

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1223

Introduced by Hunt, 8.

Read first time January 21, 2026

Committee: Transportation and Telecommunications

1 A BILL FOR AN ACT relating to motor vehicles; to amend sections 60-6,221,
2 60-6,224, 60-1411.03, 60-1411.04, and 60-1437, Reissue Revised
3 Statutes of Nebraska; to change headlight requirements under the
4 Nebraska Rules of the Road; to prohibit the sale and distribution of
5 certain motor vehicles by motor vehicle dealers, manufacturers, and
6 distributors under the Motor Vehicle Industry Regulation Act; to
7 harmonize provisions; and to repeal the original sections.

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

1 **Section 1.** Section 60-6,221, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 60-6,221 (1) The headlights of motor vehicles shall be so
4 constructed, arranged, and adjusted that, except as provided in
5 subsection (2) of this section, they will at all times mentioned in
6 section 60-6,219 produce a driving light sufficient to render clearly
7 discernible a person two hundred feet ahead, but the headlights shall not
8 project a glaring or dazzling light to persons in front of such
9 headlights.

10 (2) Headlights shall be deemed to comply with the provisions
11 prohibiting glaring and dazzling lights if:

12 (a) None ~~none~~ of the main bright portion of the headlight beam rises
13 above a horizontal plane passing through the light centers parallel to
14 the level road upon which the loaded vehicle stands and in no case higher
15 than forty-two inches, seventy-five feet ahead of the vehicle; -

16 (b) The intensity of light emitted by the headlight does not exceed
17 three thousand lumens according to the physical and photometry test
18 procedures provided in 49 C.F.R. 571.108, as such regulation existed on
19 January 1, 2026;

20 (c) The color temperature of light emitted by the headlight does not
21 exceed six thousand kelvin and the color of such light is white, yellow,
22 or amber. This subdivision (c) shall not apply to authorized emergency
23 vehicles;

24 (d) The headlight is mounted on the motor vehicle at a height of
25 fifty-four inches or less above the ground;

26 (e) The headlight, or the fixture for the headlight, has not been
27 substantially altered from the design or performance of the headlight or
28 fixture that was originally installed by the manufacturer of the motor
29 vehicle; and

30 (f) The headlight is compliant with the United States Department of
31 Transportation's Federal Motor Vehicle Safety Standards, 49 C.F.R. part

1 571, for lamps, reflective devices, and associated equipment, as such
2 standards existed on January 1, 2026.

3 **Sec. 2.** Section 60-6,224, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 60-6,224 Notwithstanding any other provision of the Nebraska Rules
6 of the Road:

7 (1) Whenever any person operating a motor vehicle on any highway in
8 this state comes within one thousand feet of meets another person
9 operating a motor vehicle, proceeding in the opposite direction and
10 equipped with headlights constructed and adjusted to project glaring or
11 dazzling light to persons in front of such headlights, he or she upon
12 signal of either person, the other shall dim the headlights of his or her
13 motor vehicle or tilt the beams of glaring or dazzling light projecting
14 therefrom downward so as not to blind or confuse the vision of the
15 operator in front of such headlights; and

16 (2) Whenever any person operating a motor vehicle on any highway in
17 this state follows another vehicle within four two hundred feet to the
18 rear or is preparing to overtake another motor vehicle by passing, he or
19 she shall dim the headlights of his or her motor vehicle or tilt the
20 beams of glaring or dazzling light projecting from such headlights
21 therefrom downward.

22 (3) Any person who violates any provision of this section shall be
23 guilty of a Class V misdemeanor.

24 **Sec. 3.** Section 60-1411.03, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 60-1411.03 It shall be unlawful for any licensee or motor vehicle
27 dealer to engage, directly or indirectly, in the following acts:

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

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

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

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

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

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

25 (7) To advertise by making the layout, headlines, illustrations, and
26 type size of an advertisement so as to convey or permit an erroneous
27 impression as to which motor vehicle, motorcycle, or trailer or motor
28 vehicles, motorcycles, or trailers are offered at featured prices. No
29 advertised offer, expression, or display of price, terms, downpayment,
30 trade-in allowance, cash difference, or savings shall be misleading by
31 itself, and any qualification to such offer, expression, or display shall

1 be clearly and conspicuously set forth in comparative type size and
2 style, location, and layout to prevent deception;

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

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

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

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

19 (12) To advertise the words Finance, Loan, or Discounts or others of
20 similar import in the firm name or trade style of a person offering motor
21 vehicles, motorcycles, and trailers for sale unless such person is
22 actually engaged in the finance business and offering only bona fide
23 repossessed motor vehicles, motorcycles, and trailers. It shall be
24 unlawful to use the word Repossessed in the name or trade style of a firm
25 in the advertising of motor vehicles, motorcycles, and trailers sold by
26 such a company unless they are bona fide repossessions sold for unpaid
27 balances due only. Advertisers offering repossessed automobiles for sale
28 shall be able to offer proof of repossession;

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

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

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

1 clearly separated by description, layout, and art treatment;

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

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

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

15 (19) To advertise the terms auction or auction special and other
16 terms of similar import unless such terms are used in connection with
17 motor vehicles, motorcycles, and trailers offered or sold at a bona fide
18 auction to the highest bidder and under such other specific conditions as
19 may be required in the Motor Vehicle Industry Regulation Act;

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

27 (21) To advertise (a) the term Manufacturer's Warranty unless it is
28 used in advertising only in reference to cars covered by a bona fide
29 factory warranty for that particular make of motor vehicle, motorcycle,
30 or trailer. In the event only a portion of such warranty is remaining,
31 then reference to a warranty may be used only if stated that that unused

1 portion of the warranty is still in effect, (b) the term New Car
2 Guarantee except in connection with new motor vehicles, motorcycles, and
3 trailers, and (c) the terms Ninety-day Warranty, Fifty-fifty Guarantee,
4 Three-hundred-mile Guarantee, and Six-month Warranty, unless the major
5 terms and exclusions are sufficiently described in the advertisement;

6 (22) To advertise representations inconsistent with or contrary to
7 the fact that a motor vehicle, motorcycle, or trailer is sold as is and
8 without a guarantee. The customer contract shall clearly indicate when a
9 car will be sold with a guarantee and what that guarantee is and
10 similarly shall clearly indicate when a car is sold as is and without a
11 guarantee; and

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

17 (24) To sell any motor vehicle that is equipped with headlights that
18 are in violation of section 60-6,221.

19 **Sec. 4.** Section 60-1411.04, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 60-1411.04 A violation The use, employment, or publication of
22 advertising by any licensee or motor vehicle dealer of which does not
23 comply with section 60-1411.03 is hereby declared to be an unlawful act,
24 and any person violating such section shall be guilty of a Class V
25 misdemeanor.

26 **Sec. 5.** Section 60-1437, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 60-1437 In addition to the restrictions imposed by section 60-1436,
29 a manufacturer or distributor shall not:

30 (1) Fail to deliver new motor vehicles or new motor vehicle parts or
31 accessories within a reasonable time and in reasonable quantities

1 relative to the new motor vehicle dealer's market area and facilities,
2 unless the failure is caused by acts or occurrences beyond the control of
3 the manufacturer or distributor or unless the failure results from an
4 order by the new motor vehicle dealer in excess of quantities reasonably
5 and fairly allocated by the manufacturer or distributor;

6 (2) Refuse to disclose to a new motor vehicle dealer the method and
7 manner of distribution of new motor vehicles by the manufacturer or
8 distributor or, if a line-make is allocated among new motor vehicle
9 dealers, refuse to disclose to any new motor vehicle dealer that handles
10 the same line-make the system of allocation, including, but not limited
11 to, a complete breakdown by model, and a concise listing of dealerships
12 with an explanation of the derivation of the allocation system, including
13 its mathematical formula in a clear and comprehensible form;

14 (3) Refuse to disclose to a new motor vehicle dealer the total
15 number of new motor vehicles of a given model which the manufacturer or
16 distributor has sold during the current model year within the dealer's
17 marketing district, zone, or region, whichever geographical area is the
18 smallest;

19 (4) Increase the price of any new motor vehicle which the new motor
20 vehicle dealer had ordered and delivered to the same retail consumer for
21 whom the vehicle was ordered, if the order was made prior to the dealer's
22 receipt of the written official price increase notification. A sales
23 contract signed by a private retail consumer and binding on the dealer
24 shall constitute evidence of such order. In the event of manufacturer or
25 distributor price reduction or cash rebate, the amount of any reduction
26 or rebate received by a dealer shall be passed on to the private retail
27 consumer by the dealer. Any price reduction in excess of five dollars
28 shall apply to all vehicles in the dealer's inventory which were subject
29 to the price reduction. A price difference applicable to a new model or
30 series of motor vehicles at the time of the introduction of the new model
31 or series shall not be considered a price increase or price decrease.

1 This subdivision shall not apply to price changes caused by the
2 following:

3 (a) The addition to a motor vehicle of required or optional
4 equipment pursuant to state or federal law;

5 (b) In the case of foreign-made vehicles or components, revaluation
6 of the United States dollar; or

7 (c) Any increase in transportation charges due to an increase in
8 rates charged by a common carrier or other transporter;

9 (5) Fail or refuse to sell or offer to sell to all franchised new
10 motor vehicle dealers in a line-make every new motor vehicle sold or
11 offered for sale to any franchised new motor vehicle dealer of the same
12 line-make. However, the failure to deliver any such new motor vehicle
13 shall not be considered a violation of this section if the failure is due
14 to a lack of manufacturing capacity or to a strike or labor difficulty, a
15 shortage of materials, a freight embargo, or any other cause over which
16 the franchisor has no control. A manufacturer or distributor shall not
17 require that any of its new motor vehicle dealers located in this state
18 pay any extra fee, purchase unreasonable or unnecessary quantities of
19 advertising displays or other materials, or remodel, renovate, or
20 recondition the new motor vehicle dealer's existing facilities in order
21 to receive any particular model or series of vehicles manufactured or
22 distributed by the manufacturer for which the dealers have a valid
23 franchise. Notwithstanding the provisions of this subdivision, nothing
24 contained in this section shall be deemed to prohibit or prevent a
25 manufacturer from requiring that its franchised dealers located in this
26 state purchase special tools or equipment, stock reasonable quantities of
27 certain parts, or participate in training programs which are reasonably
28 necessary for those dealers to sell or service any model or series of new
29 motor vehicles. This subdivision shall not apply to manufacturers of
30 recreational vehicles;

31 (6) Fail to offer dealers of a specific line-make a new franchise

1 agreement containing substantially similar terms and conditions for sales
2 of the line-make if the ownership of the manufacturer or distributor
3 changes or there is a change in the plan or system of distribution;

4 (7) Take an adverse action against a dealer because the dealer sells
5 or leases a motor vehicle that is later exported to a location outside
6 the United States. A franchise provision that allows a manufacturer or
7 distributor to take adverse action against a dealer because the dealer
8 sells or leases a motor vehicle that is later exported to a location
9 outside the United States is enforceable only if, at the time of the
10 original sale or lease, the dealer knew or reasonably should have known
11 that the motor vehicle would be exported to a location outside the United
12 States. A dealer is presumed to have no knowledge that a motor vehicle
13 the dealer sells or leases will be exported to a location outside the
14 United States if, under the laws of a state of the United States (a) the
15 motor vehicle is titled, (b) the motor vehicle is registered, and (c)
16 applicable state and local taxes are paid for the motor vehicle. Such
17 presumption may be rebutted by direct, clear, and convincing evidence
18 that the dealer knew or reasonably should have known at the time of the
19 original sale or lease that the motor vehicle would be exported to a
20 location outside the United States. Except as otherwise permitted by
21 subdivision (7) of this section, a franchise provision that allows a
22 manufacturer or distributor to take adverse action against a dealer
23 because the dealer sells or leases a motor vehicle that is later exported
24 to a location outside the United States is void and unenforceable;

25 (8) Discriminate against a dealer holding a franchise for a line-
26 make of the manufacturer or distributor in favor of other dealers of the
27 same line-make in this state by:

28 (a) Selling or offering to sell a new motor vehicle to a dealer at a
29 lower actual price, including the price for vehicle transportation, than
30 the actual price at which the same model similarly equipped is offered to
31 or is available to another dealer in this state during a similar time

1 period; or

2 (b) Using a promotional program or device or an incentive, payment,
3 or other benefit, whether paid at the time of the sale of the new motor
4 vehicle to the dealer or later, that results in the sale or offer to sell
5 a new motor vehicle to a dealer at a lower price, including the price for
6 vehicle transportation, than the price at which the same model similarly
7 equipped is offered or is available to another dealer in this state
8 during a similar time period. This subdivision shall not prohibit a
9 promotional or incentive program that is functionally available to
10 competing dealers of the same line-make in this state on substantially
11 comparable terms;

12 (9) Refuse to pay a new motor vehicle dealer for sales incentives,
13 service incentives, rebates, or other forms of incentive compensation
14 within thirty days after their approval by the manufacturer or
15 distributor. The manufacturer or distributor shall either approve or
16 disapprove each claim by the dealer within thirty days after receipt of
17 the claim in a proper form generally used by the manufacturer or
18 distributor. Any claims not specifically disapproved in writing within
19 thirty days after receipt shall be considered to be approved;

20 (10) Perform an audit to confirm payment of a sales incentive,
21 service incentive, rebate, or other form of incentive compensation more
22 than twelve months after the date of payment of the claim or twelve
23 months after the end of the incentive program by the new motor vehicle
24 dealer unless the claim is fraudulent;

25 (11) Reduce the amount to be paid to a new motor vehicle dealer for
26 a sales incentive, service incentive, rebate, or other form of incentive
27 compensation or charge back a new motor vehicle dealer subsequent to the
28 payment of the claim for a sales incentive, service incentive, rebate, or
29 other form of incentive compensation unless the manufacturer or
30 distributor shows that the claim lacks required documentation or is
31 alleged to be false, fraudulent, or based on a misrepresentation.

1 A manufacturer or distributor may not deny a claim based solely on a
2 new motor vehicle dealer's incidental failure to comply with a specific
3 claim processing requirement, such as a clerical error, that does not put
4 into question the legitimacy of the claim. No reduction in the amount to
5 be paid to the new motor vehicle dealer and no charge back subsequent to
6 the payment of a claim may be made until the new motor vehicle dealer has
7 had notice and an opportunity to correct any deficiency and resubmit the
8 claim and to participate in all franchisor internal appeal processes as
9 well as all available legal processes. If a charge back is the subject of
10 adjudication, internal appeal, mediation, or arbitration, no charge back
11 shall be made until, in the case of an adjudication or legal action, a
12 final order has been issued.

13 A claim for reimbursement by the manufacturer or distributor of sums
14 due following an audit must be presented to the dealer within ninety days
15 after completion of the audit of the item subject to the claim. A
16 manufacturer or distributor may not setoff or otherwise take control over
17 funds owned or under the control of the new motor vehicle dealer or which
18 are in an account designated for the new motor vehicle dealer when such
19 action is based upon the findings of an audit or other claim with respect
20 thereto until a final decision is issued with respect to any challenge or
21 appeal by either party of any such audit or claim.

22 Any ambiguity or inconsistency in submission guidelines shall be
23 construed against the manufacturer or distributor;

24 (12) Make any express or implied statement or representation
25 directly or indirectly that the dealer is under any obligation whatsoever
26 to offer to sell or sell any extended service contract, extended
27 maintenance plan, gap policy, gap waiver, or other aftermarket product or
28 service offered, sold, backed by, or sponsored by the manufacturer or
29 distributor or to sell, assign, or transfer any of the dealer's retail
30 sales contracts or leases in this state on motor vehicles manufactured or
31 sold by the manufacturer or distributor to a finance company or class of

1 finance companies, leasing company or class of leasing companies, or
2 other specified person, because of any relationship or affiliation
3 between the manufacturer or distributor and the finance company or
4 companies, leasing company or leasing companies, or the specified person
5 or persons; or

6 (13) Prohibit a franchisee from acquiring a line-make of new motor
7 vehicles solely because the franchisee owns or operates a franchise of
8 the same line-make in a contiguous market; or -

9 (14) Sell or distribute any motor vehicle that is equipped with
10 headlights that are in violation of section 60-6,221.

11 Any such statements, threats, promises, acts, contracts, or offers
12 of contracts, when their effect may be to lessen or eliminate competition
13 or tend to create a monopoly, are declared unfair trade practices and
14 unfair methods of competition and are prohibited.

15 **Sec. 6.** Original sections 60-6,221, 60-6,224, 60-1411.03,
16 60-1411.04, and 60-1437, Reissue Revised Statutes of Nebraska, are
17 repealed.