

LEGISLATIVE BILL 440

Approved by the Governor June 10, 1993

Introduced by Warner, 25

AN ACT relating to fuel taxes; to amend sections 66-490, 66-493, 66-4,115, 66-501 to 66-503, 66-505, 66-512, 66-605.07, 66-607, 66-719, 66-720, 66-723, 66-727, 66-740, and 66-1226, Revised Statutes Supplement, 1992; to define terms; to change provisions relating to collection, administration, and distribution of motor fuel taxes; to change and eliminate provisions relating to transportation of motor fuel; to change provisions relating to penalties, interest, licenses, and permits; to reappropriate funds; to harmonize provisions; to provide operative dates; to repeal the original sections, and also section 66-519, Reissue Revised Statutes of Nebraska, 1943, and sections 66-514 to 66-518 and 66-520, Revised Statutes Supplement, 1992; and to declare an emergency.

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

Section 1. That section 66-490, Revised Statutes Supplement, 1992, be amended to read as follows:

66-490. The purpose of sections 66-490 to 66-494 is to provide an additional method of collecting motor vehicle fuel taxes and special fuel taxes from interstate motor vehicle operators commensurate with their operations ~~on~~ in Nebraska ~~highways~~ and to permit the department to suspend the collection as to transportation entering Nebraska from any other state when it appears that Nebraska tax revenue and interstate highway transportation moving out of Nebraska will not be unduly prejudiced thereby.

For purposes of such sections, (1) fuel used or consumed in operations shall include all fuel placed in the supply tanks and consumed in the engine of a qualified motor vehicle and (2) qualified motor vehicle shall mean a motor vehicle used, designed, or maintained for transportation of persons or property which (1) (a) has two axles and a gross vehicle weight or registered gross vehicle weight exceeding twenty-six thousand pounds, (2) (b) has three or more axles regardless of weight, or (3) (c) is used in combination when the weight of such combination exceeds twenty-six thousand pounds gross vehicle weight. Qualified motor vehicle shall not include a recreational vehicle.

Sec. 2. That section 66-493, Revised Statutes Supplement, 1992, be amended to read as follows:

66-493. Tax liability under sections 66-490 to 66-494 shall be computed on the total number of gross gallons of each kind of motor vehicle fuel and special fuel consumed in the operation in Nebraska of

motor vehicles subject to such sections at the same rate for each kind of fuel as would be applicable thereto if taxed under section 66-489, 66-4,105, 66-4,140, 66-4,145, 66-4,146, 66-605, 66-605.02, or 66-605.03. Credit against the tax liability so computed shall be allowed in the amount of fuel taxes paid under such sections on motor vehicle fuel and special fuel used in qualified motor vehicles the operation of which is subject to the provisions of such sections. Notwithstanding any provision in sections 66-490 to 66-494 to the contrary, the department upon application, supported by such proof as the department reasonably requires, shall issue a memorandum of credit for the amount of fuel tax paid on fuel in excess of the amount of fuel consumed by such vehicles in Nebraska which may be applied against subsequent fuel tax liability under such sections or, if the permit holder is no longer engaged in the operation of vehicles for which his or her permit was issued or has built up an excess of motor vehicle fuel tax credit amounting to twenty-five dollars or more with the state, the department may make proper refund to the permit holder.

To determine and collect the amount of taxes due under such sections and to prevent the evasion thereof, the department may require reports on forms prescribed by the department. The payment of taxes due shall be at the same time as the reports are required to be filed. These reports and tax payments may be required covering actual operation and fuel consumption in Nebraska for qualified motor vehicles the operation of which is subject to such sections or on a basis of their average consumption of fuel in Nebraska determined by ~~taking that proportion of the total gallons consumed everywhere in these vehicles that their mileage in Nebraska is to their total mileage everywhere~~ dividing the total miles traveled in Nebraska by the average miles-per-gallon for such qualified motor vehicles traveling in Nebraska. Average miles-per-gallon shall be determined by dividing the total miles traveled by such qualified motor vehicles in all jurisdictions by the total gallons of motor vehicle fuel or special fuel placed into the supply tanks of such qualified motor vehicles in all jurisdictions.

Each person shall file the report on or before the last day of the next succeeding calendar month following the end of the calendar quarter to which it relates, ~~unless an election to continue to file on a monthly basis has been made. Such election shall be in writing filed with the department in such form as the department shall prescribe. Following the filing of such election, the person shall continue to file the report on or before the last day of the next succeeding calendar month following the monthly period to which it relates.~~ If the final filing date falls on a Saturday, Sunday, or legal holiday, the next secular or business day shall be the final filing date. Such reports shall be considered filed on time if mailed in an envelope properly addressed to the department and postmarked before midnight of the final filing date.

Sec. 3. That section 66-4,115, Revised Statutes Supplement, 1992, be amended to read as follows:

66-4,115. Any ~~bus, truck tractor, or truck with more than two axles, except one registered as a farm truck,~~ qualified motor vehicle

as defined in section 66-490 entering this state must pay the tax imposed by this state upon motor vehicle ~~fuels~~ fuel as provided in section 66-4,106 on all motor vehicle ~~fuels~~ fuel contained therein, except ; **PROVIDED**, that any ~~bus, truck tractor, or truck with more than two axles, except one registered as a farm truck,~~ qualified motor vehicle entering this state within the limits of any city or village and transporting any livestock, livestock products, other farm or dairy products, or ~~any~~ other materials, goods, products, or merchandise to any market, plant, factory, or place of business within the municipal limits of such city or village or within five miles thereof shall be exempt from the requirements provided in this section; ~~AND PROVIDED FURTHER, that and any bus, truck tractor, or truck with more than two axles, except one registered as a farm truck,~~ qualified motor vehicle entering this state empty within the limits of any city or village for the purpose of transporting any livestock, livestock products, other farm or dairy products, or ~~any~~ other materials, goods, products, or merchandise from any market, plant, factory, or place of business within the municipal limits of such city or village or within five miles thereof and which leaves the state over the same route as which such ~~bus, truck tractor, or truck with more than two axles, except one registered as a farm truck,~~ qualified motor vehicle entered the state; shall be exempt from the requirement requirements provided in this section.

Sec. 4. That section 66-501, Revised Statutes Supplement, 1992, be amended to read as follows:

66-501. Sections 66-501 to 66-512 are for the purpose of aiding in the administration and enforcement of the motor ~~vehiele~~ fuel laws of this state. Such sections shall not be construed to apply to any person transporting motor vehicle fuel or special fuel within the State of Nebraska if such fuel is for such person's own agricultural, quarrying, industrial, or other nonhighway use.

Sec. 5. That section 66-502, Revised Statutes Supplement, 1992, be amended to read as follows:

66-502. The Department of Revenue shall issue a liquid fuel carriers license to the owner of every car, automobile, truck, trailer, vehicle, or other means of transportation using the highways for the transportation of motor vehicle fuel or special fuel into, within, or out of the State of Nebraska. Such licenses shall be issued by the department on receipt of applications from owners of such vehicles on forms provided by the department. Such licenses may be denied according to the provisions of section 66-729. The applicant for a liquid fuel carriers license shall pay to the Department of Revenue an application fee of ten dollars, and all amounts so received by the department shall be remitted to the State Treasurer for credit to the Highway Cash Fund. The liquid fuel carriers license shall be valid until suspended, revoked for cause, or otherwise canceled and shall not be transferable. ~~conditioned that such applicant will comply with sections 66-501 to 66-512 and will not deliver any motor vehicle fuel or special fuel to any other person or place than those designated in the bill of sale or bill of lading carried or used by him or~~

~~her, and further conditioned that such applicant will not aid, assist, or abet any person in unlawfully evading any Nebraska motor vehicle fuel tax or special fuel tax.~~

Sec. 6. That section 66-503, Revised Statutes Supplement, 1992, be amended to read as follows:

66-503. (1) Every person in charge of any vehicle in which motor vehicle fuel or special fuel is carried into, within, or out of the State of Nebraska shall have and keep a copy of the liquid fuel carriers license with him or her during the entire transportation and also a copy of the bill of sale, bill of lading, or manifest, purchase order, sales invoice or delivery ticket, or similar documentation covering all such motor vehicle fuel or special fuel which is individually numbered and dated and shows the kind and amount of the motor vehicle fuel or special fuel, where obtained and of whom, the destination state or delivery location, and the name and address of the owner and of the consignee or purchaser, if applicable. Such person shall exhibit every such paper or document, immediately upon demand, to the department, any employee thereof, or any peace officer of this state.

(2)(a) Any person importing motor vehicle fuel or special fuel into the State of Nebraska for the purpose of delivery in this state who does not have in his or her possession an original unaltered bill of sale, bill of lading, or manifest identifying Nebraska as the destination state shall obtain a motor fuel delivery permit number from the Nebraska State Patrol prior to delivering such fuel. A separate motor fuel delivery permit number shall be required each time such person enters Nebraska for the purpose of delivering motor vehicle fuel or special fuel in Nebraska. Prior to issuing a motor fuel delivery permit number, the Nebraska State Patrol shall require such person to provide his or her Nebraska liquid fuel carriers license number, the type and amount of fuel being imported, where obtained, the destination, the original bill of sale, bill of lading, or manifest number, if applicable, and such other information as the Department of Revenue deems necessary. On or before the twentieth day of each calendar month, the Nebraska State Patrol shall provide the department with a listing of all motor fuel delivery permit numbers issued during the preceding calendar month accompanied by the information required by this section.

(b) Any person obtaining motor vehicle fuel or special fuel from a bulk fuel storage facility located in this state, other than a pipeline terminal, barge line terminal, or refinery, who exits this state and returns with all or any portion of such fuel remaining shall not be deemed to be importing such remaining fuel and shall not be required to obtain a motor fuel delivery permit number if such person maintains the documents and papers required by subsection (1) of this section establishing that such remaining fuel was obtained from a bulk fuel storage facility located in this state.

(3) Any person transporting motor vehicle fuel or special fuel shall be deemed to have given his or her consent to submit to an inspection of licenses and permits required for the transportation of fuel

and the documents and papers required by this section for the purpose of determining compliance with the motor fuel laws. The issuance of a motor fuel delivery permit number under this section shall be deemed to be the issuance of a permit for purposes of enforcing the motor fuel laws.

(4) Any law enforcement officer who has been duly authorized to make arrests for violations of traffic laws of this state or ordinances of any city or village or any carrier enforcement officer who has reasonable grounds to believe that a vehicle is transporting motor vehicle fuel or special fuel may require the operator of such vehicle to display any or all licenses and permits required for the transportation of fuel and the documents and papers required by this section. Such law enforcement officer or carrier enforcement officer may make a record of any of the information contained on the licenses or permits or any of the information from the bill of sale, bill of lading, manifest, or other documents and papers required by sections 66-501 to 66-512.

(5) The Legislature declares that it does not intend to place any burden upon the transportation of motor vehicle fuel or special fuel in interstate commerce under such circumstances as federal law and the Constitution of the United States preclude.

Sec. 7. That section 66-505, Revised Statutes Supplement, 1992, be amended to read as follows:

66-505. Every vehicle used in transporting motor vehicle fuel or special fuel subject to sections 66-501 to 66-512 shall have ~~printed on contrasting background on each side and the rear thereof, in letters not less than four inches in height,~~ the name and address of the owner of the vehicle displayed in the form and manner required by 49 C.F.R. 390.21. The Department of Revenue shall adopt, promulgate, and enforce such rules and regulations as it deems proper and necessary for the proper administration and enforcement of such sections.

Sec. 8. That section 66-512, Revised Statutes Supplement, 1992, be amended to read as follows:

66-512. It shall be unlawful for any person (1) to transport any motor vehicle fuel or special fuel within, into, or across this state in violation of any of the provisions of sections 66-501 to ~~66-520~~ 66-512, (2) to fail to comply with any of the provisions of such sections or of the rules, regulations, or requirements of the Department of Revenue to which he or she is subject, (3) to falsify any bill of sale, bill of lading, manifest, invoice, purchase order, or report, (4) to make, exhibit, or deliver to the department any false bill of sale, bill of lading, manifest, invoice, purchase order, or report, (5) to make, carry, or display any false document or paper ~~herein~~ referred to in this section, or (6) to unlawfully evade, assist, or abet any other person in unlawfully evading any motor vehicle fuel or special fuel taxes imposed by the state, or (7) to deliver motor vehicle fuel or special fuel to a destination state not on an original unaltered bill of sale, bill of lading, or manifest carried by such person except when a motor fuel delivery permit number has been obtained or as otherwise provided in section 66-503.

Sec. 9. That section 66-605.07, Revised Statutes

Supplement, 1992, be amended to read as follows:

66-605.07. (1) There is hereby levied and imposed an excise tax of ten and one-half cents per gallon, increased by the amounts imposed or determined under sections 66-4,142, 66-605.02, and 66-605.03, upon the use of all special fuel used in this state. Users of special fuel subject to taxation under this section shall be allowed the same exemptions, deductions, and rights of reimbursement, other than the commission provided under section 66-605.01, as are authorized and permitted to importers by the Special Fuel Tax Act.

(2) Every person using special fuel subject to taxation on the use thereof under section 66-605.04 and this section shall become licensed and pay the excise tax and make a report concerning the tax to the Tax Commissioner in like manner and form as is required by section 66-618 for importers of special fuel, except that the ~~Tax Commissioner shall by rule or regulation require~~ reports and tax payments ~~from users depending on their yearly tax liability. Quarterly returns shall be required if a user's yearly tax liability is less than twelve hundred dollars. Monthly returns shall be required if a user's yearly tax liability is twelve hundred dollars or more~~ required under this section shall be filed quarterly. No such payment of tax or report shall be required if the tax has been paid and the report has been made for such user by any importer licensed under section 66-607. Importers having paid such tax or being liable for its payment shall collect the amount of the tax from any person to whom such special fuel is sold in this state along with the selling price thereof.

(3) For purposes of this section, use shall mean the purchase or consumption of special fuel in this state.

Sec. 10. That section 66-607, Revised Statutes Supplement, 1992, be amended to read as follows:

66-607. Before engaging in business as an importer, a person shall obtain a license to transact such business in the State of Nebraska. An application for a special fuel importer's license shall be made to the department together with a fee of ten dollars to cover the cost of issuing the license. All fees collected shall be remitted to the State Treasurer for credit to the General Highway Cash Fund.

Sec. 11. That section 66-719, Revised Statutes Supplement, 1992, be amended to read as follows:

66-719. (1) Any person who neglects or refuses to file the report or return due for any period or to pay the tax due for any period within the time prescribed for the filing of such report or return or for the payment of such tax, ~~who wrongfully claims an exemption, or who does not have the required licenses or permits,~~ under the motor fuel laws; shall automatically accrue a penalty of fifty dollars.

(2) Until January 1, 1994, any motor vehicle fuel importer or special fuel importer who neglects or refuses to file the report or return due for any period or to pay the tax due for any period within the time prescribed for the filing of such report or return or the payment of such tax ~~or who wrongfully claims an exemption,~~ under the motor fuel laws; shall be subject to the larger of:

(a) The penalty in subsection (1) of this section; or
 (b)(i) A penalty of ten percent of the tax not paid if the act was committed through negligence;
 (ii) A penalty of fifteen percent of the tax not paid if the act was committed in intentional disregard of the law, rules, or regulations;
 (iii) A penalty of fifty percent of the tax not paid if the act was committed with intent to evade the tax; or
 (iv) A penalty of one hundred percent of the tax not paid if the act involved fraud and was committed with intent to evade the tax.

(3) On and after January 1, 1994, any ~~motor vehicle fuel importer or special fuel importer~~ person who neglects or refuses to file the report or return due for any period or to pay the tax due for any period within ten days after the time prescribed for the filing of such report or return or the payment of such tax ~~or who wrongfully claims an exemption~~, under the motor fuel laws; shall, in addition to the penalty in subsection (1) of this section, be subject to the larger of:

(a) ~~The penalty in subsection (1) of this section~~ A penalty of one hundred dollars; or

(b)(i) ~~A penalty of ten percent of the tax not paid, for the first occurrence within a five-year period;~~

(ii) ~~A penalty of twenty five percent of the tax not paid for the second occurrence within a five-year period; or~~

(iii) ~~A penalty equal to the tax not paid for the third or subsequent occurrence within a five-year period.~~

(4)(a) Notwithstanding anything in subsection (1), (2), or (3) of this section to the contrary, no penalty shall be imposed upon any person who voluntarily reports an underpayment of tax by filing an amended return and paying such tax if such amended return is filed and payment is made within thirty days after the date such tax was due.

(b) Except as provided in subsection (8) of this section, interest shall not be waived on any additional tax due as reported on any amended return, and such interest shall be computed from the date such tax was due.

(4) (5) If any ~~motor vehicle fuel importer or special fuel importer~~ person knowingly files a false ~~or fraudulent~~ report or return, with the intent to evade all or any part of the tax imposed by the motor fuel laws; the penalty shall be equal to fifty one hundred percent of the deficiency tax not paid or one thousand dollars, whichever is larger, which penalty shall be in addition to all other penalties provided by law.

(6) Any person who knowingly conducts any activities requiring a license or permit under the motor fuel laws without a license or permit or after a license or permit has been surrendered, suspended, or canceled shall automatically accrue a penalty of one hundred dollars per day for each day such violation continues.

(5) (7) ~~Until January 1, 1994,~~ the department may in its discretion waive ~~any and all or any portion of the~~ penalties incurred upon sufficient showing by the taxpayer that the failure to file or pay is not due to negligence, intentional disregard of the law, rules, or

regulations, intentional evasion of the tax, or fraud committed with intent to evade the tax or that such penalties should otherwise be waived. ~~On and after January 1, 1994, the department may in its discretion waive any and all penalties incurred upon sufficient showing by the taxpayer that such penalties should be waived.~~

(8)(a) The department may in its discretion waive any and all interest incurred upon sufficient showing by the taxpayer that such interest should be waived.

(b) Interest may only be waived if:

(i) Interest is due to an error or unreasonable delay by the department;

(ii) Interest is due to erroneous written advice by the department when the advice was a direct response to a written request for advice from the taxpayer and the taxpayer reasonably relied upon the advice; or

(iii) Interest is due because of an amount erroneously refunded if the taxpayer did not request the refund and the refund was not caused by information provided by the taxpayer.

Sec. 12. That section 66-720, Revised Statutes Supplement, 1992, be amended to read as follows:

66-720. (1) Any license or permit issued by the department under the motor fuel laws may be suspended for the following reasons:

(a) Cancellation of security;

(b) Failure to provide additional security as required;

(c) Failure to file any report or return, filing an incomplete report or return, or not filing electronically, within the time provided;

(d) Failure to pay taxes due within the time provided;

(e) Filing of any false report, return, statement, or affidavit, knowing it to be false;

(f) Delivering motor fuel to a ~~person or place~~ destination state not on a the original bill of sale, bill of lading, or manifest except as authorized under section 66-503;

(g) Failure to remain in compliance with requirements of the State Fire Marshal regarding underground storage tanks;

(h) Failure to remain in compliance with requirements of the Department of Agriculture regarding weights and measures and sealing of dispensing equipment;

(i) Using tax credit gasoline in a motor vehicle;

(j) Using exempt special fuel in a motor vehicle without a special fuel user permit;

(k) No longer being eligible to obtain a license or permit; or

(l) Any other violation of the motor fuel laws or the rules and regulations.

(2) The department shall mail notice of suspension of any license or permit.

(3) The licensee or permitholder may, within thirty days after the mailing of the notice of such suspension, petition the Department of Revenue in writing for a hearing and reconsideration of such

suspension. If a petition is filed, the department shall, within ten days of receipt of the petition, grant set a hearing date at which the licensee or permitholder may show cause why his or her suspended license or permit should not be canceled. The department shall give the licensee or permitholder reasonable notice of the time and place of such hearing. Within a reasonable time after the conclusion of the hearing, the department shall issue an order either reinstating or canceling such license or permit.

(4) If a petition is not filed within the thirty-day period, the suspended license or permit shall be canceled by the department at the expiration of the period.

(5) The department shall not issue a new permit or license to the same person for one year from the date of cancellation. Any reissuance of a permit or license to the same person within three years from the date of cancellation shall require a reinstatement fee of one hundred dollars to be submitted to the department. The department shall remit the fee to the State Treasurer for credit to the Highway Cash Fund.

(6) Suspension or cancellation of a license or permit issued by the department shall not relieve any person from making or filing the reports or returns required by the motor fuel laws in the manner or within the time required.

Sec. 13. That section 66-723, Revised Statutes Supplement, 1992, be amended to read as follows:

66-723. (1) Any corporate officer or employee with the authority to decide whether the corporation will pay the taxes imposed upon a corporation by the motor fuel laws, to file any reports or returns required by the motor fuel laws, or to perform any other act required of a corporation under the motor fuel laws shall be personally liable for the payment of the taxes, interest, or penalties in the event of willful failure on his or her part to have the corporation perform such act. Such taxes shall be collected in the same manner as provided under the Uniform State Tax Lien Registration and Enforcement Act.

(2) Within sixty days after the day on which the notice and demand are made for the payment of such taxes, any corporate officer or employee seeking to challenge the Tax Commissioner's determination as to his or her personal liability for the corporation's unpaid taxes shall:

(a) Pay the full amount of the taxes or the specified minimum amount and post a bond for the remainder; and

(b) File a claim for refund for the amount so paid.

(3) If the requirements prescribed in subsection (2) of this section are satisfied, the Tax Commissioner shall abate collection proceedings and shall grant the corporate officer or employee an oral hearing and give him or her ten days' notice of the time and place of such hearing. The Tax Commissioner may continue the hearing from time to time as necessary.

(4) Any notice required under this section shall be served personally or by mail in the manner provided in section 66-721.

(5) If the Tax Commissioner determines that further delay

in the collection of such taxes from the corporate officer or employee will jeopardize future collection proceedings, nothing in this section shall prevent the immediate collection of such taxes.

(6) For purposes of this section:

(a) Taxes shall mean all taxes and additions to taxes including interest and penalties imposed under the motor fuel laws which are administered by the Tax Commissioner; and

(b) Willful failure shall mean that failure which was the result of an intentional, conscious, and voluntary action.

Sec. 14. That section 66-727, Revised Statutes Supplement, 1992, be amended to read as follows:

66-727. (1) It shall be unlawful for any person to:

(a) Knowingly import any motor vehicle fuel or special fuel into the State of Nebraska without remitting the full amount of tax imposed by the provisions of the motor fuel laws except as provided in sections 66-489, 66-605, and 66-605.04;

(b) Refuse or knowingly and intentionally fail to make and file any return, report, or statement required by the motor fuel laws in the manner or within the time required;

(c) Knowingly and with intent to evade or to aid or abet any other person in the evasion of the tax imposed by the motor fuel laws (i) make any false or incomplete report, return, or statement, (ii) conceal any material fact in any record, report, return, or affidavit provided for in the motor fuel laws, or (iii) improperly claim any exemption from tax imposed by the motor fuel laws;

(d) Knowingly conduct any activities requiring a license or permit under the provisions of the motor fuel laws, the Petroleum Release Remedial Action Act, the Special Fuel Tax Act, and Chapter 66, articles 4, 5, and 7, without a license or permit or after a license or permit has been surrendered, suspended, or canceled;

(e) Knowingly conduct any activities requiring a license under the Interstate Motor Carriers Base State Fuel Tax Compact Act or any activities requiring a permit under the provisions of the motor fuel laws without such license or permit or after such license or permit has been surrendered, suspended, or canceled;

(f) Knowingly assign or attempt to assign a license or permit;

(g) Knowingly fail to keep and maintain books and records required by the motor fuel laws;

(h) Knowingly fail or refuse to pay a fuel tax when due;

(i) Knowingly make any false statement in connection with an application for the refund of any money or tax; or

(j) Knowingly violate any of the motor fuel laws or any rule or regulation under the motor fuel laws.

(2) Any person who violates subdivision ~~(1)(a), (d), (f), or (h)~~ (1)(b), (f), (h), or (j) of this section shall be guilty of a Class IV felony. Failing to report or pay taxes due shall constitute a separate offense for

each reporting period.

(3) Any person who violates subdivision ~~(1)(b), (c), or (e)~~ (1)(a), (c), (d), (g), or (i) of this section shall be guilty of a Class IV felony if the amount of tax involved is less than five thousand dollars and a Class III felony if the amount of tax is five thousand dollars or more. Failing to report or pay taxes due shall constitute a separate offense for each reporting period.

(4) Any person who violates subdivision ~~(1)(e)~~ (1)(e) of this section shall be guilty of a separate Class ~~II~~ IV misdemeanor for each day of operation.

Sec. 15. That section 66-740, Revised Statutes Supplement, 1992, be amended to read as follows:

66-740. The motor fuel tax task force created pursuant to Laws 1989, LB 813, section 30, composed of representatives from the Department of Roads, the Department of Revenue, the Attorney General, the Nebraska State Patrol, the Department of Agriculture, and the State Fire Marshal, shall continue to function until June 30, 1996, to carry out the duties prescribed in this section. The task force shall meet at least quarterly to review the activities of the state agencies that are involved in motor vehicle fuel and special fuel tax collection, prosecution, investigation, and information gathering. The task force shall study and assess the successes and problems associated with the passage of Laws 1991, LB 627, and make recommendations for further administrative, statutory, or budgetary improvements to the Appropriations Committee and Revenue Committee of the Legislature on December 1 of each year through 1995.

~~The study due December 1, 1992, shall include a review; conducted in conjunction with and with the assistance of the petroleum marketing industry, of the penalties included in the motor fuel laws which would be appropriate to deter violations without being unduly onerous.~~

On June 30, 1996, the task force shall issue a final report to the committees. The report shall summarize for the period from January 1, 1992, until the date of the report: (1) The activities of the task force; (2) the total expenses of state agencies associated with the implementation of Laws 1991, LB 627; and (3) the estimated increases in motor vehicle fuel and special fuel tax collection that are related to Laws 1991, LB 627, or any associated legislation.

The remaining balance of the amount reappropriated pursuant to Laws 1991, LB 627A, section 5, to support the activities of the task force shall be reappropriated for FY1993-94 and FY1994-95. The remaining balance of the amount appropriated in Laws 1989, LB 813, section 30, as amended by Laws 1990, LB 1031, section 10, for the activities of the task force shall be reappropriated to support the activities of the task force for FY1991-92 and FY1992-93.

All state agencies shall cooperate, to the extent possible, with all national initiatives intended to enhance motor vehicle fuel and special fuel tax collection at the federal and state levels. State activity in this area should include efforts to have Nebraska designated as a leading

state in these initiatives, should the opportunity be made available.

Sec. 16. That section 66-1226, Revised Statutes Supplement, 1992, be amended to read as follows:

66-1226. (1) The Legislature hereby adopts by reference the American Society For Testing and Materials publication D4814-89 entitled Standard Specifications for Automotive Spark Ignition Engine Fuels. The Department of Agriculture shall file copies of such publication with the Secretary of State and Clerk of the Legislature.

(2) Commencing on January 1, 1992, all automotive spark ignition engine fuels sold in Nebraska shall meet the specification as found in the American Society For Testing and Materials publication D4814-89 entitled Standard Specifications for Automotive Spark Ignition Engine Fuels. Any person who violates this subsection shall be guilty of ~~an infraction pursuant to section 29-431 to 29-438~~ a Class I misdemeanor for the first such violation and a Class IV felony for all subsequent violations.

(3) For purposes of this section, automotive spark ignition engine fuels shall mean gasoline and its blends with oxygenates such as alcohol and ethers.

Sec. 17. Sections 15 and 18 of this act shall become operative on July 1, 1993. This section and section 20 of this act shall become operative on their effective date. The other sections of this act shall become operative on January 1, 1994.

Sec. 18. That original section 66-740, Revised Statutes Supplement, 1992, is repealed.

Sec. 19. That original sections 66-490, 66-493, 66-4,115, 66-501 to 66-503, 66-505, 66-512, 66-605.07, 66-607, 66-719, 66-720, 66-723, 66-727, and 66-1226, Revised Statutes Supplement, 1992, and also section 66-519, Reissue Revised Statutes of Nebraska, 1943, and sections 66-514 to 66-518 and 66-520, Revised Statutes Supplement, 1992, are repealed.

Sec. 20. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.