

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Transportation and Telecommunications Committee January 25, 2021

\*Indicates written testimony submitted prior to the public hearing per our COVID-19 response protocol

**FRIESEN:** Welcome, everyone, to the first Transportation and Telecommunications Committee hearing of January 25. I'm Senator Curt Friesen, the Chair of the committee, from District 34. And I'm going to have to read a long, lengthy letter describing our processes here. So this will be a one-time thing this year, but bear with me and then we'll go through the rest of the procedures. But Nebraska, you know-- the unique Unicameral Legislature relies heavily on the second house, the citizens of the state of Nebraska, ensuring that members of the public have an opportunity to have their voices heard. It is vital to the legislative process. COVID-19 pandemic has created a unique health and safety concerns. The Legislature has considered and adopted expanded methods by which the public can provide input into the legislative process, so that its citizens who have safety concerns about in-person testifying have multiple opportunities to have their voice heard as part of the legislative and committee process. The following options provide ways for citizens to share their views on a bill with the Legislature. Please read each option carefully as each have a different outcome as to how your input is recorded. Option one is in-person testimony. As always, persons attending a public hearing in person will have an opportunity to present verbal testimony to the committee and be subject to questioning by the committee members. In-person testimony is generally limited to five minutes, although the Chair of each committee has discretion to modify that time limit. Persons verbally testifying will be listed as a testifier on the committee statement, as has been the practice, and have their position included with the official committee hearing record. Option two: written testimony in lieu of in-person testimony for public hearings during the 2021 session. As part of the Nebraska Legislature's procedural modifications in response to the COVID-19 pandemic during the 2021 session, the standing committees will be accepting submitted written testimony for public hearings on a bill or resolution when the following specific procedures, outlined below, are met. The intent of this option is to create a substitute for those who are concerned about safely testifying in person, but wish to have-- are concerned about safety by testifying in person, but wish to have their testimony submitted, their name recorded on the committee statement and included on the formal committee hearing record as if they had testified in person. Please note that the committee statement will note that the testimony has provided in writing, with no opportunity for committee members to question the testifier. In order to take advantage of this

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option, the following six requirements must be met. Submission of written testimony will only be accepted the day of the hearing between 8:30 a.m. and 9:30 a.m. in the committee room in which the hearing is scheduled. Individuals must present their written testimony in person during this time frame and sign the submitted written testimony record at the time of submission on the day of the hearing on the bill. The testifier must submit 12 copies. Failure to submit the required number of copies will result in the treatment of the submission as a position letter and not written testimony. The written testimony must be a written statement that is no longer than two single-spaced typed pages or four double-spaced typed pages in length. Only the written testimony from the person delivering the testimony will be accepted. No handouts, testimony, or letters from other individuals may be included outside of an individual's written testimony. Written testimony will be handed out to each member of the committee during the hearing and made available as part of the hearing transcript when the transcript is made public. Failure to meet any of these procedures for submitted written testimony will result in the person providing the testimony to not be listed on the committee statement as a written testifier. However, the testimony will be included in the official hearing record as an exhibit. Option three: position letter. If you're not testifying in person on a bill or resolution or submitting written testimony in person on a bill, but would like to submit a position letter to be included in the official hearing record as an exhibit, you must deliver your letter to the office of the committee Chair or email to the committee's email account-- nebraskalegislature.gov/committees-- committees-- email, there's a, there'll be a link somewhere on our website-- by 12:00 p.m., Central Standard Time, on the last workday prior to the public hearing. Letters emailed and not hand delivered will be not included as part of the public hearing record if sent to any other email-- to any email other than the committee's email account. You must identify that-- your letter must identify the bill or resolution, include your name and address, state a position of for, against, or neutral on the bill in question, and include a request for the letter to be included as part of the public hearing record. Please note that mass communications will also not be included as part of the official hearing record as an exhibit, regardless of the delivery time or a request to have the communication included. Option four: submission of online comments. In order to facilitate public input on legislation, a new feature has been added to the Nebraska Legislature's website for

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submission of written comments on pending legislation on the Legislature's website at any stage of the process. To access this feature, search for the bill you wish to submit a statement on, click the corresponding button near the top of the bill page. These submissions will not be considered testimony or part of the public hearing record, but the submitted comments will be available on the Uninet for access by senators and staff throughout the session. Please note that there will be no expectation of privacy regarding comments submitted in this format. If a citizen uses the database to submit his or her views prior to the public hearing on a bill or resolution, this option will allow input to the members of the committee prior to any committee vote. Wow, that was long enough. OK, again, welcome to this morning's meeting of the Transportation and Telecommunications Committee. For the safety of our committee members, staff, pages, and public, we ask those attending our hearing to abide by the following procedures. Due to social distancing requirements, seating in the hearing room is limited. We ask that you only enter the hearing when necessary for you to attend the bill hearing in progress. The bills will be taken up in the order posted outside the hearing room. The list will be updated after each hearing to identify which bill is currently being heard. The committee will pause between each bill to allow time for the public to move in and out of the hearing room. We request that you wear a face covering while in the hearing room. Testifiers may remove their face covering during testimony to assist the committee members and transcribers in clearly hearing and understanding the testimony. Pages will sanitize the front table and chairs between the-- between testifiers. Public hearings for which attendance reaches seating capacity or near capacity, the entrance door will be monitored by a sergeant of arms [SIC] who will allow people to enter the hearing room based on seating availability. Persons waiting to enter the hearing room are asked to observe social distancing and wear a face covering while waiting in the hallway or outside the building. The Legislature does not have the ability, due to the HVAC project, of an overflow hearing room for hearings which attract several testifiers and observers. We ask that you please limit or eliminate handouts. Please silence all your cell phones or other electronic devices. We will be hearing the bills in the order listed on the agenda. Those wishing to testify on a bill should move to the front of the room and be ready to testify. We have set aside an on-deck chair where the next testifier will be ready to go when their turn comes. If you will be testifying, legibly complete one of the

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green testifier sheets located on the table just inside the entrance. Give the completed testifier sheet to the page when you sit down to testify. Handouts are not required but, if you do have a handout, we need 12 copies. One of the pages will assist you if you need help. I don't know if that option is available this year, but I'll check into that. When you begin your testimony, it is very important for you to clearly state and spell your first and last name slowly, for the record. If you happen to forget to do this, I will stop testimony and ask that you do so. Please keep your testimony concise. Try not to repeat what already been covered. And we will use the light system in this committee. Beginning with the green light, you will have five minutes for your testimony. The yellow light indicates one minute left and, when the red light comes on, your time is up and we ask that you wrap up your testimony. Those not wishing to testify may sign in on a pink sheet by the door to indicate their support or opposition to a bill. I'd like to introduce the staff that will be assisting this afternoon. The committee legal counsel is Andrew Vinton. And as most of you know, he's replaced Tip. And so the committee clerk, Sally Schultz, and the page is Turner.

**THOMAS LUKASZEWCZ:** I'm Thomas.

**FRIESEN:** Welcome to the TNT meeting; appreciate you being here. With that, I will let the senators introduce themselves, starting to my right.

**HUGHES:** Dan Hughes, District 44: ten counties in southwest Nebraska.

**BOSTELMAN:** Bruce Bostelman, District 23: Saunders, Butler, the majority of Colfax Counties.

**ALBRECHT:** Joni Albrecht, District 17: Wayne, Thurston, and Dakota Counties in northeast Nebraska.

**GEIST:** Suzanne Geist, District 25, which is the east side of Lincoln and Lancaster County.

**DeBOER:** I'm Wendy DeBoer from District 10, which is Bennington and northwest Omaha.

**MOSER:** Mike Moser from District 22: Platte County, a little bit of Colfax and Stanton Counties.

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**CAVANAUGH:** Machaela Cavanaugh, District 6: west-Central Omaha, Douglas County.

**FRIESEN:** Thank you, everyone. And with that, we will open the hearing on LB113. Senator Albrecht.

**ALBRECHT:** Ready? Good morning, Chairman Friesen and members of the Transportation and Telecommunications Committee. For the record, my name is Joni Albrecht, J-o-n-i-- Albrecht, A-l-b-r-e-c-h-t. I represent District 17 in northeast Nebraska: Wayne, Thurston, and Dakota Counties. I've introduced LB113 on behalf of the Nebraska Department of Motor Vehicles. Rhonda Lahm, director of the Department of Motor Vehicles, will be testifying after me and will provide additional information and specifics regarding the bill. The bill would allow the DMV to replace the agency's outdated motor carrier service system for handling the issuance of motor carrier registrations and the assessment of the motor vehicle carrier fuel tax. The bill provides for a fund for the new system to be built and maintained. The bill also harmonizes several sections of the Department of Motor Vehicle statutes for better processes and functions of the DMV. This bill allows the Department of Motor Vehicles to charge postage and handling to mail specialty plates directly from production to the customer. It allows the DMV to approve driver safety instructions and to administer a driver's test for passenger vehicles, and will not require holders of the restricted commercial driver's license to have to visit the DMV office to renew annually. Director Lahm will testify to more of the specifics of the bill regarding each section, and can answer any questions that the committee may have. I'd encourage the advancement of LB113 to General File, and I thank you for your time and attention to the bill.

**FRIESEN:** Thank you, Senator Albrecht. Are there any questions from the committee? Seeing none, thank you. Proponents? Welcome to Director Lahm.

**RHONDA LAHM:** Good morning. It's good to see everyone. Good morning, Chairman Friesen and members of the Transportation and Telecommunications Committee. I am Rhonda Lahm, R-h-- sorry-- o-n-d-a L-a-h-m, director of the Department of Motor Vehicles. I'm appearing before you today to offer testimony in support of LB113. I would like to thank Senator Albrecht for introducing one-- LB113 on behalf of the DMV. The purpose of the bill is twofold; 1) to update and harmonize

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DMV statutes, and 2) to establish a funding mechanism for the modernization of the Motor Carrier Division computer system and establish a corresponding fund. Sections 1 and 2 of the bill provide for the ability to electronically add, change, or remove a beneficiary designation on a motor vehicle or motorboat title upon death. Sections 4 to 9 and Sections 13 to 25 add provision in statute for the department to charge postage and handling fees on all specialty plates directly from production to the customer. This same statutory authority exists allowing counties to recuperate their costs for postage and handling when mailing plates to customers. Section 26 of the bill allows the director of the DMV to approve driver safety instructors to administer Class O passenger and vehicle drive tests. Sections 27 and 28 removes provisions and fees for a temporary farm permit. The department has issued eight of these permits in the last five years, and the testing and requirements are the same for a temporary farm permit as they are for a regular farm permit. This eliminates the person from purchasing two permits. Section 29 changes the provisions for restricted commercial drivers' licenses for agricultural producers. This section will remove the necessity for restricted commercial driver's license holders to visit the DMV office annually and pay a fee each year to continue to have a valid restricted commercial driver's license if they choose to have the same 180-day seasonal period each year. Section 30 removes a prohibition which does not allow a third party CDL tester, who administered the instruction to also administer the test. This change is consistent with a recent change in federal legislation. Sections 31 and 32 change the required time from eight hours to four hours for those attending a driver education training course when they have been revoked due to a 12-point accumulation on their license. Our experience during the pandemic showed four hours of instruction is just as beneficial as eight hours. Section 33 removes a \$100 reinstatement fee for the Unified Carrier Registration Plan after suspension or revocation, which is not consistent with the provisions of the Unified Carrier Registration Plan. Sections 3, 10, 11, and 12 provide for the change in charging of registration fees for commercial carriers. It realigns the distribution of the new fee and establishes the fund for the modernization of the Motor Carrier Services computer system. A provision outlines that after funds are sufficient to pay for the system modernization, the fee will be reduced to an amount to cover the maintenance of the system. I encourage the advancement of LB113 to

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General File. And Chairman Friesen, at this time, I'd be happy to answer any questions the committee may have.

**FRIESEN:** Thank you, Director Lahm. Are there any questions from the committee? Senator Bostelman.

**BOSTELMAN:** Thank you, Chairman Friesen. Thank you, Director, for being here today. A couple of questions, one comment. One comment that I've heard from some of my constituents is, is if you have a specialty plate and you want to transfer that specialty plate from one specialty plate to another specialty plate, you cannot do that. You can't do it by the county and you can't do it on-line. For instance, if you have a Sesquicentennial plate and you want to keep your messaging on that and you want to transfer it to, say, a bighorn plate, you can't do that within the system.

**RHONDA LAHM:** So I want to-- I want to look in and find out some more details and get back to you. So I think it has to do with a plate being assigned for a vehicle and not reissuing the same plate in terms of the same number, like we can't reissue the same number, so we'll still issue the one vehicle. We can't show it being issued to another; and you have to do that to order it. But let me-- let me find out the--

**BOSTELMAN:** Yeah.

**RHONDA LAHM:** --the system needs to [INAUDIBLE].

**BOSTELMAN:** Yeah. Is there some way to transition from-- like to the plate? I don't know.

**RHONDA LAHM:** Transition for that.

**BOSTELMAN:** The question-- first question I have for you, in addition, is, on the charging fees for the plate being mailed, is there any reason why that can't be included within the-- the fee for that plate itself instead of charging an additional fee to the person who requests the plate?

**RHONDA LAHM:** So a couple of things there with the intent of that. So right now, what we're trying to do is make it more convenient for a customer and for them to get their plate sooner, 'cause what happens right now is they order the plate, then we put the plate in order to

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Corrections. Corrections produces the plate and sends the plate to the county. The county sends the first letter and says the plate is there. If they come and pick it up, there's no fee. But if the county mails it, the county charges a fee. So what we're trying to do is mail it directly from production to them and eliminate all those steps. So the plate fee is \$3.30, which goes for the production of the plate. The postage for-- or would be \$6.60 if it's two plates; it's \$3.30 per plate. We anticipate-- well, we know the postage for mailing two plates is about \$4.50. So if that postage comes out of our operating budget, then that would be an additional revenue that we don't support. If it comes out of a plate fee, then the Highway Trust Fund would have a negative because they're only going to get \$6.60 for that plate and, ultimately, they would have the cost of that plate plus postage, which would be more than the \$6.60. With the number of specialty plates increasing-- I think last year we were over 50,000-- so 50,000, I think, sets. So if we were to absorb that and you took 50,000 times \$4.40, that would be a significant budget.

**BOSTELMAN:** Yeah. Yeah, I guess my comment is-- is-- is-- is just that if we're paying a fee already, it just comes out of that, but not that it would come out of a general fund or that. But I hear what your-- your response is. The other question I have is on the increase for the-- is it the M-- the Motor Carrier Services computer system. I just looked at that. It's a little confusing on how we're increasing a fee to the motor carriers for a couple of years, but then we're changing within the three funds or four funds that it goes into the percentages of it. I guess I'm a little con-- concerned and that we're increasing a fee for something to pay for a computer system that we, you know, program, the MC's-- what is it? The MC-- sorry.

**RHONDA LAHM:** The Mo-- Motor Carrier Services.

**BOSTELMAN:** Yeah, the MCS computer system, but we're increasing the fee to-- for that, and we're also changing how we're giving into the existing funds that we have, percentage-wise, as we go through July 2021 to July 2025.

**RHONDA LAHM:** So-- so the reason for the change in the fund distribution is currently those fees are split three ways: the Highway Trust Fund; the Motor Vehicle Cash Fund, which is not our cash fund-- that's a cash fund that split between all the counties-- and the Department of Revenue Property Assessment Tax Fund. So the reason for

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the split is, as the fee changes, the difference-- the \$3.00 difference per ton that that \$3.00 would go to ours-- so that changes the percents. So the reason you have to change the percents is so that out of the current fee, however much Highway Trust is getting, how ever many dollars out of the current \$32.00 fee, they're going to get that same dollar amount out of every registered ton so that it doesn't have a negative impact on Highway Trust, doesn't have a negative impact on the Motor Vehicle Fund-- that's distributed between the counties. So that's the reason the fee-split numbers have to change. The reason that we looked at the change in the registration fee is because every truck that comes to Nebraska from all over the country pays registration fees to Nebraska. So then the costs are borne between all-- almost 78,000 carriers that come through Nebraska rather than the little over 4,000 carriers that exist in Nebraska. And you spread those costs down. We looked at a number of different things. That was the one that was most-- I-- we felt, and also, I think the Trucking Association is here and will test-- [INAUDIBLE]. We've been working with them, ongoing, on this whole project from the business plan forward, would be the best way to fund the system, because that exact thing is happening in other states. So our Nebraska-based carriers that travel in other states pay registration fees in those states proportioned on the number of miles they travel in those states. So when those states do a project, they increase their fees and then we end up paying-- our carriers pay for their system. And we thought it was the smartest thing to do that here in Nebraska, as well. So that's the reason for the mechanism that we chose.

**BOSTELMAN:** OK, thank you.

**RHONDA LAHM:** And-- and it's-- it hasn't been changed since 1976 or '77.

**BOSTELMAN:** Thank you. That's all.

**FRIESEN:** Thank you, Senator Bostelman. Any other questions from the committee? Seeing none, is there any-- I see there's no, really, limit. You're going to decide how much postage and handling is going to cost, and then charge?

**RHONDA LAHM:** So what we intend is the actual costs. And so what--because our-- our other divisions, like our Motor Carrier Division, mail plates all the time to commercial carriers, and they

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have a fee of what it costs to mail a plate. And quite frankly, it costs different amounts to mail at different places in Nebraska, if you could-- which was surprising to me. But we can mail two plates to one place in Nebraska and it's one fee; to another place in Nebraska it's another fee. That's the reason we didn't want to set it at a fee, and we wanted to actually charge what it's cost us, so we're not charging one person to pay more than it would cost them and less for another. We wanted to actually charge what it costs to balance it out or be fair to everybody.

**FRIESEN:** How do you arrive at the handling portion of it?

**RHONDA LAHM:** The handling really is what-- that's what-- that's the verbiage that's currently in statute.

**FRIESEN:** OK.

**RHONDA LAHM:** And so some county treasurers charge a handling fee now. That's not-- our intent is to charge for the postage. And sometimes handling is if you have to pay-- like if we were paying the mailroom or you were paying a processor to do it, then that's part of the cost of mailing. But right now, we're hopeful that we can do it. But with the number of specialty plates increasing, we don't know where that's going.

**FRIESEN:** So you're not really saying that the labor and stuff--

**RHONDA LAHM:** No.

**FRIESEN:** --to get that is going to be included in here. It's just--

**RHONDA LAHM:** No.

**FRIESEN:** --kind of standard language, boilerplate language you're using.

**RHONDA LAHM:** We're anticipating the cost is going to be around \$4.00 or \$4.50 per set of plates, which is what it-- the postage is to send them.

**FRIESEN:** Thank you, Director Lahm. Seeing no other questions, thank you for your testimony.

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**KENT GRISHAM:** Thank you.

**FRIESEN:** Welcome.

**KENT GRISHAM:** Good morning.

**FRIESEN:** Go ahead.

**KENT GRISHAM:** Well, good morning, Chairman Fresen, members of the committee. For the record, my name is Kent Grisham, K-e-n-t G-r-i-s-h-a-m. And I am appearing today as president of the Nebraska Trucking Association. For background, for more than 80 years, the NTA has been advocating for and promoting the trucking industry in Nebraska. We represent more than 800 trucking and allied companies from every part of the state. Our nearly 460 motor carrier members from Nebraska and surrounding states range from many single truck owner-operators all the way through several of the nation's largest public and private companies. The trucking industry employs 1 in 12 Nebraskans in the workforce, making it the third largest industry in the state. Truckers transport more than 82 percent of all the freight in Nebraska. And one of the most important statistics, I think, to remember is that about half of all of our Nebraska communities get absolutely everything they need only by way of a truck. When it comes to paying our way, the trucking industry in Nebraska paid 47 percent of all taxes owed by motorists in the state, even though trucks represent only 9 percent of all vehicle miles traveled here. We and our members are proud to represent and transact business in Nebraska. We want to thank Senator Albrecht for introducing LB113. The NTA is in full support of LB113, which includes several trucking- and transportation-related laws related to the Department of Motor Vehicles. Specifically, I would like to express the NTA's strong support for the part of LB113 that allows and provides for the replacement of the agency's existing Motor Carrier Services system for handling the issuance of motor carrier registrations and the assessment of motor carrier fuel tax. The current system has served us well for many years-- and make that many, many years-- but it is seriously antiquated, and lacking ongoing technical support, and in desperate need of updating. DMV Director Rhonda Lahm and her team have done a wonderful job in keeping the system viable and have an outstanding plan in place to timely, efficiently, and cost-effectively bring an updated system online here in Nebraska. We appreciate Director Lahm bringing the NTA into this modernization process several

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months ago. We fully support the DMV's proposed system update, the timeline for implementation, and the proposed minor time-limited cost increases needed to fund the new Motor Carrier Services computer software system. We fully support the department's upgrade and Director Lahm's effort in this regard. I do want to throw in one little side note. In case you don't know, this Director Lahm and her staff were named Woman of the Year by the Nebraska Trucking Association in 2020, because of the fact that, if you don't know this, Nebraska at one point was one of only seven states that maintained a fully functional DMV for motor carriers during the pandemic. So it's a small honor that we could pay to her and her entire staff in 2020, for that. Also, one other side note, the Nebraska Trucking Association also operates a division called Truck Services. We have over 1,200 active clients that we provide, as a registered agent, all of their motor carrier services. So we are also the biggest consumer of that DMV system, short of the large trucking companies. So with that, thank you, sir.

**FRIESEN:** Thank you, Mr. Grisham. Any questions from the committee?

**KENT GRISHAM:** So you didn't even get to one of the lights. Every time I testify, I get to the red. OK, there you go. Thank you all.

**FRIESEN:** Thank you for your testimony. Any other proponents? Anyone wishing to testify in opposition? Anyone wishing to testify in a neutral capacity? Seeing none, Senator Albrecht, do you wish to close? Senator Albrecht waives closing. And with that, we'll close the-- I don't think we had any letters, did we? We'll close the hearing on LB113. Welcome, Senator Albrecht. We'll open the hearing on LB149.

**ALBRECHT:** Thank you, Senator-- Chairman Friesen. Again, good morning, Chairman Friesen and members of the Transportation and Telecommunications Committee. For the record, my name is Joni Albrecht, J-o-n-i, Albrecht, A-l-b-r-e-c-h-t, and I represent the 17th District of the Unicameral, northeast Nebraska: Wayne, Thurston, and Dakota Counties. I've introduced LB149 on behalf of the Nebraska State Patrol and the Nebraska Department of Motor Vehicles. This is a joint update bill, introduced annually to keep the Department of Motor Vehicles and the Nebraska State Patrol consistent with federal laws and regulations. LB149, adopts the most recent version of the federal laws and regulations in effect as of January 1, 2021. Advancement of the bill ensures that Nebraskans remain compliant with federal

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requirements to receive federal highway funds. Director Lahm of the DMV, and Lieutenant Maytum of the Nebraska State Patrol will testify after me. They will both provide additional information as specifics regarding this bill. I encourage the advancement of LB149 to General File, and I thank you for your time and attention to this bill.

**FRIESEN:** Thank you, Senator Albrecht. Any questions from the committee? Seeing none, with that, we will take proponents. Welcome.

**MIKE MAYTUM:** Thank you.

**FRIESEN:** OK.

**MIKE MAYTUM:** Chairperson Friesen and members of the Transportation and Telecommunications Committee, my name is Mike, M-i-k-e, Maytum, M-a-y-t-u-m. I'm a lieutenant assigned to the Carrier Enforcement Division, and I'm here today on behalf of the Nebraska State Patrol to testify in support of LB149. When the United States Congress passed the Motor Carrier Safety Act, emphasis was placed on states' adoption of uniform safety measures, with the ultimate goal being a reduction in the number of commercial motor vehicle accidents. In order for the state of Nebraska to remain consistent and compliant with these federal requirements, it is necessary to update our commercial vehicle safety regulations annually. This legislation will enable the Nebraska State Patrol to continue enforcing updated federal motor carrier safety regulations and the federal hazardous materials regulations by addressing-- excuse me-- by addressing date changes-- striking 2020 and inserting 2021. LB149 does contain additional language, which will be addressed by Director Rhonda Lahm of the Department of Motor Vehicles. Every day our troopers strive to make our highways safe. In fiscal year 2020, the Nebraska State Patrol conducted 23,234 roadside inspections, identifying 6,592 violations of driver requirements, which led to 3.78 percent of inspected drivers being placed out of service. In addition, the Nebraska State Patrol conducted 5,662 vehicle inspections, with an average of 2.41 violations discovered per vehicle and 32.6 percent of the vehicles being placed out of service due to serious defects. The roadside inspection program has enabled the state to establish clear guidelines for commercial vehicle operators while ensuring the Nebraska State Patrol presence to ensure the correction of operators who have vehicle or driver defects. These guidelines create a significant deterrent effect. In addition to our enforcement efforts, public education is a valuable time the agency

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uses to improve highway safety. In fiscal year 2020, the Carrier Enforcement Division of the Nebraska State Patrol conducted 45 public education seminars across the state directed at commercial motor vehicle owners and operators in a safe and socially-distanced format. In addition, the Nebraska State Patrol website provides resources to help answer questions about driver requirements, transportation of hazardous materials, and additional information that is pertinent to commercial motor vehicle owners, operators, and the public. I want to thank you for the opportunity to testify on behalf of this bill, and I'll be happy to answer any questions you may have.

**FRIESEN:** Thank you, Lieutenant Maytum. Any questions from the committee? Seeing none, I will tell you the interaction I've had, as a CDL permit holder, with officers of the Carrier Enforcement Division. I think they've been more professional than I've seen in my 40 years of driving trucks. So I'll commend you on that. I think they've operated in a very professional manner, at least the ones I've dealt with. So keep that up.

**MIKE MAYTUM:** Thank you, Senator. We'll do our best.

**FRIESEN:** Thank you, Lieutenant. Any other proponents? Welcome back, Director Lahm.

**RHONDA LAHM:** Good morning. Good morning, Chairman Friesen and members of the Transportation and Telecommunications Committee. I am Rhonda Lahm, R-h-o-n-d-a L-a-h-m, director of the Department of Motor Vehicles. I'm appearing before you today to offer testimony in support of LB149. I'd like to thank Senator Albrecht for introducing LB149 on behalf of the DMV and the Nebraska State Patrol. This is a joint update bill, introduced annually to keep the DMV and Nebraska State Patrol consistent with federal laws and regulations administered by both agencies. LB149 adopts the most recent version of federal laws and regulations in effect as of January 1, 2021, for the Unified Carrier Registration Act, the International Registration Plan, the U.S. Patriot Act, rules governing manufactured homes, parking regulations for those persons with disabilities, and regulations governing low-speed vehicles contained within the Federal Motor Vehicle Safety Standards. This bill will also retain Nebraska's compliance with federal regulations contained within the Fixing America's Surface Transportation Act and ensure the DMV maintains appropriate standards for informal dispute settlement procedures for

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automobile warranties. Section 7 changes statute to allow for the suspension, revocation, or cancellation of a registration of a commercial carrier who is attempting to operate as what is referred to as a chameleon carrier. The intent is to prevent carriers who have been terminated for nonconformance of safety regulations and provisions under the International Registration Plan, under the federal Performance and Registration Information Systems Management program, from reregistering when the business is operated, managed, or otherwise controlled by or affiliated with a person who is ineligible. Maintaining alignment between the federal regulations, state statutes, and operational activities ensures Nebraska remains compliant with federal requirements to receive federal highway funds. I encourage the advancement of LB149 to General File. Chairman Friesen, at this time, I'd be happy to answer any questions the committee may have.

**FRIESEN:** Thank you, Director Lahm. Any questions from the committee? Seeing none, thank you for your testimony.

**RHONDA LAHM:** Thank you.

**FRIESEN:** Any other proponents? Seeing none, anyone wish to testify in opposition to LB149? Seeing none, anyone who would wish to testify in a neutral capacity? Seeing none, Senator Albrecht, do you wish to close? Senator Albrecht waives closing, and we'll close the hearing on LB106 [SIC].

**GEIST:** We'll now open the hearing on LB106. Senator Friesen.

**FRIESEN:** Thank you, Vice Chairman Albrecht [SIC].

**GEIST:** Geist.

**FRIESEN:** Geist-- sorry.

**GEIST:** We're often mistaken for each other. It's OK.

**FRIESEN:** You're really close there. Good afternoon, members of the Transportation and Telecommunications Committee. For the record, my name is Curt Friesen, C-u-r-t F-r-i-e-s-e-n. I represent the 34th Legislative District of the Unicameral, and I have introduced LB106 on behalf of the Nebraska Department of Motor Vehicles. The bill would allow the DMV to replace the agency's outdated driver's license issuance system. The current system was designed in the 1980s and has

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very limited technology and business applications. In addition, the old system will be more cost-prohibitive to maintain, while a new system will allow the DMV to move forward with business initiatives allowing for improved and modern customer service options. The bill establishes a funding mechanism to enable the DMV to build and maintain the new system. Now the bill will change the cost of a driving record from \$3.00 to \$7.50. The \$4.00 of the fee change will go to the new system fund and 50 cents will go to the DMV Cash Fund to help offset the increased cost to maintain the current system. In 1997, the Legislature enacted legislation to offer driver records on-line and set the fee at \$3.00. Now there has been no change to the-- in the fee in the last 24 years. I encourage the advancement of LB106 to the General File. Rhonda Lahm, director of the Department of Motor Vehicles, will be testifying after me and will provide additional information regarding the bill. I thank you for your time and attention to the bill. And I'd-- happy to answer any questions that you may have.

**GEIST:** Are there any questions from the committee? Seeing none, I will let you know that Larry Dix from NACO did submit a letter [SIC] in support of this bill, and I will have any proponents come to the chair, please, as soon as it's clean. Good morning, Director Lahm.

**RHONDA LAHM:** Good morning. Good morning, Chairman Friesen, Vice Chairman Geist-- or Chairwoman Geist, my apologies-- and members of the Transportation and Telecommunications Committee. I'm Rhonda Lahm, R-h-o-n-d-a L-a-h-m, director of the Department of Motor Vehicles. I'm appearing before you today to offer testimony in support of LB106. I would like to thank Senator Friesen for introducing LB106 on behalf of the department. The purpose of the bill is to establish a funding mechanism for the modernization of the driver license issuing system and establish a corresponding fund. The current system was designed with 1980's technology and mirrors business processes of that same area. It has the limitations you would expect of a decades-old computer system. This legacy system, housed on a mainframe infrastructure, has become cost-prohibitive to maintain. In the next biennium, the costs to maintain the system are increasing nearly 65 percent, which translates into over \$350,000 per year. In addition to the significantly increased cost of maintenance, the movement of licensing and identification credentials to an electronic format, the necessity to protect personal information, the need to be able to do electronic verifications, and the ability to conform to a more modern

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platform for testing all necessitate the need to modernize the system. It is anticipated, under the provisions of LB106, it will take six to eight years to establish adequate funds to initiate the modernization process, at which time we will be approaching 2030, and the current system will be 40-45 years old. Starting now allows the department to proceed in a structured, judicious, and thoughtful manner. The bill proposes to change the cost for a driving record from \$3.00 to \$7.50. \$4.00 of the fee would be credited to the modernization fund, and the remaining 50 cents would be credited to the DMV Cash Fund to offset the increase in costs to maintain the current system. Based on a July 2020 survey, completed by the American Association of Motor Vehicle Administrators and my staff directly contacting other states, only one state has a lower fee than Nebraska, and that's by 18 cents. The current average across the country is \$10.16 per record. I encourage the advancement of LB106 to General File. Chairman Fresen and Vice Chairwoman Geist, at this time I'd be happy to answer any questions the committee may have.

**GEIST:** Thank you for your testimony. Are there any questions from the committee? Senator Hughes.

**HUGHES:** Thank you, Senator Geist. Director Lahm, thank you for being here today. I guess the question I have is-- this new system you're going to, is it kind of somewhat universal among other DMVs in other states? Or what-- what are other states using? And is this, what you're proposing, similar software?

**RHONDA LAHM:** So our intention would be to use what's referred to as a commercial off-the-shelf product that is similar to other states, but yet can be customized to the specific statutory requirements of Nebraska if they're a little bit different than other states. Some things are very similar, especially because of the REAL ID Act. There's a lot of things that states do similarly, but there still are differences, like in terms of-- like school permits. Not all states have those kinds of documents, et cetera. We'd need to be able to accommodate that.

**HUGHES:** So this system will allow you to work with other states if an individual has a license, you know,--

**RHONDA LAHM:** Yes.

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**HUGHES:** --moving from one state to another, that there's that capability built into the program.

**RHONDA LAHM:** So everyone is still going to have to go apply in the state when they move in the state, because of the REAL ID requirements. It's not going to allow me just to transfer so they could get a license without appearing there. But it does-- it will have the capability-- we're required to check, we're required to check and make sure nobody is suspended in any other state. I mean, we currently do that through a platform now, but the pieces that go into electronic credentials with electronic IDs and mobile IDs, the current system-- to do that would be really cumbersome.

**HUGHES:** So this new system will streamline that--

**RHONDA LAHM:** Yeah.

**HUGHES:** --process as well. OK, thank you.

**RHONDA LAHM:** What we're hoping is, with the modernization of our motor carrier-- you know, we modernized our vehicle system and it's on a modernized platform that has a tremendous amount of flexibility. We want to modernize our motor carrier system and our driver licensing system, get them on similar platforms so that they can all communicate with each other. Right now, our own internal systems don't even communicate with each other. And so that's the first step, and then we can communicate with others. But the outdated technology is challenging.

**HUGHES:** OK, thank you for coming in today.

**RHONDA LAHM:** Sure.

**GEIST:** Yes. Senator Cavanaugh.

**CAVANAUGH:** Thank you, Vice Chairwoman. Thank you for being here. And first of all, congratulations on being recognized as Woman of the Year. It's very wonderful to have you acknowledged in that way. And thank you for what you did during the pandemic to make sure we were one of seven states.

**RHONDA LAHM:** Well, I think I'll-- I'll accept that on behalf of my staff; they're the ones who do the work.

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**CAVANAUGH:** That's wonderful. I have some questions about the fees and-- and-- and so I'll start with the \$3.00 that we currently charge. What does that go to?

**RHONDA LAHM:** So it has a three-way split right now. So 25 cents of it goes to my Cash Fund for operations, \$1.75 goes to the General Fund, and \$1.00 of it goes to the on-line portal for the operations of the portal, because these records are purchased on-line.

**CAVANAUGH:** OK, and then the additional \$4.50 I was looking, so it-- the \$4.00 would generate \$5 million a year. Is that what the new computer system will cost?

**RHONDA LAHM:** So we're anticipating in today's dollars. I-- I surveyed like nine or ten states that had recently done modern-- modernizations. And while all states aren't exactly the same and the price is not going to be exactly the same, based on similar size states, we anticipate in today's dollars, the cost to modernize is between \$30 and \$35 million.

**CAVANAUGH:** OK.

**RHONDA LAHM:** So--

**CAVANAUGH:** This will be over multiple years.

**RHONDA LAHM:** Yes. So when you go-- if you take \$5 million a year to get \$30 million, you're six years down the road. It may not be \$30 million dollars six years down the road.

**CAVANAUGH:** Sure.

**RHONDA LAHM:** So that's our best estimate going forward.

**CAVANAUGH:** And then I saw that it is \$350,000 per year currently to maintain.

**RHONDA LAHM:** In-- increase.

**CAVANAUGH:** Increase, OK.

**RHONDA LAHM:** Increase.

**CAVANAUGH:** Increase.

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**RHONDA LAHM:** Yes.

**CAVANAUGH:** So the \$625,000 a year for maintenance, is that taking into consideration the increase? Or could you just speak to how that might work?

**RHONDA LAHM:** So the reason for that amount is we've looked at, in the-- in the time period-- and I don't have all those numbers in my head, but I can get them to you-- is if it continues to increase at that rate, before we have enough money to modernize, the cost would be like \$1.9 million per year for maintenance for the system.

**CAVANAUGH:** So this will help offset while you're modernizing?

**RHONDA LAHM:** Right. So the intent is to help offset those increased costs before, you know, because we're not going to be able to do this--

**CAVANAUGH:** Right, yeah.

**RHONDA LAHM:** --for a few years down the road. So that's the intent of that.

**CAVANAUGH:** OK. One more question.

**RHONDA LAHM:** Absolutely.

**CAVANAUGH:** After we pay off the system, is there a plan for the additional revenue six or seven years down the road?

**RHONDA LAHM:** So-- so like in the motor carrier bill, we know that we're going to back it off because we're in such a short term; we know we're going to be able to do that. If, when we modernize the system, we don't need that additional money in the fund to pay for the maintenance, the annual maintenance on it, like we are with our vehicle system now, then I will-- totally agreeable to backing it off. It's just, at this time, I don't have any number what to recommend to you for that to be, because we're too far out, for the cost, to know

**CAVANAUGH:** Sure.

**RHONDA LAHM:** But I certainly-- I'm not in the business of making money. And that's what I told the trucking industry, and that's why we

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agreed to back it down. And quite frankly, I'm hopeful on theirs that we can do it even sooner. And I think realistically we can. And that would be my goal. I just don't know enough now to give you that number.

**CAVANAUGH:** OK, thank you.

**RHONDA LAHM:** Sorry for--

**CAVANAUGH:** Oh, that's OK.

**RHONDA LAHM:** It's just too unpredictable six years out.

**CAVANAUGH:** Of course. I just was curious.

**RHONDA LAHM:** And the cost of technology is--

**CAVANAUGH:** Yes. Thank you.

**GEIST:** Any-- yes, Senator Moser.

**MOSER:** Thank you, Chair. Is there a limitation on who can access these records? Are they public records?

**RHONDA LAHM:** So they're not public records. And yet, you know, their access is governed by the Uniform Motor Vehicle Records Disclosure Act. So for the most part, like insurance companies that want to check driving records to see what somebody's driving record is before they insure them, I mean, those are people who get it. Some people purchase their own driving record because their employer requires it or they have to do it to verify something. So no, the-- they are not public records. They are absolutely controlled by the Uniform Motor Vehicle Records Disclosure Act. They have to tell us what they're going to use the record for, and they have to sign an agreement that that's what they're using the record for; and that's monitored.

**MOSER:** Does the driver have to sign a release?

**RHONDA LAHM:** To release the-- to release the driver of--

**MOSER:** To release the information?

**RHONDA LAHM:** Not-- they do not in Nebraska.

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**MOSER:** So if my neighbor is, I think, a bad driver and I want to get his report, I can't get it.

**RHONDA LAHM:** No, you cannot. That's not one of the authorized uses of the data. It outlines-- I think there's ten or ten-ish different-- I don't know them by heart. But they're in-- Section 60-2907, I believe, is the section that outlines all the authorized uses for the data. But that would not be an authorized use

**MOSER:** Do-- if an officer is ticketing someone, is this the same database they would check?

**RHONDA LAHM:** No.

**MOSER:** Or is that a different one?

**RHONDA LAHM:** They-- they access records through the Nebraska Criminal Justice Information System and they have access directly into our database through that system. So they are not-- no, this would not be a feed to any law enforcement officers or agencies.

**MOSER:** Yeah, I really didn't expect that. I just didn't know if we had two different databases or if we just had one.

**RHONDA LAHM:** It's the same database. It's just how they're accessed. So these are the ones that are accessed through the on-line portal and they have-- it's a secure login and they have to have a user agreement, username, password. It's a-- a secure authentication, yeah.

**MOSER:** So if you apply for a commercial driving job, they could access your records and see what your moving history and stuff is.

**RHONDA LAHM:** A commer-- an employer? An-- an employer could if they've been given permission.

**MOSER:** OK.

**RHONDA LAHM:** So they're not-- an employer is not automatically granted permission under the act. But if an employer has that, if-- so sometimes on an application, they'll have on there that your signature authorizes us to check your driving record, check whatever. In that case, then they could, but otherwise not.

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**MOSER:** OK. That's just informational for me. Thank you.

**RHONDA LAHM:** Certainly.

**GEIST:** Any additional questions from the committee? I do have one, Director Lahm.

**RHONDA LAHM:** Sure.

**GEIST:** I-- I-- you-- you referenced this, but I wonder if you'd speak specifically to what you're looking at for a timeline.

**RHONDA LAHM:** So best case scenario-- the best case scenario, if we had-- so the fee takes effect, according to the bill, July 1 of this year. So by July of next year, in '22, you have the first amount of money. So then it's five years after that, in '27, before you would have \$30 million in the bank. Now, while there are things that you can do, and we intend to do ahead of time, you can look at needs, start looking at your request for proposal and all those types of things. We are hoping that we could start that process '25-'26 before you have all the money in the bank. But I'm reluctant to put an RFP on the street until we are pretty confident we have enough money in the bank to pay for the-- because what I don't want to have happen is get halfway in a project, it gets stopped for some reason or legislation changes. And then the state has wasted all the money because we're going to have to pay for the work we have done to date and then we have nothing to show for it.

**GEIST:** OK.

**RHONDA LAHM:** So I'm reluctant to move forward until I'm pretty confident the money is in the bank or close to it, because I don't want to waste the money.

**GEIST:** So this is--

**RHONDA LAHM:** That's happened in other states

**GEIST:** With this type of thing, you have to pay it all up front to--

**RHONDA LAHM:** No, not all up front. But when you put out the RFP, like say if, like with our vehicle system, so we put out the RFP, the-- I don't remember the numbers back in around, say \$20 million. So after

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the first, there's different milestones in the project, and when they hit--

**GEIST:** Right.

**RHONDA LAHM:** --certain milestones, there are certain--

**GEIST:** OK.

**RHONDA LAHM:** payments at those milestones.

**GEIST:** Gotcha.

**RHONDA LAHM:** So you most certainly would have a payment due fairly early in the project. You wouldn't have your last payment until the project was done, launched, successful. We had signed off that they'd done everything they were supposed to. But if you, for some reason, didn't have enough money in the bank and the legislation changed in the middle, we would have paid for steps one and two.

**GEIST:** And not be--

**RHONDA LAHM:** We'd be in between three and four and it gets stopped. And now we've wasted all that money, and we have no system we can use.

**GEIST:** Right, understood.

**RHONDA LAHM:** So that's-- that's the-- the challenge of starting before you're--

**GEIST:** Yes.

**RHONDA LAHM:** pretty close to having it all there.

**GEIST:** Understood. Thank you. Any other questions? Thank you for your testimony.

**RHONDA LAHM:** Thank you.

**\*LARRY DIX:** Good morning members of the Transportation and Telecommunications Committee. My name is Larry Dix. I am the Executive Director of the Nebraska Association of County Officials. I appear today in support of LB106. NACO supports the development of a new operators' license services system for the issuance of operators'

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licenses and state identification cards. The existing system, like the recently replaced motor vehicle titling and registration system, is nearing the end of its useful life and needs to be replaced. The additional \$4.50 fee on operators' licenses would help pay for the new system. NACO respectfully asks for your support of LB106.

**GEIST:** Are there any other proponents? Seeing none, any opponents? Seeing none, anyone to testify in the neutral capacity? Seeing none, Senator Friesen, would you like to close on your bill?

**FRIESEN:** Waive close.

**GEIST:** Senator Friesen waives closing, and that will end testimony on LB106.

**FRIESEN:** And I think with that, we'll close the hearings for this morning, and we will see you all this afternoon at 1:30.

**FRIESEN:** Welcome, everyone, to this afternoon's hearing with the Transportation and Telecommunications Committee. I'll just go over a few things here. I'm Curt Friesen, Chair of the committee, from District 34. I'd ask, for the safety of our committee members, staff, pages and the public, we ask those attending our hearings to abide by the following procedures. Due to social distancing, seating in the hearing room is limited. We ask that you only enter the hearing room when necessary for you to attend a bill hearing in process-- progress. Bills will be taken up in the order posted outside the hearing room. The list will be updated after each hearing to identify which bill is currently being heard. The committee will pause between each bill to allow time for public to move in and out of the hearing room. We request that you wear face coverings in the hearing room. Testifiers may remove their face covering during testimony to assist the committee members and the transcribers in clearly hearing and understanding the testimony. Pages will sanitize the front table and the chair between testifiers. Public hearings for which attendance reaches seating capacity or near capacity, the entrance door will be monitored by a Sergeant at Arms, who will allow people to enter the hearing room based upon seating availability. Persons waiting to enter the hearing room are asked to observe social distancing and wear a face covering while waiting in the hallway or outside the building, which would be a great thing to do today. The Legislature does not have the ability, due to the HVAC project, of an overflow hearing

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room, and so it could attract other testifiers. We ask that you limit or eliminate handouts. Please silence all cell phones, electronic devices, and we will hear bill-- bills in the order listed on the agenda. Those wishing to testify on a bill should move to the front of the room, be ready to testify when the next testifier is ready to go. If you will be testifying, legibly complete one of the green testifier sheets located on the table just inside the entrance. Give the completed testifier sheet to the page when you sit down to testify. Handouts are not required. When you begin your testimony, it's very important that you clearly state and spell your first and last name slowly for the record. If you happen to forget to do this, I will stop your testimony and ask you to do so. Please keep your testimony concise. Try not to repeat what has already been covered. We will use the light system, five minutes of the green light; when the yellow light, you have one minute left; when the red light comes on, it's time to wrap it up. Those not wishing to testify may sign in on the pink sheet by the door to indicate their support or opposition to a bill. And with that, I will introduce my legal counsel as to my right, Andrew Vinton; the committee clerk is Sally Schultz. And we have a couple of pages here, Peyton and Samuel, and so I thank them for being here to help us. And with that, I'll let the committee start introducing themselves. I see Senator Hughes might join us later. He's not here. Senator Bostelman.

**BOSTELMAN:** Bruce Bostelman, District 23, Saunders, Butler, majority of Colfax Counties.

**ALBRECHT:** Joni Albrecht, District 17, Wayne, Thurston, and Dakota in northeast Nebraska.

**GEIST:** Suzanne Geist, District 25, which is here in Lincoln, the east side of Lincoln and Lancaster County.

**DeBOER:** I'm Wendy DeBoer, District 10, all of Bennington and then also northwest Nebr-- Omaha.

**MOSER:** Mike Moser, District 22. I represent Platte County, a little bit of Colfax and Stanton County.

**M. CAVANAUGH:** Machaela Cavanaugh, District 6, west-central Omaha, Douglas County.

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**GEIST:** And with that, we will start LB174, Senator Friesen.

**FRIESEN:** Thank you, Vice Chairwoman Geist-- got it right this time. Good afternoon, members of the Transportation and Telecommunications Committee. For the record, my name is Curt Friesen, C-u-r-t F-r-i-e-s-e-n. I represent the 34th Legislative District. I've introduced LB174 on behalf of the Nebraska Department of Transportation. This bill is NDOT's annual cleanup bill that is intended to modernize sections of law that have become outdated, streamline certain department responsibilities, and make it easier for the public to interact with the department. Most of the changes made in this bill are technical in nature, but there are a few substantial sections. The bill updates the county highway and city street superintendent licensing program by combining two licenses into one to streamline the program. The bill also removes the requirement for operators to file a crash report if the crash is investigated by a peace officer, and increases the threshold for reporting a motor vehicle crash from \$1,000 to \$1,500. This figure has not been updated since 2004. I encourage advancement of LB174 to General File. Acting Nebraska Department of Transportation Director Moe Jamshidi is testifying after me and will provide additional information and specifics-- specifics regarding the bill. I thank you for your time and attention and would be happy to answer any questions I can.

**GEIST:** Thank you. Are there any questions from the committee? Seeing none, I will read that Larry Dix from NACO has dropped off some testimony as a proponent and any other proponents are welcome to testify at this time.

**MOE JAMSHIDI:** Good afternoon, Chairman Friesen and members of the Transportation and Telecommunications Committee. My name is Moe Jamshidi, spelled M-o-e J-a-m-s-h-i-d-i. I am the deputy director for operations and currently acting as Nebraska Department of Transportation director. I'm here before you to testify in support of LB174. I would like to thank Senator Friesen for introducing this technical and modernization bill on our behalf. At times-- as times passes, new and improved way of accomplishing objectives are often identified. However, the old language remains in statute and often do not align with the current practices. LB174 attempts to update the statute to current terminology and modernize the way we do business. Essentially, this bill addresses three issues: correcting outdated references, streamlining the highway and street superintendent

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licensing program, as well as modernizing the process of reporting crashes. First, LB174 fixes the references to national transportation trade organizations, formerly known as the American Association of State Highway Officials, we used to call them, AASHO, and now it's called the AASHTO, which has become the American Association of State Highway and Transportation. NDOR is also proposing to correct what we believe was a drafting error that occurred in-- back in 1969, suggesting that NDOT provide the Board of Public Roads Classification and Standards with clerical "assistants" rather than "assistance," so LB174 fixes that. NDOT is also proposing to update terminology regarding roundabouts. In Nebraska Statute, they're ref-- referred to as rotary traffic islands. This term is no longer used and it hasn't been used for many years. And finally, NDOT is recommending the statute related to the snowmobile contest, which is kind of an interesting thing we could do today, on the state highways be revised so that these contests, if taking place, are covered under the special events Statute 39-1359. So we'll move to the second part of this, which is a streamlining the highway and the street superintendent license program. Back in 1969, Senator Jerome Warner and the Legislature recognized that it was in the best interest of the citizen to have good roads. Among the many programs the Legislature approved was a program to license the professionals who plan and maintain the state's vast network of highways and-- highways and municipal streets. Originally, only one class of license, now known as a Class B license, was created. The concept of a license was to financially incentivize a local government to employ an individual with some knowledge of infrastructure, planning, and maintenance to ensure that the standards were met. In 2003, Senator Adrian Smith introduced LB500, which created a second class of license. The second license, now known as Class A license, doubles the financial incentive payments to the local government when their street or highway superintendent chooses to meet a qualification for a higher level of competence. Currently, some counties or municipalities hire consulting companies to fill the role of the licensed superintendent. These consultants may work for multiple counties and municipalities at the same time. This means multiple licenses must be renewed every three years by the consultant. LB174 streamlines the program and eliminates the need for an individual to hold multiple licenses. We believe these changes will make it much easier for the city and county officials to participate in this important program. I have included a handout, along with my testimony, to help illustrate the program. Finally, LB176 [SIC]

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updates the crash records reporting. This bill updates the damage threshold from \$1,000 to \$1,500 for requiring a crash report from the operator of motor vehicles. As we all know, it doesn't take much for vehicular damage to add up to \$1,000. This damage threshold was last updated in 2004, and the department felt now was a good time to update it. Additionally, if a crash is investigated by a law enforcement officer, the vehicle operator will no longer be required to file a report. Thus, we are eliminating a duplicate filing and easing the burden for someone who has likely had a pretty bad day. A final revision classifies the filer's birth date and driver's license number as confidential and not a matter of public record. This information is not relevant to users of crash reports and should be kept private to avoid bad actors from potentially harassing or stealing the filer's identity. With that, I'll be happy to answer any questions you might have.

**GEIST:** Thank you for your testimony. Are there any questions from the committee? Seeing none, thank you. Are there any other proponents to LB174?

**\*LARRY DIX:** Good morning members of the Transportation and Telecommunications Committee. My name is Larry Dix. I am the Executive Director of the Nebraska Association of County Officials. I appear today in support of LB174. Pursuant to LB174, counties above 60,000 population would receive Class A license incentive payments beginning in 2022 while smaller populated counties would receive Class A license incentive payments if a professional engineer is employed by the county. Engineers serving as a consultant or a contractor would not be eligible. Payments range from \$600/year for counties up to 500 in population to \$8,500 for counties of 200,000 in population or more. For the reasons identified previously, we are asking the committee to please consider our comments regarding LB174. Thank you for your consideration of our testimony.

**GEIST:** Are there any opponents to LB174? Anyone re-- desiring to testify in the neutral capacity? I do have testimony in a neutral capacity from Julie Harris from Bike Walk Nebraska, and I will have the pages pass her testimony out to each person on the committee, please. And any additional in the neutral capacity? Seeing none, Senator Friesen, would you like to close of your bill? And he waives closing and that will end testimony on LB174 and this part of the hearing.

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**FRIESEN:** OK, welcome, Senator Gragert, and with that, we'll open the hearing on LB78.

**GRAGERT:** Thank you, Chairman Friesen and members of the Transportation and Communication [SIC] Committee. I'm Senator Tim Gragert, T-i-m G-r-a-g-e-r-t, representing the 40th District in northeast Nebraska. I'm here today to introduce LB78. LB78 would require applicants for the Gold Star Family license plate, ex-prisoner of war plates, disabled veterans' plates, and Purple Heart plates to register with the Department of Veterans' Affairs. The Department of Motor Vehicles would then verify the applicant's eligibility using the registry to-- established by the Department of Veterans' Affairs. Currently, this registry is used to verify information from applicants for military honor plates or a veteran's designation on an operator's license or state ID. When I initially requested this bill to be drafted, it included the Pearl Harbor survivor plates as well. However, I had this portion removed from the bill after recently-- after I recently read that Nebraska's last-known eyewitness to the raid of Pearl Harbor had passed away. LB78 does not change the eligibility requirements, nor the fee structures, for these plates. It only requires the verification of eligibility using the registry established by the Department of Veterans' Affairs. The Nebraska Veteran's Council brought this suggestion for this legis-- legislation. They had received some complaints that unauthorized persons were using Gold Star Family license plates. Although the current application for these plates requires a signature and states that the filing of a false application violates the provisions of the Motor Vehicle Registration Act, and that any person that does so may be subject-- any person that does so may be subject to prosecution and cancellation of their certificate of registration. The DMV does not check their eligibility. LB78 would add this additional step. In working with the Department of Veterans' Affairs, it sounds like they could carry out the requirement of this bill within their current budget. They will have to add civilians to their registry, but they indicated that this would not be a problem. Thank you for your consideration on LB78. I believe that this is a good bill as it will give veterans' groups peace of mind, knowing that only eligible persons will be authorized to receive these military-related license plates. Furthermore, since county veteran service officers could fax the necessary documentation for the applicants to the Department of Veterans' Affairs-- Affairs, the subject-- the stand-- to submit to the register, DMV could convert

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these plates online, to an online registration, since a signature would no longer be required. I encourage your favorable vote on the advancement of LB70-- LB78. If there are any questions, I will try to answer them. However, John McNally from the Department of Veterans' Affairs is in attendance-- I believe he's in attendance-- and will be better equipped to answer them. Thank you.

**FRIESEN:** Thank you, Senator Gragert. Any questions from the committee? Seeing none, are going to stay around for closing?

**GRAGERT:** You bet. Thank you.

**JAMES LUTZ:** Good afternoon, Mr. Chairman. Senators of the committee, thank you for allowing me to testify today. My name is James Lutz, J-a-m-e-s L-u-t-z, from Kearney, Nebraska. I'm the legislative committee chairman for the VFW Department of Nebraska. I am a chief petty officer, United States Navy, retired. Please place me on record of my support for LB78, provided the committee make some amendments to the bill. First, I want to say that I believe this bill was written because three years ago I started stomping my feet very poorly to anyone who would listen to the lack of integrity of the Gold Star license plates in Nebraska. I spoke at VFW meetings at the post, district, and state levels, as well as others with know-how how to put a bill in front of this body, and the Nebraska Veterans' Affairs Director Hilgert and Director-- Deputy Director McNally. I want to publicly thank them for all their tolerating my ramblings, and I believe today is a great opportunity for all of the parties to come to the table to properly discuss and define what the meaning of a Gold Star is for Nebraska and how Nebraska can prevent abuse and, sometimes called, "stolen valor." I believe LB78 needs an amendment on page 2, lines 3 through 7, to better define Gold Star in Nebraska and to bring it in-- in line with attachment number 1. The definition of this bill is to bring the plates, pretty much anyone who fills out a form, no matter where the situation is, at the time of death. I know of examples of Gold Star plates being issued to family members of former soldiers who died after leaving service. This includes being elderly and in car accidents in Kansas. Simply put, the Gold Star is intended for family mem-- the families of service members killed in combat or terrorism attacks. Those service members must have been killed as a direct result of the hostile combat zone and not passed away in the boundaries of the United States. I recently asked my VFW post member, a-- and he's a Vietnam veteran, about when his brother passed away. He

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said: killed in action, March 6, 1969, 10:45 a.m., in Vietnam. My brother was younger than me, but went to Vietnam first, he said, and started sobbing and was wiping away his tears. That family is the definition of a Gold Star. My friend Dyrek Zoucha, from Clarks, was a Marine fighting with his brother Brent in Operation Iraqi Freedom. When Brent was killed, Dyrek had to escort his brother home to an already-widowed mother. That's the definition of a Gold Star. One night, April 1986, I myself listened to the combat information speaker on USS Ticonderoga CG47. The speaker announced: feet wet, minus one, two souls on board, indicating that all of the aircraft had crossed from land over water except for one plane with two crew members on board. My Memorial Day speech includes Operations Eldorado Canyon at Libya. I sometimes think about the surviving air crews that had to fly back to England in the middle of the night with one plane missing. The wives and the children of that air crew deserve the Gold Star. I believe Nebraska has found itself issuing Gold Stars-- Gold Star plates to just about anyone who fills out an application falsely. Plates have been issued for the tragic loss of a soldier driving down the highway in Kansas and to a lady in her 70s or 80s who passed away only a couple of years ago. He had served in war decades earlier. When he passed, she applied for and received the Gold Star plate number 90. While the loss of any family is painful, we must ensure that only those families that really made the ultimate sacrifice deserve and receive these plates. Finally, I want to mention the integrity of the application. Just Friday night I asked a friend, do your two boys still have the Gold Star? They are nephews, and how did they get them? He replied: One of the plates was turned in and the other still has the Gold Star plates. He said that his son simply hand-wrote on the application, "I am a nephew," and signed it. He was issued the Gold Star plate. I'm going to ask you, Senators, how can an applicant change the requirements of the application by handwriting a note to get it approved? I do not know where the responsibility lies, but I believe it a travesty that the most honored plate a family member of a service member killed in action is not reliably screened to validate the issuance of those plates. Perhaps DMV simply needs to require some documentation besides just the check in the box and the signature. Maybe it needs to be in the State Veterans' Registry. I don't really know that answer. I ask you to find one. I would like to make one final point. There is no penalty for falsifying the application form. Someone mis-- misusing a handicapped license is subject to a \$150 fine, \$300, second, \$500 for subsequent. It seems that the Nebraska

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law should include a penalty and enforcement for falsely licensing any vehicle using an honor plate, be it service branch all the way through Gold Star. Finally, I ask you to look at attachment 2 when you have the chance. Please Google "understanding the significance of a Gold Star." The top search of the web page includes a 1-minute, 15-second video that talks about the Gold Star lapel button. Nebraska's definition of Gold Star should be no less. Nebraska should promise to never forget those killed in combat and defending our freedom. Please consider my testimony today. LB78 is an important bill and should be passed, but only after amending to ensure that the Gold Star is defined to match U.S. code. I-- and it will ensure only those truly eligible can reserve the plates. Thank you for your kind attention.

**FRIESEN:** Thank you, Mr. Lutz. Any questions from the committee? Seeing none--

**JAMES LUTZ:** Thank you, Senators.

**FRIESEN:** --thank you for your service. Welcome.

**TOM McBRIDE:** Good afternoon. How are you?

**FRIESEN:** Great.

**TOM McBRIDE:** Senator Friesen, members of the committee, thank you very much for allowing me to provide some written verbal testimony today in support of LB78. My name is Tom McBride, T-o-m M-c-B-r-i-d-e, and I'm representing not only myself, but the almost 100 members of Chapter 200 Military Order of the Purple Heart here in Lincoln. And I'd really like to thank Senator Gragert for amending this legislation, bringing it forward. I was wounded in-- well, I spent 4.5 years on active duty and then later 18 years in the Nebraska National Guard and retired after 22 years of total service. I was wounded as an infantryman in Vietnam and later had the privilege of spending many hours flying medical evacuation helicopters with Senator Gragert. I was activated in support of Operation Desert Storm, flew medevac dust-off missions in Saudi Arabia, Iraq, and-- and Kuwait. In current statute, the process and the ability for someone to obtain a vehicle license plate denoting them as a Gold Star member, DAV member, Purple Heart recipient is really relaxed and I would look at State Statute 60-3,125, subsection (2), then all you have to do with the form is to sign a-- check a box that you are eligible for that and then provide

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some kind of documentation. In this day and age, being able to pull something off the Internet, being able to just go in and move stuff around is fairly-- fairly easy. And those people do exist. Now just as an example, I guess I could say I was a Vietnam veteran before it was popular to be a Vietnam veteran, I guess. The Department of Defense says there was 2.7 million of us that set boots on the ground in-- in Vietnam. There's almost just like 1 million of us still alive today, yet the Department of Defense estimates that there are 9.5 million people who have presented themselves as being Vietnam veterans. Our chapter, at our event, we even had a-- it was discovered we had a member who had falsified a DD Form 214, discharge paper, and was-- that he was awarded a Purple Heart. He's no longer a member of that chapter. And I can't tell you how many people I personally have had discussions with that have said that they were Purple Heart recipients, but when we asked them to join the chapter or something like that, they are unable to provide the appropriate documentation. You know, it's bad enough for somebody to try to present themselves as the Purple Heart recipient, but to promote themselves as a Gold Star family member is just absolutely unthinkable to me. And we need to, you know, to tighten up those-- those regulations. I think by having this additional requirement of the Department of Veterans' Affairs validating that, you know, takes a lot of this out of the equation. And in fact, it wouldn't hurt my feelings any, and I think probably members of our chapter, that any of the current Purple Heart license plates that are out there, that everybody has to refile and-- and validate those, because we all came in underneath the old-- the old program or the existing program. I appreciate the honor of displaying these plates. And I believe that Senator Gragert also appreciates the honor of people being able to display those plates when they are indeed validated and warranted, and we hope that it's important to the committee as well. I would strongly support advancement of LB78, and if anybody has any questions, I'd be more than happy to answer those.

**FRIESEN:** Thank you, Mr. McBride. Any questions from the committee?

**TOM McBRIDE:** Thank you.

**FRIESEN:** Thank you for your service. Any others wish to testify in favor of LB78? We do have some letters of support from Ron Dupell and Dean Kenkel. Anyone wish to testify in opposition? Seeing none, anyone wish to testify in a neutral capacity? Welcome.

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**JOHN McNALLY:** Good afternoon, Chairman Friesen and members of the Transportation and Telecommunications Committee. My name is John McNally, J-o-h-n M-c-N-a-l-l-y, and I am here representing the Nebraska Department of Veterans' Affairs, and I will be testifying in a neutral capacity on LB78. Director Hilgert was unable to be here today because of the weather. He sends his regards to everyone. But I wanted to say thank you to Senator Gragert for inviting us to testify on this bill. The Nebraska Veterans' registry was established in 2013. It's a fairly new program. It was established by LB93 initially for the veteran's indicator on the driver's license. It was subsequently expanded in 2014 to include the original military honor license plates. Since that time, it has been expanded over the years, as recently as a couple years ago, and even last year to expand both the driver's license and additional license plates. I know that there's a lot of conversation about not necessarily process, but really definition, and they're focusing mainly on the Gold Star license plates. I can tell you that it is a-- it's a very emotional issue. And so I guess my-- my ask from the agency is that we have the conversations very thoughtfully about what that definition would be and then also provide some guidance to us as an agency so that we can implement whatever the guidance is from the committee and from the body. At this time, I would open it up to any questions that you might have, and I'd be happy to discuss the registry in detail if you'd like.

**FRIESEN:** Thank you, Mr. McNally. Any questions from the committee? Senator Bostelman.

**BOSTELMAN:** Thank you, Chairman Friesen, and thank you, Mr. McNally, for being here. I guess the initial question I'm going to-- I have is, how do you see the interaction between you and the individuals? How does this-- how does this work? And then I also know-- this morning I was speaking with Director Lahm, as she was in this morning on some bills. You know, they've got a new system with the DMV that is-- that I think may have some areas where we can work with to make things a little bit more appropriate, shall we say, for this. But how-- how does this process work on the reverification as you see it?

**JOHN McNALLY:** OK, so again, I just want to be fair and just say, you know, we don't currently have any guidance, so anything I say is speculation. But I think-- I think we can get close, maybe. So generally on any of our other programs, we have verification. So

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that's either a discharge document, a DD 214, an NGB 22. If we need, you know, a letter from the USVA or-- or whatever it is, including marriage licenses, birth certificates, that kind of thing, we outline that on the form. And then once those come in, we have intensive training with our staff to understand the information on those documents, verify the information, and then we put it into our software. Once it's in the software, nightly that data is transferred into the DMV system so that the DMV can very plainly see, yes or no, on the driver's license and then which license plates someone is eligible for. So in looking at the license plates that are in this specific bill, there would be some-- some things we'd have to figure out, such as on the Disabled American Veteran license plate, that would need to be verified by the U.S. Department of Veterans Affairs. They have a regional office here in town located out on Old Cheney Road. They currently offer us eligibility on things like the hunting and fishing license and on the homestead exemption, so they're already doing that type of work. But we would need to establish a process where we could get the license plates' applications down to them and to get them back and into the system. On things like the Purple Heart, that will be directly on the DD 214. We could pull that information off of there, load the document. That's no different than the-- the plates that we are currently issuing for such things as the Iraq campaign medal, that kind of thing. And then the Gold Star, that's-- that's a question. That's maybe a little bit more difficult, but I presume that we would use something like a marriage certificate, a birth certificate establishing a relationship. And then there's also some items in the-- in the bill that would-- we would need some sort of a court document, a court order establishing a relationship. So we-- we presumably could use any of those documents, depending on the burden on the applicant, to get that loaded and sent to DMV.

**BOSTELMAN:** OK, thank you.

**FRIESEN:** Thank you, Senator Bostelman. Any other questions from the committee? Seeing none, thank you for your testimony.

**JOHN McNALLY:** Thank you very much.

**FRIESEN:** Any others wish to testify in a neural capacity? Seeing none, Senator Gragert, do you wish to close? Senator Gragert waives closing. That will close the hearing on LB78. Welcome, Senator Hansen. With that, we'll open the hearing on LB302.

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**M. HANSEN:** Thank you and good afternoon, Chairman Friesen and members of the Transportation and Telecommunications Committee. For the record, my name is Matt Hansen, M-a-t-t H-a-n-s-e-n, and I represent District 26 in northeast Lincoln. I decided to introduce LB302--

**FRIESEN:** Senator-- Senator Hansen, you have to talk really loud.

**M. HANSEN:** Sure. I decided to introduce LB302 after a constituent brought it to my attention, and I believe it makes a minor yet important change to the law related to administrative license revocation. Currently, if a person is cited by police with charge of DUI, that person's operator's license is confiscated by police and is temporary suspended by the DMV until the criminal case alleging the DUI is resolved. This obviously makes sense because we don't want people to keep their license and to continue to drive while they have a DUI court case pending. However, current law also provides that if the prosecutor decides to not file the charge of DUI or if the person charged with DUI is found not guilty at trial or otherwise wins a pretrial hearing to dismiss, then that current law provides that person's driver's license is automatically reinstated. However, in this specific scenario, if a prosecutor files the charge but then later reconsiders and dismisses the case, the law does not provide for automatic reinstatement, even though this is functionally the same as the prosecutor never filing the charges in the first place. LB302 would correct this apparent oversight. LB302 amends Section 60-498.02 to provide that if a person is cited by the police then charged with driving under the influence, but subsequently the prosecuting attorney decides to dismiss the charge, then the person can similarly have their license automatically reinstated. As I said before, this can-- situation happened to one of my constituents and the attorney who represented her in that case will be here to testify. I've also submitted a letter from my constituent that is shared with the committee. Will also note that I shared a-- the draft of this bill with the Nebraska County Attorneys Association, and I believe they submitted a letter for the record this morning in support of this change. With that, I'll close and thank you for your time and consideration.

**FRIESEN:** Thank you, Senator Hansen. Any questions from the committee? Seeing none, stick around for closing? Testimony in support of LB302?

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**SPIKE EICKHOLT:** Thank you. Good afternoon, Chairman Friesen and members of the Transportation and Telecommunication Committee. My name is Spike Eickholt, S-p-i-k-e, last name is E-i-c-k-h-o-l-t, appearing on behalf of the Nebraska Criminal Defense Attorneys Association in support of the bill. I want to thank Senator Hansen for introducing the bill. As Senator Hansen indicated before, and he's explained, I-- I don't-- can't explain it any better than he already has. The bill was intended to create what I perceived as maybe just a small oversight in the statutory scheme regarding restoration of the-- of a person's license, driver's license, if their criminal charge is dismissed or if they somehow aren't charged and not found guilty of it. I represented the constituent of Senator Hansen. It was right before legislative session started. She approached me. She was cited for driving under the influence. It was kind of a unique factual situation that I don't need to go into here. But what happened was after I-- we went to court for the first time, I got the police reports. After I did discovery, I looked at the case. I visited with the prosecutor's office here and I-- and I showed them the deficiencies in the case and they dismissed it, and that was the simple, right thing to do. And then she ran into some difficulty getting her license reinstated. She was able to get it back without paying the reinstatement fee. And-- and I don't do the amount of DUI cases that some of my members do, but apparently this is a-- a situation that happens throughout the state. And typically what's done is that the prosecutor or the defense attorney will ask the prosecutor to write a letter explaining why they dismissed the case, and then that's shown to the DMV. That was-- I was able to get that, and that's how my client-- client got her license reinstated. But I don't know that every lawyer knows to do that. And I don't know what a person does if they don't have an attorney, how they sort of navigate that, negotiate that, so that's why I thought it would make some sense to change the law. The fiscal note I was kind of surprised by and perhaps-- and this is a lobby fail, if you will. I should have probably shared this with Rhonda Lahm and the people at the DMV, perhaps, I-- before I had introduced. But as I explained before, it was right before session started. I got-- I worked on this with the local county attorney here. As Senator DeBoer will tell you, it's rare that the defense attorneys and the county attorneys agree on something. So I thought, let's just get going, perhaps I got going too quickly. But I think that the DMV would like to have some changes perhaps from the draft that maybe-- so we're drawing down that fiscal

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note that they estimate, or maybe I'm just mis-- misunderstanding it, whatever it might be, but I'm willing to work with the committee and with the drive-- Department of Motor Vehicles and whoever else may want to work on this issue to somehow resolve that fiscal note. I'd ask the committee to support this bill. I think it makes sense and again ask [SIC] Senator Hansen for introducing it.

**FRIESEN:** Thank you for your testimony. Any questions from committee members? Seeing none, thank you for your testimony. Any others wish to testify in support of LB302?

**\*MICHELLE WEBER:** Chairman Friesen and Members of the Transportation and Telecommunications Committee. This is Michelle Weber testifying on behalf of the Nebraska County Attorneys Association. Thank you for this opportunity to submit testimony in support of LB302, to be included in the transcript of the hearing and listed on the Committee Statement for the bill. The Nebraska County Attorneys Association is in support of LB302, a bill to change provisions surrounding the administration license revocation under the Motor Vehicle Operator's License Act. Our Association support the technical clean-up changes that this bill entails. These changes will bring fairness and consistency to the license revocation (and return) process. If a prosecutor files charges for driving under the influence, but later dismisses those charges, the person should be allowed the reinstatement of their license. Please note, the Nebraska County Attorneys Association sees no reason to conclude, as the Department of Motor Vehicles did in their fiscal note, that dismissals of cases will increase if this bill is passed. Thank you for your favorable consideration of this bill.

**FRIESEN:** Does anyone wish to testify in opposition to LB302? Seeing none, anyone wish to testify in a neutral capacity? Seeing no one who wishes to testify in a neutral capacity, we do have one letter from Michelle Weber, representing the Nebraska County Attorneys Association.

**DeBOER:** In-- in support?

**FRIESEN:** In support. Senator Hansen waives closing. That will close the hearing on LB302 and we'll close the hearings for the day.