shall be made as follows:

(1) Every person shall list all his or her tangible personal property as defined in section 77-105 having tax situs in the State of Nebraska;

(2) The tangible personal property of a minor child shall be listed by the following: (a) His or her guardian; (b) if he or she has no guardian, by his or her parent, if living; and (c) if neither parent is living, by the person having such property in charge;

(3) The tangible personal property of any other person under guardianship, by his or her guardian or, if he or she has no guardian, by the person having charge of such property;

(4) The tangible personal property of a person for whose benefit it is held in trust, by the trustee, and of the estate of a deceased person, by the personal representative or administrator;

(5) The tangible personal property of corporations the assets of which are in the hands of a receiver, by such a receiver;

(6) The tangible personal property of corporations, by the president or the proper agent or officer thereof;

(7) The tangible personal property of a firm or company, by a partner, limited liability company member, or agent thereof;

(8) The tangible personal property of manufacturers and others in the hands of an agent, by and in the name of such agent; and

(9) All leased tangible personal property shall be reported, by itemizing each article, by lessor as owner or lessee as agent.

Sec. 49. Section 77-1202, Reissue Revised Statutes of Nebraska, is amended to read:

77-1202. Taxable tangible personal property, except such property which is required by law to be listed and assessed elsewhere, shall be listed and assessed in the county, precinct, township, city, village, and school district where the owner resides. Taxable tangible personal property of any established business shall be listed and assessed at the location of the business, or if the property has acquired local situs elsewhere, the property shall be listed and assessed where it has acquired local situs. Motor vehicles and cabin trailers, not registered for highway use, mobile Mobile



homes, aircraft, and other taxable tangible personal property connected therewith shall be listed and taxed in the county, precinct, township, city, village, and school district where such property is stored and kept for the greater portion of the calendar year. Taxable tangible personal property held by a personal representative, administrator, or trustee under a testamentary trust appointed by a Nebraska court and not distributed on the date of assessment shall be separately listed by the personal representative, administrator, or trustee at the place where the deceased person owning such property resided if in this state. If the deceased person was a nonresident of Nebraska, such property shall be separately listed at the place where such property was subject to taxation at the date of death of the deceased. Taxable tangible personal property held by any personal representative acting in a fiduciary capacity shall be separately listed by such personal representative at the place where the beneficial owner of such property resides or last resided if in this state. If such beneficial owner is or was a nonresident of Nebraska, such property shall be separately listed at the place where such property was subject to taxation in this state at the time of creation of the fiduciary relationship.

Sec. 50. Section 77-1342, Reissue Revised Statutes of Nebraska, is amended to read:

77-1342. There is hereby created a fund to be known as the Tax Commissioner Revolving Fund to which shall be credited all money received by the Department of Revenue for services performed to county and multicounty assessment districts and under the provisions of sections 60-305.15, 77-684, and 77-1250, which provisions shall be for the purpose of providing funds to be used to develop fee schedules and tables and appraisal manuals and distribute them to the counties and to engage competent counsel. The county or multicounty assessment district shall be billed by the Property Tax Administrator for services rendered. Reimbursements to the Property Tax Administrator shall be credited to the fund, and expenditures therefrom shall be made only when such funds are available. The Property Tax Administrator shall only bill for the actual amount expended in performing the service.

The fund shall, at the close of each year, be lapsed to the General Fund, except that no part of the fees received under sections 60-305.15, 77-684, and 77-1250 shall be so lapsed. Any money in the Tax Commissioner Revolving 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.

Sec. 51. Section 77-1736.08, Reissue Revised Statutes of Nebraska, is amended to read:

77-1736.08. Upon the transfer of any motor vehicle or cabin trailer which is inventory of a motor vehicle dealer, the dealer shall be given a credit or refund of any property tax, ad valorem tax, or fee paid or payable by the dealer for the motor vehicle or cabin trailer for the number of months remaining in the year from the date of transfer. The dealer may claim the credit or refund until July 30 of the year following the transfer of the motor vehicle or cabin trailer.

The claim shall be filed with the county assessor on a form prescribed by the Auditor of Public Accounts. Each claim shall be accompanied by documentation that the vehicle or cabin trailer for which the dealer is claiming a credit or refund was included in the listing of taxable tangible personal property held or owned by the dealer, as required by sections 77-1201 and 77-1229.

The county assessor shall certify to the county treasurer the amount of the credit or refund and the taxing unit where the motor vehicle or cabin trailer was located at the time of assessment of the tax or fee. If the dealer has paid the tax or fee on the motor vehicle or cabin trailer, the county treasurer shall pay the refund to the dealer from the undistributed motor vehicle or cabin trailer taxes or fees of the taxing unit where the money was originally distributed, but no refund of less than two dollars shall be paid. If the dealer has not yet paid all of the tax or fee, a credit shall be given.

Sec. 52. Section 77-4501, Reissue Revised Statutes of Nebraska, is amended to read:

77-4501. (1) Except as provided in subsection (6) of this section, rental companies engaged in the business of renting private passenger motor vehicles used to carry fifteen passengers or less for periods of thirty-one days or less shall collect, at the time the vehicle is rented in Nebraska, a fee of four and one-half percent of each rental contract amount, not including sales tax. For purposes of this section, a vehicle is rented in Nebraska if it is picked up by the renter in Nebraska. The fee shall be computed in accordance with the method used for the sales tax imposed by the state on

those charges subject to sales tax. The fee shall not be subject to sales tax. The fee shall be noted in the rental contract and collected in accordance with the terms of the contract. The fee shall be retained by the vehicle owner or the rental company engaged in the business of renting private passenger motor vehicles. Fees collected pursuant to this section shall be used by the vehicle owner or the rental company for reimbursement of the amount of motor vehicle taxes and fees imposed and paid in Nebraska upon the vehicles by the vehicle owner or rental company.

(2) On February 15 of each year, the fees imposed by this section for the preceding calendar year, to the extent the fees exceed the motor vehicle taxes and fees imposed and paid in Nebraska upon the vehicles for the preceding calendar year, shall be due and payable to the county treasurer of the county where the transactions occurred. The fee shall be remitted on forms prescribed by the county treasurer. The county shall allocate and distribute such proceeds in the same manner as the proceeds from motor vehicle taxes are allocated and distributed pursuant to section 77-1240-01 3 of this act. The revenue received by the county under this section may be expended for any lawful purpose.

(3) The revenue received by the county under this section shall be included and considered as proceeds of motor vehicle taxes and fees for purposes of any growth limitation on budgets of political subdivisions funded by property taxes.

(4) The fee imposed under this section shall be in addition to any other tax or fee authorized by law to be levied on the business activities described in this section and shall be in addition to the sales tax imposed by the state or any municipality.

(5) The county treasurer, county board, and county sheriff may use any method specified in Chapter 77, article 17, for the collection of property taxes to collect the fee imposed by this section.

(6) A fee shall not be collected if the renter is exempt from the payment of sales tax.

Sec. 53. Section 79-1016, Reissue Revised Statutes of Nebraska, is amended to read:

79-1016. (1) On or before July 1 of each year, the Property Tax Administrator shall compute and certify to the State Department of Education the adjusted valuation for the current calendar year of each district for each class of property in each such district so that the valuation of property for each district, for purposes of determining state aid pursuant to the Tax Equity and Educational Opportunities Support Act, shall reflect as nearly as possible state aid value as defined in subsection (2) of this section. The Property Tax Administrator shall also notify each school district of its adjusted valuation for the current calendar year by class on or before July 1 of each year. Establishment of the adjusted valuation shall be based on assessment practices established by rule and regulation adopted and promulgated by the Property Tax Administrator. The assessment practices may include, but not be limited to, the appraisal techniques listed in section 77-112.

(2) For purposes of this section, state aid value means:

(a) For real property other than agricultural land, one hundred percent of market value;

(b) For agricultural land, eighty percent of market value as provided in sections 77-1359 to 77-1365; and

(c) For personal property, other than motor vehicles, the net book value as defined in section 77-120, 7 and

~~(d) For motor vehicles, the value established pursuant to section 77-1239.~~

(3) Prior to August 1 any school district may file with the Property Tax Administrator written objections to the adjusted valuations prepared by the Property Tax Administrator, stating the reasons why such adjusted valuations are not the valuations required by subsection (2) of this section. The Property Tax Administrator shall fix a time for a hearing. Either party shall be permitted to introduce any evidence in reference thereto. Prior to December 1, the Property Tax Administrator shall enter an order modifying or declining to modify, in whole or in part, the adjusted valuations and shall certify the order to the State Department of Education. Modification by the Property Tax Administrator shall be based upon the evidence introduced at hearing and shall not be limited to the modification requested in the written objections or at hearing. The final determination of the Property Tax Administrator may be appealed to the Tax Equalization and Review Commission.

(4) The Property Tax Administrator shall, on the date the adjusted valuations are certified to the State Department of Education under subsection (1) of this section, cause to be published notice of such adjusted valuations



in a newspaper published or of general circulation in each county in Nebraska.

(5) No injunction shall be granted restraining the distribution of state aid based upon the adjusted valuations pursuant to this section.

Sec. 54. Sections 9 to 12, 54, 56, and 58 of this act become operative on their effective date. The other sections of this act become operative on January 1, 1998.

Sec. 55. Original sections 37-1103, 39-2510, 39-2519, 39-2520, 60-302.01, 60-303, 60-305.04, 60-310, 60-311.02, 60-311.14, 60-311.21, 60-315, 60-318, 60-344, 60-1807, 66-4,128, 70-651.05, 77-201, 77-202 to 77-202.06, 77-202.24, 77-202.25, 77-1201, 77-1202, 77-1342, 77-1736.08, 77-4501, and 79-1016, Reissue Revised Statutes of Nebraska, and sections 23-186, 60-106, 60-302, 60-305.11, 60-305.15, 60-320, 60-1411.03, and 60-1803, Revised Statutes Supplement, 1996, are repealed.

Sec. 56. Original sections 13-504 to 13-506, Revised Statutes Supplement, 1996, and section 13-509, Revised Statutes Supplement, 1996, as amended by section 2, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997, are repealed.

Sec. 57. The following sections are outright repealed: Sections 60-1806, 77-202.08, 77-1238, 77-1239 to 77-1239.02, 77-1239.05, 77-1239.06, 77-1240.01, 77-1240.03, 77-1240.04, 77-1241.01, 77-1242.01, and 77-1242.02, Reissue Revised Statutes of Nebraska.

Sec. 58. Since an emergency exists, this act takes effect when passed and approved according to law.