

## LEGISLATIVE BILL 904

Approved by the Governor April 12, 2006

Introduced by Baker, 44; Brown, 6; Connealy, 16; Cornett, 45; Fischer, 43; Janssen, 15; Louden, 49; Smith, 48; Dw. Pedersen, 39; Beutler, 28

AN ACT relating to street and road funds; to amend sections 39-2401, 39-2510, 39-2520, and 77-27,132, Reissue Revised Statutes of Nebraska; to change provisions relating to proceeds credited to and distributions from the Highway Allocation Fund; to require use of certain sales and use tax revenue for street and road purposes; to harmonize provisions; to provide an operative date; and to repeal the original sections.

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

Section 1. Section 39-2401, Reissue Revised Statutes of Nebraska, is amended to read:

39-2401 There is hereby established the Highway Allocation Fund. There shall be paid into such fund the amounts disbursed from time to time from the Highway Trust Fund as provided by law together with such sums as may be appropriated thereto from the General Fund and proceeds of sales and use taxes credited to the Highway Allocation Fund under section 77-27,132. Any money in the Highway Allocation Fund fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 2. Section 39-2510, Reissue Revised Statutes of Nebraska, is amended to read:

39-2510 (1) All ~~No~~ money derived from fees, excises, or license fees relating to registration, operation, or use of vehicles on the public highways, or to fuels used for the propulsion of such vehicles, shall be expended for ~~other than cost of administering laws under which such money is derived, statutory refunds and adjustments provided therein,~~ payment of highway obligations, cost of construction, reconstruction, maintenance, and repair of public highways and bridges and county, city, township, and village roads, streets, and bridges, and all facilities, appurtenances, and structures deemed necessary ~~or desirable~~ in connection with such highways, bridges, roads, and streets, ~~except that the provisions of this section shall not apply to or may be pledged to secure bonded indebtedness issued for such purposes, except for (a) the cost of administering laws under which such money is derived, (b) statutory refunds and adjustments provided therein, and (c) money derived from the motor vehicle operators' license fees or money received from parking meter proceeds, fines, and penalties.~~

(2) The requirements of subsection (1) of this section also apply to sales and use taxes imposed on motor vehicles, trailers, and semitrailers pursuant to sections 13-319 and 77-27,142, except that such provisions shall not apply in a county or municipal county that has issued bonds (a) the proceeds of which were used for purposes listed in subsection (1) of this section and for which revenue other than sales and use taxes on motor vehicles, trailers, and semitrailers is pledged for payment or (b) approved by a vote that required the use of sales and use taxes imposed on motor vehicles, trailers, and semitrailers for a specific purpose other than those listed in subsection (1) of this section, until all such bonds issued prior to January 1, 2006, have been paid or retired. The county or municipal county shall include a certification with the report under section 39-2120 showing the amount of revenue other than sales and use tax revenue derived from motor vehicles, trailers, or semitrailers that is to be expended for the purposes listed in subsection (1) of this section and the amount of sales and use taxes expected to be collected from sales of motor vehicles, trailers, and semitrailers for that year.

Sec. 3. Section 39-2520, Reissue Revised Statutes of Nebraska, is amended to read:

39-2520 (1) All ~~No~~ money derived from fees, excises, or license fees relating to registration, operation, or use of vehicles on the public highways, or to fuels used for the propulsion of such vehicles, shall be expended for ~~other than cost of administering laws under which such money is derived, statutory refunds and adjustments provided therein,~~ payment of highway obligations, cost of construction, reconstruction, maintenance, and repair of public highways and bridges and county, city, township, and village roads, streets, and bridges, ~~offstreet public parking owned by the municipality,~~ and all facilities, appurtenances, and structures deemed

necessary ~~or desirable~~ in connection with such highways, bridges, roads, and streets, ~~except that this section shall not apply to or may be pledged to secure bonded indebtedness issued for such purposes, except for (a) the cost of administering laws under which such money is derived, (b) statutory refunds and adjustments provided therein, and (c) money derived from the motor vehicle operators' license fees or money received from parking meter proceeds, fines, and penalties.~~

(2) The requirements of subsection (1) of this section also apply to sales and use taxes imposed on motor vehicles, trailers, and semitrailers pursuant to sections 13-319 and 77-27,142, except that such provisions shall not apply in a municipality that has issued bonds (a) the proceeds of which were used for purposes listed in subsection (1) of this section and for which revenue other than sales and use taxes on motor vehicles, trailers, and semitrailers is pledged for payment or (b) approved by a vote that required the use of sales and use taxes imposed on motor vehicles, trailers, and semitrailers for a specific purpose other than those listed in subsection (1) of this section, until all such bonds issued prior to January 1, 2006, have been paid or retired. The municipality shall include a certification with the report under section 39-2120 showing the amount of revenue other than sales and use tax revenue derived from motor vehicles, trailers, or semitrailers that is to be expended for the purposes listed in subsection (1) of this section and the amount of sales and use taxes expected to be collected from sales of motor vehicles, trailers, and semitrailers for that year.

Sec. 4. Section 77-27,132, Reissue Revised Statutes of Nebraska, is amended to read:

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

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

Sec. 5. This act becomes operative on October 1, 2006.

Sec. 6. Original sections 39-2401, 39-2510, 39-2520, and 77-27,132, Reissue Revised Statutes of Nebraska, are repealed.