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Transportation and Telecommunications Committee
January 23, 2007

[LB239 LB286 LB287]

The Committee on Transportation and Telecommunications met at 1:30 p.m. on Tuesday, January 23, 2007, in Room 1113 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB239, LB286, and LB287. Senators present: Deb Fischer, Chairperson; Arnie Stuthman, Vice Chairperson; Ray Aguilar; Carol Hudkins; LeRoy Louden; Mick Mines; Dwite Pedersen; and DiAnna Schimek. Senators absent: None.

SENATOR STUTHMAN: Good afternoon, welcome to the Transportation and Telecommunications Committee hearing. First of all, I would like to introduce to you the senators that serve on this committee. On my far left, Senator LeRoy Louden from Ellsworth; then we have Senator Mick Mines from Blair; Senator Ray Aguilar from Grand Island; and I am Senator Arnie Stuthman from Platte Center; then we have Senator DiAnna Schimek from Lincoln; and Senator Dwite Pedersen from Elkhorn. I would also like to introduce to you the committee clerk, Pauline Bulgrin, and the legal counsel for the committee, Dustin Vaughan. I would also like to introduce the pages that we have here today: Michael Shaeffer, from Lincoln was here; and then we also have Kristin Kallsen, from Big Springs. So if you need anything, please let those pages know. The bills we're going to hear today are listed and we're going to do it in the order that we have on the sheet. The first bill is a bill introduced by Senator Deb Fischer. And she is in another committee with another bill at this time. And at this time, I would like to ask the legal aide, Dusty Vaughan, to open on this bill. I would also like to mention that anyone wanting to testify on these bills, you know, to make your way up towards the front of the chairs, so we can move on this fairly hastily this afternoon. Dusty.

DUSTY VAUGHAN: Good afternoon, Senator Stuthman and members of the Transportation Committee. For the record, my name is Dusty Vaughan, spelled V-a-u-g-h-a-n, and I am the legal counsel for the Transportation Committee. We're starting with LB239 today. LB239 updates several references in the Nebraska Statutes to federal law. Any changes made at the federal level to these regulations will be incorporated into Nebraska law with the changing of dates undertaken in the bill. In my bill summary I provided to you...I tried to give you a brief description of what each federal rule pertains to. There are representatives from both the DMV and the State Patrol in attendance, so hopefully, they will be able to give you a better idea of what exactly these date changes will entail at the federal level. With that, I will turn the discussion over to them. If you have any questions, I can answer them for you. [LB239]

SENATOR STUTHMAN: Thank you, Dusty. Does the committee have any questions for Dusty? Senator Louden. [LB239]

SENATOR LOUDEN: Thank you, Senator Stuthman. On page 14, Dusty, is that the whole gist of the whole bill about whether or not they can all...hazardous material?

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[LB239]

DUSTY VAUGHAN: Are you talking about the stricken material, Senator Louden?
[LB239]

SENATOR LOUDEN: Yeah. [LB239]

DUSTY VAUGHAN: I believe that language, and I'm sure Director Neth would be able to clarify, I believe that's just obsolete language, talking about a date that has already passed, it's no longer in existence. [LB239]

SENATOR LOUDEN: Is it taken care of someplace else? [LB239]

DUSTY VAUGHAN: Director Neth could probably answer that better than I could. I didn't see anywhere else in this bill. [LB239]

SENATOR LOUDEN: No, but I mean in other statutes rather, I thought we had some kind of hazardous waste, something we passed a few years back and I was wondering if... [LB239]

DUSTY VAUGHAN: There are certain places in the statutes that deal with hazardous waste now, this nonspecification bulk packaging; I haven't seen it. It might be part of another federal regulation that we've adopted under Nebraska law, but I can check that out, check on that for you. [LB239]

SENATOR LOUDEN: And that's about...mostly just strike this language, is that what this bill is mostly? [LB239]

DUSTY VAUGHAN: It actually updates several federal laws, including the International Registration Plan, dealing with hazardous materials, like you said, some seat belt standards, safety qualifications for commercial vehicle drivers. There's quite a few different parts, you know, that Nebraska has adopted that is federal law. [LB239]

SENATOR LOUDEN: Okay, thank you. [LB239]

SENATOR STUTHMAN: Thank you, Dusty. Thank you, Senator Louden. Anyone else have any questions? Thank you. I would also like to remind the people that when you fill out your yellow sheets, you place them up on the committee clerk's desk before you start your proponent or opponent testimony. So with that, next testifier. Director Neth. [LB239]

BEVERLY NETH: (Exhibit 1) I have copies of my testimony. [LB239]

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SENATOR STUTHMAN: And this will be the proponent testimony first. [LB239]

BEVERLY NETH: Senator Stuthman, members of the Transportation and Telecommunications Committee, I am Beverly Neth, B-e-v-e-r-l-y N-e-t-h, director of the Department of Motor Vehicles. I am appearing before you today to offer testimony in support of LB239. I want to begin by thanking Senator Fischer for introducing the bill on behalf of the Department of Motor Vehicles and the Nebraska State Patrol. LB239 amends the reference dates for three specific DMV programs that are governed by federal laws. First, LB239 adopts the most recent version of the International Registration Plan, or known to us as IRP. Nebraska has been an IRP member jurisdiction since 1975. Membership in IRP allows trucking companies in Nebraska to pay registration fees in Nebraska for all jurisdictions through which the company operates. The Motor Carrier Services Division of the department distributes the collected registration fees to other jurisdictions based on a pro rata share of mileage that the carrier travels in each jurisdiction. Generally speaking, IRP has made the registration of trucks traveling the interstate commerce more efficient for the industry. These amendments will allow Nebraska to follow IRP as it was revised on October 1 of 2006. LB239 also updates the references to federal regulations governing commercial motor vehicles and the issuance of commercial driver licenses. The changes allow the DMV to follow federal regulations as they exist on January 1, 2007. It is important for Nebraska to remain in compliance with the federal laws in this area. If Nebraska fails to comply with these laws, the Federal Motor Carrier Safety Administration, or FMCSA, has the authority to withhold funding for Nebraska's Motor Carrier Safety Assistance Program and federal highway funds. The bill also updates references to federal law governing occupant protection systems, more commonly called seat belts, to incorporate the most recently published version of the federal rules through January 1, 2007. This does not represent any change in the substantive requirements applicable to seat belts in Nebraska, but allows the state to reference the newest printing of federal rules, instead of the 2006 release. Lastly, LB239 combines DMV's annual update bill with the annual update of provisions necessary for the Nebraska State Patrol. It is my understanding there is a representative from the State Patrol who is also here who will address their portion of the bill. And I'll be happy to answer any questions you may have. [LB239]

SENATOR STUTHMAN: Thank you, Director Neth. Are there any questions for the director? [LB239]

BEVERLY NETH: I could just say that I would like to defer to Senator Louden's question. That specifically goes to the State Patrol's portion of the bill. And I believe the State Patrol representative can speak to your issue for the hazardous materials provision that's being stricken from the bill. [LB239]

SENATOR LOUDEN: Thank you. [LB239]

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SENATOR STUTHMAN: Thank you, Director. Seeing no other questions, thank you. [LB239]

BEVERLY NETH: Thank you [LB239]

SENATOR STUTHMAN: Any other proponents? You may start. [LB239]

GERALD KROLIKOWSKI: (Exhibits 2 and 3) Okay. Senator Stuthman and members of the Transportation and Telecommunications Committee, my name is Lieutenant Gerald, that's G-e-r-a-l-d, Krolikowski, K-r-o-l-i-k-o-w-s-k-i, and I'm here today on behalf of the Nebraska State Patrol in support of LB239. When the United Congress passed the Motor Carrier Safety Act, emphasis was placed on the states' adopting uniform safety measures with the ultimate goal of a reduction in the number of commercial motor vehicle accidents. In order for the state of Nebraska to remain consistent and compliant with these federal requirements, it is necessary to update our commercial vehicle safety regulations annually. This legislation will enable the Nebraska State Patrol to continue enforcing Federal Motor Carrier Safety Regulations adopted by 75-363 and Hazardous Materials Regulations adopted in State Statute 75-364 which went into effect on January 1, 2007. Every day our troopers strive to make our highways safe. In 2005, we had 41 fatality crashes in Nebraska involving trucks. This is down from 115 fatality crashes in 1989, when we began enforcing these safety regulations. Our success is built on the principle of uniformity in the safety inspection program. Enforcement of these uniform safety measures by the Nebraska State Patrol increases the likelihood safety defects, commercial driver deficiencies, and unsafe motor carrier practices will continue to be detected and corrected. In the handouts provided are short summaries of the latest Federal Motor Carrier Safety and Hazardous Material Regulations that are being adopted with this update of our safety regulations. Thank you for the opportunity to testify on behalf of this bill. And I will be happy to answer any questions you may have. [LB239]

SENATOR STUTHMAN: Thank you, Lieutenant. What...I have one question, first before we open it up to some of the others senators. Realistically, this is just updating all of the regulations that were put in place last year; putting them in the statute where they belong? [LB239]

GERALD KROLIKOWSKI: Correct. [LB239]

SENATOR STUTHMAN: Is this realistically what is to happen? [LB239]

GERALD KROLIKOWSKI: Correct. [LB239]

SENATOR STUTHMAN: Okay. Thank you, Lieutenant. Are there any other questions

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from the senators on the committee? Yes, Senator Schimek. [LB239]

SENATOR SCHIMEK: Yes, thank you for your testimony. If...I mean, there are a lot of things here that I, and I'm assuming some other members of the committee, may not track on a regular basis, may not know even what questions to ask. But what if we were to question any of this and didn't adopt any of these regulations? What would happen? [LB239]

GERALD KROLIKOWSKI: There's a chance that we would be no longer in compliance with the federal regulations and as Director Neth mentioned, stand a chance of losing federal funds. [LB239]

SENATOR SCHIMEK: I assumed that. And I'm sorry I didn't hear her say that. But I assumed that would be the case. Does anybody ever object to any of these rulings? I mean, do you or the Department of Motor Vehicles ever have problems with any of these federal regs? [LB239]

GERALD KROLIKOWSKI: To my knowledge, no. I mean there are certainly questions every year and concerns. But it's how our system is set up that we adopt and need to update them every year. [LB239]

SENATOR SCHIMEK: Yeah, I've been here long enough to know that, but I still wonder why we go so willingly to the slaughterhouse sometimes. Thank you. [LB239]

GERALD KROLIKOWSKI: You're welcome. [LB239]

SENATOR STUTHMAN: Thank you, Senator Schimek and Lieutenant. Any other questions? Senator Louden. [LB239]

SENATOR LOUDEN: Yeah. Thank you. And I'll get back to this hazardous waste material. Is there other places in the statutes, here, oh what, about three years ago or something we passed some regulations, you know, they had to pay \$3,000 to bring nuclear material through and that sort of thing. Is that covered in that part of the statutes? Is that the reason it can be stricken out of this one? [LB239]

GERALD KROLIKOWSKI: Are you talking about your earlier question on page 14? [LB239]

SENATOR LOUDEN: Yeah. [LB239]

GERALD KROLIKOWSKI: Where under 3(a) is bring stricken? [LB239]

SENATOR LOUDEN: Yeah. [LB239]

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GERALD KROLIKOWSKI: And now is a new 3(a); essentially, it's my understanding that the...last year the...what will be currently, or which will be 3(a) was introduced to update and should have replaced the old 3(a) which is being stricken. That should have been stricken last year is my understanding actually is the whole thing. [LB239]

SENATOR LOUDEN: Oh, I see. Okay. Yeah, all of that. And the petroleum tanks then it...well, one is a hazardous material, and the other is petroleum tanks, that's different kind of stuff though, isn't it? [LB239]

GERALD KROLIKOWSKI: But for the most part, they're talking about nonspec cargo tanks and petroleum tanks. [LB239]

SENATOR LOUDEN: Okay, thank you. [LB239]

GERALD KROLIKOWSKI: You're welcome. [LB239]

SENATOR STUTHMAN: Are there any other questions from the committee? If not, thank you, Lieutenant Krolikowski. [LB239]

GERALD KROLIKOWSKI: Yes, thank you. [LB239]

SENATOR STUTHMAN: Appreciate your testimony. Are there any other ones that want to testify in a proponent position? Is there any testimony in the opponent? Is there any neutral testimony? Seeing none, I will close the hearing on LB239, and we will begin the opening on LB286. Dusty will open on that bill. [LB239 LB286]

DUSTY VAUGHAN: Senator Stuthman, members of the Transportation Committee, for the record again, my name is Dusty Vaughan, spelled V-a-u-g-h-a-n, and I am the legal counsel for the Transportation Committee. I'll keep this short again. Director Neth is in a much better position to answer your questions than I am. But I'll give you a little brief overview of what's going on. LB286 is a bill brought to the committee by the DMV. It was a cleanup bill from the past recodification project in 2005 to correct misclarifications and definitions related to the Motor Vehicle Certificate of Title Act and Motor Vehicle Registration Act. The DMV feels these language changes will clarify the intent and meaning of the statutes in question. Although most of the bill deals with clarification issues, there are two sections of the bill that deal with DMV practices that I found...Director Neth will once again be able to answer these questions better of what the current practices are for the DMV. But Section 6 dealing with language requiring transporter certificates to be issued in duplicate, and Section 7 alters what the application for a registration shall be. Instead of statute dictating that the application will be a copy of a certificate of title, the application shall be by any means designated by the department, and these two changes keep the department's policy consistent with

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moving towards a paperless system. They are also in order with current practices at the department, from what I understand. Director Neth is obviously here in attendance, so I will turn the discussion over to her to fully explain the department's position. Thank you. If you have any questions, I'll be happy to try to answer them. [LB286]

SENATOR STUTHMAN: Thank you, Dusty. Are there any questions for Dusty from the committee? Seeing none, thank you. We will now have the proponent testimony. [LB286]

BEVERLY NETH: (Exhibit 1) Senator Stuthman, members of the committee, I am Beverly Neth, N-e-t-h, the director of the Department of Motor Vehicles, appearing to offer testimony in support of LB286. Again, thank you to the committee for sponsoring this bill on behalf of the department. LB286 is a cleanup bill that is being proposed to correct a few errors and omissions that occurred with the recodification of Nebraska's titling and registration statutes in 2005. The original recodification was a collaborative effort that included representatives from the Department of Motor Vehicles, staff from the Revisor's Office, and staff of members of the Transportation and Telecommunications Committee. The goal of the project was to rewrite and reorganize the title and registration statutes to make them more user-friendly. The original recodification draft bills were distributed to stakeholders in the title and registration process in October of 2004 to allow for their questions and input to try to resolve all issues prior to the introduction of the legislation. The stakeholder group had several suggestions, many of which were incorporated into the original drafts. The result of this process was the introduction of LB274 and LB276 in 2005, which were adopted into law. Those two bills accomplished the much-needed reorganization of the title and registration language, but did not make substantive changes in either the title or the registration laws. The two bills together amounted to over 300 pages of legislation. We tried very hard to make sure the bills were perfect, but unfortunately they were not. LB286 is a cleanup bill that is introduced to...that is intended to correct the errors that have been discovered since the recodification bills were enacted. In keeping with the original recodification project goal, LB286 is not intended to make substantive changes in either the motor vehicle registration or titling laws in Nebraska. Many of the changes in this bill complete the primary focus of the recodification project which was to use defined terms consistently throughout the motor vehicle title and registration statutes. In LB286 you will see changes in the bill's language from "tractor" to "truck-tractor," "commercial truck" replaced with "commercial motor vehicle," and the use of "agricultural products" used consistently. These changes incorporate terms that were defined in the recodification project, but were missed in the original bills. LB286 also corrects plain errors that occurred in the original recodification bills. The bills that were adopted renumbered and rearranged every section of statute in the entire motor vehicle registration and titling acts. In a few places, internal references to the statutes were not done correctly. LB286 makes the corrections that are necessary to retain the substance of the original laws. In the course of the recodification, the definition of apportionable

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vehicle was unintentionally changed. Section 2 of LB286 corrects the language so the definition correctly describes the type of motor vehicles and vehicles in combination that are eligible for apportioned registration pursuant to the International Registration Plan. This bill also amends awkward and obsolete language that existed in the old law without changing the substantive impact of the law. An example of this is found in Section 6 of bill. This section governs the use of transporter plates, which are plates that are issued to motor vehicles that transport other vehicles. In this section the changes simplify the language, put in the correct defined terms, and eliminate a reference to keeping duplicate certificates, which is an obsolete requirement. I ask for your support of the bill, and respectfully request that you advance it to General File. And I'll be happy to address any questions you might have. [LB286]

SENATOR STUTHMAN: Thank you, Director Neth. [LB286]

BEVERLY NETH: Thank you. [LB286]

SENATOR STUTHMAN: Are there any questions from the committee? Yes, Senator Schimek. [LB286]

SENATOR SCHIMEK: Yes, Director Neth, I would just suggest that you did a pretty good job if this is all you have to come back with. Because generally speaking, these huge recodification projects are going to have some kind of update or change to them. And I would assume that there's a possibility that maybe even in the future there might still need to be a revision or two, here and there. [LB286]

BEVERLY NETH: There certainly could. And I appreciate the compliment. We worked very hard to try to...and with a lot of different partners to try to make sure that we were covering all of our bases. But as you say, in a bill this large, errors do happen. And it may be that we have not yet run across something that occurred unintentionally as well. So, I hope that this solves some of our problems for now anyway. [LB286]

SENATOR SCHIMEK: Thank you. [LB286]

SENATOR STUTHMAN: Thank you. [LB286]

BEVERLY NETH: Senator Stuthman, if I might just address Senator Schimek's concern regarding the last bill. [LB286]

SENATOR STUTHMAN: Okay. [LB286]

BEVERLY NETH: I realize it's not pertinent to this, but with respect to the update references in the federal programs, what I want to make clear because you questioned whether we questioned some of those regulations. And the fact is, we do, particularly in

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a program like the commercial driver license, we go through regular audits from the federal agency once every three years where they give us compliance issues. And we sometimes enter into discussions when we're in disagreement with how they're interpreting the statute. But if we end up seeking the authority to revise our statutes to comply, we do that through a substantive bill. And almost everything in those federal statutes that has a substantive effect on a driver licenseholder, or for the motoring public, we seek to change those statutes through an individual bill. The date reference really is more of a reference update, it's really more of all those other things in the federal statutes that help us guide our program, behind the...in back business process model, rather than the substantive effects on the public. So I hope that addresses your question in some degree. [LB286]

SENATOR SCHIMEK: Thank you. [LB286]

SENATOR STUTHMAN: Thank you, Director Neth. [LB286]

BEVERLY NETH: Thank you. [LB286]

SENATOR STUTHMAN: First of all, now I would like to mention that we do have...Senator Hudkins has joined us in this hearing; she's from Malcolm. And now we will have any more testimony in the proponent part of it? Anyone want to testify? Any testimony in the opponent, in opposition? Any neutral testimony? Seeing none, we will close the hearing on LB286, and open the hearing on LB287. Dusty will open on this one also. [LB286 LB287]

DUSTY VAUGHAN: Senator Stuthman, members of the Transportation and Telecommunications Committee, for the record once again, my name is Dusty Vaughan, spelled V-a-u-g-h-a-n, and I am the legal counsel for the committee. I am introducing this bill on behalf of the committee. LB287 is another bill brought by the DMV. Unlike LB286, this bill does make substantive changes to the motor vehicle statutes. The bill adds definitions of low-speed vehicle and sport utility vehicle, and clarifies how DMV treats these vehicles for titling and registration purposes. The bill also clarifies DMV policies regarding historical vehicles, limousines, what constitutes a truck for registration purposes, vehicle inspections, recalling a certificate of title, refunds of unused fees, the issuance of specialty license plates for nonresidents, and the payment of registration fees from year-to-year. Obviously, there are quite a few topics in this bill, and Director Neth can explain them better than I can. So with that, I will close LB287's introduction and try to answer your questions. [LB287]

SENATOR STUTHMAN: Thank you, Dusty. Does the committee have any questions for Dusty? Seeing none, thank you. [LB287]

DUSTY VAUGHAN: Thank you, Senator Stuthman. [LB287]

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SENATOR STUTHMAN: At this time we'll have the proponents for this bill. Director Neth. [LB287]

BEVERLY NETH: (Exhibit 1) Senator Stuthman, members of the committee, once again Beverly Neth, N-e-t-h, director of the Department of Motor Vehicles, appearing before you today to offer testimony in support of LB287. Again, I want to thank the committee for sponsoring the bill on behalf of the department. And thank you for your time today. LB287 is a bill that also grew out of the recodification project and legislation that was enacted in 2005. But it differs from the last bill I just talked about, LB286, because this bill contains changes to the statute that are substantive in nature. In 2004, in a process that ran parallel to the recodification project work group representatives of the Department of Motor Vehicles identified substantive areas in the motor vehicle titling and registration acts in which revisions would be proposed. The core goals of the DMV working group were: to eliminate language binding the Department of Motor Vehicles to paper processes or county specific location requirements that are unnecessary since the development and implementation of the Vehicle Titling and Registration computer system, known as VTR; to identify changes in the statutes that would provide for better customer service and for ease of use for the public; to modify language that was confusing or contradictory to bring clarity to the process; and finally to add those changes that would update the laws to define vehicles that did not exist when the laws were first written but most certainly do exist today. The original substantive bills were introduced in 2005, along with the recodification bill. However, the substantive bills were not adopted into law. Much of LB287 is a reintroduction of the same substantive issues. I will try to explain the bill by highlighting the requested changes and how those changes support the previously articulated goal. One goal was to add definitions to the act to account for vehicles that exist today. One such motor vehicle is the Sport Utility Vehicle, known as an SUV. Although SUVs have been around now for many years, we have not had a working definition of SUV in our statutes. As a result, SUVs are not registered consistently throughout the state. Different counties issue different plate types for SUVs. It is not that any one county is issuing the wrong plate type to the SUV owner, it is simply the statute is not clear as to which category an SUV falls into. LB287 proposes to define an SUV, and this definition is found on page 24, Section 25. It describes the vehicle and provides that the vehicle is a sport utility vehicle if the manufacturer identifies it as a sport utility vehicle. LB287 also amends the definition of a truck to say that a motor vehicle is a truck if the manufacturer identifies it as a truck. I realize that those definitions are somewhat circular, so I'll try to explain why we think that's appropriate definition. When Nebraska developed the VTR system, it incorporated a product called VINA into the system. VINA is a software that reads the manufacturer's vehicle identification number on each vehicle and then it tells VTR the make, model, and year of the vehicle. It is the manufacturer's VIN that decides what a vehicle is, not the titling clerk. Unfortunately, manufacturers don't seem to follow the same standards. For example, a Ford Explorer Sport Trac and a Chevy Avalanche both appear to be

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pickup trucks, but the manufacturers identify them differently. Ford calls its vehicle an SUV; Chevy calls its vehicle a truck. The definitions that we've included in LB287 are intended to make clear that if a manufacturer thinks the vehicle is a truck--it's a truck and truck registration requirements will apply to that vehicle. On the other hand, an SUV owner will be able to select the type of plate that best fits the owner's intended use. LB287 contains provisions that are intended to provide better customer service. For example, the language found in Section 30, page 33, concerning personalized message plates, the proposed change expands the issuance of personalized message plates to county plated trucks over ten tons, to trailers and plated semi-trailers that are plated on a county level. We do have a lot of requests for message plates to be put on these type of vehicles, and currently the statutes prohibit that use. Section 10 amends the language of the vehicle inspection statutes in two ways. One page 8, the proposed change clarifies that in order for a vehicle to be inspected, the vehicle must be in one piece. In the past, inspectors have been asked to inspect individuals parts in anticipation that those parts will be put on the vehicle; however, there is no assurance that the individually inspected parts will ever become a part of that vehicle. This change requires the inspection to be done after the reconstruction of the vehicle is complete. The other inspection change is requested because of the diversity of vehicles that are now on the market. An example of such vehicles include pocket bikes, Japanese Mini-trucks, and some minibikes, and motor scooters. None of these vehicles meets the definition...Nebraska's definition of a motor vehicle, but it is almost impossible to tell that from the paperwork presented for title issuance. The new subsection will allow the titling clerk to request an inspection of the vehicle to determine the correct registration status of the vehicle. Section 14 deletes language that requires titles to be issued in a specific county. The VTR system allows for motor vehicle title information availability in all counties. The requirement that a person return to the county where the title was issued to have it transferred to a new owner when ownership transfers by inheritance or other action of law is no longer necessary. Several sections of the bill are proposed to bring consistency or clarification to the existing statutes. For example, in Sections 3 and 21, the definition of historical vehicle clarifies that an historical vehicle is a motor vehicle or trailer that is 30 or more years old. This change harmonizes the historical vehicle definition in the law consistent with the provisions of Section 60-3,130 that requires a vehicle to be 30 years old to be eligible for historic vehicle registration. Section 17 resolves a difference between the salvage law governing motor vehicles, as opposed to ATVs and minibikes. Currently, the law requires that an owner of an ATV or minibike to obtain a salvage title in 10 days, but a motor vehicle owner has 30 days. The proposed language gives all owners of all types of vehicles 30 days to obtain the salvage title, regardless of the type of vehicle involved. Section 26 joins two statute sections pertaining to refunds for taxes and fees into one, and ultimately it repeals Section 60-3,191. The language provides for refunds of unused motor vehicle taxes and registration fees upon transfer of ownership. Additionally, it removes a slight difference between the two refund procedures that would simplify the refund process for county officials and for the public. Section 16 clarifies that the department may recall a title for

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correction when there has been a failure to note a brand or lien when the title was originally issued. If the holder does not return the title for correction within 15 days, the department has the authority to cancel the title. Finally, Section 47 outright repeals a section of law requiring refiling of certificates of title, a process that has been unnecessary since the implementation of the VTR system. I hope that my testimony has illustrated the aim of LB287. I haven't touched on every specific component of it, but our goal really is to continue to improve the process of titling and registration of vehicles in Nebraska. I'll be happy to answer any questions that you might have. [LB287]

SENATOR STUTHMAN: Thank you, Director Neth. Does the committee have any questions? Senator Mines. [LB287]

SENATOR MINES: Thank you, Senator Stuthman. Bev, you had mentioned that the vehicle manufacturer will determine whether it's a truck or an SUV. Are there...is there a difference in the licensing fees between those two? [LB287]

BEVERLY NETH: Well, there can be, depending upon if you're an SUV owner and the SUV really has available to it a passenger plate, a commercial truck plate, or a farm truck, depending upon the owner's use. A passenger plate in the registration fee only is where the difference is where the difference would occur. The registration fee for a passenger plate is \$15, on the other hand for a commercial truck or a farm truck it's \$15 and upwards, depending upon the weight you're going to put in the vehicle. [LB287]

SENATOR MINES: Okay. So could...it allows the...excuse me. It takes that decision out of the hands of other officials, because it's designated. Makes sense, makes sense. [LB287]

BEVERLY NETH: Um-hum, by the owner, um-hum. [LB287]

SENATOR STUTHMAN: Thank you. Senator Louden. [LB287]

SENATOR LOUDEN: I was looking in here where you classified low-speed vehicles and you picked 25 miles an hour. Why did you pick 25 miles an hour? [LB287]

BEVERLY NETH: I believe that definition is the federal definition of a low-speed vehicle. [LB287]

SENATOR LOUDEN: And that's a federal designation? [LB287]

BEVERLY NETH: Um-hum, um-hum. So we followed that, we mirrored that definition to bring some standardization to the process rather than trying to pull something out of the air. [LB287]

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SENATOR LOUDEN: Now, if some of them go over that, what do you do? Or are they supposed to always drive, if they're going to drive on the highway be under that? Or where do you go at? [LB287]

BEVERLY NETH: Well, I think that it...you also have to...the vehicle cannot travel more than 24 miles an hour, and it has to comply with a section of federal law, and it has to be designated by the manufacturer as an off-road or a low-speed vehicle. So it has to meet all three of those pieces. So if it doesn't meet one, maybe if it goes more than 25 miles an hour, but doesn't meet the other two, it's still probably going to be a low-speed vehicle. And the federal reference there really has to do with the federal safety requirements that are required on motor vehicles--seat belts and those types of things, types of tires that you use on vehicles. There are some federal statutes that govern what is really designated as the safety components of a motor vehicle. And we do follow those in Nebraska. [LB287]

SENATOR LOUDEN: Okay. Well, I was wondering, I have a constituent that had a problem, and they had one of these, I think they're German made, I think they're called "mogs" or something like that, they're big, four-wheel drive things. You can use them for a tractor, but they'll go about 40 miles an hour down the highway. And they were kind of a pickup part on them, and some of them even have generators built onto them and the whole works. And he'd drive it into town once in a while, and the sheriff threatened to run him into jail. And I'm wondering if it's an off-road vehicle and that sort of thing, where...did the sheriff have that much authority, and should he have been driving it in town? [LB287]

BEVERLY NETH: Well, certainly it sounds as though it probably is an off-road vehicle. It probably was designated by the manufacturer as an off-road vehicle. [LB287]

SENATOR LOUDEN: Yes. [LB287]

BEVERLY NETH: In which sense, it does not qualify for the titling or registration under Nebraska statutes. So he probably was, I'm not sure about throwing him in jail, but he certainly could have cited him, I think, for not having a properly registered vehicle. [LB287]

SENATOR LOUDEN: He could have been cited for driving that in town? [LB287]

BEVERLY NETH: I believe so, based upon what you're telling me and my interpretation, not seeing the vehicle and not seeing his paperwork. [LB287]

SENATOR LOUDEN: Yeah. [LB287]

BEVERLY NETH: But I imagine that it wasn't properly registered, and it probably wasn't

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qualified to be registered under Nebraska statutes. [LB287]

SENATOR LOUDEN: No, it was qualified as a tractor is what it was. [LB287]

BEVERLY NETH: Yeah, so, yeah. [LB287]

SENATOR LOUDEN: But then...now then are you telling me I can't drive my tractor downtown? [LB287]

BEVERLY NETH: (Laugh) Well, you drive your tractor on the roads. You know, I don't know if there's an agricultural exemption for that or not. So I really can't speak too authoritatively to that particular issue. But if it's not registered and it's not qualified to be registered, then you could potentially be in violation of Nebraska's motor vehicle regulations. [LB287]

SENATOR LOUDEN: Well, that was the contention then. The only difference between that and a regular tractor was the fact that it probably would go about 40 miles an hour, and your tractor would only go about not quite 30. [LB287]

BEVERLY NETH: Um-hum. [LB287]

SENATOR LOUDEN: Anyway, I was curious to wonder where some of this fit in on some of this. Thank you. [LB287]

BEVERLY NETH: Um-hum. I hope that answered your question. [LB287]

SENATOR STUTHMAN: Any other questions? Thank you, Director Neth. [LB287]

BEVERLY NETH: Thank you. [LB287]

SENATOR STUTHMAN: Also, at this time I would like to introduce Senator Fischer. She has just joined the committee. Is there any other testimony in the proponent side? Any testimony in the opposition, the opponent? Any neutral testimony? Seeing none, you want to close? [LB287]

SENATOR FISCHER: Go ahead. [LB287]

SENATOR STUTHMAN: This closes the hearing on LB287. Thank you very much. [LB287]

SENATOR FISCHER: Thank you, Senator Stuthman, for running this today. [LB287]

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Disposition of Bills:

LB239 - Advanced to General File.
LB286 - Advanced to General File, as amended.
LB287 - Held in committee.

Chairperson

Committee Clerk