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Government, Military and Veterans Affairs Committee
January 20, 2017

[LB36 LB38]

The Committee on Government, Military and Veterans Affairs met at 1:30 p.m. on Friday, January 20, 2017, in Room 1507 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB36 and LB38. Senators present: John Murante, Chairperson; Tom Brewer, Vice Chairperson; Carol Blood; Tom Briese; Mike Hilgers; John Lowe; and Justin Wayne. Senators absent: Joni Craighead.

SENATOR MURANTE: [(Recorder malfunction)...Committee. My name is John Murante, I'm the State Senator for District 49, which includes Gretna and northwest Sarpy County, and I'm the Chairman of this committee. We are here today for the purposes of conducting two public hearings. We will be taking those bills up in the order on which they appear on this sheet of paper outside of this room. If you wish to testify on any of the matters before us we ask that you fill out one of these green sheets of paper. The sheets of paper are located on either side of this room. If you are here and wish to state your support or opposition for either of the matters before us, we ask that you fill in this...fill out this sign-in sheet. Again, they are located on either side of the room. If you do testify we ask that you begin your testimony by stating and spelling your name for the record. The order of proceedings is that the introducer of the bills will be permitted initial remarks; then we will proceed to proponent testimony; followed by opponent testimony; then neutral testimony; and the introducer will be given an opportunity to close. We ask that you listen very carefully and try not to be repetitive. If someone has articulated an opinion which is exactly what you would like to say we ask again that you fill out the sign-in sheet and your opinion will be taken into account as if you had testified. In the Government Committee we do use the light system. When the yellow light comes on you have one minute remaining. Each testifier is permitted four minutes. When the yellow light comes on we ask that you begin concluding your remarks. When the red light comes on we ask that you conclude your remarks and we'll open the committee up to any questions that they may have of you. If you have any prepared statements, exhibits, anything you'd like distributed to the committee, we would ask that you provide 12 copies to the page. If you don't have 12 copies, that's all right. Just give it to the page and he'll make copies for you and distribute it to us. Our page for the day is Joe Gruber from Omaha. And with that we'll proceed to the introduction of members. To my far right, Senator John Lowe from Kearney, Nebraska. To his left, Senator Tom Briese from Albion. To his left, Senator Mike Hilgers from Lincoln, Nebraska. To his left, Senator Tom Brewer from Gordon, Nebraska. Senator Brewer is the Vice Chairman of this committee. To my immediate right, Andrew La Grone is the Government Committee legal counsel. To my left, State Senator Justin Wayne from Omaha. To his left, Senator Joni Craighead from Omaha, we anticipate her being here shortly. And to her left, State Senator Carol Blood from Bellevue. On the far left is Sherry Shaffer. Sherry is the Government Committee clerk. And with that, we have dispensed with the formalities and welcome back to the Government Committee, Senator Harr. Welcome.]

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SENATOR HARR: Thank you, Chairman Murante, members of the Government Committee...Military, it's always...well, and Veterans Affairs. It's always a pleasure to be here. I am coming today, first with LB36, I will be following up with LB38. LB36 is one my most unique bills I have brought in regards to the fact that I actually drafted it. So a little background. Over the summer the Gallup did a series of reports on our stagnant economy and how we can grow it and what is causing stagnation in our economy and why do we have declining productivity. And in there they identify three factors, well, really four factors: housing, healthcare, education, and that within those three increased rules and regulations are what's causing stagnation and increased cost in each one of those fields. And they go on to cite the fact that on the federal level it costs about \$250 billion a year to enforce and the cost of productivity on rules and regs. Now, they go on to concede that it's sometimes difficult to measure the benefit, it's easy to measure the cost. And they say there's an equivalent burden on the state level. So I started working on this legislation over the summer with my wonderful LA, Jamison Wyatt, who is behind me to my right, and as we were working on it I said, there's got to be a model code out on the Internet. Someone somewhere has said, hey, this is what a state should do to review rules and regs for licensure and occupation. And there wasn't, and it surprised me. So what we did was we looked at what is required when you first make a rule or reg and some of the requirements that go into it. And then I reached out to a number of groups, including the Justice Institute, who will bring...they have since drafted some legislation that I believe Senator Ebke will be bringing that is very similar to ours. And you'll see because it was based on conversations with them and others about how do we make sure that our rules and regs that we have out there are closely related to the purpose. And is that purpose good, number one; number two, what is the cost of it; and number three, well...I can probably read you verbatim what it is. It's, you know, the first thing to look for is the health, well-being, or consumer protection purpose of the rule or regulation with respect to the issuance of the occupational credential. Two is the protection provided by the rule or regulation with respect to the issuance...what is the protection provided? A rule and determination that the rule or regulations achieve the purpose in a cost-effective manner without unduly inhibiting entrepreneurship and commerce. And three, a description, including an estimated quantification of the fiscal impact on state agencies, political subdivisions, and regulated persons of the rule or reg. That fourth one is what the federal government requires on their rules and regs, that's where I pulled that one from. The others were kind of best practices of stuff I've thought of. And we've been working on this for a long time and lo and behold this becomes the number one issue of the Governor. And I'm excited to be able to be working with the Governor on this separate thereof. Right? When we do scope of practice bills, for those of you who haven't done them, they are...I call it D.C. politics, because it's zero sum game, right? Either I win, you lose--and you're probably having people on each side--and they are the most painful and excruciating bills we have. But, fortunately, there aren't many. There are usually one or two a session. And if you look, there are more occupational licenses that are affected by rules and regs than there are statute. Matter of fact, if you look at the fiscal note you'll see that HHS alone says they have 5,000 pages of rules and regs. Right? That's a lot

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in my world. You know, that might even be more than the ACA and I could bring that right in and hold it right here and you guys could see it. You know, I would bet you...I would garner that is probably 18 inches tall. So our world is constantly changing and we have to be able to keep up with the changes in our society and we have to make sure that our rules and regs keep up with it. Nothing is ever going to be slower than it is today. The world is only going to move faster and faster. I always say, the interesting thing...one of the interesting things out there is Uber. Imagine the original investor in Uber. I got this great idea, completely illegal, but I am going to change statute in all 50 states and I'm going to change the way their rules and regs and their laws are done, but it's for efficiency purposes. I would have been hard-pressed to invest with that company. I wish I had, but I would have been hard-pressed to. Right? And our society is better. And so I think we have to constantly review our rules and regs and say, are they good? Is their purpose still valid? Is it still necessary? So this does it every five years. I wish we could say we constantly do it. If you look at the fiscal note you can see HHS, because of the way I have this years out, they're the only one affected...their year...so they're the only one that had to fill out a fiscal note. It's \$270,000. It's a fiscal note. I had one lobbyist say to me, let me get this straight, you're creating bureaucracy to get rid of bureaucracy? And the answer is, no. The answer is, hopefully, already these people are reviewing...I shouldn't say...agencies are already constantly reviewing their rules and regs. But they're doing internal reviews and they aren't getting public input and they aren't getting public discussion about, hey, do you think this is working? Do you not think this is working? And if you do think it's working, let's keep it. If you don't let's have a conversation about it. And they may be surprised to think, I think it's working, they have a public hearing and the public says, oh, not so fast, my friend. Here is our problem. Here is where I think we can improve. Here's where I think we can limit it. And so that's the purpose, that's the idea behind it. And I would wager to bet \$270,000 fiscal note--not a huge fiscal note--but I would also wager to guess that that 5,000 pages would dwindle and we would free up entrepreneurship and would free up ability for people to make more money. And we would probably see that \$270,000 made up in increased income to the state. Unfortunately, as we all know, the way we do fiscal notes is stagnant or it's not dynamic, so we can't take that into (inaudible). But I think what this does is encourage competition and encourage us to look at what our rules and regs are doing, and to constantly make sure they're up to date and they're the least intrusive possible. You will see there's a letter of support from the chamber. I think it's already been passed out to you. There is a letter from HHS with some of their concerns. One of them is: It is challenging to determine how much measurement would be established and whether the cost savings must be for the state, the licensee, or the public. The answer is, and. It should be for all of them, and there should be a termination for each and a weighing of cost benefit and a cost benefit analysis, I guess that's what I'd say. They want...on the second page they talk about LB...the first line, would require a public hearing be held on the critical assessment document. This would be duplicative of the current regulation review process and required hearings for public commentary. As I understand it--and I read the APA, the Administrative Procedure Act--that's only done when a regulation is passed. There isn't any require to continue to look, so I'm not sure if it's duplicative.

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I'd like a little more clarity on what Dr. Williams' concerns are there. His others, you know this is, as I said, a legislation we wrote. And so I...his second paragraph that starts, LB36, as written, requires...that's a valid concern and I'm more than excited to work with him to figure out what we can or should do to clarify that so that we can make sure that this is a good piece of legislation and it does eliminate some of our bureaucracy out there. With that, I would entertain any questions you may or concerns you may have. [LB36]

SENATOR MURANTE: Great. Thank you very much, Senator Harr. Senator Blood. [LB36]

SENATOR BLOOD: Senator, can you clarify for me, in the first part of your explanation you talked about the purpose for this bill and the purpose which are sought--I can't talk today--to be accomplished thereby. It's talking about the review process. So the way our freshman class had it explained by Governor Ricketts is that that part of it was already in process, that they were already being asked to review these types of things, but the public hearing was not a part of that. Can you tell me what the gray area is on that? [LB36]

SENATOR HARR: Right. So if it was already being done, here's my question: Why would it be \$270,000? [LB36]

SENATOR BLOOD: No, not already being done. It's been asked of them to be done. [LB36]

SENATOR HARR: So if it's been asked to be done of them, why is there a fiscal (note) of \$270,000? [LB36]

SENATOR BLOOD: Why is there a fiscal note? That's a really good question. I question (inaudible) on all the departments. [LB36]

SENATOR HARR: The hope is that this is being done. Nothing stops a Governor from doing it currently, right? And he could be, and according to you, he is doing it. [LB36]

SENATOR BLOOD: That's what we were told in our training. [LB36]

SENATOR HARR: So all we're doing is codifying what he's already doing. And while he's doing it...and I applaud him for doing it. As I said, I was working on this and I heard, oh, good...the next Governor may not. The Governor after that may not. So this is our way of...you know, we pass laws and we give deference to the executive branch on how to make rules and regs. Well, we tell them how to make them, but what those rules and regs are. In Congress, they say, hey, if a rule and reg is worth...if the fiscal note...they require fiscal notes on rules and regs. And, by the

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way, I would encourage you...we get fiscal notes on rules and regs. It's pretty interesting. I would encourage everyone to read those because those fiscal notes don't always align with our fiscal notes. But I would encourage you when you look at those, they do that. And so Congress says if you have a fiscal note of over \$50 million, I think it is, it has to come back, that rule and reg, and be approved by us. We don't require that. But what we can do is say, we want some controls on these rules and regs. We don't want out of control regs out there. And this is a way of requiring review. And the watchfulness of the citizens is one of the most important things and these public hearings provide for that watchfulness. [LB36]

SENATOR BLOOD: So if I hear you correctly, it isn't that it's an either or type of thing, it's that you're trying to put it into statute so regardless of who is in power that it continues to be done over and over and over again. And of course I fully with the public hearings part of it, because that was not... [LB36]

SENATOR HARR: I would fully...yeah, sorry to interrupt you. I would fully expect the Governor, whether it's this one or Ebke and I have no pride of authorship...in the general term I have some pride because I actually authored this or my LA helped me, but there is...I don't care which one passes, but I think we should "statutorize" review because he's doing it now. That obviously means he thinks it's a good thing. Well, let's make sure everyone else does, too. [LB36]

SENATOR BLOOD: Thank you. [LB36]

SENATOR HARR: Thank you. [LB36]

SENATOR MURANTE: Thank you. Any additional questions? Senator Briese, then Senator Hilgers. [LB36]

SENATOR BRIESE: Yes, I had a couple questions. Regarding the time line here, you talk about a good faith effort needed to be made in that situation, the regulation is null and void...that's on paragraph 8 on the back page (inaudible) Section 7. Null and void six months after the applicable date. So does that mean this...the critical analysis should be completed during the first six months of, for example, 2018, with the first? [LB36]

SENATOR HARR: Yeah. Yeah. [LB36]

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SENATOR BRIESE: And then somewhere else in there it says that report is to be issued to the Executive Board by December 31 of the following year, correct? Is that quickly enough to suit you or should that deadline be moved up? [LB36]

SENATOR HARR: Well, if we need some clarification there...so they begin that...they begin the process on it January 1 and they better be done by December 31, is what I guess we're saying. But I give him some space, right? Because my real concern here is--and we can work on the timing--the reason for that is that's the enforcement mechanism, because the last thing...there are so many statutes written out there that say, you better do this. And if you don't it's almost a joke. We're going to yell louder. You better do this! We better have a way of enforcing to make sure these agencies...because this is work. I think, according to the Governor at least, he's already doing this, so I think it's already occurring. It's just adding the public hearing aspect to it, which I think is important because I believe the public should be heard. If I need to clarify...I'll be honest. I went through it...so they begin reviewing January 1, 2018. If they don't...six months...so it would actually be, for instance, Department of HHS. My intent--and I'll work on it if it's not clear--would be if they don't complete the rule review by June 1, 2019, then all those go away. [LB36]

SENATOR BRIESE: But this refers to the six-month period after the applicable date. So that would suggest the first half of '18, anyway... [LB36]

SENATOR HARR: Yeah, and I can...and if I need to clarify that and clean it up, like I said, I have no pride of authorship. What I do...the intent is what I'm concerned about and I'm more than willing to work with you to make sure that we get that. Yeah. I'll leave it at that. [LB36]

SENATOR BRIESE: One other question. You refer here in Section 3 (sic: 4) to Department of Labor shall review its rules and regs. No fiscal note from the Department of Labor, correct? [LB36]

SENATOR HARR: That is correct, yep. But that's in 2019 and by the time they complete it--so I'm not quite sure if that's under the three year--but they did not submit one. I think it's what Senator Blood already talked about, it's already doing it. Right. The only real cost everyone talks about is the public notice, other than DHHS, but that's because they have 5,000 pages they have to review which, by the way, they probably should. And I'm not disparaging about DHHS. I think they're a...what they have done in the last two years, I mean, I don't think the Governor gets enough credit for. But there are still a lot of rules and regs. They oversee a lot, a lot more than I ever realized. So, yeah, maybe they do have an additional cost, but they should be doing it anyway. [LB36]

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SENATOR BRIESE: Thank you. [LB36]

SENATOR HARR: Thank you. [LB36]

SENATOR MURANTE: Thank you. Senator Hilgers. [LB36]

SENATOR HILGERS: Thank you, Senator Harr. [LB36]

SENATOR HARR: Good afternoon. [LB36]

SENATOR HILGERS: It's fiscal note day today, I guess, this morning. Couple questions. One was, I think I heard you mention that some of this language was taken from federal statutes at the APA. [LB36]

SENATOR HARR: So we have our own state APA. And then that number (4) was, yeah, that's a required...they review...they would have a requirement to review their rules and regs, and that's where that number (4) came from. [LB36]

SENATOR HILGERS: So Section 4? [LB36]

SENATOR HARR: No. Sorry. [LB36]

SENATOR HILGERS: Number (4) of Section 6? [LB36]

SENATOR HARR: It would be Section 6, number (d), sorry...(2)(d), (2)(d) is where that came from. [LB36]

SENATOR HILGERS: Okay. I wasn't here last session when the hair braiding discussion came up. And I know that occupational licenses has been...they have been a focus of the Legislature and the Governor and the state and I'm fully supportive of what you're trying to do here, by the way. Is there anything from that process or from the ongoing...I know there's a few bills this year that are looking at various occupational licenses that potentially could be added to this critical assessment, because I think by doing this work it makes it easier for the public and the Legislature to challenge these licenses that are overbroad. Correct? [LB36]

SENATOR HARR: Yes. That is the intent, yes. [LB36]

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SENATOR HILGERS: So is there anything additional there that we've learned from that process that we could add or would you be open to having additional if that would be valuable or... [LB36]

SENATOR HARR: What we learned about hair braiding is that that was the exception rather than the rule. Generally, where you have licensure requirements you have a situation where you have a doctor and a nurse. And it's you gain more...nurses want to push up here, right? They want more responsibilities. Doctors don't want to give up that responsibility. And so you usually have...that is more the norm. Less often is hair braiders versus nobody. And I want to applaud the Governor for finding some of those out there, you know, the number of hours for a massage therapist I don't think it's going to raise because it's not a zero sum game. Most of them are a zero sum. But I would be more than...I haven't had a chance to review the bills from this year but I'm assuming they're probably all good. And we should review our statutes, too. And maybe that's the next thing we say, all statutes. But that's not in here, this just deals with the rules and regs. [LB36]

SENATOR HILGERS: Okay, thank you. [LB36]

SENATOR MURANTE: Thank you. Any final questions for Senator Harr? Seeing none, thank you very much for (inaudible). [LB36]

SENATOR HARR: Thank you. [LB36]

SENATOR MURANTE: And we will proceed to proponent testimony on LB36. Are there any proponents? Welcome. [LB36]

JON WILBECK: (Exhibit 1) Good afternoon, Senator Murante and members of the committee. My name is Jon Wilbeck, J-o-n W-i-l-b-e-c-k, I am the executive director of the Nebraska Board of Engineers and Architects and testifying on behalf of my agency in support of LB36. Just first for some perspective, we license architects and professional engineers. We have about 6,500 professional engineers licensed in the state, we have 1,500 around thereabouts architects. At last count we had 30 pages total of rules and regulations, so just some perspective for you. And we regularly monitor our rules and regulations with the goal of making sure they're working as intended and that they make sense. In fact, this year the board intends to revise its rules based on a thorough review of them by myself and board staff. Our process includes a complete and careful reading of all the board's rules from the first chapter to the last. Our public hearing is tentatively scheduled for April, because again we believe its important that our rules make sense to the regulations that we...the professions that we regulate and to the public. The requirements of this bill--and this was alluded to a little bit earlier--may also seem as a way to increase active

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state supervision of occupational licensing boards that the U.S. Supreme Court has indicated might be necessary in order to avoid subjecting boards like ours to antitrust liability. In that respect, the bill could perhaps be amended so that a portion specifically references this antitrust issue and the increased oversight the critical assessment process would provide. We do not expect LB36's critical assessment mandate to be overly burdensome. It will be a burden, but not overly, particularly since it only needs to be done every five years. We also view the requirement to conduct a public hearing to be a benefit to the public and the state as they establish credibility, transparency, and holds our agency accountable. In our view, the process outlined simply gives a more formal structure to what we essentially already do, and that is to put in place efficient, relevant, easy to understand, and necessary regulations. That's it for my testimony. I'm happy to answer any questions you have. [LB36]

SENATOR MURANTE: Thank you very much for your testimony. Are there any questions? Seeing none, thank you very much for coming today, much appreciate it. Additional proponent testimony on LB36. Are there any additional proponents? Is there opposition on LB36? Anyone opposed to LB36? Is there neutral testimony on LB36? Seeing none, Senator Harr, you are recognized to close. [LB36]

SENATOR HARR: Thank you. Well, I guess that means it's noncontroversial, so hopefully this will get consent calendar. [LB36]

SENATOR MURANTE: I'll have some bad news for you on that front in a moment. [LB36]

SENATOR HARR: The fiscal note? I'll work with them on that. But I am willing to work with your legal counsel to clarify some of the language brought by Senator Briese and also by HHS. Again, no pride of authorship. If you guys decide to go forward with Senator Ebke's bill, I look forward to working with her on that. We have talked. There is a part in hers that I like about how to address felons, because that is another hindrance that we have in our system, and I think it's a great...that was probably my fault that I left it out because it's something we had talked about. But I am excited about this bill and I look forward to working with this committee to help get this out. Thank you. [LB36]

SENATOR MURANTE: (Exhibits 2, 3, 4) Thank you. Do we have any final questions? Seeing none, before we close the hearing we have good news for you, Senator Harr. We have letters in support of LB36 from Shawn Renner, Media of Nebraska, and David Brown of the Greater Omaha Chamber, but one letter of opposition from Thomas Williams, the Chief Medical Officer of the Department of Health and Community Services. [LB36]

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SENATOR HARR: And I'm going to disagree with that. I don't think he says he opposes. I think it's more of a clarification. I would...looking at the...I don't think he says he objects to it. He says, I am ready to offer technical concerns, but it's not opposition. So I'm going to object to that statement. [LB36]

SENATOR MURANTE: Fair enough. We will clarify with the...before we read it officially into the record, what his official stance is on this particular subject. [LB36]

SENATOR HARR: And let me just state, I would be very disappointed if an agency came in and didn't want this review, since it's a code agency and the Governor is already doing it. So, thank you. [LB36]

SENATOR MURANTE: Thank you. And that closes the hearing on LB36 and we'll proceed to the next item on the agenda, LB38. Senator Harr, welcome back to your Committee on Government, Military and Veterans Affairs. [LB36]

SENATOR HARR: And what an honor it is to be here in front of the Government, Military and Veterans Affairs Committee once again. I am here on LB38. LB38 authorizes electrical or digital signatures for instruments submitted to the register of deeds. From what I understand, many offices of the register of deeds already accept digital or electronic documents. This legislation merely confirms to that practice by permitting electric...conforms to that practice by permitting electronic signatures. The current practice of submitting documents with a physical signature in black or blue ink is retained and LB38 simply creates a new option. There will be representatives from Nebraska Land Title behind me to explain more and to answer any questions you may have. And I believe you do have letters of support from the realtors and the bankers. With that, I always love to say--and in this case it's true--this is a simple piece of legislation. And I would be willing to answer any questions you may have. [LB38]

SENATOR MURANTE: All right. Thank you very much for your testimony. Senator Blood. [LB38]

SENATOR BLOOD: I'm glad you clarified that that is already being done in certain parts of Nebraska. You're putting it in statute so it's offered for everybody across Nebraska and not just for the bigger cities that may already be doing it through... [LB38]

SENATOR HARR: As I say way too many times, this is a what's good for the goose is good for the gander bill. That's the first time--people are keeping track--that I've used it this year. [LB38]

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SENATOR MURANTE: Senator Hilgers. [LB38]

SENATOR HILGERS: Just to clarify, do you have the letter from the realtors? We don't have that. So if you have it... [LB38]

SENATOR MURANTE: We have a letter from the bankers. [LB38]

SENATOR HARR: I do not have it from the realtors? I will get it. If I do not, I will get it, because I know they use it quite a bit. Right? I do a lot of real estate and it's accepted and this is the future. And I think it makes...again, this is another one that makes the speed of business quicker and better and more efficient. [LB38]

SENATOR MURANTE: Okay, thank you. Senator Wayne. [LB38]

SENATOR WAYNE: And what is the fiscal note on this one? There is no fiscal note on this one, right? It's zero. [LB38]

SENATOR HARR: To the best of...no, there is no fiscal note, no, yet. There's always Final Reading. They get a second bite at the apple. [LB38]

SENATOR MURANTE: All right. Any final questions? Seeing none, thank you very much for your testimony. [LB38]

SENATOR HARR: Thank you. [LB38]

SENATOR MURANTE: Proponent testimony to LB38. Welcome. [LB38]

MARCY WAGNER: Good afternoon. My name is Marcy Wagner, M-a-r-c-y W-a-g-n-e-r, I'm with the Nebraska Land Title Association, and I have been in the title insurance and escrow business for 25 years. We are here in support of LB38 and we agree this bill just simply clarifies the documents signed electronically by our consumers will be accepted by the register of deeds. Right now when we file a document in the register of deeds we go about that in two routes. Either we can present an original document that has a wet signature on it or we can electronically file that document, but we have to click on a place in the program certifying that we have an original document in our possession. So it's just...it just adds the electronic signature to the legislation so that the register of deeds can accept that and there won't be any question. [LB38]

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SENATOR MURANTE: Okay. Thank you. Senator Blood. [LB38]

SENATOR BLOOD: Even though many are already accepting that? [LB38]

MARCY WAGNER: Well, honestly, in our experience--I can't speak to your experience--but in our experience we haven't had a register of deeds say that they would...well, the way the law is written it says that it would be a wet signature. So this is just clarity. [LB38]

SENATOR BLOOD: Okay. But you didn't finish your sentence so I just want to make sure I'm clear on this. So that if asked if they would accept it, are they saying, no, we won't accept it? [LB38]

MARCY WAGNER: I think it depends on the county. [LB38]

SENATOR BLOOD: So probably the size of the county and the technology and how savvy they are and... [LB38]

MARCY WAGNER: Possibly, possibly. [LB38]

SENATOR BLOOD: Okay. Thank you. [LB38]

MARCY WAGNER: Just clarity, but thank you so much. [LB38]

SENATOR MURANTE: Thank you. Senator Hilgers. [LB38]

SENATOR HILGERS: A question on the electronic signature--and this is more of an industry question--you can have an electronic signature that's just a scan, a PDF, or you can have one where you go and it sort of...you go in and click and it takes a forensic snapshot of this is the person's IP address and sort of it's a little bit more of an authentic electronic signature, I guess. Is there...is this...this doesn't specify. But in the industry, is there a certain standard that's kind of agreed upon in other jurisdictions? [LB38]

MARCY WAGNER: Well, there is a statute that describes an electronic signature and we're going by that statute, which is 86-621. [LB38]

SENATOR HILGERS: 86-621? [LB38]

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MARCY WAGNER: Yes. [LB38]

SENATOR HILGERS: Just out of curiosity, do you know how that's defined? [LB38]

MARCY WAGNER: It defines it as an electronic signature means an electronic sound, symbol, or process attached to or logistically associated with a record and executed or adopted by a person with the intent to sign the record. [LB38]

SENATOR HILGERS: Perfect. If that's in statute, perfect. That's great. Thank you. [LB38]

SENATOR MURANTE: All right. Thank you. Any additional questions? Seeing none, thank you very much for your testimony. Additional proponent testimony to LB38. All right. Any opposition testimony to LB38? Any neutral testimony to LB38? [LB38]

LARRY DIX: (Exhibit 1) Good afternoon, Senator Murante and members of the committee. My name is Larry Dix, L-a-r-r-y D-i-x, I'm executive director of the Nebraska Association of County Officials, appearing today in a neutral capacity on this bill. What I'm handing around is really the section of the statute I think that we believe our register of deeds should be aware of; we've made them aware of. And I call your attention really in Section 86-611(3): In any communication in which a signature is required or used, a state agency or political subdivision--which all counties would be a political subdivision--may accept a digital signature or an electronic signature. And I think that's what they're...when they say, yeah, we'll accept it, we'll accept it. So as the legislation is written we don't have any problems with it. If we think we need to clarify it, so be it. We do think it is in statute today. So we're fine with the bill as is. I just wanted to make reference so you would know which section that we typically direct our register of deeds to look at. [LB38]

SENATOR MURANTE: (Exhibit 2) Okay. Thank you very much, Mr. Dix. Any additional questions? Seeing none, thank you very much for your testimony. Any final neutral testimony on LB38? Seeing none, Senator Harr. Senator Harr waives closing. We do have a letter from Robert Hallstrom of the Nebraska Bankers Association in support of LB38. And through the magic of technology we've received clarification on LB36 that it was the intention of Thomas Williams, the Chief Medical Officer to submit the letter in neutral, so it is a neutral testimony letter. And that concludes the public hearings for today. Thank you everyone for being here, much appreciate it. [LB38]