



# **City of Grand Island**

**Tuesday, August 29, 2017**

**Special Meeting**

## **Item F-1**

**#9646 - Consideration of Amending Chapter 22 of the Grand Island City Code Relative to Motor Vehicle Fee**

**Staff Contact: Renae Jimenez, Finance Director**

# **Council Agenda Memo**

**From:** Renae Jimenez, Finance Director

**Meeting:** August 29, 2017

**Subject:** Consideration of Amending Chapter 22 of the Grand Island City Code Relative to Motor Vehicle Fee.

**Presenter(s):** Renae Jimenez, Finance Director

## **Background**

At the August 15, 2017 meeting of the City Council, Resolution #2017-221 was approved. The resolution covered the intent to add a motor vehicle fee (wheel tax per the resolution) to City Code. It is estimated based upon data gathered from the County Treasurer that total raised would be \$1.5 million. At that time, we had just received the numbers from the County and so it was estimated fees might be \$10 motorcycle, \$20 passenger vehicles, \$50 large commercial vehicles, and \$5 for trailers. It has been determined that we may not charge this fee on trailers and they do not have a motor in them.

Jerry and Renae met with the County Treasurer to discuss some logistics on timing and the fee the County Treasurer would collect. It was determined that due to timing requirements on the County and State DMV (Dept Motor Vehicles) side the earliest this fee could be implemented is November 1, 2017. Also, the County Treasurer by State Statute is allowed to collect a 2% fee for their services in collecting this fee.

## **Discussion**

The information from the August 15<sup>th</sup> meeting has changed in light of additional information. Due to the 2% fee and not being able to charge the fee on trailers, the proposed fees to get to the \$1.5 million estimates are:

Motorcycle	\$12.50
Passenger	\$22.50
Large/commercial	\$52.50

Due to the software system of the State, there is wording in the ordinance to acknowledge that State and County DMV registration documents will show the motor vehicle fee as a “wheel tax”. The ordinance also spells out that this motor vehicle fee must be credited to the City road fund and used for constructing, repairing, maintaining, or improving streets, roads, alleys, public ways, or parts thereof or for the amortization of bonded indebtedness when created for such purposes.

## **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

## **Recommendation**

City Administration recommends that the City Council approve the ordinance to charge a motor vehicle fee.

ORDINANCE NO. 9646

An ordinance to amend Chapter 22 of the Grand Island City Code; to add Article XIII, Sections 22-147 through Section 22-157, pertaining to an annual motor vehicle fee; to provide for a commencement date; to repeal any ordinance or parts of ordinances in conflict herewith; and to provide for publication and the effective date of this ordinance.

WHEREAS, Pursuant to Nebraska Revised Statutes Section 18-1214, as amended, cities are authorized to impose an annual motor vehicle fee upon motor vehicles; and

WHEREAS, 18-1214 requires payment of said fee to the County Treasurer, who shall credit said amounts to the city road fund to be used exclusively for constructing, repairing, maintaining, or improving streets, roads, alleys, public ways, or parts thereof or for the amortization of bonded indebtedness when created for such purposes; and

WHEREAS, it is acknowledged that an annual motor vehicle fee imposed by the City will be described on State and County DMV registration documents as a “Wheel Tax” due to computer programming and coding issues with the Nebraska DMV computer system.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA:

SECTION 1. Chapter 22 of the Grand Island City Code is hereby amended to include Section 22-147 through Section 22-157 to read as follows:

**CHAPTER 22**  
**ARTICLE XIII**  
**ANNUAL MOTOR VEHICLE FEE**

**§22-147. Definitions**

- 1) For the purpose of this article, the following definitions shall prevail, unless the context otherwise requires:

Approved as to Form	▣ _____
August 25, 2017	▣ City Attorney

ORDINANCE NO. 9646 (Cont.)

- a) *Business* - Business shall mean any corporation, partnership, limited liability company, sole proprietorship, firm, cooperative, enterprise, franchise, association, organization, self-employed individual, holding company, joint-stock company, receivership, trust, activity, or entity.
  - b) *Construction* - Construction shall include the inspecting, designing, actual building and expenses, including the cost of rights-of-way incidental to the construction of a street.
  - c) *Maintain* - Maintain shall include all work, materials, and repairs necessary to keep streets, roads, alleys, public ways, or parts thereof in proper and sound condition, and shall also include the removal of snow and ice therefrom.
  - d) *Person* - Person shall include every natural person, firm, partnership, association, or corporation.
  - e) *Place of Business* – Place of Business shall mean a fixed physical location owned, leased, or otherwise occupied by a business at which the activities of the business are conducted.
  - f) *Reside* - Reside shall mean having a fixed place of abode occupied or intended to be occupied consistently over a substantial period of time and which is permanent rather than temporary.
  - g) *Resurfacing* - Resurfacing shall mean and include the widening or rebuilding of the street or any portion thereof.
  - h) *Street Improvement* - Street improvement shall include constructing, resurfacing, maintaining, or improving streets, roads, alleys, public ways, or parts thereof, or for the amortization of bonded indebtedness when created for such purposes.
- 2) For purposes of this article, the terms motor vehicle, motorcycle, passenger car, farm truck, mini truck, bus, commercial vehicle, recreational vehicle, and dealer shall have such meanings as found in Nebraska Revised Statutes Chapter 60, Article 3.

**§22-148 Assessment Levied**

Every person residing within the corporate limits of the city, and every business having a place of business within the corporate limits of the city, except those herein exempt from the provisions of this chapter, who is the owner of a vehicle, regardless of the county or state where registered, which is found or operated within the city, shall, at the time such person registers such vehicle or applies for a dealer's plate under the provisions of Neb. Rev. Stat. § 60-301 et seq. (Reissue 2010) and amendments thereto, pay to the County Treasurer of Hall County a vehicle fee for street improvements as hereinafter provided, which fee is hereby levied and assessed against such owner.

ORDINANCE NO. 9646 (Cont.)

**§22-149 Annual Fee; Collection; Credit to Road Fund.**

The official registration period and the period for which such vehicle fee is levied shall be a yearly period, each period ending on the first day of the month one year from the month during which the vehicle is required to be registered under the provisions of Neb. Rev. Stat. § 60-301 et seq. (Reissue 2010), and amendments thereto; provided, that for any vehicle registered on a calendar year basis under said state law, the period for which the vehicle fee is levied shall end on December 31 of each year; and provided, further, that for any vehicle registered for a period longer than twelve months in accordance with said state law, the period for which the vehicle fee is levied shall be for an equivalent and corresponding period, and the amount of the vehicle fee for such periods shall be increased in an amount proportionate to the number of months, or parts of such months, by which the registration period exceeds twelve months.

The fee shall be paid to the County Treasurer of Hall County, Nebraska when the registration fees as provided in the Nebraska Motor Vehicle Registration Act are paid. Such fees shall be credited by the County Treasurer to the Road Fund of the City.

**§22-150 Reduction of Fee**

Except as herein provided, no reduction in such vehicle fee shall be made, regardless of the time when the application for registration is made or when the fee is paid. The fee levied upon an vehicle registered in accordance with Neb. Rev. Stat. § 60-301 et seq. (Reissue 2010), and amendments thereto, for a period which will expire in less than six months from the first day of the month of such registration shall be one-half of the fee otherwise levied under Section §22-153, Fee Schedule, of this code, unless the fee is transferable as provided in Section §22-153, Fee Schedule, of this code.

**§22-151 Refund of Fee**

Upon the transfer of ownership of any vehicle, the number of unexpired months remaining on the vehicle fee for street improvements paid pursuant to this chapter shall be credited or the money paid refunded to the transferor; provided, that when such vehicle is transferred within the same calendar month in which acquired, no refund shall be allowed for such month. Should such transferor acquire another vehicle at the time of such transfer, such transferor shall have the credit herein provided applied toward payment of the motor vehicle fee for street improvements then owing. Such vehicle fee, or any part of it, shall not be refunded for any cause or by any method except as prescribed herein.

**§22-152 Funds Created; Use**

All monies derived from the payment of the vehicle fee for street improvements shall be used exclusively for constructing, repairing, maintaining, or improving streets, roads, alleys, public ways, or parts thereof or for the amortization of bonded indebtedness when created for such purposes as provided by Neb. Rev. Stat. § 18-1214 et seq.

**§22-153 Fee Schedule**

Commencing November 1, 2017, the fee provided for in this chapter shall be as follows:

ORDINANCE NO. 9646 (Cont.)

Any motor vehicle registered as a motorcycle and any dealer motorcycle license plates .....\$12.50

Any motor vehicle registered as a passenger car, farm truck (any tonnage) or minitruck and any dealer license plates .....\$22.50

Any motor vehicle registered as a bus, commercial vehicle (any tonnage), or motor recreational vehicle .....\$52.50

**§22-154 Payment of Fee; Penalty for Delinquencies**

The annual motor vehicle fee shall be due and payable to the Hall County Treasurer at the same time as the state registration for vehicles under Neb. Rev. Stat. § 60-301 et seq. (Reissue 2010), and amendments thereto, and shall be delinquent thereafter. Such fee shall draw interest at the rate of one percent per month after delinquent; and, in addition, a penalty of five percent for failure to pay said fee within six months after due shall be collected. In any case, if any person shall fail to make payment of the fee herein provided, the City of Grand Island shall have the right and may sue any person in any court of competent jurisdiction for the amount of the fee due and payable under the provisions of this chapter, together with interest and penalties. The Hall County Treasurer shall not be responsible for collection of interest and penalties provided hereby.

**§22-155 Exemptions**

The provisions of this chapter shall not apply to:

- (a) Any vehicle owned by the United States of America or agency thereof;
- (b) Any vehicle owned by the State of Nebraska;
- (c) Any vehicle owned by any political subdivision of the State of Nebraska;
- (d) Any vehicle is used or stored but temporarily within the city for a period of six months or less in a twelve-month period;
- (e) Any vehicle subject to Interstate Registration Proration (Neb.Rev.Stat. §60-3,198);
- (f) Any vehicle exempt under the provisions of the federal Servicemembers Civil Relief Act; and
- (g) Any vehicle owned by a full-time student attending a postsecondary institution and is not registered in Hall County, Nebraska.

**§22-156 Severability**

If any provision of this chapter or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of the chapter which can be given without the invalid provision or application, and to this end the provisions of this chapter are severable.

ORDINANCE NO. 9646 (Cont.)

**§22-157 Penalty for Violations.**

Any person who fails, neglects, or refuses to pay the annual motor vehicle fee when due shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$100.00. Each day that a violation of this article continues shall constitute a separate and distinct offense and shall be punishable as such.

SECTION 2. The Motor Vehicle Fee enacted hereby shall be due, payable, and collected commencing November 1, 2017.

SECTION 3. Any ordinances or parts of ordinances in conflict herewith be, and hereby are, repealed.

SECTION 4. This ordinance shall be in force and take effect from and after its passage and publication in pamphlet form within fifteen days as provided by law.

Enacted: August 29, 2017.

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Jeremy L. Jensen, Mayor

Attest:

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RaNae Edwards, City Clerk