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Transportation and Telecommunications Committee  
February 03, 2009

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[LB129 LB175 LB202 LB416]

The Committee on Transportation and Telecommunications met at 1:30 p.m. on Tuesday, February 3, 2009, in Room 1113 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB129, LB202, LB175, and LB416. Senators present: Deb Fischer, Chairperson; Arnie Stuthman, Vice Chairperson; Kathy Campbell; Tim Gay; Galen Hadley; Charlie Janssen; Scott Lautenbaugh; and LeRoy Louden. Senators absent: None. [LB129]

SENATOR FISCHER: Good afternoon and welcome to the Transportation and Telecommunications Committee. I am Deb Fischer. I am the Chair of the committee. I represent District 43 in the Nebraska Legislature. At this time, I would like to introduce our committee members. On my far right is Senator Charlie Janssen from Fremont, Nebraska. Next we have Senator Tim Gay from Papillion. Next is our Vice Chair, Senator Arnie Stuthman, and he is from Platte Center. On my immediate right is our committee counsel, Mr. Dustin Vaughan. On my immediate left is our committee clerk, Laurie Vollertsen. On her left is Senator Scott Lautenbaugh; he is from Omaha, Nebraska. Next to Senator Lautenbaugh is Senator Galen Hadley from Kearney. And next to Senator Hadley is Senator LeRoy Louden from Ellsworth, Nebraska. Our two pages today are Justin Escamilla from Scottsbluff, and Rhianna Needham who is from Bellevue. And the pages are here to assist you when you come forward if you have materials that you would like to hand out; if you need a glass of water, anything like that, please don't hesitate to tell us. We will be hearing the bills in the order that they are listed on the agenda. Those wishing to testify on a bill should come to the front of the room and be ready to testify as soon as someone finishes testifying in order to keep the hearing moving. I would ask that you complete the yellow sign-in sheet at our on-deck table so it's ready to hand in when you testify. We do use a computerized transcription program, and so it's very important that the directions on the sign-in sheet are followed. And you will need to hand that sign-in sheet to our committee clerk before you testify. For the record, at the beginning of your testimony, I would ask that you spell your last name and also your first name if it can be spelled in several different ways. I would also ask that you keep your testimony brief, to the point, and try not to repeat what someone else has covered. If you don't want to come forward and testify, but you do want to voice your support or opposition to a bill, you can indicate so at the on-deck table on the sheet that is provided there, and this will be part of the official record of the hearing. However, if you want to be listed on the committee statement as a testifier at the hearing, you must complete a yellow sign-in sheet and actually testify even if you just come forward, state your name and your position on the bill. If you do not choose to testify, you may submit written comments, and those will be read into our official record. At this time, I would ask that you turn off all your cell phones. Here in this committee, we do not allow cell phones on which means no text messaging either. At this time, I would like to open the hearing on LB129, and I'd like to welcome Senator Dubas. She is here. And good afternoon. []

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SENATOR DUBAS: Good afternoon. Chairwoman Fischer and members of the Transportation Committee, my name is Senator Annette Dubas. That's A-n-n-e-t-t-e D-u-b-a-s, and I represent the 34th Legislative District. LB129 is an issue that was brought to me by my local county treasurers in the 34th district. This legislation, simply put, gives the county treasurer the ability to cancel or refuse to issue a motor vehicle registration if such registration is not paid for with sufficient funding. This legislation allows the county treasurer to charge a \$25 fee for pursuing the matter as well. It allows for a process in which, after seven days, the county treasurer may pursue the insufficient funding by sending notice to the purchaser of the registration. That purchaser is then given ten days to return to the county treasurer to pay for the registration. If that does not occur, the purchaser is then required to return the plates and registration to the county treasurer, and if they do not, the county sheriff is given the authority to recover both items. I've worked closely with the Department of Motor Vehicles, the county treasurers, and the Nebraska Association of County Officials, and I really do appreciate their time and effort in making this, hopefully, a tight and concise bill. So I do know that there are a few people following me who actually helped me put this bill together, and who will be able to answer maybe some of the more technical questions. But with that, I would be happy to try to answer any questions you may have. [LB129]

SENATOR FISCHER: Thank you, Senator Dubas. Are there questions? Senator Stuthman. [LB129]

SENATOR STUTHMAN: Thank you, Senator Fischer. Senator Dubas, in your bill it states that a county treasurer may cancel or refuse to issue or renew a registration under this act. But a situation that I'm thinking of is, a person goes in to renew his license, and he pays by check, and it's a day or two before you find out that it's insufficient or the check is no good. Why would it say in there, refuse to issue. Does the treasurer know that that check is no good or...I mean, that's the situation that I'm looking at, and maybe someone else can answer that. [LB129]

SENATOR DUBAS: Yes, I believe someone from the Department of Motor Vehicles will be able, because, apparently, there's already some statutes in place along these same guidelines, and that's what we base a lot of it off of. [LB129]

SENATOR STUTHMAN: Because it...to me, this would be that it is known that that check is rubber already, and it's no good. And then they would refuse to issue it, because, otherwise, in normal circumstances, I would say they'd take the check, and then they would process the check, and then the check would come back as it is stated in here elsewhere so. [LB129]

SENATOR DUBAS: Correct. And if we can't get that question answered, I certainly will

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see what we can do afterwards. [LB129]

SENATOR STUTHMAN: Okay, thank you. [LB129]

SENATOR FISCHER: Other questions? I see none. Thank you very much. At this time, I would like to announce for the record that we have been joined by Senator Campbell and Senator Campbell is from Lincoln. Are there proponents for the bill? If so, would the first proponent please step forward? Good afternoon. [LB129]

BETH BAZYN FERRELL: Good afternoon. Chairman Fischer, members of the committee, for the record, my name is Beth Bazyn, B-a-z-y-n Ferrell, F-e-r-r-e-l-l. I'm an assistant legal counsel with the Nebraska Association of County Officials. We're appearing in support of this bill. We want to express our appreciation to Senator Dubas for tackling this issue. We really appreciate the time and effort that she and her staff have put in on this bill for us. County treasurers have always received a certain number of uncollectable checks. Last fall we did sort of an informal survey. We got responses back from 55 counties, and that didn't include the three largest counties. Those counties reported that they had collected nearly \$300,000 in bad checks over the course of the year. Now, some of those then, and probably most of those, they didn't report that information to us, but those in the end were paid. But I think that really points to the need for some kind of enforcement mechanism that gives a little more...make more of a hammer to what counties have available today. Of course, the simplest solution would be to just have a cash only policy, and that works great for the counties that do that for drivers' licenses, but when you're talking about a registration, the dollar amount is larger, and if someone pays the sales tax or something, it is a larger amount. It may be helpful as vehicle owners start to use the on-line registration. That may reduce the number of bad checks that come into counties because people might be using their credit cards. Some county attorneys, though, have expressed a concern about electronic checks that go through the on-line registration system. That is addressed in the bill, but that may be something if, when it comes into the actual implementation, and they start dealing with those, we may have to come back and look at that at some point in rules and regs, or possibly legislation. Again, we support the bill. We appreciate the introduction. We see a real need for it. I'd be happy to try to answer questions. [LB129]

SENATOR FISCHER: Thank you, Ms. Ferrell. Are there questions? Senator Hadley. [LB129]

SENATOR HADLEY: Thank you. Quick question. I understand the purpose behind the bill and everything. How is a county treasurer different than if a person goes into Wal-Mart and gives them a bad check. Wal-Mart doesn't have the right to go out and take the groceries back or the whatever they bought. It's treated as a, you know, as an issue dealing with a bad check. I guess, what's the reasoning behind allowing the county treasurer to have rights that other merchants, retailers, other people in the

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community do not have? [LB129]

BETH BAZYN FERRELL: I think it comes down to an issue of, they're all taxpayers, and the funds that come from registration fees and other motor vehicle taxes and fees affect all of us as a whole, not to say that someone who passes a bad check at Wal-Mart, in the end that doesn't come back and affect everybody that buys groceries. But I think it's a little bit different when you're looking at a public entity versus someone who's in it to make money; government versus industry. [LB129]

SENATOR FISCHER: Other questions. Senator Gay. [LB129]

SENATOR GAY: Thank you, Senator Fischer. My question is, in Section 5 it says, if after ten days, after getting mailed the notice you're to return the plates to the treasurer. And if you don't do that, if the person fails to return a registration, license plates to the treasurer, the treasurer shall notify the sheriff who goes out and shall recover the plates. But in larger counties, do you think you're asking a sheriff to do this, that they've got a lot of other things to do than this, I would think. So there's no penalty provision. Do you think the sheriffs would just say, well, okay. They have a list, let's say, of could be quite a few probably in some of the larger counties that I'm not so sure without any penalty provision they'd be rushing to do this, so is that realistic to think that the sheriff is going to go try to get plates? [LB129]

BETH BAZYN FERRELL: And I think it is different in a larger county as you indicate. It may be that they, you know, run across someone that has a batch, a kind of registration when they're dealing with some other kind of incident. There are treasurers now that do ask the sheriff to go out and pick up the plates, and those are in smaller counties. But at this point, there's not authority to do that. [LB129]

SENATOR GAY: And can I ask a follow-up question? [LB129]

SENATOR FISCHER: Um-hum. [LB129]

SENATOR GAY: So, let's say that is there a list now of...by the way, if we issued these plates, whatever the plate number is, it's out there. They get pulled over for speeding, whatever. The sheriff pulls them over. Does he know that under...when they do a search, do they know that this person has an outstanding payment with the treasurer, that the plates and the registration haven't been paid for? Does the sheriff's deputy know that? [LB129]

BETH BAZYN FERRELL: That may be a question that I defer to Director Neth. I think it depends on how a treasurer would enter that into the VTR system, but that's I think more of a technical question. [LB129]

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SENATOR GAY: Thank you. [LB129]

SENATOR FISCHER: Other questions? Do you think possibly there needs to be a penalty in this bill besides just the \$25 administrative fee? [LB129]

BETH BAZYN FERRELL: We talked about that, and whether that would, you know, encourage more people to pay with a good check. We've also talked about in the context of a county attorney collecting more for their services and prosecuting, that sort of thing. Obviously, we didn't draft it that way at this time. [LB129]

SENATOR FISCHER: What happens to people now when they write a bad check? [LB129]

BETH BAZYN FERRELL: Right now... [LB129]

SENATOR FISCHER: Not just for the county, but just say at a store. If they write a bad check at a store, can they be prosecuted for that? [LB129]

BETH BAZYN FERRELL: They can if that gets turned over to the county attorney for prosecution. There are statutes that deal with and aggregating amounts and so on to determine the level of penalty. [LB129]

SENATOR FISCHER: Could that or would that apply in this case too that without it being spelled out in the bill, could the county treasurer turn it over to the county attorney to prosecute? When you're talking sales tax, that can be a sizeable amount of money. [LB129]

BETH BAZYN FERRELL: And the bad checks do get turned over to the county attorney now. Some are more aggressive than others about pursuing them depending on the dollar amount. [LB129]

SENATOR FISCHER: From the county treasurer, are they turned over now? [LB129]

BETH BAZYN FERRELL: Right. Yes. [LB129]

SENATOR FISCHER: And you could see that this would possibly take effect under this bill too, that option is open for a county treasurer to turn it over to the county attorney to pursue it besides just having the sheriff go out and recover the plates? [LB129]

BETH BAZYN FERRELL: Yes. [LB129]

SENATOR FISCHER: Are there other questions? I see none. Thank you very much. Next proponent, please. Good afternoon. [LB129]

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BEVERLY NETH: Good afternoon, Chairwoman Fischer, members of the committee. I'm Beverly Neth, B-e-v-e-r-l-y N-e-t-h, director of the Department of Motor Vehicles, appearing today to offer testimony in support of LB129. LB129 represents an idea that has been found in bills introduced in prior Legislatures. This bill presents a more streamlined process than those proposed in earlier proposals. The process in LB129 closely mirrors a process that the DMV has had in place since 2006 with LB853. That applies to fleet registrations of apportioned vehicles pursuant to the International Registration Plan. The DMV has found that cancellation of registration or the threat thereof has been an effective strategy to enforce correct and timely payment of registration fees for apportioned vehicles. From the department's perspective, LB129 may improve the effectiveness of the on-line registration renewal program that DMV implemented in 2008. The registration renewal program allows on-line payment for fees and taxes to be made by credit card or e-check. The on-line registration renewal was one of the most requested on-line services by the general public. This bill will allow the counties recourse in case the person would renew on line with an insufficient funds check. This assures the motor vehicle's fees, registration fees, and motor vehicle taxes may be properly collected, or the license plate removed from the vehicle and registration documents cancelled. I will attempt to answer any questions you have, and Senator Fischer, I can address some of the previous questions. Senator Stuthman and Senator Gay, I think from the technical side of how VTR works for tax collection. We do have a history component to VTR, so if an individual pays any kind of fees with a bad check, that can be flagged in the system, so that a subsequent registration--an edit box or an error box would pop up and say, this person has uncollected fees pursuant to an insufficient fund check. So the treasurer then has...many of them, I believe, have well-established policies about whether or not they will accept a subsequent check from that person or whether they've put them on a cash only status. And in many cases, I think they are on cash only. So we can flag the system to say, for going forward for another issuance, it could be refused without cash payment. From a technical standpoint, that red flag is available in VTR, and so when a treasurer were to...if the treasurer were to cancel the plates and registration, regardless of whether the sheriff actually went out to pick up the plates, and I think in some of the larger counties, that could become an onerous proposition. But it would be available. That cancellation of the plates, registration would be available for law enforcement, so they would know that that vehicle is not properly registered regardless of the fact that they have the plates and the sticker on it; it has been cancelled. So those, I think, somewhat address those questions. And with respect to what happens to a person, Senator Fischer. I think, the other day you heard from a company, First Data and Telecheck that has a database. I think bad checks...that database is there for the negative aspect of those check passers, and I think a lot of people use those. I don't know that that is actually used on the county level, but it could be available to them as well whether or not they use that kind of service to have access to that negative database. I think that kind of addresses some of the questions. [LB129]

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SENATOR FISCHER: Okay. Thank you, Director. Are there questions? Senator Gay. [LB129]

SENATOR GAY: Thank you, Senator Fischer. Prior testimony, the lady from NACO said that most of these are collected in the long run, right? Do you know what percentage are ultimately collected then? [LB129]

BEVERLY NETH: I think that from the study that I saw of the 50-some counties that did respond, I think Ms. Ferrell's number was around 329,000. I think I recall about \$29,000 was not collected in the long run, and I don't know how many particular vehicles that would represent. [LB129]

SENATOR GAY: And then (inaudible) it's owners. How many yesterday did you have a statistic, how many vehicles are on the road and? [LB129]

BEVERLY NETH: There are 2.2 million licensed registered vehicles in Nebraska, roughly. [LB129]

SENATOR GAY: And you can understand why a sheriff probably wouldn't... [LB129]

BEVERLY NETH: Absolutely. [LB129]

SENATOR GAY: And I think it's probably okay, but Senator Fischer was bringing up was the fact...I don't know, I'm no lawyer, but there's probably a felony provision if you write a bad check over a certain amount of dollars, isn't it? [LB129]

BEVERLY NETH: The problem... [LB129]

SENATOR GAY: Well, so the county attorney could go prosecute. [LB129]

BEVERLY NETH: The problem with that has been on a historic level, and the reason why we originally brought to the bill in 2006 to address the International Registration Plan was there is some difference of opinion out there among county attorneys about what is the value? Regardless of what the check was, that was paid, what is the value of the service that was received, and is it prosecutable as a felony, or is it merely a misdemeanor? What really happened? For instance, from the International Registration Plan, our motor carrier division, we had an individual who gave us \$42,000 in bad checks to register a multiple of vehicles. We were unable to get a county attorney to prosecute that, because they said it wasn't...they disagreed that that was a felony. It was very difficult...ultimately, I'm not sure we ever collected that money. But there is a disagreement out there. The check prosecution statute certainly exists, and this doesn't change that. That's always available to county attorneys, and I think for the most part,

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most county attorneys do prosecute, and they probably prosecute according to the value of the check. The problem that we're hoping we don't see a huge increase...in the on-line renewal program, I think there's some concern from the prosecutor's standpoint that there hasn't technically been an identification of the individual who passed the check. So that was some of the concerns that were brought forward by some of the county attorneys, and so we wanted to at least put this mechanism in place. I can tell you that the recent stats I saw on the on-line program, we've had some 2,600 vehicles register on line, collected over half a million dollars, and we haven't had one bad check yet. So, knock on wood, that remains the case. But I think we will see some bad checks in that program. [LB129]

SENATOR FISCHER: Other questions? Senator Hadley. [LB129]

SENATOR HADLEY: Senator Fischer, Director Neth, I'll go back to the question I asked earlier. In your opinion, there isn't a legal problem of separating the transaction for goods and services and the collection for them. You know, I guess I...and I go back to my Wal-Mart example, you know, can legally Wal-Mart go out to my home and take the groceries back that I gave them a bad check? I just wonder, is there a legal opinion that we can take back what we sold because we, you know, we got a bad check for it? [LB129]

BEVERLY NETH: I think there are a couple of things at play here. One is, we are actually imbuing a privilege upon the individual with the license plate and the registration. We're saying that you have met the state's criteria to operate that motor vehicle on the roadways, and we're giving you a privilege associated with that operation of that vehicle. So I think that's a distinction. I'm not sure that Wal-Mart really gives me, you know, anything I purchased from them. The other thing is, I think there is a mechanism in place for a person to repossess if I purchase something from you or I'm...let's say I install a furnace in your house, and you never pay for it. I imagine I can go into small claims and sue you and have that item repossessed if you fail to make any payments. So I think there are some mechanisms. Obviously, large retailers probably aren't out there, but ultimately, the impact to all of us is, I imagine that makes our groceries and our other goods we purchase go up as theft and nonpayment for items occur. [LB129]

SENATOR FISCHER: Senator Lautenbaugh. [LB129]

SENATOR LAUTENBAUGH: Thank you, Madam Chair. Thank you, Director Neth. This is sort of touching on what you just said, I think, but I think it's an important point. Some of these fees that we're talking about are actually taxes, aren't they? [LB129]

BEVERLY NETH: They absolutely are. [LB129]

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SENATOR LAUTENBAUGH: Well, the Internal Revenue Service has an array of tools that Wal-Mart doesn't have, and this just follows the leader, does it not? [LB129]

BEVERLY NETH: Yes, it does (laugh). [LB129]

SENATOR LAUTENBAUGH: So this would be basically another tax collection tool. No one likes to think of it that way, but we're not talking about a transaction in goods in this, are we? [LB129]

BEVERLY NETH: No, we're not. [LB129]

SENATOR LAUTENBAUGH: That's all I have. [LB129]

SENATOR FISCHER: Thank you, Senator Lautenbaugh. Other questions? Senator Stuthman. [LB129]

SENATOR STUTHMAN: Thank you, Senator Fischer. Director Neth, is this going to create more of a problem for the county workers? [LB129]

BEVERLY NETH: No, I don't think it will. As a matter of fact, I think the counties are...they really want this. Right now it's very easy for them to go in and cancel a registration. What this will allow us to do is, we're making some modifications to our system, so we can track that cancellation, so that vehicle record isn't purged. Sometimes vehicles get cancelled and to...you know, someone thinks that that's appropriate to do. But if a cancellation of a record occurs right now without the modifications we're making, that vehicle record actually gets purged and we lose it. So we don't want to do that for the very purpose of Senator Gay talking about law enforcement seeing that. We want that cancellation to be tracked, so if law enforcement sees an individual or they're stopped in some kind of enforcement action, then they know those plates have been cancelled. [LB129]

SENATOR STUTHMAN: And there is a process in place already that deals with the insufficient fund checks and the bad checks, stuff like that. [LB129]

BEVERLY NETH: Yes, that's all in the system, and it's used every day, particularly in the larger counties. I think one of the reasons the three large counties didn't give their bad check numbers, because that really would have skewed the numbers off the charts. I've had some conversations with the Douglas County Treasurer, John Ewing, who said he was astounded at the number of bad checks that they received in his office, and he has implemented some procedures to begin the collection of those things. And so, on a policy level, the counties can still do whatever they want to do for collection of those checks. [LB129]

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SENATOR STUTHMAN: And the reason for this bill is to, more or less, set a process in place and the flagging portion of it to alert the county treasurers and, you know, so that they don't get into that problem so... [LB129]

BEVERLY NETH: I think that's exactly right. We want to codify... [LB129]

SENATOR STUTHMAN: ...I mean, that's the positive part of it that I see here. [LB129]

BEVERLY NETH: Um-hum, um-hum. [LB129]

SENATOR STUTHMAN: Thank you, Director. [LB129]

SENATOR FISCHER: Senator Gay. [LB129]

SENATOR GAY: Thank you, Senator Fischer. What exactly is John Ewing doing to... [LB129]

BEVERLY NETH: You know, I'm not sure. He told me that he'd started a process and that conversation was awhile ago. I kind of forgot what he's doing. [LB129]

SENATOR GAY: Well, I'll check with him. [LB129]

BEVERLY NETH: Okay. [LB129]

SENATOR GAY: He has been pretty proactive in doing things, so it'd be interesting to see what he is doing, because, I mean, here's a law that you want to create, that I think there's other mechanisms in place, best procedures, practices. You said you had a setup on your...that maybe could...we could do before we had...came to this. But I'll discuss it with John. [LB129]

BEVERLY NETH: Right now the statutory authority does not technically exist for the cancellation of those things. If it's happening, and it may be, it's being done contrary to statute, not through people being malicious or anything like that. It's just a lack of understanding that that truly isn't in statute right now. [LB129]

SENATOR FISCHER: Senator Lautenbaugh. [LB129]

SENATOR LAUTENBAUGH: Thank you, Chairman Fischer. Again, you're hearing from the county clerks that sometimes the county attorneys aren't able or willing to run these down, and we're talking checks of a couple hundred dollars. [LB129]

BEVERLY NETH: Could be, yes, in excess of that. Um-hum. [LB129]

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SENATOR LAUTENBAUGH: And this is not a knock on the county attorneys. It could just be a lack of manpower to do this. [LB129]

BEVERLY NETH: Absolutely, absolutely could. [LB129]

SENATOR LAUTENBAUGH: So this cancellation process is just kind of another tool to circumvent having to go to the county attorney and have this go in a box that it's looked in after all the felonies are solved is that basically. [LB129]

BEVERLY NETH: That's right. That's right. Certainly not the highest priority, I imagine. [LB129]

SENATOR FISCHER: Thank you. Other questions? I see none. Thank you, Director. [LB129]

BEVERLY NETH: Thank you. [LB129]

SENATOR FISCHER: Are there other proponents for the bill? Any other proponents? Are there opponents to the bill? Anyone wishing to testify in a neutral capacity? I see none. Senator Dubas, would you like to close? [LB129]

SENATOR DUBAS: I will keep my comments very brief. This was brought to me by my county treasurers as just a clarification, another tool to put at their disposal to help them do their business. Many of them had talked to their county sheriffs and county sheriffs are saying, I'm just not quite sure if this is what I can do. Some just not quite clear language as far as their direction, so we understand at the state level, what every dollar means to us, and it means even that much more at the county level, so especially for the smaller counties or the more rural counties, to give them another tool in their toolbox to try to recoup those dollars mean a lot to them. So, as I said, my county treasurers felt this was something especially with the advent of registering on line, that would just clarify and codify the things that are already in place. So I would appreciate your support on this bill. [LB129]

SENATOR FISCHER: Thank you, Senator. Thank you for being here today. [LB129]

SENATOR DUBAS: Thank you. [LB129]

SENATOR FISCHER: With that, I will close the hearing on LB129, and I will open the hearing on LB202. Good afternoon. [LB129]

DUSTY VAUGHAN: Good afternoon, Senator Fischer and members of the Transportation and Telecommunications 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 committee. LB202 is

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a Transportation and Telecommunications Committee bill. It requires the Department of Motor Vehicles to implement an electronic title and lien system by January 1, 2011. The system will apply to both motor vehicles and motor boats. Under the new process, a certificate of title will remain on record in the department system if a lien or notice of a lien has been filed. The electronic title record will be sufficient evidence of an owner's interest in a motor vehicle or motor boat. Once all existing liens have been discharged, a printed certificate of title may be obtained by the owner. All security interests and liens will be noted and cancelled electronically through the system. All liens will take priority in the order of time that they are filed electronically or noted on a printed certificate of title. The bill requires the DMV to provide access to the system to dealers and security interest holders. LB202 is the product of several interested parties over the last two years. The committee has worked closely with the Department of Motor Vehicles, the New Car and Truck Dealers Association, the Nebraska Bankers, and the Nebraska Association of County Officials. And I believe that all agree to this bill, but they pay people to speak for them, so I will let them do that. [LB202]

SENATOR FISCHER: Thank you, Mr. Vaughan. Other questions? I see none. Thank you. I would ask that the first proponent for the bill step forward, please? Good afternoon. [LB202]

LOY TODD: Good afternoon, Senator Fischer, members of the committee. My name is Loy Todd. That's L-o-y T-o-d-d. I'm the president and legal counsel for the Nebraska New Car and Truck Dealers Association. We thank the committee for the introduction of this bill as committee counsel indicated that we have been working toward this for quite a few years. There have been some drafts that almost got to the finish line, but never made it across, and, hopefully, this one will. It's simply a matter of addressing modernization of the whole process. Obviously, we're in the electronic age. All of the functions performed by the Department of Motor Vehicles and the licensing, titling, registration, all those things are done electronically within the governmental part of this. Unfortunately, we still have all this paperwork, and it's an extremely difficult problem for my dealers in the processing of these documents, because we started off being focused mainly on lienholders and lien recording and lien releases. And it just takes forever anymore to get these documents back. Banking has moved, you know, international, not just national, but international. And so, when there's a paper lien and a paper release filed, sometimes it has to go off to California, and then make its way back through our system. Our customers get angry because we can't pop up with the documents right away. You call a California lender and say, could you hurry up with that lien release? And they're saying, we're still trying to find the title. You know, it's just a problem. And so, this addresses this. I really want to thank the department for working with us in that regard and the bankers. We think we finally got a workable solution. We'd like enormously the fact that it's going to be phased in over some time, so we could educate everybody and do some trial work. And I think the director will address that, certainly better than I can, that they're going to launch this, I think as an experimental

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thing in some places. We're going to learn what we don't know and work from there. So we sincerely welcome this opportunity and encourage you to advance the bill. Thank you. [LB202]

SENATOR FISCHER: Thank you, Mr. Todd. Are there questions? I see none. Thank you very much. Next proponent, please. Good afternoon. [LB202]

JERRY STILMOCK: Good afternoon, Senators. My name is Jerry, J-e-r-r-y Stilmock, S-t-i-l-m-o-c-k, testifying as a lobbyist on behalf of the Nebraska Bankers Association in support of LB202. We, along with the New Car Dealers, have worked with the department with Senator Fischer, Senator Fischer's staff, and other interested parties, to provide for the establishment of electronic lien filing and releasing. We're in support of the measure. We have in the past, and we understand that there will be some, perhaps pilot projects to get out and try to implement that on a smaller scale initially, and we just lend our support to getting that pilot program moving, and then, ultimately, resulting in a statewide implementation. Thank you. [LB202]

SENATOR FISCHER: Thank you, Mr. Stilmock. Are there questions? I see none. Thank you very much. [LB202]

JERRY STILMOCK: Thank you, Senators. [LB202]

SENATOR FISCHER: Are there other proponents? Good afternoon. [LB202]

GREG BRIGHAM: (Exhibit 2) Good afternoon, Senator Fischer and members of the committee. My name is Greg Brigham, G-r-e-g B-r-i-g-h-a-m. I am here this afternoon on behalf of the Nebraska Land Title Association. We do support the bill, LB202. However, we would like to see an amendment made to the bill which I've passed out a copy of the proposed amendment. The bill in the provisional providing for the implementation of the electronic lien system under proposed Section 60-164(1) provides that the department shall provide access to the electronic certificate of title records for motor vehicle dealers and lienholders who participate in the system by a method determined by the director. The amendment that we've offered, we would like to see that title insurance agents and title insurers also be allowed to access to that database. You may be questioning why we're concerned with motor vehicle titles when we're in the business of real property, but certificates of title are required to be issued on manufactured and mobile homes prior to their being affixed to the real property. We're oftentimes asked to insure either for a lender or an owner those homes, and as part of that process, we're required to search for any liens that may be filed against the home or the property. Oftentimes when the liens...and the statutes provide that in order for a lienholder to perfect their lien, they are required to file their lien on the certificate of title. They are not required to file their lien in the Register of Deeds Office. Oftentimes the lien is filed in the Register of Deeds Office as well, but it's not required. Therefore, we

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would like to be able to have access to this database just to ensure that we're catching everything that's out there. A couple of situations where it can affect us is in the case of a new home that's being affixed to the property. As I said before, prior to it...from the time it's moved from the manufacturer to the homesite, it is required to have a certificate of title for that time. So in that time period, lienholders are able to note their liens on a certificate of title prior to being affixed to the real estate. And then after it's affixed, the homeowner can file an affidavit with the county clerk's office to have that certificate of title surrendered and cancelled, but any liens that are noted on the certificate of title do remain in effect, and then are recorded with the Register of Deeds Office. But as a part of our process, we feel it's necessary to be able to have access to that system in order to make sure we're catching any liens that are out there. And that's all I have, and I'd be happy to answer any questions. [LB202]

SENATOR FISCHER: Thank you, Mr. Brigham. Are there questions? Senator Louden. [LB202]

SENATOR LOUDEN: Do I understand now, we're not just talking...you're not just talking about motor vehicle, you're talking about all title...? [LB202]

GREG BRIGHAM: No. Only motor vehicle titles as they relate to manufactured and mobile homes. [LB202]

SENATOR LOUDEN: Okay. Okay, and that's where your title insurance comes in on a mobile home? [LB202]

GREG BRIGHAM: Right, right. [LB202]

SENATOR LOUDEN: When they're fastened down on real estate or what? [LB202]

GREG BRIGHAM: Correct, correct. [LB202]

SENATOR LOUDEN: Okay, and that doesn't get into some other type of legislation. [LB202]

GREG BRIGHAM: I'm sorry? [LB202]

SENATOR LOUDEN: That doesn't get into some other type of legislation where you have motor homes tied down on real estate. It's more of a homeowner's type deal or real estate title that you're talking about then? [LB202]

GREG BRIGHAM: Until that certificate of title...until the homeowner files that affidavit to cancel and surrender their title to the county clerk's office, that home still has a certificate of title. But once they file that affidavit, then it's considered part of the real

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property, and then covered by the real property statutes. But until that affidavit is filed, that certificate of title is covered by this section of the statutes. [LB202]

SENATOR LOUDEN: Now, if you're doing it electronically, what is your gain because you still have to go to the county assessor's or someplace like that or county clerk's in order to file that title on there, wouldn't you? [LB202]

GREG BRIGHAM: Well, the...our reason for the amendment is because the...as the bill stands right now, we only...dealers and lienholders would be granted access to that database. We feel it's necessary for us as title agents to also have access to that database. Therefore, we've offered the amendment just adding language so that we as title insurance agents and companies can have access. [LB202]

SENATOR LOUDEN: Okay, thank you. [LB202]

GREG BRIGHAM: Yep. [LB202]

SENATOR FISCHER: Other questions? Senator Lautenbaugh. [LB202]

SENATOR LAUTENBAUGH: Thank you, Madam Chair. So this bill sets up a new database, but you just want access to it. [LB202]

GREG BRIGHAM: Correct. [LB202]

SENATOR LAUTENBAUGH: To be able to check for liens. [LB202]

GREG BRIGHAM: Correct. [LB202]

SENATOR LAUTENBAUGH: Because the vehicles here...the items you're worried about are sometimes real property; sometimes title vehicles, depending on where they are in the phase of production. [LB202]

GREG BRIGHAM: That is correct. [LB202]

SENATOR LAUTENBAUGH: So you're not looking to change what you do. You just want to be able to check this new database. [LB202]

GREG BRIGHAM: Exactly. [LB202]

SENATOR LAUTENBAUGH: Okay. Nothing else. [LB202]

SENATOR FISCHER: Other questions. I see none. Thank you very much for being here today. Are there other proponents for the bill? Any other proponents? Welcome. [LB202]

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BETH BAZYN FERRELL: Good afternoon, Chairwoman Fischer, members of the committee. For the record, my name is Beth Bazyn, B-a-z-y-n Ferrell, F-e-r-r-e-l-l. I'm an assistant legal counsel with the Nebraska Association of County Officials. We're in support of this bill. We go back as long...with Mr. Todd to the original many multitudes of drafts of this bill. This is drafted much more narrowly than some of those, and we do support it as it's written. [LB202]

SENATOR FISCHER: Thank you very much. Are there questions? Thank you, Ms. Ferrell. Are there other supporters for the bill? Good afternoon. [LB202]

GARY MERRITT: Good afternoon. My name is Gary Merritt, G-a-r-y M-e-r-r-i-t-t. I represent the Nebraska Independent Auto Dealers Association. We are reluctantly in favor...I can't say we're ecstatic about it, because of other states have had problems with it. But we feel that we're coming to the point in visiting with parties involved that we've worked out the problems that this would be something that would be a benefit. The biggest problem in used car dealerships right now is getting titles in a timely fashion, and if this can solve the problem with the electronic release of liens and transfer of liens and things, this would definitely be a benefit of the industry. So through much talk and meeting last week, well, we support the bill and we're looking forward to working with everybody on it. [LB202]

SENATOR FISCHER: Thank you, Mr. Merritt. Are there questions? I have just a question. You know, we've worked on this bill two or three years now. [LB202]

GARY MERRITT: Yeah. [LB202]

SENATOR FISCHER: And almost got it through last year, but we ran out of time. What problems specifically have you seen in other states? [LB202]

GARY MERRITT: Kansas is the most proliferant (sic), where all the titles are actually coming out of Topeka, basically, and so you're sending everything to a central location for titles to be released. It's been an education to the dealers that it's not the titles. It's just going to be a central location for registration of the liens is the way we've understood it in that, you know, a clean title can still go down to the courthouse and work with your county treasurer and get the titles there. And that's where some of the biggest problems has...the ones that have been along the Kansas border that's dealt with Kansas titles. [LB202]

SENATOR FISCHER: Nebraskans dealing with Kansas law. [LB202]

GARY MERRITT: Nebraska...yeah, Nebraska dealers getting a Kansas title and have to get the...go through Topeka to get the title back. [LB202]

SENATOR FISCHER: Thank you. Other questions? I see none. Thank you very much for being here today. Are there other proponents for the bill? Any other proponents? Are there any opponents to the bill? Anyone wishing to speak in opposition? Anyone here to speak in the neutral capacity? Good afternoon. [LB202]

BEVERLY NETH: (Exhibit 3) Good afternoon. Chairwoman Fischer, members of the committee, I'm Beverly Neth, B-e-v-e-r-l-y N-e-t-h, director of the Department of Motor Vehicles, offering neutral testimony regarding LB202 today. In my role as the DMV director and as the chairperson of the motor vehicle industry licensing board, one of the most frequent complaints of the car buying public continues to be the failure of the dealer to deliver the title in a timely fashion. The consolidation of financial institutions has resulted in large financial institutions storing thousands of paper titles at central locations, generally not in Nebraska. It is becoming more and more difficult for dealers and owners to obtain titles for financed vehicles from large banks with centralized storage of titles. And with the recent bank consolidations, I'm not sure where titles would be stored anymore. LB202 helps address that issue by requiring the DMV to implement a remote electronic lien process no later than January 1, 2012. I'm going to give you a little overview of how the lien process currently works. Currently, liens are noted on the face of a paper certificate of title. In general, that process is done at the county level. The holder of a security interest is required to submit the paperwork associated with the lien for notation on the title. The lien is noted on the title document. At the same time, the lien is noted and stored within the vehicle title and registration system and becomes part of the electronic vehicle record. The paper title with the lien noted is the official document establishing the lienholders' claim on a vehicle. The title must be resubmitted to the county for removal or release of the lien notation. DMV has been supportive of past attempts to allow for a remote lien process, and that process remains a long-term goal of the Department of Motor Vehicles. LB202 allows lien notation to be initiated electronically by dealers and lienholders. The lien notation becomes part of an electronic certificate of title record. When the application for title is made, the system will search for an electronic lien filing, and note that lien on the title within the system. The electronic certificate of title and lien in the system will be official evidence of the ownership and security interest. Under LB202, when a buyer has completed loan payments, lenders will be able to send information to release a lien electronically. If the owner can show that a lender has not responded to notice to release a lien within 15 days, a paper certificate of title can be issued. An owner will always be able to obtain a paper certificate of title upon release of all liens or if the owner has moved out of Nebraska and wants to transfer the title to another state. I do have one concern with the move to electronic titles and liens. As I have mentioned before the committee, the existing vehicle title registration system is nearing its end of life cycle. It is important that the DMV maintain the functionality of VTR so we can continue its primary function of motor vehicle titling, registration, tax, and fee collection and distribution. There are limits on how many more major changes we can make to the system and still rely upon its

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stability. For some time now, externally and internally, the DMV has been discussing the need for a comprehensive update of the entire motor vehicle registration system to one that is capable of expanding and addressing the issues and needs of all the stakeholders concerned with motor vehicle titling and registration and motor vehicle tax and fee collection, including legislators, law enforcement, counties, and cities, licensed motor vehicle dealers, financial institutions, Game and Parks, Department of Roads, Department of Revenue, the motor carrier industry, and the insurance industry as well as the general public. I look forward to continued discussions with the committee regarding the replacement of the existing VTR system and towards working towards an electronic lien and titling system. With that, I will answer any questions the committee might have. [LB202]

SENATOR FISCHER: Thank you, Director Neth. Are there questions? Senator Stuthman. [LB202]

SENATOR STUTHMAN: Thank you, Senator Fischer. Director Neth, is this going to solve the problem as far as the time frame that a lending institution, you know, receives the money and then they got to wait till it clears the bank for ten days, and then they wait another time frame. And then here it has, you know, released the lien within 15 days. That's not going to change that part of it, is it? [LB202]

BEVERLY NETH: It doesn't. The statute currently requires a lienholder to release that lien within 15 days, and so I know by practice, some of them do wait until the check is cleared or the final payment has cleared. But what we're attempting to do is, I think, mitigate some of the problems that you see in other states, including Kansas relative to that lienholder releasing that lien. Kansas...in our conversations with the Kansas DMV, they tell us the problem really isn't them issuing the title. The problem is, they still have a difficulty getting the lienholder even to input the information into the electronic lien process. So what we've tried to do with this statute is say that, regardless, if you don't release that lien within 15 days after you've been noticed that the lien has been paid off, then we're going to print the title without the lien, so we're putting the onus onto the lienholder to do what they're supposed to do under this statute. We think that will help with some of the problems that you see in some of the other states. So it doesn't really change that process; it just adds a bit of a stick, I guess, in our statutes. [LB202]

SENATOR STUTHMAN: And it will also improve the time frame from that 15 days till you get it in the mail and the delay there. I mean, that's where it came almost up to 30 days before you could ever get the title, in my experience, and... [LB202]

BEVERLY NETH: Could be. Yeah, it can be. [LB202]

SENATOR STUTHMAN: But I don't think it's...we're going to change and we can't change the fact that the 15 days, they're going to wait 14.5 days anyway. [LB202]

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BEVERLY NETH: I think that's right. But as soon as that lien release is in the system, then the VTR system will tell us, this title has been released. The lien on this title has been released. It's cleared for printing, and we'll program it so it automatically prints and mails that document without much human intervention, quite frankly. [LB202]

SENATOR STUTHMAN: And this should avoid that 31-day wait when you only have 30 days. [LB202]

BEVERLY NETH: That's our goal. That would be the goal of the system. [LB202]

SENATOR STUTHMAN: Okay. Thank you, Director Neth. [LB202]

BEVERLY NETH: There is one thing I'd like to clear up. I think Senator Lautenbaugh asked the gentleman from the title insurers whether this was a different system. It's not. We are not building a new system. What we are building from a technical standpoint is a big mailbox where liens will sit. A lienholder can send the lien information to this mailbox. Once the title has been issued for that document, then our VTR system will go check the mailbox to see if there is a corresponding vehicle sitting out there where a lien exists, and it will pull that lien from that mailbox and put it onto the electronic record that rests within the existing VTR system. So we're not really technically building a whole new database. It's part of...I did get a copy of the amendment that was offered. I would like...my first blush is that the department would oppose that, primarily because there already is a mechanism in place for insurers to have electronic access to lien and title searches. That is conducted through the Nebraska.gov portal. If you are a subscriber and you're one of the individuals who can have access to those records, you can pay a \$50 annual subscriber fee and pay a \$1 per vehicle record check that exists. I believe that's a system many of them are using today. This information will be available. It will be in that same system. So this isn't technically a searchable database. What it is, is a database where you're going to input information, and we're going to use it to tie up to other information we have in our searchable database. [LB202]

SENATOR FISCHER: Other questions? Director Neth, you brought up the VTR system, and that you have concerns on what this may do to the system. Do you think it would overburden the system at this point? [LB202]

BEVERLY NETH: Well, I don't know. My technical IT people tell me that every time we add another layer on it, the thing gets a little shakier, and we see a few more unexplained anomalies. I don't want to be Henny Penny and say the sky is falling, but I suspect... [LB202]

SENATOR FISCHER: But you'd like it, but you'd like a new system. [LB202]

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BEVERLY NETH: I think the time has come where we really need to begin those conversations in earnest, and I know that it's concerning to all, because the cost of a new system is millions of dollars and so... [LB202]

SENATOR FISCHER: Do you have any idea of what the cost would be for a new system? [LB202]

BEVERLY NETH: No. I can look to some surrounding states and the implementations of new systems they put in. Iowa spent \$20 million on a new vehicle system. Missouri is spending somewhere in the neighborhood of \$50 million, but they're doing vehicles and driver licensing. Our driver licensing system is quite good. So, you know, anywhere in between there. Wyoming, I think, is implementing a new system now and it's \$20 million, \$25 million. [LB202]

SENATOR FISCHER: The DMV is a cash agency, correct? [LB202]

BEVERLY NETH: We are. [LB202]

SENATOR FISCHER: Do you have any idea how high you would have to raise fees to pay for such a system? [LB202]

BEVERLY NETH: No, I really don't. I don't know how...all of our fee projections really are based upon baseline measures. We continue to have some growth in our titles, registration of vehicles, but we did see some troubling numbers December, 2008, where our title fees were down 25 percent. Registration fees were down 19 percent. We're off in a number of areas. I expect it has a lot to do with the economy, so it's difficult. There are a lot of factors that press in our fees that we can't control. But it would depend, I suppose, upon how the body would choose to structure those fees, whether those would be solely on vehicles registered, annual vehicles registered. We have 2.2 million, or whether you would look to a combination of vehicles registered or titles or liens or all of the fees associated with registering and titling motor vehicles. [LB202]

SENATOR FISCHER: Not to put you on the spot,... [LB202]

BEVERLY NETH: Um-hum. [LB202]

SENATOR FISCHER: ...however, do you anticipate that the department will be coming forward asking for an increase in fees or asking for General Fund money in order to provide a new VTR system for the Department of Motor Vehicles? [LB202]

BEVERLY NETH: I anticipate, Senator Fischer, that I will be coming forward to the committee to ask for an interim study hearing where we can bring all the stakeholders together to talk about how we might pay for a new system whether that be an increase

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in fees, or whether that be an assessment of existing fees from the recipients of those funds. So that would be...that's the course that I would like to go forward with, with the committee. [LB202]

SENATOR FISCHER: Okay. Thank you. Other questions? Senator Gay. [LB202]

SENATOR GAY: Senator Fischer. How long...the cost we don't know, and I know you're going to do a study, but if other people have done this, how long does it take, though, because we're working on one...the state is right now for Medicaid Medicare four- or five-year project. Is this like a one-year or two-year deal? [LB202]

BEVERLY NETH: It is a multi-year process. It's probably...we've looked at, probably somewhere in the neighborhood of 18 months to two years to develop this functional spec for the document, and then another 18 months maybe to implement the system. So on the outside, a four-year project, so delaying does continue to (inaudible) way out there. [LB202]

SENATOR FISCHER: Other questions? I see none. Thank you very much. [LB202]

BEVERLY NETH: Thank you, Senator. [LB202]

SENATOR FISCHER: Anyone else wishing to testify in the neutral capacity? I see none. I assume we are waiving closing on this, correct? Thank you. With that, I will close the hearing on LB202 and open the hearing on LB175, and I see Senator Lathrop is here. Welcome. [LB202]

SENATOR LATHROP: Thank you. [LB175]

SENATOR FISCHER: I think this is your first time before the Transportation and Telecommunications Committee, is it? [LB175]

SENATOR LATHROP: I think it is. And I have two bills this year... [LB175]

SENATOR FISCHER: I know. [LB175]

SENATOR LATHROP: ...I'm looking forward to seeing them move from here to the consent calendar (laughter). [LB175]

SENATOR FISCHER: Just right off, right off, yeah. Thank you very much. [LB175]

SENATOR LATHROP: I think you'll accommodate me, Chairperson Fischer. [LB175]

SENATOR FISCHER: Great. [LB175]

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SENATOR LATHROP: And members of the committee. I'm Steve Lathrop. I represent District 12 up in Omaha, and I'm here to introduce LB175, and LB175...I joked about the consent calendar, because we're only talking about a few dollars per transaction and not many transactions. But this is in response to a constituent concern, as you'll see. LB175 would waive the lost license plate fee required in state Statute 60-3157 for those who have had their motor vehicles stolen. It would also amend state statute 60-395 so that a refund of the unused plate and taxes on the motor vehicle would not be reduced for a lost plate charge. Last fall I was contacted by a constituent who had the misfortune of having his car stolen out of his garage. The car was never recovered, and as a result, when he went to the treasurer's office to receive a refund for the unused portion of the property tax that he had already paid on his vehicle, he was informed that he was required to purchase a set of plates in order to receive the refund. The amount that he was owed was \$31. However, because he did not have the original plates from the stolen vehicle, he had to pay \$14.50 to the treasurer so that he could receive his \$31 refund. The \$14.50 covered the cost of the lost license plate fee and the cost of purchasing replacement license plates that were never used and returned to the treasurer. He contacted the Douglas County Treasurer to learn why this was necessary, and was informed that under state statute, the treasurer is obligated to collect a lost license plate fee when they provide a refund for the unexpired portion of the collected tax, and the applicant does not have any license plates to present to the treasurer. He was told by the treasurer that the intent of the law is to prevent people from giving their license plates that have a current sticker to someone else for their use. While I agree with the intent of the law, I was told by my constituent that I would...I told him that I would introduce legislation to provide an exception for those people who have been the victim of a motor vehicle theft. LB175 creates an exception for those who have reported their motor vehicle or trailer stolen. It is a change in state law that not only assists those who have been a victim of crime, but also has a very minimal fiscal impact. I think my constituent said it best, "The loss of the car was bad enough, but I had to pay to get a refund, and that just adds to the situation." This gentleman was going to come down and testify today, but he had a funeral so he can't be here. So I don't know if there's anybody behind me that's here as a proponent. Hopefully, there are no opponents or even neutral testimony, but I'd be happy to answer any questions. [LB175]

SENATOR FISCHER: Thank you, Senator Lathrop. Are there questions? I see none. Thank you very much. [LB175]

SENATOR LATHROP: That's a good sign, right? [LB175]

SENATOR FISCHER: We'll see. [LB175]

SENATOR LATHROP: We'll see (laugh). Thank you, and I'll waive closing. [LB175]

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SENATOR FISCHER: Okay, thank you. Are there proponents for the bill? Any proponents? Are there opponents to the bill? Any opponents? Anyone wishing to testify in the neutral capacity? And Senator Lathrop waived closing, so with that, we will close the hearing on LB175. We will open the hearing on LB416, and Senator Fulton is on his way, so we will be at ease here until Senator Fulton arrives. [LB175]

AT EASE []

SENATOR FISCHER: Welcome. No, we were going through pretty quickly on the bills, and I know you had a long way to walk from your committee, so welcome. []

SENATOR FULTON: Well, I understand that you're moving with rapid pace, so I'll try to endeavor to keep that... []

SENATOR FISCHER: We're an efficient group. []

SENATOR FULTON: (Exhibit 4) Good. Good afternoon, Madam Chair, members of the committee. For the record, my name is Tony Fulton, T-o-n-y F-u-l-t-o-n, and I represent District 29, and I am bringing to you today an idea which you've seen before, and I hope to bring some differing arguments this year. This is LB416. My intent in introducing LB416 is to provide additional cost savings with regard to motor vehicle registration by eliminating the manufacturer, shipment, storage, purchase, and installation of the front license plate. In 2005, DMV established a license plate fee of \$3.25 per plate or \$6.50 per set to cover the costs of manufacturing and distribution of an estimated 7.9 million license plates and 28 million registration stickers over a six-year plate term. And those figures were derived actually from Beverly Neth's 2007 testimony on LB14. Based on these figures, the total cost of license plate production for the current six-year plate cycle would be \$51,350,000 out of the Highway Trust Fund. The \$6.50 license plate fee paid by the citizen at the consumption end is used solely to replenish the Highway Trust Fund expenditure. The license plate production cost structure then is totally self-contained. In addition to the \$6.50 paid by the consumer, the front license plate requirement carries additional costs to both counties and vehicle dealers. Counties outside of Lancaster, Sarpy, and Douglas must library their plates in numeric order, thus requiring additional storage space, and car dealers incur an additional cost of mounting front license plates on an increasing number of vehicles that are not equipped with a front plate mount. LB416, as currently drafted, proposes to eliminate the front license plate and, thus, reduce this cost of production beginning in the next calendar year. I am aware that there are certain fixed manufacturing costs associated with plate production, and that it would be most prudent to begin a one license plate system simultaneously with the new plate cycle in 2011. Therefore, I am going to propose an amendment to the current draft that (A) amends Section 60-3102 on page 28 in your bill to allow an increase in the license plate fee ceiling from \$3.50 to \$4.75, and (B) that amends the effective date from January 1, 2010, to January 1, 2011, to correspond with the

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beginning of the new plate cycle, and I do have that drafted. I'll put it for your review and reference if you so choose to move with this bill. The cost savings of LB416, as amended on plate production alone, using the 2005 DMV numbers would be \$13,825,000. Although the cost savings portion of the bill is compelling in and of itself, it is also necessary to address some of the arguments that have been brought against this proposal in the past. The primary argument against prior incarnations of LB416 is from the standpoint of law enforcement. It has been argued that the two plate system aids in the roadside apprehension of malefactors, and is useful for the identification of gas station drive-offs and red light infractions. From my conversations with both the Nebraska State Patrol and petroleum marketers and convenience store associations in other states, the effectiveness of the front license plate seems somewhat exaggerated. According to the State Patrol, the usefulness of Nebraska's front plate is primarily for distinguishing Nebraska vehicles from out-of-state vehicles, particularly for instances of kidnapping across state lines. The State Patrol could not furnish me with any data regarding the number of arrests made due to the front license plate, but estimated that the existence of the front plate was helpful in making an arrest in 30 to 40 percent of cases, and not 70 percent of the time as has been previously reported to this committee. The convenience store associations in Pennsylvania, Oklahoma, and Kansas...3 of the 19 states that require only the rear plate, have informed me that the lack of front plates have not caused any additional problem to their members in terms of identifying drive-offs. This is because most of their members either require prepay at the pump or have installed security cameras capable of identifying the vehicle via a rear plate. Lastly, of the 19 states that require only the rear license plate, nearly half have implemented red light cameras in some or all of their municipalities. It stands to reason that if there existed a problem with red light cameras identifying vehicles with only the rear plate, then the state would move to either enact a front plate requirement or remove its red light camera enforcement, neither of which have occurred. While I acknowledge that the front license plate is not entirely without use, there is no indication that there is a causal relationship between the front plate and effective law enforcement. That is, there is no indication that but for the front license plate, law enforcement would not be able to identify a stolen vehicle, a drive-off, or a red light runner. Concluding, LB416 presents an opportunity to reexamine our cost structure with regard to license plate production. As many of you are, most of us are, and probably would like to be labeled as tough on crime senators, I think I probably would fall in that category also. Yet I am comfortable in introducing this bill, because the front license plate is neither necessary for stopping nor preventing crime. Otherwise, states like Florida, Pennsylvania, Kansas, and others would have a dramatic decrease in their ability to stop crime which we have not seen. I thank the committee for its careful consideration of this bill and the amendment which I'll submit, and I urge you to advance this to the Legislature for broader debate, and I will try to answer any questions if those questions exist. [LB416]

SENATOR FISCHER: Thank you, Senator Fulton. Are there questions? Senator

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Stuthman. [LB416]

SENATOR STUTHMAN: Thank you, Senator Fischer. Senator Fulton, on that increase in fee per plate from \$3.50 to \$4.75, does that mean that's going to be it instead of the \$6.50 for two plates? [LB416]

SENATOR FULTON: The...in short, yes. What the actual cost is, now I think they have authority now to increase to \$3.50, and I believe it's a \$3.25 presently. So what we would be doing by way of this amendatory proposal is to grant permission so permissive authority to increase the rate, so what the rate actually will be, it would be something less than \$6.50, but it doesn't necessarily have to be \$4.75. [LB416]

SENATOR STUTHMAN: But it will be a fee for only one plate now instead of a fee for both plates. [LB416]

SENATOR FULTON: Correct. [LB416]

SENATOR STUTHMAN: And that's where you're getting your cost savings? [LB416]

SENATOR FULTON: Yes. What I have seen in past testimony and just from what my experience has been, you know, in the manufacturing sector of my background, has been that there is a fixed cost that has to do with any manufacturing process. And by manufacturing more plates, they're able to recognize a cost savings by way of volume. Since there's a manufacture of less plates, then the amount of that fixed cost is more exacerbated, so, yeah, the per plate cost will go up, but the fact that there are half as many plates will cause the overall price to go down by about \$13 million. [LB416]

SENATOR STUTHMAN: And Senator Fulton, the fee that you discussed earlier with \$51 million, was that \$51 million was the fact of the fee for both plates, and then the \$13 million is the savings? [LB416]

SENATOR FULTON: Correct. Yes, that... [LB416]

SENATOR STUTHMAN: I mean, apples to apples? [LB416]

SENATOR FULTON: That's correct. [LB416]

SENATOR STUTHMAN: Thank you. [LB416]

SENATOR FISCHER: Other questions? Senator Hadley. [LB416]

SENATOR HADLEY: Senator Fischer. Thank you, Senator Fulton. I know that some states and cities have gone to red light cameras and enforcement using cameras, that

type of thing. Would one license plate impact that technology? [LB416]

SENATOR FULTON: (Exhibit 5) This actually is something which I contemplated, because that's another idea that I brought forward, and, you know, frankly, that's a separate idea we'll take that up if it's something worthy of moving forward, sobeit. What we did was we looked at other states that utilized the red light camera in their traffic enforcement, specifically, those states that only have one license plate, and we did not pick up any problems with identifying vehicles that only have one plate. And so that only emboldened me to bring this bill forward, because somehow or another, other states are able to make identification part of their law enforcement process. [LB416]

SENATOR FISCHER: Other questions. I see none. Thank you very much, Senator. [LB416]

SENATOR FULTON: Thank you. [LB416]

SENATOR FISCHER: Are there proponents for the bill, please? Any proponents for the bill? Please step forward. Good afternoon. [LB416]

GARY HEDMAN: (Exhibit 6) Well, good afternoon. Senator Fischer, members of the Transportation Committee, my name is Gary Hedman. The last name is H-e-d-m-a-n, first name Gary. I'm here on behalf of a group of people that like old cars and Nebraska Rod and Custom Association. I am the president of that association. I live in Doniphan. I have a very keen interest for vintage and classic special interest vehicles along with the 1,400 members we have in our association. We have a very diverse group of members in our association. Many of them have been in senatorial seats such as yourself, and I've had conversations with several of them. We share a very keen interest in vehicles, and they kind of tend to mark a place in your life. Sometime where you were at, you remember the car that your mom or dad had or something like that. So they kind of become a part of your life. We're here to support LB416 for personal reasons. Many of us work on those vehicles, restore them, fix them up, personalize them, and then we end up putting a...trying to put a license plate on the front that, quite frankly, just isn't very attractive. Many of the older vehicles just simply didn't have a place to put a front license plate, and many of the older vehicles that had them, that bracket has been lost and hard to find or replace. This is, I think, the third time that I've been before the committee to testify on this one license plate bill. And while we might look like a bunch of gearheads and car nuts, or whatever you want to call us, we're citizens as well. And it is disappointing that it seems hard for the body to recognize that there is a true savings there. And I just sort of read with dismay the fiscal statement, it looks very much the same as it always has. It seems that you totally ignore the savings that comes with the materials and supplies that goes to put the plate together. There's aluminum; there's reflective material, those kinds of things that don't get counted in there. And we think that that fiscal statement is flawed a little bit from that respect. And it seems when

reading that, that we're more concerned about the inmates and the prison, and that one national company that provides all that reflective material. I come from a little town that's very proud to support Habitat From Humanity by collecting aluminum cans, and they have some national record for being able to do that. But yet we're putting aluminum license plates on the front of our cars for really no good reason. I have done a little bit of research, and I came prepared to say there were 20 states...Senator Fulton said 19. I did some research this morning, and I saw 30. I don't know exactly how many states, but it is a fairly high percentage of states that do seem to survive with one license plate. I did my own analysis of the fiscal impact, if you will, and I hope it'll make a little more sense to you than the statement that was produced. You heard the director of the Nebraska Department of Motor Vehicles say there were 2.2 million vehicles. Actually, from their Web site this morning, it's 2,148,061, and we'll assume that each of those requires two plates. And if you only need half of that, it'd be 1,074,000 or so. And, I again, also accept that fixed cost argument that you just heard. There's equipment that has to be paid for and so forth. In the fiscal statement, they indicated that cost might be \$4.27 a plate. Currently, they're charging \$3.25 per plate or \$6.50 as you've heard, and the difference between two plates and one plate, \$2.23. You take that times the number of plates you wouldn't produce, and you're saving \$2.4 million a year. Your fiscal statement says nothing close to that, and that's why I guess I read that with dismay. I think we got to find a better place to put that money. It looks to me like we're subsidizing Cornhusker State Industries and inmate labor with license plates. In the past, I've been here when the State Patrol has opposed the one license plate bill, much for the reasons that Senator Fulton said. He also said it was working in all those other states. That's exactly what my research showed. But he offered amendment; I'm offering an idea. If we really can save that money, I know a number of officers in the State Patrol. I know that the number of officers hasn't been increased very much in the last 10 to 15 years. I know that their workload has increased, specifically with drug activity. I wonder why we can't channel some of that money that way. I'm not here proposing that you reduce the fee. Keep it at \$6.50 if you want to. I just don't want to have to put a license plate on the front of my old car. That would conclude my testimony, and I'd be glad to answer any questions if I can. [LB416]

SENATOR FISCHER: Thank you, Mr. Hedman. Are there questions? Senator Stuthman. [LB416]

SENATOR STUTHMAN: Thank you, Senator Fischer. Mr. Hedman, you say there's a cost savings of \$2.4 million, and from...the introducer of the bill said there was \$13.8 million so there... [LB416]

GARY HEDMAN: Mine is per year. [LB416]

SENATOR STUTHMAN: Yours is per year. [LB416]

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GARY HEDMAN: Yeah. [LB416]

SENATOR STUTHMAN: And the other one would be two years? [LB416]

GARY HEDMAN: I don't know what his was. I got a feeling it was for a six-year period. [LB416]

SENATOR STUTHMAN: I mean that...but I think that would be per year also in his opening statement, because it was dealing with the one plate and the two plates. But maybe it's the five-year, you know. [LB416]

GARY HEDMAN: I'm just...yeah, I'm just using simple math on one year. [LB416]

SENATOR STUTHMAN: If we went to one plate, and I know you made the statement, you don't want to have a plate on the front, front end of the vehicle. But when visiting with law enforcement and everything, you know, if a plate is on the front, either it's visible from everybody that you meet. The plate in the back is only noticed by the guy following you. Would you be willing to accept something that we could go to one plate, but put it on the front? [LB416]

GARY HEDMAN: I think you'd run into more opposition than putting it on the back actually. I think... [LB416]

SENATOR STUTHMAN: Because... [LB416]

GARY HEDMAN: ...most of your arrests, so forth, are coming from the rear-end of the vehicle. I mean, the plate simply belongs on the back of the car. That's all it amounts to (laugh). [LB416]

SENATOR STUTHMAN: Well, in...you know, in the correspondence and the e-mails we're getting, you know, law enforcement, you know, they, you know, really would like to see that plate on the front, because they can read it. [LB416]

GARY HEDMAN: That's a very interesting concept. I have not heard that, I'll have to admit. [LB416]

SENATOR STUTHMAN: But I have e-mails here that, you know, from law enforcement saying that they would like to keep it on the front because of the fact that they meet the vehicle, and then they turn around and follow them. So,...but I'm just trying to get some information before I can make a decision so, but thank you for your testimony. [LB416]

GARY HEDMAN: As a sideline, when you don't have a front plate, you do see a lot of personalized plates. I happen to come from Kansas, and went to school at Kansas

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State, and they have a nice powercat emblem which you can put on the plate on the front of the car, and people from Nebraska have a plate, not a Cornhusker plate, a plate. Just throw that out. [LB416]

SENATOR STUTHMAN: Okay, thank you. [LB416]

SENATOR FISCHER: Thank you, Senator Stuthman. Are there questions? Senator Hadley. [LB416]

SENATOR HADLEY: Senator Fischer. Just a quick question. If I heard your testimony right, you would be saying that, at least in your opinion, keeping the cost the same and using the funds for a more worthwhile purpose than... [LB416]

GARY HEDMAN: Absolutely. [LB416]

SENATOR HADLEY: ...just producing another plate to put on the front... [LB416]

GARY HEDMAN: Right. [LB416]

SENATOR HADLEY: ...would be, at least in your viewpoint, more advantageous than just lowering the cost of the...to a single plate. [LB416]

GARY HEDMAN: Correct. You're paying for aluminum and you're paying for reflective material, and I think we could put those costs to better use. I'm not asking for a reduction in the rate. We'd gladly pay that. I just don't want the plate on the front. Let's use the money more wisely. [LB416]

SENATOR FISCHER: Thank you, Senator Hadley. Senator Louden. [LB416]

SENATOR LOUDEN: Yes, I'm always curious when you talk about using one plate. Do you have pickups or anything like that, or do you live in town? Do you live in the country? Where do you live where you run your vehicles? [LB416]

GARY HEDMAN: Well, my address, specifically, is Doniphan. I live outside of Doniphan in a small subdivision. Our members live all over the state, from Omaha to Scottsbluff, everything you can imagine within the state of Nebraska. [LB416]

SENATOR LOUDEN: What I'm wondering is how do you justify putting one plate on some of these trucks and stuff? I mean, if you have them on the back end, they're sometimes covered up with mud or whatever. If you have them on the front, they can be beat to pieces with the grass and running through the prairie and that sort of thing. And that's the reason where we go, I...the plate has to last five years, and we usually have to switch it from one end of the vehicle to the other in order to make them last five years.

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And also, if you're pulling a trailer, many a times that plate on the back end is right above the ball hitch. I don't know if you've hooked up a trailer many times, but I've... [LB416]

GARY HEDMAN: Sure (laugh). This last weekend I did (laugh). [LB416]

SENATOR LOUDEN: ...I've banged that license plate many a time hooking up my trailer. So I'm wondering, you know, if this is the reason we have two plates on there is more or less so we have identification from both ends of some of these other vehicles. It isn't just, you know, your cars or your organization that has these on their automobiles and that sort of thing. You're talking about every kind of truck and vehicle that runs up and down the hills and everywhere else. And that's my question is, do you think that one plate would be satisfactory for all of those vehicles? [LB416]

GARY HEDMAN: Personally, I do. From the point of view of law enforcement, from what I understand, the majority of arrests occur from the rear. Many a vehicle, the officer turns around and follows the vehicle and pulls them over. You know,... [LB416]

SENATOR LOUDEN: You know, when you meet that patrolman, he's already got your number when he met you. He turned around to run you down, but I think your number is already going through the computer. [LB416]

GARY HEDMAN: I don't know if he can read it that fast or not. I know they're pretty good, but anyway, you know, a person does take some responsibility, keep a plate in good shape themselves. I mean, yeah, I recognize that your part of the country is going to be an area that might be a little rougher terrain and so forth, and, you know, that might happen. But the plate gets damaged, you should get it fixed, replace it. [LB416]

SENATOR LOUDEN: Okay, thank you. [LB416]

SENATOR FISCHER: Other questions? [LB416]

GARY HEDMAN: There's one over here. [LB416]

SENATOR FISCHER: Senator Janssen. [LB416]

SENATOR JANSSEN: A brief one, a comment. Thank you for the actually idea of keeping the fee the same and maybe the Highway Trust Fund could use some of that money, so thanks for the idea on that. [LB416]

GARY HEDMAN: Wherever. [LB416]

SENATOR JANSSEN: But I just had a comment. I was looking for a reason maybe to

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oppose this, and when you brought up the powercat plates, that kind of gave me one. So (laughter) other than that, thank you for your testimony. [LB416]

GARY HEDMAN: Well, I did think about commenting if... [LB416]

SENATOR FISCHER: You may respond. [LB416]

GARY HEDMAN: ...if we want to appease the reflective people. You could put it on both sides of the plate, and just put it on the back, and I'd be happy so (laugh). Thank you. [LB416]

SENATOR FISCHER: Other questions. I just had one, Mr. Hedman. When you mentioned pulling trailers, when you're pulling a trailer and you only have a license plate on the rear of your vehicle, your trailer is going to block that plate. [LB416]

GARY HEDMAN: You have a license plate on your trailer too. [LB416]

SENATOR FISCHER: But the license plate on the trailer does not match the license plate on your...the vehicle that you're driving, because they're two different registered vehicles, and you may have borrowed a trailer, and so law enforcement wouldn't know what your license plate is on your vehicle then. [LB416]

GARY HEDMAN: It's still a...yeah. Well, I suppose you can always think of an instance, but last time I was down here, the bill was introduced because the people in Omaha were taking one of the two plates and putting it on another car. They were running two plates on two different cars, and if they got stopped, they said, oh, it fell off. So you can think of any...nothing is perfect, nothing is perfect. I just look at \$2 million, and say, gosh, we could put that somewhere else. Times are... [LB416]

SENATOR FISCHER: Okay, appreciate your views on it. [LB416]

GARY HEDMAN: Times are tough. [LB416]

SENATOR FISCHER: Okay. Thank you very much. [LB416]

GARY HEDMAN: Thank you. [LB416]

SENATOR FISCHER: Are there other proponents for the bill? Any other proponents? Please step forward. Good afternoon. I see you brought a sack up. I would remind you that we do not allow props at a hearing in case you have something in there you plan to pull out. [LB416]

KEITH ZIEGENBEIN: (Exhibit 7) It's state property. Is that acceptable? [LB416]

SENATOR FISCHER: We don't allow props at hearings. I'm sorry. But welcome.  
[LB416]

KEITH ZIEGENBEIN: All right. My name is Keith Ziegenbein, K-e-i-t-h Z-i-e-g-e-n-b-e-i-n, and I'm from Ashland. And I've been working with the others on this issue for the past 12 years, so on the handout that you're receiving, my testimony is substantially in the nonbold print, and if you get a minute to read that at a later time, I'd appreciate it. And I'm just going to be reading the bold print and should take about five minutes, and then I'd appreciate any questions. I, too, received the fiscal note, and it's a very frustrating and inaccurate snapshot of reality. It is not an accurate representation of the real savings. It represents explanations of how to avoid real cost savings by using accounting principles as a crutch. Now I'm in the manufacturing business for 32 years, and I would be broke in short order if I ran my business in this manner. There is simply no way it can cost more in total to make fewer plates. And our group also would be more than happy to not worry about where the money goes. Keep it at \$7 or \$6.50 or whatever the maximum is per vehicle, and take that extra money and give it to the Highway Patrol if you want to, and they could spend it on an RFID computerized tracking system, if you will, and I'll have more on that later. So on page 7 of this document, I have included an independent accounting analysis from a for-profit CPA, based on the numbers presented by the fiscal note itself. And it represents an entirely different, but actually a positive dollar impact on the savings of LB416, and it also shows about \$9.5 million to the good over that length of time, which I kind of glazed over, but I think it's five or six years, so you're talking roughly around \$2 million a year or so. And so let's go green. Deleting the front plates will save our planet, if only a little bit at a time. My dad always told me to watch your pennies and the dollars will take care of themselves. And \$2 million a year is a lot of money, and so I think we just need to pay attention to that. Leaving the front plate space open, we will realize increased state and city sales tax plus additional income taxes from new retail sales of novelty front plates. Novelty front plates are like a Kansas logo on the front plate, a wildcat. The University of Nebraska, I have talked to Michael Stevens and Tami Breymeyer down at K-State, and K-State has got an extensive program of some 70 license plates that they license their logos out to, and they're sold in their support stores, you know their fan stores like the Husker stores would sell them. So, and this impact is not included in the fiscal note whether we did it or the state provided the fiscal note. It did not have anything like that in there. So what's the legality of it all? Well, many vehicles are currently illegal with only one visible plate, and some of those are state-owned. Snowplows, pickup trucks with snow blades, they do not have a visible front plate. The snowplow is blocking that view. Obviously, single plates...states like Kansas, Michigan, and Florida, to name a few, are not in complete disarray due to the fact that they only require one license plate on the rear of their vehicle. So there is and there are ways of working around this. One intelligent person that likes the current two-plate system told me, if one plate is damaged, they have a spare. They didn't realize that at that point, they are running an

unlawful plate, because it says right in the statute that your plate must be legible, and if it's damaged beyond readability, you're basically running one plate. This case was a farmer who had replaced his front plate on his pickup like some other people have mentioned with his rear plate when his front plate was beat up from use. County courthouses can use more free office space now. Our overworked county employees will have more time for other issues to work on. Single license plate storage space savings will increase usable square footage at the county level offices. It will be equal to about one office, possibly two offices, depending on the size of the county. Two public sides on this issue: It seems that there are only two different types of opinions on this bill's primary issue. Those who are vastly in favor of the single plate, and those who really don't care either way. You're going to find some other people, but that's my...been what I discovered over the last 12 years. The single plate issue keeps coming up. It must be something that people want. Indeed, put it to a popular vote, if need be, but use real world numbers when you present it to the public. We can't be glossing over this stuff like the fiscal note is attempting to do. So what I was going to show you in here was a bent-up front license plate from going through a car wash. Now I couldn't believe this. I was sitting at a stoplight, and I looked over at the car next to me, and this license plate is sitting like this, right angles like this. And I go, what in the world did that guy do to that...how do you do that to your license plate? This has never happened to me. Well, the next time I go through a car wash, whtttt, is one of these whirlybird or brushing car washes, and these aluminum plates are so skimpy that they just folded it right over to the bolts. So if you don't see one like that, if you look a little bit, you'll see one of them creases right there where they've smashed them back, and it's a bad deal so. There's more on the following pages if you wish to read through it. Like I said, that's really where the majority of my impact is. Included on page 7 is our fiscal note response, and it indicates a \$9.5 million savings over that same period of time that the state's fiscal response indicated a \$9.5 million deficit, basically. So...and I have some information back here. Senator Fulton had not heard of the RFID tag system before, and I've got some information on that here. If anyone is interested in it, I can elaborate on that, and that's all I have. Thank you. [LB416]

SENATOR FISCHER: Thank you, Mr. Ziegenbein. Is that correct? [LB416]

KEITH ZIEGENBEIN: Yes, that's good enough, yeah. [LB416]

SENATOR FISCHER: Thank you. Are there questions? Senator Janssen. [LB416]

SENATOR JANSSEN: Thank you, Senator Fischer. Sorry, I missed your last name. I know we talked on the phone. [LB416]

KEITH ZIEGENBEIN: Ziegenbein. [LB416]

SENATOR JANSSEN: I would have probably missed that as well. Anyway, a question

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that...in answer to this...and don't take it as, I hope not trying to be belittling. We talked quite a bit on the phone. I guess I fall in that category of having lived in Florida, and you're right, the state was not in disarray at all. Well, there were certain things, but it wasn't because of license plates. And in Nebraska, I got a license plate and I fall into that category of it doesn't really...don't really care. Of course, I'm forced to care; I'm on this committee and I'm in the Legislature. But what gives you the passion for this? [LB416]

KEITH ZIEGENBEIN: Well, there's probably two things. The most obvious one is I'm a car enthusiast, and I would say that anyone who likes to keep a clean car is enough of a car enthusiast to not want to have to scrub the bugs off of their front plate. In fact, one plate that the university should probably license would be called the Bugeaters, and if you're familiar with it, they used to be called the Bugeaters. And but the real...the real substance in it is that it just pains me to see you wasting this kind of money. I mean, if 20 states is what I came up with, and I've got them listed in here, are running with no plate, who are we? Why do we need one plate...or two plates? I mean, and yeah, okay, you look at it and you say, you know, one plate would be fine, and I'd rather have two plates. We got two plates; let's not change. And then on the other side of the coin, you go, \$2 million a year? What's \$2 million a year? That's a lot of money. And you...so it goes back to watch your pennies and the dollars will take care of themselves at some point. If all of our fiscal notes are coming through in this same manner of calculation, we've got a big problem in this state, because this is just a license plate. And so, as you well know, you can make numbers say whatever you want to say, and you have to be careful that you present them in an accurate manner and something that's not going to just promote 3M if that's who's supplying the adhesive material. Why don't we take our aluminum pop cans and if need some vertical integration at the penitentiary, let's take our aluminum pop cans, melt them down and make our own aluminum plate, and we'll stamp it out ourselves, and we can use up that time so. [LB416]

SENATOR JANSSEN: Thank you. [LB416]

KEITH ZIEGENBEIN: You bet. [LB416]

SENATOR FISCHER: Other questions? Senator Stuthman. [LB416]

SENATOR STUTHMAN: Thank you, Senator Fischer. Mr. Ziegenbein, we discussed it on the phone, but I'm going over the list of the states that have it, and, you know, kind of the surrounding states of ours--Iowa and Missouri, Colorado, South Dakota, Minnesota. They're all with two plates yes. If it's the right thing to do, how come those states don't have that? How come every state don't have that? [LB416]

KEITH ZIEGENBEIN: Well, I wish I could answer that. Why are some people Democrats and Republicans? You know, it's six of one and half-a-dozen of the other. But I can tell

you with approximately 20 states that are running with it, that pretty much negates the issue, and it may be personal preference for that state. But certainly Kansas has got as much prairie as we have, and they're hooking up just as many trailer hitches on the back of their pickups as we are. And whenever I meet a patrolman and unfortunately get a ticket, I always wonder, how come they're not pulling me over right away? Well, it's because they're calling that number in, reading it from the back, and so, yeah, it's in a perfect world, you may have different answers. But in reality, you have to say, what are the odds that a truck and a trailer...pickup truck and a horse trailer, for instance, are going to get pulled over for speeding in the first place? And weigh that against how many dollars we can save per state. If we take that dollars and let's say that you folks come up with a bill or however you do it, to attribute this savings...this excess money towards some type of an increased RFID system. I'd like to elaborate on this RFID thing a little bit if you would be interested in hearing it. [LB416]

SENATOR STUTHMAN: Mr. Ziegenbein, I think from the initial license plate issuing in the state of Nebraska, you know, it was a front and a rear, and it's always been that way. You know, and they must have seen the need when they decided to, you know, to issue license plates, you know, and that was from the first time vehicles who were there. And they've had them on both (inaudible). I would say that, you know, there must have been a reason why they have them on the front and the rear. [LB416]

KEITH ZIEGENBEIN: And that could very well be, but times change, and there's a lot of reasons that were applicable 50 years ago that are not applicable anymore. And we need to be responsible in looking at these changes and saying, this is a great idea to have two plates. It's costing us this much money. What else can we do with that money that we need to fight drugs or help in some other manner? Where does your priorities lie? And the bottom line is, with the economy like it is, and we're probably in this thing for a good ten years before this economy shifts around, we cannot afford to be funding the wrong area. We need to take this money and get the most bang for the buck that we can get wherever we put it. And this would be one small way that we can do that and really impact...and the worse thing you could say is, we're like 20 other states now. And nobody's going to be able to point your finger at you and say, well, they're just terrible, they only have one license plate, you know. But they got a drug...they got a drug enforcement ring or high tech equipment that's cutting down on drugs, and you should see what their numbers look like on their drug reductions. So I think it's...you have to...you just have to watch your priorities, and we cannot fund everything, but here's a place we can fund it. We can take this money from point A and put it on point B project and make a big difference. [LB416]

SENATOR STUTHMAN: Maybe we should consider the fact that we should just issue something about the size of a credit card, and that would be placed on there, and there would be a chip in there that the State Patrol could just zero in on that... [LB416]

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KEITH ZIEGENBEIN: Now you're...I didn't know you were an RFID guy, but now...that's exactly what an RFID chip is. It's something as big as your fingernail. It will be imbedded under the decal on the license plate. It eventually may be built into the windshield of the car, and you don't need one on the front or on the back. It just needs to be on there someplace that's powered up, and it's good for about 250 feet. You meet a patrolman with an RFID receiver, and let's say that thing is broadcasting, and it goes out, and it's on the Amber Alert and everything else that you're after license plate 62004, whatever the number is. And here comes...you're going this way and you meet a patrolman going this way. He picks that up on his computer which is going back to the database, in a national database and they know which way you're going, how fast you were going, and he can whip around and it's scary how fast they'd be on top of you. And then you're right. Then the plate is pretty much superficial at that point. [LB416]

SENATOR STUTHMAN: Okay. Thank you for your testimony. [LB416]

KEITH ZIEGENBEIN: Um-hum, thank you. [LB416]

SENATOR FISCHER: Well, thank you, Senator Stuthman. Other questions? Senator Louden. [LB416]

SENATOR LOUDEN: Yes, thank you, Senator Fischer. Well, Mr. Ziegenbein, I was looking at some of your information here, and you got 19 states or so that have single plates. Do you know what the plate fees are in these other states, because I read some of your information on what Delaware does with them and some of them sell for... [LB416]

KEITH ZIEGENBEIN: Delaware is crazy, isn't it? (Laugh) [LB416]

SENATOR LOUDEN: Three-quarters of a million dollars about, but what are the plate fees like in Alabama or Arizona and those places? How much does it cost to have a...? [LB416]

KEITH ZIEGENBEIN: I don't know that. [LB416]

SENATOR LOUDEN: Okay. And, for instance, I've seen Montana isn't on here, and you go to Montana, you can register your car or pickup, and you get two plates, and it doesn't cost you any taxes or anything, because some people do that. And the same way, Oregon is another place that you get by with very small plate fees, so I'm wondering if these states have a high plate fee. Because do you know what the plate fee is in Nebraska? [LB416]

KEITH ZIEGENBEIN: My wife does all that. I don't know exactly. [LB416]

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SENATOR LOUDEN: I know it's \$5 or \$5.50, one or the other. [LB416]

KEITH ZIEGENBEIN: Thirty dollars to the courthouse rings a bell, something like that. [LB416]

SENATOR LOUDEN: Part of that is your other registration fee and stuff, and the county gets part of that, some of that. But when you talk about just the plate fees, I see you're using \$6 and something, and \$3.25 or whatever you're using. That is... [LB416]

KEITH ZIEGENBEIN: Those aren't our numbers. Those are your numbers, or those are from the fiscal note. [LB416]

SENATOR LOUDEN: Those are the numbers that can be charged, but you...the plate fee you charge is just a flat fee, and the state is making some money at it. It isn't just completely not given away. But I was just curious, you got 19 states as Senator Stuthman has said, what happened to the other 30 states, you know, why aren't they doing it now? I know you used Kansas as an example, but I don't know if I would always use Kansas as an example of anything (laughter), because when you go to Kansas, you got to talk slow, you know, so (laughter) I don't know if that's the best example (laughter). [LB416]

KEITH ZIEGENBEIN: Well, Michigan is on there too, and they're the ones that are designing these crazy front bumpers with no place to put a plate. And I don't think that's going away any time soon so. [LB416]

SENATOR LOUDEN: Okay, well, thank you. [LB416]

KEITH ZIEGENBEIN: Thank you. [LB416]

SENATOR FISCHER: Thank you, Senator Louden. I have just a couple of questions for clarification, short questions, hopefully short answers. You said you were a car enthusiast, is that correct? [LB416]

KEITH ZIEGENBEIN: Somewhat, yes. [LB416]

SENATOR FISCHER: Okay, and you mentioned that you represented a group. What group do you represent in your testimony today? [LB416]

KEITH ZIEGENBEIN: Just an unofficial group of people I've polled in the last 12 years. [LB416]

SENATOR FISCHER: Oh, okay. What I'm getting from your testimony and your responses here is the reason you support this bill is because you see a savings and a

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revenue for the state that there'll be more revenue possibly for other state agencies, different programs for the state. Is that correct? [LB416]

KEITH ZIEGENBEIN: If it could be redistributed in that manner, that would be my preference. [LB416]

SENATOR FISCHER: But your reason for supporting the bill is for the cost savings to the state? [LB416]

KEITH ZIEGENBEIN: The cost savings, and I just am kind of an efficiency nut, and I cannot see things go to waste. It bothers me, and so if we're spending that much, let's put it where it can do some more good. [LB416]

SENATOR FISCHER: When you mention the RFID program, do you know what the cost of that would be to implement? [LB416]

KEITH ZIEGENBEIN: No, I do not. [LB416]

SENATOR FISCHER: You know, we've looked at a vehicle, miles traveled in order to find more revenue for the roads in the state, and the costs on that are tremendously high. And if you're looking at putting a chip on every car and having to pay the patrol, or provide revenue for the patrol to get the readers, and then you have to have a new database in order to store the material, that's a huge amount of money. [LB416]

KEITH ZIEGENBEIN: Yeah. That part is all free. Yes, it is, but it's within the scope of what our savings are. I think on my handout back here, it talks about London, England, who has...is testing a new system like this, and they're spending \$10 million on that. I don't know how...what that encompasses, but I do know from my own business, RFID chips for inventory parts bins are very inexpensive, maybe pennies, 50 cents or less, something like that. So to implement it on a license plate is not a deal breaker or a severe addition. You can spend a lot...where you would spend a lot of your money would be on the hardware for the patrol cars and the backup equipment. The... [LB416]

SENATOR FISCHER: That was my point on how do we...how does the state get that money to even start the program in the economic condition we're in? [LB416]

KEITH ZIEGENBEIN: And that's an entirely different issue that I'm not prepared to address at this time, and it would be a big issue. But with big issues come big savings and big significant advantages if they're done properly. [LB416]

SENATOR FISCHER: Yeah. Okay, well, thank you, sir. I appreciate you being here today. Thank you very much. [LB416]

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KEITH ZIEGENBEIN: Thank you. [LB416]

SENATOR FISCHER: Are there other proponents for the bill? Good afternoon. [LB416]

LOY TODD: Good afternoon, Senator Fischer, members of the committee. My name is Loy Todd, L-o-y T-o-d-d, president and legal counsel for Nebraska New Car and Truck Dealers Association. I will be very brief and address only my association's interest in supporting this legislation. That is, the manufacturers of motor vehicles have changed the designs and what they're doing regarding that manufacture significantly in the past several years, and we're seeing it more and more. Many manufacturers simply don't have and don't anticipate a front license plate because of the increasing number of states that don't have two plates. And so what happens is, these vehicles arrive, new vehicles arrive, and there's literally no place to put it, and we didn't think a lot of that, because you can then order after-market, and the manufacturers do have products available. But when the vehicle comes without one, here's what happens. You end up with a pretty angry customer, because what can happen is the customer then to comply with Nebraska law wants a bracket or a holder on there of some type. Now, we have to charge for that...well, we should, because it doesn't come with the vehicle. It's an option; it's an extra, and some people don't expect that. And they can become really unhappy, and then I actually have dealers accused of fraud by saying, well, we have to order that, and then the customer is understandably angry. And so it is a difficulty for us, and some of the cars simply...and the design is such they don't anticipate it and they're ugly. I can see why the collectors feel the way they do, because, you know, those plates are ugly. And brackets aren't particularly good looking, and, you know, previous testimony. I tell you, law enforcement...our experience is law enforcement is looking for the red Yugo, and then after they spot it, then they chase it down and read numbers. I don't...I doubt law enforcement really is sorting through numbers as the car is going by looking for the right license plate. So, but, you know, as an old county court judge taught me years ago when I first started practicing law, he said, when in doubt, go with law enforcement, and historically, that's what we do. So we're going to keep trying probably just because it's a problem, and these brackets can cost hundreds of dollars. I mean, it'll surprise you. Well, not anymore it won't surprise you, but it can. So we come down the side of making our customers happy and trying not to independently charge people for this stuff so, thank you for your time. [LB416]

SENATOR FISCHER: Thank you, Mr. Todd. Since...let me ask it this way. You represent the New Car Dealers here in the state of Nebraska, is that correct? [LB416]

LOY TODD: Yes. [LB416]

SENATOR FISCHER: Don't those car dealers in the state of Nebraska realize that we require two license plates on our vehicles? Or do they realize that we require two license plates on our vehicles in the state? [LB416]

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LOY TODD: Sure, Senator. [LB416]

SENATOR FISCHER: Wouldn't they order that option, that extra, when they order every vehicle that comes into this state or do they hope to sell it to somebody who lives out-of-state? [LB416]

LOY TODD: When...both things happen. And this won't surprise you. A lot of people say... [LB416]

SENATOR FISCHER: Anything you say could surprise me (laughter). [LB416]

LOY TODD: A lot of people say, I don't care, I don't want it. It's just... [LB416]

SENATOR FISCHER: How do they get the license plate on the front of their vehicle if they're residents? [LB416]

LOY TODD : They don't. [LB416]

SENATOR FISCHER: Do they ever get a ticket then? [LB416]

LOY TODD: They could. Some do. I think it's more likely that the law enforcement wants to stop them for some other reason than stop them because they don't see a plate on the front. That's our experience... [LB416]

SENATOR FISCHER: How many tickets can you get for not having a license on the front of your vehicle before law enforcement would do anything? [LB416]

LOY TODD: I think each time it's a new...brand new experience. You can certainly get a ticket and fined for every single occurrence, but, interestingly enough, the high-end vehicles,...you take Corvettes and collectors cars and those kinds of things...those guys just say, I don't care. I'm not drilling two holes in the bumper of my car to stick a license plate on there, and just tell our dealers, don't do it. I'll live with it. So that's what happens. Now, the other thing is that dealers don't always know how the vehicle is going to arrive. You know, when it's an ordered vehicle or new model or new make or whatever comes along, we don't know from... [LB416]

SENATOR FISCHER: You don't know if it's going to have that option on it or not when it comes. [LB416]

LOY TODD: Exactly, exactly. It's not listed among...when you fill out a spec, front license plate bracket may or may not be there doesn't mean it's on the car. So it's a surprise for them all the time also. So this is an area that is...used to be, all of them

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have it. It's not that way anymore. So it's,...and then they're mad at us. [LB416]

SENATOR FISCHER: What percentage of new vehicles don't have it on, do you know? [LB416]

LOY TODD: I don't know, Senator. [LB416]

SENATOR FISCHER: Is this a big amount? [LB416]

LOY TODD: It's getting bigger because I'm getting more calls. I never...five years ago, never even heard of the issue... [LB416]

SENATOR FISCHER: Your dealers are calling you. [LB416]

LOY TODD: Correct. Either a dealer or an angry customer thinking that we're the place to complain. [LB416]

SENATOR FISCHER: If I'm an angry customer, do I get to call you? [LB416]

LOY TODD: Sure. [LB416]

SENATOR FISCHER: Okay (laughter). [LB416]

LOY TODD: Might as well, the rest of them are (laughter). [LB416]

SENATOR FISCHER: Other questions? Senator Hadley. [LB416]

SENATOR HADLEY: Senator Fischer. Mr. Todd, I just have to say that I...probably with nothing better to do last night, I actually Googled one license plate, and I got in on a couple of blogs. And the way the people in two license plates states were doing is they always have the front license plate in the front seat, and they always tell the trooper that I forgot to...I didn't know the law was I had to have two, or I haven't had a chance to put it on, and everybody consistently says they generally will either get a warning ticket that says get it on, and so a lot of people do get around it by just throwing it on the front seat and if they ever do get caught, they can say, well, I've got it, I just haven't had a chance to put it on. [LB416]

LOY TODD: I appreciate that, Senator. I'll pass that on to my folks that need an excuse (laughter). [LB416]

SENATOR HADLEY: (Inaudible)(Laugh). I didn't mean to beat it (inaudible)... [LB416]

SENATOR FISCHER: I think Senator Hadley was just reporting on some research he

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was doing, not trying to encourage violation of our laws (laughter). [LB416]

SENATOR HADLEY: That's right. [LB416]

SENATOR FISCHER: Senator Louden. [LB416]

SENATOR LOUDEN: One thing I was wondering, Loy. A dealer plate and some of these people buy dealer plates and have them on their cars all the time. Do they use one or two plates when you have a dealer plate? [LB416]

LOY TODD: Just one plate on the dealer plate. [LB416]

SENATOR LOUDEN: And you get by with just putting one on the back end? [LB416]

LOY TODD: That's the requirement of the law that it's just... [LB416]

SENATOR LOUDEN: And how come you can do it with a dealer plate and you can't with something else? [LB416]

LOY TODD: That's what the law that you guys passed. But I...we think one is plenty. [LB416]

SENATOR LOUDEN: Okay. But a dealer plate...when you're issued a dealer plate, it's just that one particular number, and you get just one plate. I mean, you can have...some of these outfits have, you know, several dealer plates, but they only have one plate with that one number on, and they never have two plates. [LB416]

LOY TODD: That's correct. [LB416]

SENATOR LOUDEN: Yeah. Okay, thank you. [LB416]

SENATOR FISCHER: Thank you, Senator Louden. Are there other questions? Thank you, Mr. Todd. [LB416]

LOY TODD: Thank you. [LB416]

SENATOR FISCHER: Are there other supporters for the bill? Good afternoon. [LB416]

KEVIN CONWAY: Good afternoon, Madam Chairman and committee members. My name is Kevin Conway, K-e-v-i-n C-o-n-w-a-y. I'm here as a citizen of Nebraska; I live in District 29. I'm not representing an organization on this behalf on LB416. I want to just register my support for the bill. We've heard discussions about economy and ecology and probably some safety discussions we could have. But really, I want to register my

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support based on aesthetics, of having a front license plate on the front of the vehicle, bumper of the vehicle just isn't, to me, aesthetically appealing. I don't know if I'd call myself a car buff. I don't own a hot rod or an expensive sports car. I just own, basically, family sedans. And then to answer your question, Senator Fischer, I may not be a sample, but I own five vehicles between myself and my children. Out of those five vehicles, only two of them have designed front plate areas. The rest of them do not, and, in fact, two of the vehicles, the only way to attach a front license plate was for the dealer to give me. They didn't charge me for it, but a dealer gave me a plastic bracket that actually clips onto the grill of the car, so it's not even on the bumper. It's on the grill area of the car that the plate then screws into. So, and on one occasion, that plastic bracket fell off and had to be retrieved so. Any questions, I'd be glad to entertain them. Otherwise, I thank you for your attention. [LB416]

SENATOR FISCHER: Thank you, Mr. Conway. Are there questions? I see none. I appreciate you coming today. We like to have citizens come forward. Thank you very much. [LB416]

KEVIN CONWAY: Appreciate it. [LB416]

SENATOR FISCHER: Are there other proponents for the bill? Any other proponents? Are there opponents to the bill? Good afternoon. [LB416]

JACK MOORS: (Exhibit 8) Good afternoon. Chairman Fischer and members of the committee, my name is Jack Moors, J-a-c-k M-o-o-r-s. I'm a registered lobbyist, and I represent 3M. I have no testimony. Obviously, I represent the supplier, but I'm going to ask on behalf of some organizations to submit to you this report from the Ohio Association of Chiefs of Police and the Pennsylvania Chiefs of Police. And I have no testimony. I'd be glad to answer any questions. [LB416]

SENATOR FISCHER: Thank you, Mr. Moors. Are there questions for Mr. Moors? I see none. Thank you for being here today. [LB416]

JACK MOORS: Thank you. [LB416]

SENATOR FISCHER: Are there other opponents to the bill? Good afternoon. [LB416]

TIMOTHY KEIGHER: Good afternoon, Senator Fischer and members of the committee. My name is Tim Keigher. That is K-e-i-g-h-e-r. I appear before you today in opposition to LB416 on behalf of the Nebraska Petroleum Marketers and Convenience Store Association. I guess, first of all, I would like to applaud Senator Fulton for his ideas of putting more money into the Highway Trust Fund as it's one way of avoiding raising the motor fuel tax. But in this case, the money that I'm here for is coming out of our pocket. I guess, you know, drive-offs are our problem. They average \$1,000 per location

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nationwide right now. When gas is at \$2 a gallon, and it's just another tool that we have to try and capture someone's plate or the vehicle identity on video cameras or by employees. There was a test that was done in...I don't know if it was the city of Hastings or if it was in the county out there by the law enforcement. They got a group of motor fuel retailers together and asked them to go to mandatory prepay for a period of time. Obviously, since it was voluntary, they did not all do it. Those who tried it to see if it would work wound up losing gallonage to the competitors that weren't doing it, so it didn't last very long. You know, we've talked about mandatory prepay. You know, nobody wants to be the first to do that, because they do lose gallonage. Some of my members who have tried that in different areas have lost significant gallonage and went back to allowing customers to pay after they, you know, fill their tank, so. I guess one thing Senator Fulton did teach me is that I better contact my counterpart in Kansas and ask him if I could come and testify in favor of motor fuel tax rates since he's helping me out here, so with that I'd be happy to answer any questions. [LB416]

SENATOR FISCHER: Thank you for being here, Mr. Keigher. Are there other questions? Senator Stuthman. [LB416]

SENATOR STUTHMAN: Thank you, Senator Fischer. Mr. Keigher, in a lot of these convenience stores--Cubbies and AmPride and all of those, you know, where they have the cameras, you know, you can drive either way. You know, you can fill up your vehicle going this way or the other way, and it seems to me that, you know, you would be able to get one license plate, you know, having two whether you get it in the front or the back or anything like that in viewing the tapes on that. So... [LB416]

TIMOTHY KEIGHER: I guess, yeah, the more cameras they have, the better chance you have of getting either front or back plate, but my members are saying that, you know, it's just another tool in trying to catch these people. And, I guess as was testified before, after they go through our car wash, and we bend the front plate, it's always good to see the back plate too, so. [LB416]

SENATOR STUTHMAN: Thank you for your testimony. [LB416]

TIM KEIGHER: You're welcome. [LB416]

SENATOR FISCHER: Thank you, Senator Stuthman. Are there other questions? I have a question, Mr. Keigher. You mentioned the drive-off problems, and I'm thinking, why can't you move the camera or place a camera so you can catch this? Why don't your members...how much does it cost per camera, do you know that? To set up cameras at stations. [LB416]

TIMOTHY KEIGHER: You know, I don't have that figure. [LB416]

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SENATOR FISCHER: Are they not setting up more cameras because of the cost or? [LB416]

TIMOTHY KEIGHER: Yeah. I think that more of them...I think that more of them have installed cameras and have installed more cameras because of the drive-off problem, yes. I would agree with that. [LB416]

SENATOR FISCHER: You talked about the locations have lost an average of \$1,000. Was that a month? [LB416]

TIMOTHY KEIGHER: That's a national number. Yeah, per month. Yes. [LB416]

SENATOR FISCHER: And you said when they implement a prepay in these different programs that have been tried where you pay for the gas before you fill it, they lose gallonage. Why? Do they know why? People don't want to do it... [LB416]

TIMOTHY KEIGHER: Because customers don't want the inconvenience of having to... [LB416]

SENATOR FISCHER: ...to have to go in and pay and then go back out and fill their tank, or what? [LB416]

TIMOTHY KEIGHER: Um-hum, yeah, basically just inconvenience. [LB416]

SENATOR FISCHER: Okay, that should do it. Thank you. Are there other questions? I see none. Thank you very much for being here today. [LB416]

TIMOTHY KEIGHER: Thank you. [LB416]

SENATOR FISCHER: Are there other opponents to the bill? Good afternoon. [LB416]

BETH BAZYN FERRELL: Good afternoon, Senator Fischer, members of the committee. For the record, my name is Beth Bazyn, B-a-z-y-n Ferrell, F-e-r-r-e-l-l. I'm the assistant legal counsel for the Nebraska Association of County Officials. NACO's position on this bill this year is in opposition. Those of you that were on the committee in previous years know that some years we have supported the bill too. In an association like ours, sometimes it's a straight line vote, and one way or the other. And this year we did fall on the opposition side. The opposition mainly comes from the sheriffs, as you've heard. There are issues about drive-offs. The sheriffs do tell us that when they are responding to an incident, they look at the plate that's coming toward them, and then a lot of times they'll turn around and go back and follow them as Senator Loudon indicated. When our association took the position on this bill, we did not have the fiscal note nor did we have the amendment that Senator Fulton has offered, so that would possibly affect our

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position on the bill. Be happy to answer questions. [LB416]

SENATOR FISCHER: Okay, thank you, Ms. Ferrell. Are there questions? I see none. Thank you very much. Are there any other opponents to the bill? I see none. Anyone wishing to testify in the neutral capacity? Senator Fulton, would you like to close? [LB416]

SENATOR FULTON: Thank you, Madam Chair, members of the committee... [LB416]

SENATOR FISCHER: Oh, excuse me, if I may, I forgot to mention a letter here. We do have a letter in opposition from the Chief of Police, Omaha Police Department in opposition to LB416. I'm sorry, Senator. Please go ahead. (See also Exhibit 4) [LB416]

SENATOR FULTON: That's all right. I had to be away, I apologize, to introduce a different bill, and I don't know if it has been touched on, but we had a mathematical error in calculation earlier. Based on these figures, total cost of license plate production for the current six-year plate cycle would be \$51 million, I said. It's actually half that. And so that's going to half the amount of savings, but regardless, the principle remains that I believe there will be cost savings due to less material and less need for manufacture. The...so I've received a number of contacts within my district in favor of this. I've also received some opposed. It's been said that with all of these new senators, we should have new ideas, so why are you rehashing an old idea? And I understand that this has been introduced many times before. I've actually gone through and read the testimony from those many times before. My response to that is, perhaps the new senators, of which I consider myself a new senator, only been here for three years, we are recognizing principles that older senators recognized also. For me, the principles are redundancy and, to a certain level, an inconsistency. Something I did not realize until hearing the testimony here today is that dealers are actually only required by statute to place a rear plate on a car... [LB416]

SENATOR FISCHER: We'll close that loophole (laughter). [LB416]

SENATOR FULTON: Perhaps so. But in the eyes of the public who we represent, there is there an inconsistency. Where there's an inconsistency, there is the potential for scandal, and hearing this from my constituents, this actually was something I heard from a little less than a couple of dozen constituents that this was something that bothered them. And I talked to a lot of constituents during the campaign...campaign season, and that's really what prompted me to continue pursuing this. There have been arguments in favor which I have given. There have been arguments against. The arguments against, I believe, have reasonable responses. Law enforcement utilizes the front plate as a means of more efficient and effective law enforcement to which I respond, such is also the case in states where there is only one plate. And law enforcement has not been any less significant or effective in such states. An argument

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against is, we ought to leave well enough alone which, incidentally, is something I utilize often as a principle. But if we can find efficiencies and cost savings, then well enough isn't, indeed, well enough. If we can save money, then I believe we ought to move forward with it. In this case, I propose that we are saving money to the state; money to the counties; and ultimately, money to the consumers, those who sell cars and those who live in the private sector. So there are some arguments that are against. I believe there are reasonable arguments to be leveled in favor, and for that reason, I'm asking the committee to put this bill forward for broader debate, for debate such that we can delve into this more broadly and more with an encompassing...a more encompassing debate. With that, I will close. If there are any other questions, I'd be glad to answer them. Otherwise, I'm always going to be available to work forward, hopefully, with you on this bill. Thank you. [LB416]

SENATOR FISCHER: Thank you, Senator Fulton. With that, I will close the hearing on LB416 and close the hearings for today. [LB416]

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Disposition of Bills:

LB129 - Placed on General File with amendments.  
LB175 - Placed on General File.  
LB202 - Placed on General File.  
LB416 - Held in committee.

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Chairperson

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Committee Clerk