

ONE HUNDRED FOURTH LEGISLATURE - FIRST SESSION - 2015
COMMITTEE STATEMENT
LB498

Hearing Date: Tuesday February 10, 2015
Committee On: Transportation and Telecommunications
Introducer: Hadley
One Liner: Change sales and use tax provisions relating to all-terrain vehicles and utility-type vehicles

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 8 Senators Smith, Seiler, Murante, McCoy, Garrett, Friesen, Davis, Brasch
Nay:
Absent:
Present Not Voting:

Verbal Testimony:

Proponents:
Senator Galen Hadley
Jean Sidwell
Larry Dix

Representing:
Introducer
Nebraska Association of County Officials
Nebraska Association of County Officials

Opponents:
Robert Kay

Representing:
Star City Motor Sports

Neutral:
Loy Todd

Representing:
Nebraska New Car & Truck Dealers Association

Summary of purpose and/or changes:

The bill would amend section 77-2703, imposition of the sales tax. Subsection (K) (i), sales taxation of all-terrain and utility vehicles is eliminated and repealed.

The effect of the change is that these types of vehicles will, effective October 1, 2015, have the sales tax imposed and collected at the time of sale by the retailer.

Subsection (k) (i) currently provides that the sales tax is collected by the county treasurer at the time the purchaser makes application for the certificate of title for the all-terrain or utility-type vehicle.

Explanation of amendments:

The Committee considered and adopted an amendment which substitutes for the bill.

Section 1- Amends section 60-123; definition of motor vehicle for purposes of the Motor Vehicle Title Act.

Section 5- Amends section 60-339; definition of motor vehicle for purposes of the Motor Vehicle Registration Act.

The sections are amended by clarifying a reference to all-terrain vehicles (ATV) and utility-type vehicles (UTV).

Section 2- Amends section 60-153- form for the certificate of title.

The section is amended by striking language which requires that a title for an ATV or UTV shall display the phrase "not to be registered for road use".

Section 3- Amends section 60-301; title section for the Motor Vehicle Registration Act.

The section is amended by adding sections 7 to 16 of the bill to the act.

Section 4- Amends section 60-305; definition of ATV for purposes of the Motor Vehicle Registration Act.

Section 6- Amends section 60-358.01; definition of UTV for purposes of the Motor Vehicle Registration Act.

Section 17- Amends section 60-6,355; definition of ATV and UTV for purposes of the Nebraska Rules of the Road.

Language in each section is stricken which states that an ATV or UTV which has been modified or retrofitted with aftermarket parts may not be registered as a motor vehicle in this state nor registered in any other category of motor vehicle

defined in the Motor Vehicle Registration Act. (See section 8(2) of the bill)

Section 7- Enacts a new provision of law.

Definitions for purposes of the Act. The terms "Dealer", "Manufacturer" and "Operate" are defined.

Section 8- Enacts a new provision of law.

(1)Effective October 1, 2015 no person shall operate an ATV/UTV in this state unless it has been registered pursuant to this Act.

(2)An ATV/UTV which has been modified or retrofitted with aftermarket parts shall be registered pursuant to this Act and shall be eligible for registration in any other registration category defined by the Motor Vehicle Registration Act.

Section 9- Enacts a new provision of law.

An ATV/UTV shall be registered with the county treasurer within 30 days of purchase. The county treasurer shall provide a registration decal which shall be affixed to the frame of the vehicle.

An ATV/UTV owned by a dealer and used for demonstration purposes shall be exempt from registration.

Section 10- Enacts a new provision of law.

The registration fee for an ATV/UTV shall be \$8.

Section 11- Enacts a new provision of law.

The registration for an ATV/UTV shall be valid until ownership of the vehicle is transferred.

Section 12- Enacts a new provision of law. Registration is not required for any ATV/UTV:

- 1) owned by the federal government or any state;
- 2) registered in another country and in the state temporarily; or
- 3) registered in any other state and in Nebraska less than 30 days.

Section 13-Enacts a new provision of law.

Local entities of government may not require licensing or registration of any ATV/UTV.

Section 14- Enacts a new provision of law.

An ATV/UTV properly registered in another state may be operated in Nebraska on a reciprocal basis.

Section 15- Enacts a new provision of law.

Upon registration of an ATV/UTV a fee of \$8 shall be paid. \$7 of the fee will be retained by the county, and \$1 shall be deposited to the Department of Motor Vehicles Cash Fund.

Section 16- Enacts a new provision of law.

The department of Motor Vehicle shall keep a record of the registration of all ATV's/UTV's.

Section 18-Amends section 77-2703; imposition of the sales tax.

The amendment retains the current requirement in law that the sales due on the purchase of an ATV/UTV shall be collected by the county treasurer, at the time of titling, for all purchases except those made from a dealer. The amendment adds new language that provides for purchases made from a dealer, the sales tax shall be collected at the time of purchase.

Section 19- Enacts a new provision of law.

The Act shall be operative October 1, 2015

Section 20- Repealer

Jim Smith, Chairperson