

LEGISLATURE OF NEBRASKA  
ONE HUNDREDTH LEGISLATURE  
FIRST SESSION  
**LEGISLATIVE BILL 663**

Introduced by Hudkins, 21

Read first time January 17, 2007

Committee: Transportation and Telecommunications

A BILL

1 FOR AN ACT relating to motor vehicles; to amend sections  
2 13-518, 39-2401, 60-3,202, 77-1342, and 79-1018.01,  
3 Revised Statutes Cumulative Supplement, 2006; to change  
4 distribution and allocation of certain motor vehicle  
5 registration fees; to harmonize provisions; to provide an  
6 operative date; and to repeal the original sections.  
7 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 13-518, Revised Statutes Cumulative  
2 Supplement, 2006, is amended to read:

3           13-518 For purposes of sections 13-518 to 13-522:

4           (1) Allowable growth means (a) for governmental units  
5 other than community colleges, the percentage increase in taxable  
6 valuation in excess of the base limitation established under  
7 section 77-3446, if any, due to improvements to real property as  
8 a result of new construction, additions to existing buildings,  
9 any improvements to real property which increase the value of  
10 such property, and any increase in valuation due to annexation  
11 and any personal property valuation over the prior year and (b)  
12 for community colleges, (i) for fiscal years prior to fiscal year  
13 2003-04 and after fiscal year 2004-05, the percentage increase in  
14 excess of the base limitation, if any, in full-time equivalent  
15 students from the second year to the first year preceding the  
16 year for which the budget is being determined, and (ii) for fiscal  
17 year 2003-04 and fiscal year 2004-05, the percentage increase in  
18 full-time equivalent students from the second year to the first  
19 year preceding the year for which the budget is being determined;

20           (2) Capital improvements means (a) acquisition of real  
21 property or (b) acquisition, construction, or extension of any  
22 improvements on real property;

23           (3) Governing body has the same meaning as in section  
24 13-503;

25           (4) Governmental unit means every political subdivision

1 which has authority to levy a property tax or authority to  
2 request levy authority under section 77-3443 except sanitary and  
3 improvement districts which have been in existence for five years  
4 or less and school districts;

5 (5) Qualified sinking fund means a fund or funds  
6 maintained separately from the general fund to pay for acquisition  
7 or replacement of tangible personal property with a useful life of  
8 five years or more which is to be undertaken in the future but  
9 is to be paid for in part or in total in advance using periodic  
10 payments into the fund. The term includes sinking funds under  
11 subdivision (13) of section 35-508 for firefighting and rescue  
12 equipment or apparatus;

13 (6) Restricted funds means (a) property tax, excluding  
14 any amounts refunded to taxpayers, (b) payments in lieu of property  
15 taxes, (c) local option sales taxes, (d) motor vehicle taxes, (e)  
16 state aid, (f) transfers of surpluses from any user fee, permit  
17 fee, or regulatory fee if the fee surplus is transferred to fund a  
18 service or function not directly related to the fee and the costs  
19 of the activity funded from the fee, (g) any funds excluded from  
20 restricted funds for the prior year because they were budgeted for  
21 capital improvements but which were not spent and are not expected  
22 to be spent for capital improvements, (h) the tax provided in  
23 sections 77-27,223 to 77-27,227 beginning in the second fiscal year  
24 in which the county will receive a full year of receipts, and (i)  
25 any excess tax collections returned to the county under section

1 77-1776; and

2 (7) State aid means:

3 (a) For all governmental units, state aid paid pursuant  
4 to ~~sections 60-3,202~~ and section 77-3523;

5 (b) For municipalities, state aid to municipalities  
6 paid pursuant to sections 18-2605, 39-2501 to 39-2520, 60-3,190,  
7 77-27,136, and 77-27,139.04 and insurance premium tax paid to  
8 municipalities;

9 (c) For counties, state aid to counties paid pursuant  
10 to sections 39-2501 to 39-2520, 47-119.01, 60-3,184 to 60-3,190,  
11 77-27,136, and 77-3618, insurance premium tax paid to counties,  
12 and reimbursements to counties from funds appropriated pursuant to  
13 section 29-3933;

14 (d) For community colleges, state aid to community  
15 colleges paid under sections 85-1536 to 85-1537;

16 (e) For natural resources districts, state aid to natural  
17 resources districts paid pursuant to section 77-27,136;

18 (f) For educational service units, state aid appropriated  
19 under section 79-1241; and

20 (g) For local public health departments as defined in  
21 section 71-1626, state aid as distributed under section 71-1628.08.

22 Sec. 2. Section 39-2401, Revised Statutes Cumulative  
23 Supplement, 2006, is amended to read:

24 39-2401 There is hereby established the Highway  
25 Allocation Fund. There shall be paid into such fund (1) the amounts

1 disbursed from time to time from the Highway Trust Fund as provided  
2 by law, (2) together with such sums as may be appropriated thereto  
3 from the General Fund, (3) and proceeds of sales and use taxes  
4 credited to the Highway Allocation Fund under section 77-27,132,  
5 and (4) a portion of the registration fees under section 60-3,202.  
6 Any money in the fund available for investment shall be invested  
7 by the state investment officer pursuant to the Nebraska Capital  
8 Expansion Act and the Nebraska State Funds Investment Act.

9           Sec. 3. Section 60-3,202, Revised Statutes Cumulative  
10 Supplement, 2006, is amended to read:

11           60-3,202 ~~(1)~~ As registration fees are received by the  
12 Division of Motor Carrier Services of the department pursuant to  
13 section 60-3,198, the division shall remit the fees to the State  
14 Treasurer, less a collection fee of three percent of thirty percent  
15 of the registration fees collected. The collection fee shall be  
16 credited to the ~~Department of Property Assessment and Taxation~~  
17 Motor Carrier Division Cash Fund. The State Treasurer shall credit  
18 the remainder of the thirty percent of the fees collected to the  
19 ~~Motor Vehicle Tax~~ Highway Allocation Fund and the remaining seventy  
20 percent of the fees collected to the Highway Trust Fund. Any money  
21 in the Motor Vehicle Tax Fund on the operative date of this act  
22 shall be transferred to the Highway Allocation Fund.

23           ~~(2)~~ On or before the last day of each quarter of the  
24 calendar year, the State Treasurer shall distribute all funds in  
25 the ~~Motor Vehicle Tax Fund~~ to the county treasurer or designated

1 county official of each county in the same proportion as the number  
2 of original apportionable vehicle registrations in each county  
3 bears to the total of all original registrations within the state  
4 in the registration year immediately preceding.

5           ~~(3) Upon receipt of motor vehicle tax funds from the~~  
6 ~~State Treasurer, the county treasurer or designated county official~~  
7 ~~shall distribute such funds to taxing agencies within the county in~~  
8 ~~the same proportion that the levy of each such taxing agency bears~~  
9 ~~to the total of such levies of all taxing agencies in the county.~~

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

16           ~~(5) On or before March 1 of each year, the department~~  
17 ~~shall furnish to the State Treasurer a tabulation showing the total~~  
18 ~~number of original apportionable vehicle registrations in each~~  
19 ~~county for the immediately preceding calendar year, which shall be~~  
20 ~~the basis for computing the distribution of motor vehicle tax funds~~  
21 ~~as provided in subsection (2) of this section.~~

22           ~~(6) The Motor Vehicle Tax Fund is created. Any money in~~  
23 ~~the fund available for investment shall be invested by the state~~  
24 ~~investment officer pursuant to the Nebraska Capital Expansion Act~~  
25 ~~and the Nebraska State Funds Investment Act.~~

1           Sec. 4. Section 77-1342, Revised Statutes Cumulative  
2 Supplement, 2006, is amended to read:

3           77-1342 There is hereby created a fund to be known as  
4 the Department of Property Assessment and Taxation Cash Fund to  
5 which shall be credited all money received by the Department of  
6 Property Assessment and Taxation for services performed for county  
7 and multicounty assessment districts, for charges for publications,  
8 manuals, and lists, as an assessor's examination fee authorized  
9 by section 77-421, and under the provisions of sections ~~60-3,202,~~  
10 ~~77-684,~~ and 77-1250. The fund shall be used to carry out any duties  
11 and responsibilities of the department. The county or multicounty  
12 assessment district shall be billed by the department for services  
13 rendered. Reimbursements to the department shall be credited to the  
14 fund, and expenditures therefrom shall be made only when such funds  
15 are available. The department shall only bill for the actual amount  
16 expended in performing the service.

17           The fund shall not, at the close of each year, be lapsed  
18 to the General Fund. Any money in the Department of Property  
19 Assessment and Taxation Cash Fund available for investment shall be  
20 invested by the state investment officer pursuant to the Nebraska  
21 Capital Expansion Act and the Nebraska State Funds Investment Act.

22           Sec. 5. Section 79-1018.01, Revised Statutes Cumulative  
23 Supplement, 2006, is amended to read:

24           79-1018.01 Local system formula resources include other  
25 actual receipts available for the funding of general fund operating

1 expenditures as determined by the department for the second school  
2 fiscal year immediately preceding the school fiscal year in which  
3 aid is to be paid, except that receipts from the Community  
4 Improvements Cash Fund, receipts acquired pursuant to the Low-Level  
5 Radioactive Waste Disposal Act, and, beginning with the calculation  
6 of state aid to be distributed in school fiscal year 2004-05,  
7 tuition receipts from converted contracts shall not be included.

8 Other actual receipts include:

9 (1) Public power district sales tax revenue;

10 (2) Fines and license fees;

11 (3) Tuition receipts from individuals, other districts,  
12 or any other source except receipts derived from adult education,  
13 tuition receipts from converted contracts, and receipts from  
14 educational entities as defined in section 79-1332 for providing  
15 distance education courses through the Distance Education Council  
16 to such educational entities;

17 (4) Transportation receipts;

18 (5) Interest on investments;

19 (6) Other miscellaneous noncategorical local receipts,  
20 not including receipts from private foundations, individuals,  
21 associations, or charitable organizations;

22 (7) Special education receipts, excluding grant funds  
23 received pursuant to section 9-812;

24 (8) Special education receipts and non-special education  
25 receipts from the state for wards of the court and wards of the



1 state;

2 (9) All receipts from the temporary school fund.  
3 Beginning with the calculation of aid for school fiscal year  
4 2002-03 and each school fiscal year thereafter, receipts from  
5 the temporary school fund shall only include receipts pursuant  
6 to section 79-1035 and the receipt of funds pursuant to section  
7 79-1036 for property leased for a public purpose as set forth in  
8 subdivision (1)(a) of section 77-202;

9 (10) Motor vehicle tax receipts received on or after  
10 January 1, 1998;

11 (11) Pro rata motor vehicle license fee receipts received  
12 prior to September 1, 2006;

13 (12) Other miscellaneous state receipts excluding revenue  
14 from the textbook loan program authorized by section 79-734;

15 (13) Impact aid entitlements for the school fiscal year  
16 which have actually been received by the district to the extent  
17 allowed by federal law;

18 (14) All other noncategorical federal receipts;

19 (15) All receipts pursuant to the enrollment option  
20 program under sections 79-232 to 79-246;

21 (16) Receipts under the federal Medicare Catastrophic  
22 Coverage Act of 1988, as such act existed on May 8, 2001, as  
23 authorized pursuant to sections 43-2510 and 43-2511 but only to the  
24 extent of the amount the local system would have otherwise received  
25 pursuant to the Special Education Act; and

1                   (17)   Receipts   for   accelerated   or   differentiated  
2 curriculum programs pursuant to sections 79-1106 to 79-1108.03.

3                   Sec. 6. This act becomes operative on September 1, 2007.

4                   Sec. 7. Original sections 13-518, 39-2401, 60-3,202,  
5 77-1342, and 79-1018.01, Revised Statutes Cumulative Supplement,  
6 2006, are repealed.