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Transportation and Telecommunications Committee
January 17, 2012

[LB726 LB748 LB751 LB769 LB801]

The Committee on Transportation and Telecommunications met at 1:30 p.m. on Tuesday, January 17, 2012, in Room 1113 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB726, LB748, LB751, LB769, and LB801. Senators present: Deb Fischer, Chairperson; Galen Hadley, Vice Chairperson; Kathy Campbell; Annette Dubas; Charlie Janssen; Scott Lautenbaugh; LeRoy Loudon; and Scott Price. Senators absent: None.

SENATOR FISCHER: Good afternoon and welcome to the Transportation and Telecommunications Committee hearing. I am Senator Deb Fischer. I am the Chair of the committee, and I'm from Valentine, Nebraska. I represent the 43rd District in the Nebraska Unicameral. Our committee members are, on my far right, Senator Charlie Janssen from Fremont. Next we have Senator Scott Price who is from Bellevue; Senator Kathy Campbell from Lincoln; the Vice Chair of the Committee, Senator Galen Hadley from Kearney. On my immediate right is our committee counsel, Mr. Dusty Vaughan. On my immediate left is our new committee clerk who is Jonna Perlinger. Next we have Senator Scott Lautenbaugh who is from Omaha. And on the end we have Senator LeRoy Loudon from Ellsworth. Senator Annette Dubas from Fullerton will be joining us later. As you know, all the committees are starting to meet today, and so if we have senators that are coming in and out, please do not take offense; we have members who are introducing bills in other committees. We will be hearing the bills in the order that they are listed on the agenda. Those wishing to testify on a bill need to come to the front of the room and be ready to testify as soon as someone finishes testifying and that way we can keep the committee hearing moving along. I would ask that you complete the yellow sign-in sheet at that on-deck table right there and have that ready to hand in to our committee clerk before you sit down to testify. It's very important that you do follow the directions on that sign-in sheet and also spell your first and last name when you come up to testify. I would ask that you keep your testimony concise and try not to repeat anything that someone else has already covered. I will try and remember to ask at the beginning of each bill how many are here to testify on the bill because right now Senator Lautenbaugh will be happy to know I don't plan to use the light system, but if we have a lot of people testifying I will. And if I do ask that you conclude your testimony, that's my prerogative, I think you've gone on a little too long. No offense please. If you would like to testify...or if you'd like to make comments and have those written comments included, you can hand in your testimony and we will use that. At this time I would ask that you please turn off your cell phones. We do not allow cell phones on in this committee hearing and that means no texting. With that I will open the hearing on LB726 and our committee counsel will be introducing all the bills for us today. Mr. Vaughan, welcome. [LB726]

DUSTY VAUGHAN: Thank you, Senator Fischer, and members of the Transportation and Telecommunications Committee. For the record my name is Dusty Vaughan,

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spelled V-a-u-g-h-a-n, and I'm the legal counsel for the committee. LB726 was a bill brought to the committee by the Department of Motor Vehicles. It eliminates a requirement for the DMV to send out notices by registered or certified mail in certain instances. Under the bill, the DMV would be authorized to send these notices by regular United States mail. According to the DMV, currently thousands of these notices are returned undeliverable, which wastes a considerable amount of resources in the process. And I know Director Neth is here to advocate on this bill so I will end my testimony. [LB726]

SENATOR FISCHER: Thank you, Mr. Vaughan. Questions? Thank you. First testifier, please. Director, welcome. We are having the proponents for the bill first. And welcome, Director Neth. [LB726]

BEVERLY NETH: (Exhibit 5) Thank you, Senator Fischer. Chairman Fischer, members of the Committee, I am 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 LB726. LB726 proposes to eliminate statutory requirements that the department send a number of notices by certified mail. This bill will eliminate the certified mailing requirement in the following revocation or suspension of the driving privilege programs. First, it's failure to comply with a court order; second, points suspensions for persons under 21 years of age if they accumulate six or more points in one year; third, commercial driver license disqualifications; four, point revocation for persons over 21 and that's the accumulation of 12 or more points in two years; and finally, the suspension for failure to maintain financial responsibility involved in a motor vehicle accident. Let me be clear, the bill does not eliminate the notice requirements. It eliminates the requirements that DMV send it by certified mail. We will continue to send notice requirements by regular U.S. mail, first class postage. Eliminating the certified mailing requirements will offer the state a substantial financial savings. Each item of certified mail costs the department \$3.29. Broken down, that's \$2.85 for the certification, plus the cost of a 44-cent stamp. The Financial Responsibility Division sends out approximately 48,000 notices by certified mail every year pertaining to the programs that I read into the testimony. The mailing cost is an annual expenditure of approximately \$157,000...or \$155,000. I think the fiscal note has been updated to reflect \$155,000. By implementing this change, we can increase the effectiveness of the notices. Departmental analysis shows that approximately 31,000, or 64 percent, of the certified notices are returned to the DMV each year as unclaimed or undeliverable which translates into \$102,000 spent for undeliverable mail. We can improve the delivery of notices by eliminating the requirement for individuals to go to the post office to pick up the piece of mail. DMV will continue to maintain records of the mailing of every notice to every individual. We simply won't have a certified mailing number to track. I'd like to thank Senator Fischer for introducing this bill on behalf of the department, and the committee. I'd be happy to answer any questions that you have at this time. [LB726]

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SENATOR FISCHER: Thank you, Director. Are there questions? Senator Hadley.
[LB726]

SENATOR HADLEY: Thank you, Senator Fischer. Director Neth, happy to see you again. From a legal standpoint, is there any distinction between the certified letter and a regular postage for a person saying, I didn't receive it so I did not know that my license had been suspended? [LB726]

BEVERLY NETH: There have been a couple of cases on point with respect to the requirements for mailing and the requirements for a receipt. The most recent case...actually, I think the controlling case is probably a 1997 case which was State v. Moderow in which the court read the statutory construction as it exists and said essentially that the department has a statutory obligation to mail the notice, but there is no requirement that the notice be received by the individual. And the issue really goes to whether or not an individual is maintaining their appropriate address with the department. There is a legal requirement that if you change your address you're required to get a replacement document that reflects that address change. In these particular programs, we recognize that many people don't change their addresses with us. So what we do is we try to use the last known address. So if an individual is cited and the court has evidenced a different mailing address on the citation, or the traffic officer has a different address on the traffic citation than what we have in our database, we will update our database. We won't write over the old address, we just add a new mailing address for the individual. So we will mail our information to them. If there is another address that comes in from the court, we try to use the most recent address so we're doing, we think we can, all we can to make sure that we're getting that notice to the individuals. But the courts have held in the state that as long as we've dropped the piece of mail into the mail, it's essentially received by the individual. [LB726]

SENATOR HADLEY: So effectively there is no difference from a legal standpoint. It gives no more rights to the person by saying, I didn't receive it (inaudible). [LB726]

BEVERLY NETH: No, it doesn't. [LB726]

SENATOR HADLEY: Thank you. [LB726]

SENATOR FISCHER: Thank you, Senator Hadley. Senator Price. [LB726]

SENATOR PRICE: Thank you, Senator Fischer. Director Neth, and thank you, Senator Hadley, because you hit on the same thing I had a question. Will there be a new process in place in the department to contend with proving that you sent it out? So right now if you want to send out a document and you put it on a listing, you could always fall back on that certified. But now that you're not going to have that, how are you...what process are you going to put in place that may be different than you have now to ensure

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that the court will know, yes, you did do what you said you did? [LB726]

BEVERLY NETH: Well, with respect to our process, quite a few years ago, probably about eight years ago, we automated our mailing process in the department. So with the use of the JUSTICE system from the court, we get information from the court of a conviction or whatever it may be, information from the court. We take that information then, and our process essentially is automated. When an individual...we receive notice from the court, let's just say in a failure to comply situation, they tell us this person did not show up for court or they failed to pay their traffic citation. Our system then generates a letter, as a nightly process really, where a letter is generated, and that would trigger the mailing of that notice then. Notices don't go by certified mail. In these particular programs it's the order that goes by certified mail. So we would send out a notice to an individual saying the courts have told us that you have failed to comply with whatever the issue is and you have 30 days to rectify that issue with the court or we will suspend your license. That's mailed and we would have...if that is returned to us, what we do is we...first of all, it's mailed and we import that letter into our document management system. So it sits alongside the driving record of the individual who may have an issue with the Financial Responsibility Division. If that piece of mail is returned to us, we then scan that envelope and place that alongside that letter to evidence that the document was not delivered; it was, in fact, returned to us for want of an address; or they didn't pick it up, whatever the case may be. So we have those pieces in place right now and we're going to continue to do that same process. There are a couple of things in these programs, particularly in the points suspension programs, where even before those letters are mailed, even with the automated process, we still go back through every record of the individual who may be getting a points notification to make sure that all of the points, all of the citations we're taking against their record are accurate and they are valid to go against that record. So there's still human intervention in some of the process. I think we have some pretty good safeguards in place that will make sure that, one, we're sending out all the letters we need to send out; and two, if it's returned to us, we're able to track that piece of mail by scanning it into the system so that undelivered mail sits alongside the driving record as well, so we can talk to the person about whether they got the mailing or didn't get the record. [LB726]

SENATOR PRICE: Well, I appreciate that, and there's another savings. Now you won't have people scanning and putting more in, because there won't be a return. Thank you. [LB726]

BEVERLY NETH: Um-hum, should be. [LB726]

SENATOR FISCHER: Other questions? Senator Dubas. [LB726]

SENATOR DUBAS: Thank you, Senator Fischer. I'd like you to clarify the answer that you just gave to Senator Price. You mail out...the certified is the order...what is it that

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you mail? [LB726]

BEVERLY NETH: There are really two...in most of these programs, there are two mailings that occur. The first is a notice to tell the individual. Let's just talk maybe about an individual who is under 21 years of age and has accumulated six points which could ultimately result in the suspension of their driving privileges. The first thing we would do is send a notice to the individual. The first thing we do is actually check the record to make sure it's correct. Send the notice to the individual telling them, you have accumulated six points; you have 90 days to take a defensive driving course or a traffic safety course so that you can maintain your driving privileges; if you fail to take that course within the 90-day period, your privileges will be suspended. If they fail to take the course, and annually some 800 individuals fail to do it, we would then send out the certified mailing order telling them that their privileges have been suspended. So it's a two-step mailing process. [LB726]

SENATOR DUBAS: Thank you for that clarification. [LB726]

BEVERLY NETH: And in nearly all of these it is a two-step mailing process. [LB726]

SENATOR FISCHER: Other questions? Director, can you tell me, this bill will handle all of the mailings that you send out that require certified mail, is that correct? [LB726]

BEVERLY NETH: There are a couple of programs where we will still send certified mail, particularly in child support revocations. That certified mailing statute rests over in the Department of Health and Human statutes, so that will still take place. That's a little bit different though, because what we do in that program is we send the notice to the individual by certified mail--the first notice. We tell them you have a failure to comply with your court order regarding your child support. That goes by certified mailing. The order, if they fail to follow through, then just goes by regular mail. [LB726]

SENATOR FISCHER: Do you know of any other examples from other agencies where they send out mailings by certified mail? [LB726]

BEVERLY NETH: I really don't. I could really only speak to other DMVs across the country who had similar, I think, certified mailing programs who jettisoned those certified mailing programs some years ago, probably three or four at least years ago when they ran into budgetary problems. Those were some of the first programs that DMVs did away with. [LB726]

SENATOR FISCHER: I've heard of a couple comments from the public that are concerned that we aren't sending out notices. I believe perhaps they haven't read the bill in detail, because the notices are still sent out and the orders too, correct? [LB726]

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BEVERLY NETH: That is correct. And I think what has happened is there have been some misleading...I'm not sure about the printed news, but I think TV news stories where it did seem to imply that there was no longer going to be any mailing notices, which is not the case. [LB726]

SENATOR FISCHER: When in reality we're doing this to save some money, and people will still receive the notices as is the case in most of the other states, correct? [LB726]

BEVERLY NETH: That's right. And I think really we're also, from our perspective, taking a long-term look at what we hear from the United States Postal Service in terms of limited mailing opportunities and the closing of post offices around the country. I mean, we potentially could end up with post offices that are closed in communities that are currently open, and if we keep this kind of requirement, people may have to drive 40, 50 miles to get a piece of certified mail. And that primarily is the reason now why the mail is returned to us. I think, one, there are a number of people who simply aren't going to pick up any kind of certified mail because it's never good news if it comes certified mail. And then, two, it is an issue of limited mailing hours and the opportunity to get to the post office to pick up a piece of certified mail. [LB726]

SENATOR FISCHER: Okay, thank you. Other questions? Senator Campbell. [LB726]

SENATOR CAMPBELL: Thank you, Senator Fischer. Just one question. Do any of the other states, have they started into the electronic age by sending notices via e-mail? [LB726]

BEVERLY NETH: Well, even Nebraska does some noticing by e-mail right now. We use the gov.delivery service through our Web site and our portal page where if there are changes to our Web site people can sign up for notices, those kinds of things. There are some jurisdictions that are a little further along in their on-line services where they can sign up for e-mail notifications. I certainly want to take Nebraska that route. We have some statutory restraints on our notices, particularly in our motor vehicle program; those are sent out by the counties, so the DMV doesn't do that. But we're looking at that in terms of driver licensing. Make it more of a voluntary process where the citizen goes on and signs up for the e-mail notifications rather than us shoving it out to them; that they have the opportunity to sign up for a "my DMV notifications" kinds of thing. I think it's absolutely the way most DMVs will be going in the future. [LB726]

SENATOR CAMPBELL: Thank you. [LB726]

SENATOR FISCHER: Other questions? Director, did I hear you correctly say that about two-thirds of the certified mail is not delivered? [LB726]

BEVERLY NETH: That's right. Sixty-four percent of it comes back to us. [LB726]

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SENATOR FISCHER: Can you tell me, is there any particular area in the state where you see this happen, or is it across the state? You mentioned, you know, it's a possibility of people having to travel distances. Is that where this happens, or everywhere? [LB726]

BEVERLY NETH: I'm not sure that our analysis was that detailed. That's not a part of the report that I saw. But I think you could probably extrapolate from. Obviously, a large percentage of that is probably happening in Lincoln and in Omaha, the Sarpy County area, because that's where the population is at this point, the bulk of driver licensing. But I know it is happening across the country, because just anecdotally there are calls from people who say, I didn't get it; but we're able to show, yes, in fact it was mailed to you. And then they'll say, yeah, I just didn't go pick it up. Eventually someone will...they'll usually fess up to the fact that they knew it was coming. They've had...in most of these programs, really, they've had the opportunity, particularly in the failure to comply, they know they're out of compliance. They didn't show up for their hearing, or whatever, and they've already gotten their failure to comply notice from the court and now they get another one from the DMV, so that's what's going on out there. [LB726]

SENATOR FISCHER: Okay. Thank you. Senator Louden. [LB726]

SENATOR LOUDEN: Yes, thank you, Senator Fischer. And thank you today, Director, for being here. My question I guess is, and I don't have a problem with changing this, but if someone challenges some of this in court and they say, well, I wasn't notified, do you have any way of tracing that you did send that letter? [LB726]

BEVERLY NETH: Well, really what we would look to is our standard business practice of how we, one, generate letters, how those are generated by the system. Those letters, once they're generated, are imported into just electronically that copy of that letter comes over to the driving record. So the letter, once it's generated, our business practice would presume that it has been mailed. If it is returned to us, we could also track some mailing throughout the days as well. If it is returned to us, then that return envelope is scanned and placed alongside that original letter. So we would in fact have a trail of, here's where it went; here's when it came back to us. We can show. [LB726]

SENATOR LOUDEN: Now that's if your letter is returned. [LB726]

BEVERLY NETH: Right. [LB726]

SENATOR LOUDEN: But if it's lost out there and they're dealing...the problem we're having with the Postal Service, I'm sure you've read the papers in the rural areas and everything, when it's lost, if...because we just got done with that here in the last six months. My wife mailed some stuff and it got delivered to the wrong address is what it

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did, and without that registration or something, there was no way of tracking it. And if...otherwise, if that goes to the wrong address and that person picks it up and throws it in the trash, there's nothing to say that you actually delivered that letter and mailed it to them if they said they didn't get it. [LB726]

BEVERLY NETH: That's right. I think that in that instance someone...if it is misdelivered, there may be an argument there. However, I think the court cases have been clear that the requirement is not that the piece of mail be received; the requirement is that the piece of mail be put into the mail by the department. What potentially I think could be challenged is whether or not our process, our business practice, provides enough...a high enough level of confidence to show that we, in fact, mailed that piece of...made that piece of mail. In some cases where there's been a pure clerical error, something went haywire, which is...I could think of maybe three times in my 12 years in the department that someone honestly was able to say, I was stopped by law enforcement, and in one case their car was towed and they were actually booked into jail because we had that their license was revoked. What they did in that instance, and what I encouraged them to do, was file a claim. There's always the claims process. If someone is monetarily damaged by a clerical error or something that truly went on within the department, they have an opportunity for remuneration through the claims process. And we've paid a few claims, nothing extraordinary, maybe \$1,000 or \$1,500, whatever the monetary damages were. But in most instances I think we can, with a high degree of confidence, say that the system generated a letter and the letter was mailed. Even in this program, the notice is not going out by certified mailing now; it is the order that's going out. So in nearly all cases, that first round of mailing is making it. Those are coming back to us too in some instances, but they know full well that if they don't do what we ask them to do in the notice, that that order is coming. We tell them that very clearly in the letter: You have a certain amount of time to take X corrective actions, and if you don't, the next letter you're going to get from the department is an order of suspension or revocation. [LB726]

SENATOR LOUDEN: Well, I agree if you got something here where you're going to save, what, \$155,000, or whatever you think it is, and that's fine. I guess my concern is, is just don't go too far out in the river where the water is too deep, because you may run into problems. But with that, why, I understand what you're trying to do and it will probably work about 90 percent of the time anyway. [LB726]

BEVERLY NETH: I'm guessing it will be 99.9. It's a very effective process we have in place. I think our automated system has worked very well. It has been in place for...well, 13 or 14 years now we've been...and we make sure that things are working the way they should work. We're doing regular audits on the system, so I'm pretty confident it's working the way it's designed to work. [LB726]

SENATOR LOUDEN: Okay, thank you. [LB726]

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SENATOR FISCHER: Thank you, Senator Louden. Senator Lautenbaugh. [LB726]

SENATOR LAUTENBAUGH: Thank you, Senator Fischer. So really if we adopt this in the scenario we're talking about, you're sending out two notices by regular mail. [LB726]

BEVERLY NETH: That's right. [LB726]

SENATOR LAUTENBAUGH: And so while we all admit that sometimes things do get lost in the mail, that's pretty rare in your experience, is it not? [LB726]

BEVERLY NETH: That is. Even in our driver licensing program, where we do mailings, the percentage of mail that's returned to...that people...the percentage of people who are calling us saying, I never got the document is maybe one one-thousandth of a percent of the individuals. It's very, very rare. [LB726]

SENATOR LAUTENBAUGH: But for someone to not know about this, both pieces of mail to this individual would have to get lost theoretically. [LB726]

BEVERLY NETH: Theoretically. [LB726]

SENATOR LAUTENBAUGH: Which would be astronomically unlikely based upon the number you just threw out there. [LB726]

BEVERLY NETH: I think it would be, yes. [LB726]

SENATOR LAUTENBAUGH: So really this could be a way to increase notice to these people. Considering the number of people who don't pick up certified mail versus the number of people who get their regular mail regularly, this is probably greater notice. [LB726]

BEVERLY NETH: We think it will be. We think it particularly will result in those people who refuse to go pick up certified mail will have the information. [LB726]

SENATOR LAUTENBAUGH: Great. [LB726]

SENATOR FISCHER: Thank you, Senator Lautenbaugh. Other questions? I see none. Thank you very much, Director. [LB726]

BEVERLY NETH: Thank you. [LB726]

SENATOR FISCHER: Are there other proponents for the bill? Any other proponents? Any opponents to the bill? Good afternoon. [LB726]

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MATT SCHAEFER: Good afternoon, Chairwoman Fischer, members of the committee. My name is Matt Schaefer, M-a-t-t S-c-h-a-e-f-e-r. I'm a registered lobbyist today appearing on behalf of the Nebraska State Bar Association in opposition to LB726. While the bar association is mindful of these tough budgetary times, it has taken the initial position of opposition to this bill because of the seriousness of the matter contained in the order of suspension notices that would be sent by regular mail and not certified mail under the bill. Obviously having your license suspended is a big deal. Drivers in Nebraska ought to have a chance to be notified by their government that their license is being suspended. Sending the notice via certified mail is the best chance that the person that is supposed to be getting the notice will actually get it and understand the effect of it and the seriousness of its contents. Sending orders of suspension via regular mail raises several concerns for the bar association. First, notice by regular mail means we'll never quite know whether the notice ever got to the intended recipient, was not instead delivered to the wrong address, a transposed address, a previous address, or even the wrong driver entirely. Secondly, sending such important notices via regular mail greatly increases the chance that the intended recipient may not actually inspect the notice even after it has been delivered to the correct address. All of us at one time have lived with roommates, perhaps several of them, and one person will go to the mailbox that day and bring back the dozens of pieces of mail and set it on a coffee table in a living room or on a stack of papers on the counter. And it may be several days, if not weeks, before all roommates find the mail that was intended for them. Finally, sending these notices via regular mail greatly increases the chance that the mailing will be indistinguishable from the countless loads of junk that we all get in the mailbox each day. For example, I've received several official looking letters and envelopes that informed me that my car warranty has expired, and for a low, low price I can buy a new one from them. Obviously after reading it I can tell that it's not from the dealer that I bought the car from or even my car manufacturer and that it's basically junk mail. Let's not let these important DMV notices be mixed in with regular mail. Sending these via certified mail at least tells the person that is receiving it that it has important contents that are not junk mail or a clever marketing gimmick. Drivers need notice of their license suspension because it's an incredibly serious offense to be caught driving without a valid one. It means jail time in most of our counties. Further, most lay people have no idea when their license may be at risk for suspension, how many points one can accumulate on a license, how old you are and how many points, how many points each traffic ticket costs them, or even what period of time is used. Certified mail represents the best chance that a driver will be sent notice, receives the notice, and understands the notice. Thank you. If you have any questions, I'd be happy to try to answer them. [LB726]

SENATOR FISCHER: Thank you, Mr. Schaefer. Are there any questions? I have a couple for you. Do you know any agencies that send out any kind of information by certified mail besides the DMV? [LB726]

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MATT SCHAEFER: I do not. [LB726]

SENATOR FISCHER: You and I had a little conversation after we adjourned at noon, and I asked you at that point as a property owner I receive my property tax statements by regular mail, and to me those are pretty important that we pay those property taxes in due time without receiving penalties. Should those be by certified mail? Should we require that then? [LB726]

MATT SCHAEFER: I don't have an opinion on whether they should be or shouldn't be. But I would distinguish those from orders of suspensions in that the day after my license is suspended, and if I don't know that and I go out and drive and I get picked up, it is a very serious criminal offense coming after that. Not paying your taxes is not a criminal offense to my knowledge. It's not a good idea, but not a criminal offense. [LB726]

SENATOR FISCHER: What about the two-thirds of the folks who are supposed to get these certified letters and they aren't picking them up or they aren't getting them? What about that? There's two-thirds of the people out there that aren't being, I guess, protected, in your words, so how does the bar association plan to protect those folks? [LB726]

MATT SCHAEFER: I think it's important to the bar association that people have the chance to avail themselves of the opportunity to be notified, and I think certified mail gives them that best chance. [LB726]

SENATOR FISCHER: Do you know of any cases where our courts send out information by certified mail? Do the courts send out mail? I'm not an attorney so I just...I'm wondering what do the courts do? You deal with them, so. [LB726]

MATT SCHAEFER: Certified mail and service of process are very important concepts in most litigation and most legal matters, yeah. And it would depend on the situation and the context, but yeah. [LB726]

SENATOR FISCHER: Is it...it's a common practice then by the courts to send out information by certified mail? [LB726]

MATT SCHAEFER: I don't know. [LB726]

SENATOR FISCHER: Okay. Other questions? Senator Hadley. [LB726]

SENATOR HADLEY: Thank you, Senator Fischer. Mr. Schaefer, just a quick question. If the bar feels it's so important for the certified mail to go out, yet we...Ms. Neth talked about a court case where basically the courts say that that isn't necessary. So why

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would we want to have...why do we want to go beyond the letter of the law in doing this for a cost of \$150,000, especially the fact that two-thirds aren't picked up? [LB726]

MATT SCHAEFER: Well, even if it's not required by the court that a person have actual notice of a suspension, that it actually be delivered and received, the bar association, at least in its initial position, and we've only looked at the bill for about a day, believe that it's good policy to give the notice the best...the person the best chance to get that notice. And we think at this point that represents certified mail. We don't know why that large number is being returned back. And if there are post office service changes coming later, then maybe we can deal with that then, but at this point it believes certified mail is the appropriate way to notify people of orders of suspension. [LB726]

SENATOR HADLEY: I always almost have a heart attack when I get something that says I have certified mail and I have to go down and pick it up because it's usually something I don't want to read. [LB726]

SENATOR FISCHER: Thank you, Senator Hadley. Senator Lautenbaugh. [LB726]

SENATOR LAUTENBAUGH: Thank you, Senator Fischer. Just a few questions, Mr. Schaefer. Now I think when you were talking about what the courts may or may not do, you were saying that suit papers might eventually be served by certified mail, is that correct, in some circumstances if the praecipe so requests? [LB726]

MATT SCHAEFER: Can you repeat that last part? [LB726]

SENATOR LAUTENBAUGH: We were talking about how much the courts send out by certified mail, and my question was, but I think you were probably referring to the fact that some summonses are filed or served by certified mail. [LB726]

MATT SCHAEFER: True. True. [LB726]

SENATOR LAUTENBAUGH: Do you know of any orders from the court though, disposing of matters either way, that are sent out by certified mail as opposed to regular mail? [LB726]

MATT SCHAEFER: I don't. You would probably have a better idea of that than I would. [LB726]

SENATOR LAUTENBAUGH: If I suggested there weren't any, you have no reason to dispute that? [LB726]

MATT SCHAEFER: No. [LB726]

SENATOR LAUTENBAUGH: And I guess I question the bar's position on this in that under the Keller decision, if we have a mandatory bar, they're only supposed to weigh in on matters that are reasonably or necessarily related to the legal profession or the improvement of legal services to the public. So do you know what in this bill the bar seized upon that thought this would improve the legal profession or the provision of legal services to the public? [LB726]

MATT SCHAEFER: Again this is only an initial position of the bar, but my understanding is the seriousness of the driving under suspension offense that can occur if someone does not have notice of their suspension. [LB726]

SENATOR LAUTENBAUGH: Which I think you would agree would be more of a policy determination, not something regarding the legal services to the public. This is a not a bar governance issue, correct? [LB726]

MATT SCHAEFER: I think you could characterize it a policy decision, but I think you could also characterize it as weighing in when the government is changing how it provides notice to the public, and our position is notice is best served the way it currently is. [LB726]

SENATOR LAUTENBAUGH: Thank you. [LB726]

SENATOR FISCHER: Other questions? Senator Price. [LB726]

SENATOR PRICE: Senator Fischer, thank you. Mr. Schaefer, a quick question. We've heard a few times where you discuss the seriousness of the notification and what could happen, correct? [LB726]

MATT SCHAEFER: Yes. [LB726]

SENATOR PRICE: Do you know if there is any additional penalty for refusing to pick up your certified mail? [LB726]

MATT SCHAEFER: Is there a penalty? [LB726]

SENATOR PRICE: Yes, is there an increased penalty? I mean, if we've said it's real important and we send it out and make that effort, you the person getting the mail, you don't get any further points taken off if you decide to not pick up the mail? [LB726]

MATT SCHAEFER: I'm not aware of any punishment that happens if you just leave it there. Again, I go back to it's important that the public have a chance to avail itself of the notice, and certified mail gives the public that best chance. [LB726]

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SENATOR PRICE: Well, I find it curious that it's important one way and not both ways, and the burden is such that the state is going to pay for it, that bad news, as Senator Hadley said. If you don't want to have bad news, just ignore it and it will go away. And I don't think that's the reality; the news doesn't go away. And if you've gotten pulled over or something has happened, you know this happened because most likely you were there. So there is some question there that it only is working one way, but I do appreciate your answer. Thank you. [LB726]

MATT SCHAEFER: And certainly they're probably likely to know that they're involved in something that may wind up being a suspension. But I think the timing is important because there will be a certain day where that license is suspended and it would be good to know that actual day, and I think that would be best effectuated by certified service. [LB726]

SENATOR PRICE: Thank you. [LB726]

SENATOR FISCHER: Thank you, Senator Price. Other questions? I see none. Thank you, Mr. Schaefer. Are there other opponents to the bill? Other opponents? Anyone wishing to testify in the neutral capacity? I see none. We will waive closing. I close the hearing on LB726. I will open the hearing on LB748. Mr. Vaughan. [LB726]

DUSTY VAUGHAN: Thank you, Senator Fischer. Once again my name is Dusty Vaughan, spelled V-a-u-g-h-a-n. I'm the legal counsel for the committee. LB748 is an attempt to adapt the Nebraska statutes to technology upgrades in the real-world process. The bill outright repeals two sections of statute that prohibit a person from registering a motor vehicle or obtaining a license when the person has an outstanding warrant for arrest when the violation involved the use of a motor vehicle. These sections also require all courts in the state to remit a list of these outstanding warrants to the DMV and county treasurers by the fifth of each month. With the development of the state's JUSTICE system that provides for the electronic transmission of court records to the DMV, there is no need for an alphabetized list to be sent. Courts also have the authority to notify DMV to issue suspensions for failure to comply with a moving traffic violation under current statutory Section 60-4,100. This process has replaced the issuance of warrants in most cases, making the two repealed statutes in LB748 virtually obsolete. And Director Neth is still here to advocate for this bill, so I will end my testimony. [LB748]

SENATOR FISCHER: Thank you, Mr. Vaughan. With that I would ask for the first proponent to step forward, please. Director. [LB748]

BEVERLY NETH: (Exhibit 1) Senator 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 to offer testimony in support of LB748. Once again, thank you, Senator Fischer, for

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introducing this bill on behalf of the department. LB748 is a repeal of two statutory duties that have become outdated due to the adoption of newer statutory authority and the development of new programs and technology. The bill repeals Nebraska Revised Statute Section 60-3,163 and 60-485. These statutes require the department to deny issuance of a vehicle registration or a driver license, respectively, to a person who has an outstanding warrant for an alleged violation, not a conviction of a state statute or a municipal ordinance involving the use of motor vehicle. Under the current law, courts are required to send the department an alphabetized list of warrants by the fifth of each month. These statutes were first adopted in 1969 and have undergone no substantive review or changes since then. In the interim, Nebraska's court system and the DMV have automated the communication between the two entities via the JUSTICE system. One function of JUSTICE allows the court to notify electronically the DMV when an individual has failed to comply with a motor vehicle-related violation. Upon receipt of such a notice, the DMV has the authority to notice the person that his or her driving privileges will be suspended if they fail to comply with their ticket within 20 days. This process has largely replaced the issuance of warrants for motor vehicle-related violations. In 2011, the DMV suspended 17,279 driver licenses for failure to comply with a motor vehicle-related violation. The department's failure to comply process and utilizing the JUSTICE system is effective and fulfills the purposes for which 60-3,163 and 60-485 were originally enacted. Senator Fischer, I will be happy to answer any questions the committee might have regarding this matter. [LB748]

SENATOR FISCHER: Thank you, Director. Are there questions? I see none. Thank you very much. [LB748]

BEVERLY NETH: Thank you. [LB748]

SENATOR FISCHER: Are there other proponents to the bill? Any other proponents? Are there opponents to the bill? Any opponents? Anyone wishing to testify in the neutral capacity? I see none. We will waive closing. With that I will close the hearing on LB748. Open the hearing on LB751. Mr. Vaughan. [LB748]

DUSTY VAUGHAN: Again, Senator Fischer and members of the committee, for the record my name is Dusty Vaughan, spelled V-a-u-g-h-a-n, and I'm the legal counsel for the committee. LB751 is an annual bill that updates several references to federal law in the Nebraska motor vehicle statutes. This is a bill that we see every year; it's also known as the federal compliance bill. Failure to do so could result in the loss of federal highway funds if we do not adopt this bill. Sections updated include references to handicapped permits, the International Registration Plan, commercial drivers' licenses, motor carrier safety and hazardous materials transportation, and the Unified Carrier Registration Act. The bill also makes a change to the use of ignition interlock permits for repeat offenders that was amended and passed through LB667 last year. The federal law is very specific on what uses are permitted. LB751 changes the relevant statutes to

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mirror federal language. Federal law does allow a permit's use for driving to an ignition interlock service facility and that provision is added through this bill. Finally, the bill corrects a language concern that a federal audit addressed in 2009 with regard to the State Patrol assuming the authority of Federal Motor Carrier Safety Administration special agents when enforcing federal rules and regulations. The bill strikes the concerning language and replaces it with more specificity, but does not change the State Patrol's authority to enforce Chapter 75 in the process. We do have representatives from both the DMV and State Patrol here to discuss this bill as well. Thank you, Senator Fischer. [LB751]

SENATOR FISCHER: Thank you, Mr. Vaughan. Questions? I see none. Thank you very much. We will open with proponents, please. First proponent to the bill. Good afternoon. [LB751]

BEVERLY NETH: (Exhibit 2) Good afternoon, Senator Fischer, members of the committee. I'm Beverly Neth, B-e-v-e-r-l-y N-e-t-h, director of the DMV. I'm appearing today to offer testimony in support of LB751 and this is my favorite bill to draft testimony for because it is, as Mr. Vaughan said, an annual bill before this committee. This is a date reference update bill that's introduced each year to keep the DMV and the State Patrol consistent with federal laws and regulations that govern state laws administered by the two agencies. LB751 amends the reference dates for three specific DMV programs governed by federal law. First, it adopts the most recent version of the International Registration Plan, or IRP. Nebraska has been a member of IRP since 1975. Membership in IRP allows trucking companies in Nebraska to pay registration fees in Nebraska for all jurisdictions through which the company operates. We distribute the collected registration fees to other jurisdictions based upon a pro rata share of mileage that the carrier travels in each jurisdiction. This bill will allow Nebraska to follow the IRP agreement changes through January 1, 2012. LB751 also updates the references to federal regulations governing commercial motor vehicles and the issuance of a commercial driver license. The change allows the DMV to follow regulations as they existed on January 1, 2012. It is important for Nebraska to remain in compliance with federal laws in this area. If we fail to comply with these laws, the Federal Motor Carrier Safety Administration, FMCSA, has the authority to withhold funding for Nebraska's Motor Carrier Safety Assistance Program, or MCSAP, and federal highway funds. LB751 also updates references to federal regulations governing handicapped parking tags. This bill includes a statutory cleanup associated with LB667, 2011, regarding the limited driving privileges associated with the ignition interlock permit issued to repeat DUI offenders. These limited driving privileges currently include operating a motor vehicle to and from one's place of employment, school, and substance abuse programs. LB751, Sections 5, 6, and 8, contain corrections which limit the repeat offenders' limited driving privileges to those allowed under the federal law applicable to repeat DUI offenders. Specifically, the bill would add an interlock service facility to the list of limited driving privileges and remove the terms "for purposes of." The federal law requires strict

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compliance to preserve highway funding for the Department of Roads. Failure to make this correction has the potential to penalize Nebraska with a loss of 5 percent of highway funding for the first year of noncompliance and 10 percent of roads funding for each subsequent year of noncompliance. Roughly this amounts to \$11 million in the first year and \$22 million in subsequent years. On January 9, 2012, I and other state representatives participated in a conference call with the officials from the National Highway Traffic Safety Administration who were reviewing LB667 for compliance with the federal law. We directed them to review LB751 as that was the cleanup measure that ensured compliance. On the tenth of January, they issued an e-mail indicating the passage of LB751 would keep Nebraska in compliance with federal provisions related to limited driving privileges. And then again this morning we had another conference call around 10:00 in which additional...NHTSA officials were reviewing the bill as well, and they have sent an e-mail and I have attached that e-mail to my testimony, and it does state specifically that the passage of LB751 would ensure compliance with the federal law as drafted. And I know, Senator Fischer, that there are representatives here from the State Patrol that will address their portion of the bill. I would be happy to answer any questions as it would relate to the DMV portion at this time. [LB751]

SENATOR FISCHER: Thank you, Director. Are there questions? I see none. Thank you very much. [LB751]

BEVERLY NETH: Thank you. [LB751]

SENATOR FISCHER: Next proponent. Good afternoon. [LB751]

GERALD KROLIKOWSKI: (Exhibit 3) Good afternoon, Senator. Chairperson Fischer and members of the Transportation and Telecommunications Committee, my name is Gerald, that's G-e-r-a-l-d, Krolikowski, K-r-o-l-i-k-o-w-s-k-i. As the commander of the Carrier Enforcement Division, I am here today on behalf of the State Patrol to testify in support of LB751. When the United States Congress passed the Motor Carrier Safety Act, emphasis was placed on the states adopting uniform safety measures with the ultimate goal of a reduction in the number of commercial motor vehicle accidents. In order for the state of Nebraska to remain consistent and compliant with these federal regulations, it is necessary to update our commercial vehicle safety regulations annually. This legislation will enable the Nebraska State Patrol to continue enforcing updated Federal Motor Carrier Safety Regulations and the Federal Hazardous Materials Regulations. On page 17, line 22, Section 9 adopts 75-363, Federal Motor Carrier Safety Regulations; and on page 22, line 9, Section 10 adopts 75-364, Federal Hazardous Material Regulations which were in effect January 1, 2012. Every day our troopers strive to make our highways safe. In FY 2011, the Nebraska State Patrol conducted 30,194 roadside inspections; 8.8 percent of those drivers inspected were placed out of service. Of the 7,267 vehicle inspections, an average of 1.89 violations per vehicle was discovered, with 33.6 percent of the vehicles being placed out of service.

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The roadside inspection program has enabled the state to establish a strong enforcement presence on our highways and has created a significant deterrent effect. Along with our enforcement efforts, public education is a valuable tool the agency uses to improve highway safety. In FY 2011, the Carrier Enforcement Division of the Nebraska State Patrol conducted 60 public education seminars and 15 town hall meetings across the state directed at commercial motor vehicle owners and operators. A total of 5,878 people attended those seminars and town hall meetings. During the calendar year of 2010, Nebraska experienced 43 fatality crashes involving trucks and 2 fatalities involving buses. This continues to be a dramatic reduction from the 115 fatality crashes in 1989 when we began enforcing these safety and hazardous material regulations. Our success is built on the principle of uniformity in the safety inspection program. Enforcement of these safety measures by the Nebraska State Patrol increases the likelihood of vehicle defects, commercial driver deficiencies, and unsafe motor carrier practices being detected and corrected. You will also find language within this bill regarding powers provided to the Nebraska State Patrol for the purpose of enforcing Chapter 75. During a U.S. Department of Transportation Federal Motor Carrier Safety Administration audit conducted in October 2009, the following recommendation was noted. "In Nebraska Revised Statute 75-366, Nebraska has attempted to provide the federal authority of FMCSA special agents to Nebraska State Patrol officers. This section of Nebraska statutes provides the required right of entry authority, but goes further by attempting to claim authority under federal law. FMCSA has not delegated its ROE authority under federal regulations or statute. Appendix B to the FMCSRs contains a cautionary note that the federal authority given to FMCSA special agents has no application for states. The review team recommends that Nebraska remove from Nebraska Revised Statute 75-366 any reference to NSP officers having the authority of FMCSA special agents." The recommended language to address this concern can be found beginning on page 24, line 1, which removes any reference to our personnel having authority as federal agents. Please find attached handouts summarizing the latest Federal Motor Carrier Safety and Hazardous Material Regulations that are being adopted through this update. I want to thank you for the opportunity to testify on behalf of the bill today and I will be happy to answer any questions. [LB751]

SENATOR FISCHER: Thank you, Commander. Are there questions? I see none. Thank you very much. [LB751]

GERALD KROLIKOWSKI: Thank you. [LB751]

SENATOR FISCHER: Are there any other proponents to the bill? Any other proponents? Are there opponents to the bill? Anyone wishing to testify in the neutral capacity? I see none. With that I will close the hearing on LB751 and open the hearing on LB769. Mr. Vaughan. [LB751]

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DUSTY VAUGHAN: Senator Fischer, for the record my name is Dusty Vaughan, spelled V-a-u-g-h-a-n, and I'm the legal counsel for the committee. LB769 eliminates the issuance of duplicate and replacement driver licenses and state identification cards by the county treasurers. The remaining duties of the county treasurers will be the collection of license fees and issuance of the 30-day temporary permit. Compliance with federal law in the near future will require all individuals who can effect information on driver licenses to undergo background checks and Fraudulent Document Recognition training. Removing the counties from the process of issuing duplicate and replacement documents will excuse their employees from these federal requirements. In addition, with the passage of LB215 last session, all documents that individuals bring in to prove their identity will be required to be scanned and stored in the DMV's system. LB769 will ensure the counties are not required to deploy a document imaging system and will lessen the cost, complexity, and training needs associated with this requirement. That will end my testimony, Senator Fischer. [LB769]

SENATOR FISCHER: Thank you, Mr. Vaughan. Are there questions? I see none. Thank you very much. Are there proponents for the bill, please? Welcome, Director. [LB769]

BEVERLY NETH: (Exhibit 4) Thank you. Chairwoman Fischer, members of the committee, I am 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 LB769. We thank Senator Fischer for introducing this bill on behalf of the department. LB769 proposes to remove county treasurers from the duplicate and replacement driver license and identification card application process. The responsibility for processing the applications for duplicates and replacement documents will rest solely with the DMV Driver Licensing Examining personnel that are available in all 93 counties. The remaining driver licensing/ID card duties of the county treasurers' staff will be the collection of the fees and issuance of the 30-day temporary document. The department is proposing this change for several reasons. We have implemented an on-line duplicate process that allows cardholders who have lost their driver license or ID card to renew a new one via our ClickDMV Web site. It's available 24/7; it's easy to use and it's cost-efficient. The department's focus on improved security in its driver licensing process has increased the attention on source identity documents due to federal compliance with the REAL ID Act of 2005. The state of Nebraska has expanded the background checks for employees who can effect information on driver license or ID cards and requires training associated with the applicant's identity documents requirement during the enrollment process. By moving the replacement document duties from the county treasurers' staff to the DMV, the need for treasurers and their staff to receive and maintain Level I and II Fraudulent Document Recognition training and eliminate the need for counties to conduct and pay for the rigorous background checks for their staff is eliminated. The DMV is expanding its existing document management system to include the electronic management and storage of paper documents provided by the applicant as part of the

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licensing process. This bill allows us to eliminate the need for the county staff to review any source documents, thereby allowing the DMV to avoid the installation of the document management system, hardware and software, into 103 county treasurers' facilities across Nebraska. Senator Fischer, at this time I would be happy to answer any questions the committee may have. [LB769]

SENATOR FISCHER: Thank you, Director. Are there questions? Senator Janssen. [LB769]

SENATOR JANSSEN: Thank you, Chairman Fischer. Director Neth, can you give me a rundown real quick what's required now as far as identification when I go to get a license or... [LB769]

BEVERLY NETH: Well, it really depends upon if you're a renewal applicant or a first-time applicant. If you're a renewal applicant and you hold a Nebraska driver license currently, and it's valid and hasn't been expired for more than a year, the one thing that you're probably going to have to give us this time around is two forms of proof of your principal address. So you bring in a utility bill, the envelope of a utility bill or a bank statement or anything that you may...we also accept things that are on-line to individuals as long as it has their principal address on it. So that would be the newer requirements. If you are a first-time applicant for a document to the department, you would have to present the source identity documents, either a certified birth certificate or a nonexpired driver license from another jurisdiction. If you are here in immigrant status, you would present your U.S.-based immigration documents along with a valid foreign passport, those kinds of things. So there are a number of different source identity documents that you would be required to provide to the department to prove your identity, along with those forms of proof of principal residence. [LB769]

SENATOR JANSSEN: With the DMV Web site, then that kind of gets rid of the argument, in some counties there's not always a DMV person there every day, is that... [LB769]

BEVERLY NETH: That's right. Actually in most counties. We only have 13 five-day-a-week stations across the state. And so in those places where we are there maybe once a week or twice a month, that would be the opportunity for the individual who is requesting a replacement document. So if they want to change their name or they want to update their address, they would need to do that while there is a DMV examiner present, so there would be some limited opportunities. But with respect to the duplicates, that's available 24/7, as I say. [LB769]

SENATOR JANSSEN: What would be the time line if I lost mine in that situation and I went on DMV, clicked I lost it, ordered a replacement, how long would it take before I at least got my 30-day temporary? [LB769]

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BEVERLY NETH: Well your 30-day temporary is not printed in the on-line process. So if you want a 30-day temporary, what you do then is you can take your receipt that you get from the on-line process to your local county treasurer and they can print that for you so you would have that right away. But your final document would come to you. We're really, I think, pretty much meeting our ten-day time frame at this point. So within ten business days you would have the final document in your hands. [LB769]

SENATOR JANSSEN: Thank you. [LB769]

SENATOR FISCHER: Thank you, Senator Janssen. Senator Hadley. [LB769]

SENATOR HADLEY: Thank you, Senator Fischer. Director Neth, I used the system this time to renew my driver license and it worked very well. The question I have is, the photograph. You know, people change over time, (laughter) either for good or bad. Does it become less of an identification document when you suddenly have...just to let you know, I happened, you know, eight years ago, whatever the time limit, I happened to have a beard for, you know, a month when I had my picture taken. Well, I didn't pay any attention, and this time... [LB769]

BEVERLY NETH: You have a beard? (Laugh) [LB769]

SENATOR HADLEY: ...I've got a driver license with a picture of the beard on it again. I just...you know, seriously, about the photograph as being a part of the identification process of the person holding that card. [LB769]

BEVERLY NETH: You are required under the statute to come in once every ten years to have your photo updated. So those individuals who are younger, whose visage changes a little more often, although I mean I used to have brown hair and didn't wear glasses, but that's not that long ago, but we're asking some of the younger folks to come in more often. We are developing an on-line permitting process that will allow them to access permits on-line once they've met those statutory obligations and testing and that criteria, so they're going to have to use some discretion if they've changed their looks from age 14 to 17 and they want to come in and update their documents. And I'm assuming many of them will because they do change pretty dramatically. But once you hit that age 21, which you are required to update, you'll be required to update your photo at 21, you then have the opportunity every five years to go on-line and renew your driver license. And so really I think we're going to have to look at ourselves and say, do I look substantially different than I used to? And then you may want to come in to a DMV and update your photo at that time. [LB769]

SENATOR HADLEY: And they...and the DMV in Buffalo County has the ability to take... [LB769]

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BEVERLY NETH: Absolutely, yes. [LB769]

SENATOR HADLEY: ...if I were to want a new picture and be willing to pay for a new license, they could? [LB769]

BEVERLY NETH: You would. In Buffalo County we are a five-day-a-week station there, so there would be an examiner there from 8 to 5 or whatever hours are that the examiner would take the photo. That is where the photo occurs at this point. There is no longer a photo opportunity on the treasurer's side. That was moved over to the DMV when we moved to the central issuance process. So you do have to go to an examiner to update your photo. But once that's updated, then that's the photo that's in the system. And then from that point then you have the opportunity to renew on-line the next time if you want to. But you're statutorily required to come in at least once every ten years and have that photo updated. [LB769]

SENATOR HADLEY: Okay, thank you. [LB769]

SENATOR FISCHER: Thank you, Senator Hadley. Senator Campbell. [LB769]

SENATOR CAMPBELL: Thank you, Senator Fischer. Director Neth, so the only time that you have to show a photo ID of who are is at a new...is that correct? Do you have to show a photo ID? [LB769]

BEVERLY NETH: No, you don't need to show a photo ID. The source documents really that we require are the types of documents that are issued by the Vital Stats agency: a certified copy, it has to be certified with a seal copy of your birth certificate, and then other documents that would go along and support that, the information that's on that birth certificate, whatever those would be. There are a whole host of them that are available to individuals at this point that they can show us. But in most instances, people who are even coming here from other jurisdiction, if their document has expired for a period of time, we don't...we won't accept that as a valid document. But people can provide us with...in some instances it is a photo ID, could be a U.S. passport that's issued or those kinds of things where there would be a photo identification. [LB769]

SENATOR CAMPBELL: I had quite a time once because my billfold was stolen and all my ID was gone. So I kept saying, if this person will verify who I am, and the person...no, you must show some form of identification. (Laugh) [LB769]

BEVERLY NETH: You can get kind of caught sometimes, particularly if you have to go get a document from the Vital Stats and they want to see your driver license and you don't have a driver license. You can get caught in that kind of thing. But most often we do have the authority and from time to time we can make exceptions for individuals if

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they can piece together enough information that we'll say, all right, we'll give you the documents you need. And generally we can get people through the process with documents that appear to be valid. [LB769]

SENATOR FISCHER: Other questions? I see none. Thank you very much. [LB769]

BEVERLY NETH: Thank you. [LB769]

SENATOR FISCHER: Are there other proponents for the bill? Good afternoon and welcome. [LB769]

RICH JAMES: Good afternoon, Senator Fischer. Senators, I'm Rich James, that's R-i-c-h J-a-m-e-s, and I'm treasurer of Sarpy County. I'm testifying today in support of LB769 for a number of reasons, in addition to eliminating these costly background checks which in my office would require nine employees to take these background checks and biannual security training, which we've done some of already, which takes time out of our day. I think it's going to provide increased service to the taxpayers. Right now, depending upon what you're doing, you have to guess where you're going. If you're doing an address change, you go, well, all right, I go to the county. And then you get to the county and we say, no, you've got a CDL, you've got to go over to the state. And you go over to the state and you tell them you're doing an address change and they send you over to us, and then we find out they're within 90 days of their renewal period, so they really don't want to see us, they want to go back over to the state. I think in this methodology that is being proposed, you'll have...you'll visit the first office and then you'll see the treasurer before you leave for the day and get your temporary license. I think it will be more efficient and I think in most cases it will better serve the public, because some days we get real busy and you wish you could ask all the questions you need to ask, but you don't get to inquire as to what they're up to when they tell you they're doing an address change and that's not what they really want to do. So I think that will improve it. I think you will find that you will have an improved overall security in the process. My office takes the issuance of driver license seriously, but it is just an additional job for us. We're not exclusively in the ID business. We're in the ID business; we're in the real estate tax business; we're in the special assessment business, etcetera, etcetera--titles, cars. The treasurer has got a lot going on and this is just a small part of it. If you give the responsibility for looking at all these documents to one agency, you won't get a variety of people within a variety of interpretations. The state examiners seem to be well-trained, and they're consistently trained. Unfortunately, sometimes my staff, despite the training we give them, they forgot what they did six weeks ago, and so they sometimes slip up a little bit. I just think you will find better security. Finally, I'd like to point out that last summer this methodology was discussed at the treasurers' conference that we hold every summer, and at that time it was discussed and Director Neth presented what she was proposing to do and there were no opponents to it at that time. That doesn't mean...I can't speak for everybody who was in

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the room, but nobody raised their hand and said, well, I don't think this is a very good idea. And I know I personally, and a lot of other treasurers I've talked to, think it's a great idea because of the cost savings, the scanning of all those documents, duplication of systems to do the same work in two different offices. So I would be happy to answer any questions if anyone has any. If not, thank you. [LB769]

SENATOR FISCHER: Thank you, Mr. James. Are there questions? Senator Price. [LB769]

SENATOR PRICE: Senator Fischer, thank you. Mr. James, thank you for coming down today to testify. It's good to see that all levels of government are looking to do things smarter, faster, better, and to save the public money, so thank you. [LB769]

RICH JAMES: Thank you, Senator. I've been advocating this concept for a while and am pleased to see that we're coming to it. [LB769]

SENATOR FISCHER: Other questions? I see none. Thank you for coming in today and I hope that all of the county treasurers will support the bill. [LB769]

RICH JAMES: Well, if you haven't heard from any by now, then I guess they have, so thank you. [LB769]

SENATOR FISCHER: I'll be quoting you on the floor. [LB769]

RICH JAMES: All right, thank you very much. [LB769]

SENATOR FISCHER: Thank you very much. Are there other proponents to the bill? Any other proponents? Are there any opponents to the bill? Anyone wishing to testify in the neutral capacity? I see none. With that I will close the hearing on LB769 and open the hearing on LB801. Mr. Vaughan. [LB769]

DUSTY VAUGHAN: For the last time today, Senator Fischer and members, for the record my name is Dusty Vaughan, spelled V-a-u-g-h-a-n, and I'm the legal counsel for the committee. LB801 was a bill brought to the committee by the Revisor of Statutes Office. The bill eliminates references to "designated county official" in the statutes. For almost 20 years, the Legislature has been passing bills that have moved to consolidate the county services with regard to motor boats and motor vehicles. With the passage of LB49 in 2009, the decision was made by this body to require the county treasurer in each county to be the designated county official who would provide the services. These services to the public relate to the issuance of certificates of title, registration certificates, certificates of number, license plates and renewal decals, the notation and cancellation of liens, and the collection of taxes and fees for motor vehicles, ATVs, UTVs, minibikes, snowmobiles, trailers, and motorboats. The director of DMV was given

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a deadline of January 1, 2011, to accomplish this transition. Since the transition has successfully taken place, the references to county clerks and designated county officials throughout the statutes have become obsolete. LB801 strikes the unnecessary language but does not make any substantive changes. That's pretty much what the bill does. It's pretty nonsubstantive. With that I will end my testimony, Senator Fischer. [LB801]

SENATOR FISCHER: Thank you, Mr. Vaughan. Questions? I see none. Thank you very much. Are there proponents to the bill? Good afternoon. [LB801]

LARRY DIX: Good afternoon, Senator Fischer and members of the committee. For the record my name is Larry Dix, L-a-r-r-y D-i-x, here in support of LB801. When I went through and read the 149 pages in this bill, I would tell you that this is the epitome of a cleanup bill. It does exactly what the Statement of Intent does. It just clarifies that language now that everything has been moved across to the county treasurers. So this one is just...should be one of those that it just moves right through the process and clarify the existing statutes. So I just wanted to make sure that we were on record in support of it so there wasn't any questions in regard to that. And I'd be happy to answer any questions that you may have. [LB801]

SENATOR FISCHER: Thank you, Mr. Dix. And I do appreciate you being here so we can have that on the statement. Are there any questions? I see none. Thank you very much. Other proponents to the bill? Any other proponents? Are there opponents to the bill? Anyone wishing to testify in the neutral capacity? I see none. With that I will close the hearing on LB801 and that closes the hearings for the day. Thank you very much for coming. [LB801]