

LEGISLATURE OF NEBRASKA  
ONE HUNDREDTH LEGISLATURE  
FIRST SESSION  
**LEGISLATIVE BILL 403**

Introduced by Schimek, 27

Read first time January 16, 2007

Committee: Revenue

A BILL

1 FOR AN ACT relating to streets and roads; to amend sections  
2 39-2215, 66-4,100, and 77-27,132, Revised Statutes  
3 Cumulative Supplement, 2006; to change distribution  
4 of certain sales and use tax proceeds; to harmonize  
5 provisions; to provide an operative date; and to repeal  
6 the original sections.  
7 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 39-2215, Revised Statutes Cumulative  
2 Supplement, 2006, is amended to read:

3           39-2215 (1) There is hereby created in the state treasury  
4 a special fund to be known as the Highway Trust Fund.

5           (2) All funds credited to the Highway Trust Fund pursuant  
6 to sections 66-4,140, 66-4,147, and 66-6,108, and related penalties  
7 and interest, shall be allocated as provided in such sections.

8           (3) All other motor vehicle fuel taxes, diesel fuel  
9 taxes, compressed fuel taxes, and alternative fuel taxes related to  
10 highway use retained by the state, all motor vehicle registration  
11 fees retained by the state other than those fees credited to  
12 the State Recreation Road Fund pursuant to subdivision (3) of  
13 section 60-3,156, and other highway-user taxes imposed by state  
14 law and allocated to the Highway Trust Fund, except for the  
15 proceeds of the sales and use taxes derived from motor vehicles,  
16 trailers, and semitrailers credited to the fund pursuant to section  
17 77-27,132, are hereby irrevocably pledged for the terms of the  
18 bonds issued prior to January 1, 1988, to the payment of the  
19 principal, interest, and redemption premium, if any, of such bonds  
20 as they mature and become due at maturity or prior redemption  
21 and for any reserves therefor and shall, as received by the State  
22 Treasurer, be deposited in the fund for such purpose.

23           (4) Of the money in the fund specified in subsection  
24 (3) of this section which is not required for the use specified  
25 in such subsection, (a) an amount equal to three dollars times

1 the number of motorcycles registered during the previous month  
2 shall be placed in the Motorcycle Safety Education Fund, (b) an  
3 amount to be determined annually by the Legislature through the  
4 appropriations process may be transferred to the Motor Fuel Tax  
5 Enforcement and Collection Cash Fund for use as provided in section  
6 66-738 on a monthly or other less frequent basis as determined by  
7 the appropriation language, (c) an amount to be determined annually  
8 by the Legislature through the appropriations process shall be  
9 transferred to the License Plate Cash Fund as certified by the  
10 Director of Motor Vehicles, and (d) the remaining money may be  
11 used for the purchase for retirement of the bonds issued prior to  
12 January 1, 1988, in the open market.

13 (5) The State Treasurer shall monthly transfer, from the  
14 proceeds of the sales and use taxes credited to the Highway Trust  
15 Fund and any money remaining in the fund after the requirements of  
16 subsections (2) through (4) of this section are satisfied, thirty  
17 thousand dollars to the Grade Crossing Protection Fund.

18 (6) The State Treasurer shall monthly distribute the  
19 proceeds equal to any sales tax rate provided for in section  
20 77-2701.02 that is in excess of five and one-half percent derived  
21 from motor vehicles, trailers, and semitrailers from the proceeds  
22 of sales and use taxes credited to the Highway Trust Fund as  
23 follows: (a) One-half of such amount shall be distributed to  
24 the various counties and municipal counties for road construction  
25 purposes on a per-capita basis calculated using the most recent

1 federal census figures certified by the Tax Commissioner as  
2 provided in section 77-3,119; and (b) one-half of such amount  
3 shall be distributed to the various municipalities and municipal  
4 counties for road construction purposes on a per-capita basis  
5 calculated using the most recent federal census figures certified  
6 by the Tax Commissioner as provided in section 77-3,119.

7           ~~(6)~~ (7) Except as provided in subsection ~~(7)~~ (8) of  
8 this section, the balance of the Highway Trust Fund shall be  
9 allocated fifty-three and one-third percent, less the amount  
10 provided for in section 39-847.01, to the Department of Roads,  
11 twenty-three and one-third percent, less the amount provided for in  
12 section 39-847.01, to the various counties for road purposes, and  
13 twenty-three and one-third percent to the various municipalities  
14 for street purposes. If bonds are issued pursuant to subsection  
15 (2) of section 39-2223, the portion allocated to the Department  
16 of Roads shall be credited monthly to the Highway Restoration and  
17 Improvement Bond Fund, and if no bonds are issued pursuant to  
18 such subsection, the portion allocated to the department shall  
19 be credited monthly to the Highway Cash Fund. The portions  
20 allocated to the counties and municipalities shall be credited  
21 monthly to the Highway Allocation Fund and distributed monthly as  
22 provided by law. Vehicles accorded prorated registration pursuant  
23 to section 60-3,198 shall not be included in any formula involving  
24 motor vehicle registrations used to determine the allocation and  
25 distribution of state funds for highway purposes to political

1 subdivisions.

2           ~~(7)~~ (8) If it is determined by December 20 of any year  
3 that a county will receive from its allocation of state-collected  
4 highway revenue and from any funds relinquished to it by  
5 municipalities within its boundaries an amount in such year which  
6 is less than such county received in state-collected highway  
7 revenue in calendar year 1969, based upon the 1976 tax rates for  
8 highway-user fuels and registration fees, the Department of Roads  
9 shall notify the State Treasurer that an amount equal to the sum  
10 necessary to provide such county with funds equal to such county's  
11 1969 highway allocation for such year shall be transferred to such  
12 county from the Highway Trust Fund. Such makeup funds shall be  
13 matched by the county as provided in sections 39-2501 to 39-2510.  
14 The balance remaining in the fund after such transfer shall then be  
15 reallocated as provided in subsection ~~(6)~~ (7) of this section.

16           ~~(8)~~ (9) The State Treasurer shall disburse the money in  
17 the Highway Trust Fund as directed by resolution of the commission.  
18 All disbursements from the fund shall be made upon warrants drawn  
19 by the Director of Administrative Services. Any money in the fund  
20 available for investment shall be invested by the state investment  
21 officer pursuant to the Nebraska Capital Expansion Act and the  
22 Nebraska State Funds Investment Act and the earnings, if any,  
23 credited to the fund.

24           Sec. 2. Section 66-4,100, Revised Statutes Cumulative  
25 Supplement, 2006, is amended to read:

1                   66-4,100 The Highway Cash Fund and the Roads Operations  
2 Cash Fund are hereby created. If bonds are issued pursuant to  
3 subsection (2) of section 39-2223, the balance of the share of  
4 the Highway Trust Fund allocated to the Department of Roads and  
5 deposited into the Highway Restoration and Improvement Bond Fund as  
6 provided in subsection ~~(6)~~ (7) of section 39-2215 and the balance  
7 of the money deposited in the Highway Restoration and Improvement  
8 Bond Fund as provided in section 39-2215.01 shall be transferred  
9 by the State Treasurer, on or before the last day of each month,  
10 to the Highway Cash Fund. If no bonds are issued pursuant to  
11 subsection (2) of section 39-2223, the share of the Highway Trust  
12 Fund allocated to the Department of Roads shall be transferred by  
13 the State Treasurer on or before the last day of each month to the  
14 Highway Cash Fund.

15                   The Legislature may direct the State Treasurer to  
16 transfer funds from the Highway Cash Fund to the Roads Operations  
17 Cash Fund. Both funds shall be expended by the department (1) for  
18 acquiring real estate, road materials, equipment, and supplies  
19 to be used in the construction, reconstruction, improvement,  
20 and maintenance of state highways, (2) for the construction,  
21 reconstruction, improvement, and maintenance of state highways,  
22 including grading, drainage, structures, surfacing, roadside  
23 development, landscaping, and other incidentals necessary for  
24 proper completion and protection of state highways as the  
25 department shall, after investigation, find and determine shall

1 be for the best interests of the highway system of the state,  
2 either independent of or in conjunction with federal-aid money for  
3 highway purposes, (3) for the share of the department of the cost  
4 of maintenance of state aid bridges, (4) for planning studies in  
5 conjunction with federal highway funds for the purpose of analyzing  
6 traffic problems and financial conditions and problems relating to  
7 state, county, township, municipal, federal, and all other roads  
8 in the state and for incidental costs in connection with the  
9 federal-aid grade crossing program for roads not on state highways,  
10 (5) for tests and research by the department or proportionate costs  
11 of membership, tests, and research of highway organizations when  
12 participated in by the highway departments of other states, (6)  
13 for the payment of expenses and costs of the Board of Examiners  
14 for County Highway and City Street Superintendents as set forth in  
15 section 39-2310, and (7) for support of the public transportation  
16 assistance program established under section 13-1209 and the  
17 intercity bus system assistance program established under section  
18 13-1213.

19           Any money in the Highway Cash Fund and the Roads  
20 Operations Cash Fund not needed for current operations of the  
21 department shall, as directed by the Director-State Engineer to  
22 the State Treasurer, be invested by the state investment officer  
23 pursuant to the Nebraska Capital Expansion Act and the Nebraska  
24 State Funds Investment Act, subject to approval by the board of  
25 each investment. All income received as a result of such investment

1 shall be placed in the Highway Cash Fund.

2           Sec. 3. Section 77-27,132, Revised Statutes Cumulative  
3 Supplement, 2006, is amended to read:

4           77-27,132 (1) There is hereby created a fund to be  
5 designated the Revenue Distribution Fund which shall be set apart  
6 and maintained by the Tax Commissioner. Revenue not required to be  
7 credited to the General Fund or any other specified fund may be  
8 credited to the Revenue Distribution Fund. Credits and refunds of  
9 such revenue shall be paid from the Revenue Distribution Fund. The  
10 balance of the amount credited, after credits and refunds, shall be  
11 allocated as provided by the statutes creating such revenue.

12           (2) The Tax Commissioner shall pay to a depository bank  
13 designated by the State Treasurer all amounts collected under the  
14 Nebraska Revenue Act of 1967. The Tax Commissioner shall present  
15 to the State Treasurer bank receipts showing amounts so deposited  
16 in the bank, and of the amounts so deposited the State Treasurer  
17 shall credit to the Highway Trust Fund all of the proceeds of  
18 the sales and use taxes derived from motor vehicles, trailers, and  
19 semitrailers, ~~except that the proceeds equal to any sales tax~~  
20 ~~rate provided for in section 77-2701.02 that is in excess of five~~  
21 ~~percent derived from motor vehicles, trailers, and semitrailers~~  
22 ~~shall be credited to the Highway Allocation Fund.~~ The balance of  
23 all amounts collected under the Nebraska Revenue Act of 1967 shall  
24 be credited to the General Fund.

25           Sec. 4. This act becomes operative on October 1, 2007.



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1                   Sec. 5. Original sections 39-2215, 66-4,100, and  
2 77-27,132, Revised Statutes Cumulative Supplement, 2006, are  
3 repealed.