

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 736**

Introduced by Murman, 38; Halloran, 33.

Read first time January 23, 2019

Committee:

1 A BILL FOR AN ACT relating to political subdivisions; to amend sections  
2 18-1208 and 77-27,223, Reissue Revised Statutes of Nebraska, and  
3 sections 14-109, 15-203, 16-205, and 17-525, Revised Statutes  
4 Cumulative Supplement, 2018; to provide restrictions on occupation  
5 taxes, license fees, and regulation as prescribed; to harmonize  
6 provisions; and to repeal the original sections.

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

1 Section 1. Section 14-109, Revised Statutes Cumulative Supplement,  
2 2018, is amended to read:

3 14-109 (1)(a) The city council shall have power to tax for revenue,  
4 license, and regulate any person within the limits of the city by  
5 ordinance except as otherwise provided in this section. Such tax may  
6 include both a tax for revenue and license. The city council may raise  
7 revenue by levying and collecting a tax on any occupation or business  
8 within the limits of the city except as otherwise provided in this  
9 section. After March 27, 2014, any occupation tax imposed pursuant to  
10 this section shall make a reasonable classification of businesses, users  
11 of space, or kinds of transactions for purposes of imposing such tax,  
12 except that no occupation tax shall be imposed on any transaction which  
13 is subject to tax under section 53-160, 66-489, 66-489.02, 66-4,140,  
14 66-4,145, 66-4,146, 77-2602, or 77-4008 or which is exempt from tax under  
15 section 77-2704.24. The occupation tax shall be imposed in the manner  
16 provided in section 18-1208, except that section 18-1208 does not apply  
17 to an occupation tax subject to section 86-704. All such taxes shall be  
18 uniform in respect to the class upon which they are imposed. All  
19 scientific and literary lectures and entertainments shall be exempt from  
20 taxation, as well as concerts and all other musical entertainments given  
21 exclusively by the residents ~~citizens~~ of the city. ~~The~~ ~~It shall be the~~  
22 ~~duty of the~~ city clerk shall ~~to~~ deliver to the city treasurer the  
23 certified copy of the ordinance levying such tax, and the city clerk  
24 shall append thereto a warrant requiring the city treasurer to collect  
25 such tax.

26 (b) Beginning January 1, 2020:

27 (i) No occupation tax or license fee imposed under this subsection  
28 shall be greater than twenty-five dollars annually;

29 (ii) No occupation tax or license fee shall be imposed by a city of  
30 the metropolitan class on a profession or business that provides goods or  
31 services unless the profession or business was subject to an occupation

1 tax or license fee under this subsection on January 1, 2020; and  
2 (iii) No licensing requirements shall be imposed by a city of the  
3 metropolitan class on any profession or business which is subject to  
4 state licensing requirements.

5 (c) (b) For purposes of this subsection, limits of the city does not  
6 include the extraterritorial zoning jurisdiction of such city.

7 (2)(a) Except as otherwise provided in subdivision (c) of this  
8 subsection, the city council shall also have power to require any  
9 individual whose primary residence or person who owns a place of business  
10 which is within the limits of the city and that owns and operates a motor  
11 vehicle within such limits to annually register such motor vehicle in  
12 such manner as may be provided and to require such person to pay an  
13 annual motor vehicle fee therefor and to require the payment of such fee  
14 upon the change of ownership of such vehicle. All such fees which may be  
15 provided for under this subsection shall be credited to a separate fund  
16 of the city, thereby created, to be used exclusively for constructing,  
17 repairing, maintaining, or improving streets, roads, alleys, public ways,  
18 or parts thereof or for the amortization of bonded indebtedness when  
19 created for such purposes.

20 (b) No motor vehicle fee shall be required under this subsection if  
21 (i) a vehicle is used or stored but temporarily in such city for a period  
22 of six months or less in a twelve-month period, (ii) an individual does  
23 not have a primary residence or a person does not own a place of business  
24 within the limits of the city and does not own and operate a motor  
25 vehicle within the limits of the city, or (iii) an individual is a full-  
26 time student attending a postsecondary institution within the limits of  
27 the city and the motor vehicle's situs under the Motor Vehicle  
28 Certificate of Title Act is different from the place at which he or she  
29 is attending such institution.

30 (c) After December 31, 2012, no motor vehicle fee shall be required  
31 of any individual whose primary residence is or person who owns a place

1 of business within the extraterritorial zoning jurisdiction of such city.

2 (d) For purposes of this subsection, limits of the city includes the  
3 extraterritorial zoning jurisdiction of such city.

4 (3) For purposes of this section, person includes bodies corporate,  
5 societies, communities, the public generally, individuals, partnerships,  
6 limited liability companies, joint-stock companies, cooperatives, and  
7 associations. Person does not include any federal, state, or local  
8 government or any political subdivision thereof.

9 Sec. 2. Section 15-203, Revised Statutes Cumulative Supplement,  
10 2018, is amended to read:

11 15-203 (1) A city of the primary class shall have power to raise  
12 revenue by levying and collecting a license or occupation tax on any  
13 person, partnership, limited liability company, corporation, or business  
14 within the limits of the city and regulate the same by ordinance except  
15 as otherwise provided in this section and in section 15-212. After March  
16 27, 2014, any occupation tax imposed pursuant to this section shall make  
17 a reasonable classification of businesses, users of space, or kinds of  
18 transactions for purposes of imposing such tax, except that no occupation  
19 tax shall be imposed on any transaction which is subject to tax under  
20 section 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602,  
21 or 77-4008 or which is exempt from tax under section 77-2704.24. The  
22 occupation tax shall be imposed in the manner provided in section  
23 18-1208, except that section 18-1208 does not apply to an occupation tax  
24 subject to section 86-704. All such taxes shall be uniform in respect to  
25 the class upon which they are imposed.

26 (2) Beginning January 1, 2020:

27 (a) No occupation tax or license fee imposed under this section  
28 shall be greater than twenty-five dollars annually;

29 (b) No occupation tax or license fee shall be imposed by a city of  
30 the primary class on a profession or business that provides goods or  
31 services unless the profession or business was subject to an occupation

1 tax or license fee under this section on January 1, 2020; and

2 (c) No licensing requirements shall be imposed by a city of the  
3 primary class on any profession or business which is subject to state  
4 licensing requirements.

5 (3) All scientific and literary lectures and entertainments shall be  
6 exempt from such taxation as well as concerts and all other musical  
7 entertainments given exclusively by the residents citizens of the city.

8 Sec. 3. Section 16-205, Revised Statutes Cumulative Supplement,  
9 2018, is amended to read:

10 16-205 (1) Except as otherwise provided in this section, a A city  
11 of the first class may raise revenue by levying and collecting a license  
12 or occupation tax on any person, partnership, limited liability company,  
13 corporation, or business within the limits of the city and may regulate  
14 the same by ordinance. After March 27, 2014, any occupation tax imposed  
15 pursuant to this section shall make a reasonable classification of  
16 businesses, users of space, or kinds of transactions for purposes of  
17 imposing such tax, except that no occupation tax shall be imposed on any  
18 transaction which is subject to tax under section 53-160, 66-489,  
19 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602, or 77-4008 or which is  
20 exempt from tax under section 77-2704.24. The occupation tax shall be  
21 imposed in the manner provided in section 18-1208, except that section  
22 18-1208 does not apply to an occupation tax subject to section 86-704.  
23 All such taxes shall be uniform in respect to the class upon which they  
24 are imposed.

25 (2) Beginning January 1, 2020:

26 (a) No occupation tax or license fee imposed under this section  
27 shall be greater than twenty-five dollars annually;

28 (b) No occupation tax or license fee shall be imposed by a city of  
29 the first class on a profession or business that provides goods or  
30 services unless the profession or business was subject to an occupation  
31 tax or license fee under this section on January 1, 2020; and

1        (c) No licensing requirements shall be imposed by a city of the  
2 first class on any profession or business which is subject to state  
3 licensing requirements.

4        (3) All scientific and literary lectures and entertainments shall be  
5 exempt from such taxation as well as concerts and all other musical  
6 entertainments given exclusively by the residents ~~citizens~~ of the city.

7        Sec. 4. Section 17-525, Revised Statutes Cumulative Supplement,  
8 2018, is amended to read:

9        17-525 (1) Except as otherwise provided in this section, cities  
10 Cities of the second class and villages shall have power to raise revenue  
11 by levying and collecting a license tax on any occupation or business  
12 within the limits of the city or village and regulate such occupation or  
13 business by ordinance. After March 27, 2014, any occupation tax imposed  
14 pursuant to this section shall make a reasonable classification of  
15 businesses, users of space, or kinds of transactions for purposes of  
16 imposing such tax, except that no occupation tax shall be imposed on any  
17 transaction which is subject to tax under section 53-160, 66-489,  
18 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602, or 77-4008 or which is  
19 exempt from tax under section 77-2704.24. The occupation tax shall be  
20 imposed in the manner provided in section 18-1208, except that section  
21 18-1208 does not apply to an occupation tax subject to section 86-704.  
22 All such taxes shall be uniform in respect to the classes upon which they  
23 are imposed.

24        (2) Beginning January 1, 2020:

25        (a) No occupation tax or license fee imposed under this section  
26 shall be greater than twenty-five dollars annually;

27        (b) No occupation tax or license fee shall be imposed by a city of  
28 the second class or village on a profession or business that provides  
29 goods or services unless the profession or business was subject to an  
30 occupation tax or license fee under this section on January 1, 2020; and

31        (c) No licensing requirements shall be imposed by a city of the

1 second class or village on any profession or business which is subject to  
2 state licensing requirements.

3 (3) All scientific and literary lectures and entertainments shall be  
4 exempt from such taxation, as well as concerts and other musical  
5 entertainments given exclusively by the residents ~~citizens~~ of the city or  
6 village.

7 Sec. 5. Section 18-1208, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9 18-1208 (1) Except as otherwise provided in this section and subject  
10 to the restrictions of subsection (4) of this section, after July 19,  
11 2012, a municipality may impose a new occupation tax or increase the rate  
12 of an existing occupation tax, which new occupation tax or increased rate  
13 of an existing occupation tax is projected to generate annual occupation  
14 tax revenue in excess of the applicable amount listed in subsection (2)  
15 of this section, pursuant to section 14-109, 15-202, 15-203, 16-205, or  
16 17-525 if the question of whether to impose the tax or increase the rate  
17 of an existing occupation tax has been submitted at an election held  
18 within the municipality and in which all registered voters shall be  
19 entitled to vote on the question. The officials of the municipality shall  
20 order the submission of the question by submitting a certified copy of  
21 the resolution proposing the tax or tax rate increase to the election  
22 commissioner or county clerk at least fifty days before the election. The  
23 election shall be conducted in accordance with the Election Act. If a  
24 majority of the votes cast upon the question are in favor of the new tax  
25 or increased rate of an existing occupation tax, then the governing body  
26 of such municipality shall be empowered to impose the new tax or to  
27 impose the increased tax rate. If a majority of those voting on the  
28 question are opposed to the new tax or increased rate, then the governing  
29 body of the municipality shall not impose the new tax or increased rate  
30 but shall maintain any existing occupation tax at its current rate.

31 (2) The applicable amount of annual revenue for each new occupation

1 tax or annual revenue raised by the increased rate for an existing  
2 occupation tax for purposes of subsection (1) of this section is:

3 (a) For cities of the metropolitan class, six million dollars;

4 (b) For cities of the primary class, three million dollars;

5 (c) For cities of the first class, seven hundred thousand dollars;

6 and

7 (d) For cities of the second class and villages, three hundred  
8 thousand dollars.

9 (3) After July 19, 2012, a municipality shall not be required to  
10 submit the following questions to the registered voters:

11 (a) Whether to change the rate of an occupation tax imposed for a  
12 specific project which does not provide for deposit of the tax proceeds  
13 in the municipality's general fund; or

14 (b) Whether to terminate an occupation tax earlier than the  
15 determinable termination date under the original question submitted to  
16 the registered voters.

17 This subsection applies to occupation taxes imposed prior to, on, or  
18 after July 19, 2012.

19 (4) Beginning January 1, 2020:

20 (a) No occupation tax imposed under this section shall be greater  
21 than twenty-five dollars annually; and

22 (b) No occupation tax shall be imposed under this section by a city  
23 or village on a profession or business that provides goods or services  
24 unless the profession or business was subject to an occupation tax or  
25 license fee under this section on January 1, 2020.

26 (5) (4) The provisions of this section do not apply to an occupation  
27 tax subject to section 86-704.

28 Sec. 6. Section 77-27,223, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 77-27,223 (1) Except as otherwise provided in this section, a A  
31 county may raise revenue by levying and collecting a license or



1 occupation tax on any person, partnership, limited liability company,  
2 corporation, or business engaged in the sale of admissions to  
3 recreational, cultural, entertainment, or concert events that are subject  
4 to sales tax under sections 77-2701.04 to 77-2713 that occur outside any  
5 incorporated municipality, but within the boundary limits of the county.  
6 The tax shall be uniform in respect to the class upon which it is  
7 imposed. The tax shall be based upon a certain percentage of gross  
8 receipts from sales in the county of the person, partnership, limited  
9 liability company, corporation, or business, and may include sales of  
10 other goods and services at such locations and events, not to exceed one  
11 and one-half percent. A county may not impose the tax on sales that are  
12 within an incorporated city or village. No county shall levy and collect  
13 a license or occupation tax under this section unless approved by a  
14 majority of those voting on the question at a special, primary, or  
15 general election.

16 (2) Beginning January 1, 2020:

17 (a) No license or occupation tax imposed under this section shall be  
18 greater than twenty-five dollars annually;

19 (b) No license or occupation tax shall be imposed on a profession or  
20 business that sells goods or services unless the profession or business  
21 was subject to a license or occupation tax under this section on January  
22 1, 2020; and

23 (c) No licensing requirements shall be imposed under this section on  
24 any profession or business which is subject to state licensing  
25 requirements.

26 Sec. 7. Original sections 18-1208 and 77-27,223, Reissue Revised  
27 Statutes of Nebraska, and sections 14-109, 15-203, 16-205, and 17-525,  
28 Revised Statutes Cumulative Supplement, 2018, are repealed.