



Ninety-Ninth Legislature - Second Session - 2006  
**Introducer's Statement of Intent**  
**LB 1168**

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**Chairperson:** Tom Baker  
**Committee:** Transportation and Telecommunications  
**Date of Hearing:** February 7, 2006

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 1168 fixes the current motor vehicle sales tax “*loophole*” and implements an electronic lien and paperless titling system no later than January 1, 2008, providing an electronic record of ownership.

If a lien (or notice of security interest) exists on a motor vehicle, the Department of Motor Vehicles may retain the electronic certificate of title, and note such liens on the system. An applicant has the alternative to request a paper certificate of title instead of filing electronically. Those who file electronically may request a nonnegotiable evidence of ownership as a record of the transaction. Fees for such application are designated in existing statute and referenced within the bill.

Upon notification from the lien holder (within fifteen days of the discharge of the lien), the department shall issue a certificate of title to the owner and note the cancellation of the lien, without additional charge.

LB 1168 addresses the handling of titles other than electronic certificate of titles.

This bill outlines the fee collection and fund disbursement for original, replaced and duplicate certificates of title. This includes notations of liens.

The department and county clerks shall remit these fees to the State Treasurer for credit to the designated funds referenced within the bill.

LB 1168 requires proof of sales tax paid on all motor vehicles, mobile homes, or cabin trailers at the time of application for title. Proof of sales tax paid shall be in the form of a certificate stating that sales tax was paid or was exempt from sales and use taxes. Such exemptions from sales tax include fleet vehicles, farm trailers, off-road construction equipment, and wheelchairs.

**Principal Introducer:** \_\_\_\_\_  
**Senator Pam Redfield**