

LEGISLATURE OF NEBRASKA  
ONE HUNDREDTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 741**

Introduced by Fulton, 29.

Read first time January 09, 2008

Committee: Transportation and Telecommunications

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section  
2 60-3,186, Revised Statutes Supplement, 2007; to change  
3 distribution of motor vehicle tax proceeds; to provide an  
4 operative date; and to repeal the original section.

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

1           Section 1. Section 60-3,186, Revised Statutes Supplement,  
2 2007, is amended to read:

3           60-3,186 (1) The county treasurer or designated county  
4 official shall annually determine the motor vehicle tax on each  
5 motor vehicle registered in the county based on the age of the  
6 motor vehicle pursuant to section 60-3,187 and cause a notice of  
7 the amount of the tax to be mailed to the registrant at the address  
8 shown upon his or her registration certificate. The notice shall be  
9 printed on a form prescribed by the department and shall be mailed  
10 on or before the first day of the last month of the registration  
11 period.

12           (2) (a) The motor vehicle tax, motor vehicle fee,  
13 registration fee, sales tax, and any other applicable taxes and  
14 fees shall be paid to the county treasurer or designated county  
15 official prior to the registration of the motor vehicle for  
16 the following registration period. If the motor vehicle being  
17 registered has been transferred as a gift or for a nominal amount,  
18 any sales tax owed by the transferor on the purchase of the motor  
19 vehicle shall have been paid or be paid to the county treasurer or  
20 designated county official prior to the registration of the motor  
21 vehicle for the following registration period.

22           (b) After retaining one percent of the motor vehicle  
23 tax proceeds collected for costs, the remaining motor vehicle tax  
24 proceeds shall be allocated to each county, local school system,  
25 school district, city, and village in the tax district in which the

1 motor vehicle has situs.

2 (c) (i) ~~Twenty-two~~ Twenty-five percent of the remaining  
 3 motor vehicle tax proceeds shall be allocated to the county, (ii)  
 4 ~~sixty~~ fifty-five percent shall be allocated to the local school  
 5 system or school district, and (iii) ~~eighteen~~ twenty percent shall  
 6 be allocated to the city or village, except that (A) if the tax  
 7 district is not in a city or village, ~~forty~~ forty-five percent  
 8 shall be allocated to the county, and (B) in counties containing  
 9 a city of the metropolitan class, ~~eighteen~~ twenty percent shall be  
 10 allocated to the county and ~~twenty-two~~ twenty-five percent shall be  
 11 allocated to the city or village.

12 (d) The amount allocated to a local school system shall  
 13 be distributed to school districts in the same manner as property  
 14 taxes. The motor vehicle tax proceeds allocated to a county, city,  
 15 or village which represent allocations greater than the following  
 16 percentages shall be used for the maintenance and improvement of  
 17 roads and streets:

18 (i) Twenty-two percent for purposes of subdivision  
 19 (2) (c) (i) of this section;

20 (ii) Eighteen percent for purposes of subdivision  
 21 (2) (c) (iii) of this section;

22 (iii) Forty percent for purposes of subdivision  
 23 (2) (c) (iii) (A) of this section; and

24 (iv) Eighteen percent for purposes of subdivision  
 25 (2) (c) (iii) (B) of this section for allocations to counties and

1 twenty-two percent for purposes of such subdivision for allocations  
2 to cities and villages.

3 (3) Proceeds from the motor vehicle tax shall be treated  
4 as property tax revenue for purposes of expenditure limitations,  
5 matching of state or federal funds, and other purposes.

6 Sec. 2. This act becomes operative on January 1, 2009.

7 Sec. 3. Original section 60-3,186, Revised Statutes  
8 Supplement, 2007, is repealed.