

Transcript Prepared by Clerk of the Legislature Transcribers Office
Transportation and Telecommunications Committee January 30, 2023
Rough Draft

GEIST: Good morning and welcome to the Transportation and Telecommunications Committee. My name is Suzanne Geist, I represent District 25, which is the southeast corner of Lincoln and Lancaster County. We will start off having members of the committee and staff do self-introductions, starting to my right with Senator Fredrickson.

FREDRICKSON: Good morning. I'm John Fredrickson and I represent District 20, which is in central west Omaha.

MOSER: Mike Moser, I represent District 22: Platte and most of Stanton Counties.

BRANDT: Tom Brandt, District 32: Fillmore, Thayer, Jefferson, Saline and southwestern Lancaster Counties.

BOSTELMAN: Bruce Bostelman, District 23: Saunders, Butler and Colfax Counties.

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

DeKAY: Barry DeKay, District 40, I represent Holt, Knox, Cedar, Antelope, most of Pierce and a lot of Dixon County.

GEIST: Also assisting is our page Caitlyn from UNL, who is a history major. Thank you, Caitlyn. This morning we'll be hearing a confirmation hearing and one bill, and we'll take them in the order that's listed outside the room. On the table near the entrance of the room, you'll find blue testifiers sheets. If you're planning to testify, please fill one out and hand it to the page when you come up. This will help us keep an accurate record of the hearing. If you do not wish to testify, but would like to record your presence at the hearing, please fill out the gold sheet on the table near the entrance. I would also like to note the Legislature's policy that all letters for the record must be received by the committee by noon the day prior to the hearing. Any handouts submitted by testifiers will also be included as part of the record as exhibits. We would ask if you have any handouts, you please, please bring ten copies and give them to the page. If you need additional copies, the page will be sure to provide them for you. Understand that senators may come and go during our hearing. This is common and required, as they may be presenting bills and other committees. This is how our hearing will run. Testimony for each bill will begin with the introducer's opening statement. After opening statements, we will hear from any supporters

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of the bill and then from those in opposition, followed by those speaking in the neutral capacity. The introducer of the bill will be given an opportunity to make closing statements if they wish to do so. We ask that you begin your testimony by first giving us your name and spelling it for the record. We will be using a five minute light system today. When you begin your testimony, the light on the table will turn green. The yellow light is your one minute warning. And the final-- the red light comes on, we ask you to wrap up your final thoughts. I would like to remind everyone, including senators, to turn off your cell phones or put them on vibrate. And with that, we will get-- begin with the confirmation hearing, the appointment of Rhonda Lahm to Director of Department of Motor Vehicles. Welcome, Director Lahm.

RHONDA LAHM: Good morning, Chairwoman Geist and members of the Transportation and Telecommunications Committee. My name is Rhonda Lahm, R-h-o-n-d-a L-a-h-m, and I've been appointed by Governor Pillen to continue serving as the Director of the Department of Motor Vehicles. I grew up on a farm in southwest Nebraska, attended a one-room country school and graduated from high school in Maywood, Nebraska. I attended what at the time was Kearney State College for one year and then transferred to Nebraska Wesleyan University, where I received my Bachelor of Science degree. I have since received my master's degree in management and leadership from Doane University. This is my 43rd year in state government, with service in three different agencies: the Department of Corrections, the Nebraska State Patrol and the Department of Motor Vehicles. Over 20 of the 43 years has been in management positions. I spent over 25 of those years as an officer with the Nebraska State Patrol, attaining the rank of major prior to my retirement in 2008. As the Administrative services major, my responsibilities included oversight of information technology, finance, procurement, grants, research and planning, communications network, radio engineering, supply and training academy divisions, as well as being one of five sworn personnel comprising the agency's command staff. Over my career, I've received specialized training in supervision and management, and I'm a graduate of the Northwestern School of Police Staff and Command, where I received the Franklin M. Kreml Leadership Award. I'm a certified mediator through the Nebraska Office of Dispute Resolution. I've also been an active volunteer with my church, the schools my children attended and Boy Scouts over the years. In February of 2013, I assumed the position as Director of the Department of Motor Vehicles and have served in that capacity since then. I'm responsible for all aspects of the agency's operation and

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ensuring compliance with statutory requirements. In the last several years, the DMV team has made significant strides forward in providing better and more efficient service to our customers. I'd like to highlight some of those activities. The agency has completely revised the business model for providing driver license services in the Omaha metro area with the deployment of service centers. This change has significantly improved customer service by reducing wait times and allowing for appointments for all types of service. This new model for driver's licensing services is currently in the process of being deployed in Lancaster County. In 2019, we deployed the complete modernization of the vehicle title and registration system. This major project, which was completed on time and \$1 million under budget, has provided efficiencies for service, increased our ability to audit and account for the over \$850 million collected and distributed each year through this system and allowed for expansion of online services. The department has worked closely with the Nebraska Trucking Association to move forward with the modernization of the motor carrier services registration system. At the current time, the responses to the request for proposals have been received and the evaluation process is being completed. We anticipate the project to begin later this spring and be completed by the end of 2024. In 2021, a fund was established to begin setting aside moneys for the modernization of the driver's licensing system. That project timeline has been developed and we anticipate the project will be completed well ahead of the statutory mandate. When these two projects are completed, all of the large operational systems in the DMV will be on modern platforms. Over the last ten years, the DMV has deployed numerous online services to better serve our customers. I'm very fortunate to have exceptional employees who work hard for the residents of Nebraska. They're progressive and innovative thinkers who step up to the plate and find creative solutions to challenges. I look forward to continuing to work with them to provide customer-focused services for the people of Nebraska. Thank you very much for your time today and I'd be happy to answer any questions you may have.

GEIST: Thank you for your testimony. Does the committee have any questions for the Director? Yes, Senator Fredrickson.

FREDRICKSON: Of course. Thank you, Chair Geist. Thank you for being here today and thank you for your work. I certainly have, I've personally benefited from online appointments in Omaha, so that is, I think, a much-needed improvement there. One question I did have about in Douglas County with the DMV, specifically as it relates to written

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tests and driving tests, my understanding is that's only available at the 178th and Dodge location. Is that, is that correct?

RHONDA LAHM: So that is correct in terms of Douglas County and then also the metro south location. So when we looked, before we started that project, we actually worked with the University of Nebraska at Omaha, and they did a population study for us. We asked them to identify where should we strategically locate two service centers at the time, large service centers, to best serve the customers then and also looking to the future. So they identified two different options, kind of like a north/south stacked on top of each other, one in Sarpy, one in Douglas. And then also like a northwest/southeast, kind of like where we went. And the reason that we chose the one we did is we were seeing huge expanding-- expansions in the eastern, southeastern part and also in northwest. And then we felt like that still left a void, so we then added the north service center that does express stations, sort of like what we used to have here in Lincoln. So those sites were selected in conjunction with the expert at the University of Nebraska, Omaha during the population study.

FREDRICKSON: And the sites that are on the north side, center you added, are residents able to take tests at that site?

RHONDA LAHM: So--

FREDRICKSON: Or they would have to go to the 178th--

RHONDA LAHM: --there's no testing there.

FREDRICKSON: OK.

RHONDA LAHM: There's, there's like renewals, initial applications for ID cards, really any service that's not test for CDL. And even prior to that, we only had CDL testing at one location of the five that we had in the smaller offices in Omaha. And part of what drove that whole thing was the population was increasing in the Omaha metro and we looked at the whole metro area. We didn't really divide counties, we just looked at the whole metro area because that's how we staff and how we view that service area. And when we looked at it, the offices that we had, there was no more room to physically expand, in other words, to make additional workstations. And we were growing at 6 percent a year in that area in customers we were seeing in the doors. So we had to look at a different business model. And I think it's proven to be the right business model as a revision. But that's how we

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identified where we did in conjunction with the University of Nebraska.

FREDRICKSON: Sure, sure. I think my only concern with that would be just accessibility purposes for folks who might not live in that area, especially if they were going to be taking a driver's exam. You know, public transportation could be an issue to get out there. But, but I appreciate your feedback on that. Thank you.

RHONDA LAHM: I appreciate that. Thank you.

GEIST: Yes, Senator Brandt.

BRANDT: Thank you, Chairwoman Geist. Thank you, Director Lahm, for appearing today. The voters passed voter ID, and so the most likely scenario coming out of this is to be a registered voter in the state. And if you do not, I would assume the driver's license would qualify. But for those that do not have a driver's license, they'll have to get an ID. I would guess your agency will be the one responsible for that?

RHONDA LAHM: Well, you know, I'm going to, I'm going to have to defer that to the people that are working on that. There's been different drafts of that legislation. I know initially there was some legislation for that, and I don't know where that's going to land. I think it's a possibility. I just don't know where that's going to land.

BRANDT: Do you know what percent of the IDs, I mean, you do driver's licenses, but you also do-- do you just call them ID cards?

RHONDA LAHM: Right. State ID cards, correct.

BRANDT: How many of those do you do on an annual basis today?

RHONDA LAHM: I don't know that number off the top of my head, but we were asked on a few different bills there were language in bills that said people over the 18-- age of 18 would be required to have a free ID. And we submitted a fiscal note and we looked at the, we looked at the 2020 census and, and to determine how many people were over the age of 18 in Nebraska. And we looked at how many people we have issued a credential over the age of 18 and took the difference from that to figure out those fiscal notes. So we have some of those numbers on those fiscal notes, and I can get that number back to your office, if you want me to. So we smoothed that-- in fact, I think that one of

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Senator Machaela's bills has that information, Senator Machaela Cavanaugh's bills.

BRANDT: If, if the legislation comes out to say the state will provide ID cards to those that, that asks for them, do you feel your agency is, is up to the task today?

RHONDA LAHM: Well, it would just be, I mean, if it was issued and it had the same requirements as our current credential, it would just be issuing credentials to additional people. So, yes, I think we--

BRANDT: All right. Thank you.

GEIST: Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you, Director Lahm, for being here and for your willingness to continue to serve for the state. I wanted to follow up on some of the questions that Senator Fredrickson had. Are, are there any opportunities for discussions about building another testing site in the Omaha area, specifically in east Omaha? Because 170th, I mean, I live at 72nd and Dodge, so I'm kind of centrally located and that's a trek for me and I have a car. So for those that have a difficulty with transportation to get all the way out there, it really is a problem in Omaha. So is there an opportunity for us to partner with the city, with the county, to get another testing facility?

RHONDA LAHM: I mean, I think we can always look at what the options are. So somebody who is currently has their license can always go online.

M. CAVANAUGH: Sure.

RHONDA LAHM: For online services. If they haven't had their license, they are in the process of doing the test to receive it, they're going to have to have a car to actually do the test anyway because we don't provide the car.

M. CAVANAUGH: Right.

RHONDA LAHM: But we can, I mean, we can always look at options to partner with-- I mean, previously we partnered with the county--

M. CAVANAUGH: Right.

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RHONDA LAHM: We could look at those options and see what they look like.

M. CAVANAUGH: Yeah, there used to be a testing facility blocks from my house. It was glorious. On 84th. But yes, I appreciate that people can go online to renew. But again, this similar population doesn't have easy access to online services because we have, just like the rest of the state, we have some broadband Internet deserts, especially in east Omaha. So I appreciate that this maybe could be an ongoing conversation about how we can work on that. Another question I have is last year we had a bill on driver's license fees and it came to my attention that we, not you, but we charge more for the fee than is necessary for the cover of the costs. And I think it was \$10 were going to the state General Fund. And then we appropriated two or three of those dollars back to the DMV for necessary services. I'm not a big proponent of us charging fees unnecessarily. So if we were to reduce those fees by \$7-- or could that \$7 go towards-- are there any programs that we could be looking at, such as additional testing sites, not just in Douglas County, but around the state? Is that something that we could be using those resources for?

RHONDA LAHM: So your question is very timely. Because tomorrow we have a bill in front of this committee--

M. CAVANAUGH: Fantastic.

RHONDA LAHM: --that reallocates those fees--

M. CAVANAUGH: Oh, wonderful.

RHONDA LAHM: --just to operating expenses so.

M. CAVANAUGH: To what expenses?

RHONDA LAHM: To-- so I don't want to get in too much ahead of the bill, Senator Moser's bill. [INAUDIBLE].

M. CAVANAUGH: OK.

RHONDA LAHM: --ahead a bit too far, but just kind of to outlay what our last six, seven-year trend has been. Actually longer than that, but, you know, specific numbers in the last six or seven years that very specifically addresses that question you just asked.

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M. CAVANAUGH: Awesome. Thank you. And I will find my own bill's fiscal note to share with the committee on the state IDs, so thank you.

RHONDA LAHM: Thank you.

GEIST: Are there any additional questions for the director? Well, I'll just add how much I've appreciated working with you and your department. I did want to ask one question, and it's if you would just give a brief synopsis of what the driver's licensing system and modernizing that. Can you tell the committee what that looks like and where you're at in that process?

RHONDA LAHM: OK, yeah. So the bill, it was LB106, I think, that was passed in 2021. So that set aside the fee. So what that is, is that's a completely remake of our current driver's licensing system, which is currently on a mainframe legacy system. And so that process starts out with right now we are, we actually have the RFP developed to hire a consultant that will help us identify and write the request for proposal. It's a very extensive request for proposal, like hundreds of pages, because we have to identify every business process we do. And in driver's licensing, it touches a lot and everybody, everywhere that system touches. So that's the process we're in now. After we get the consultant on board, we'll do the request for proposal. We'll be meeting with all the stakeholders of people who use the system, have access to the system. And after that's out, it goes out to bid. It will be a probably a three-and-a-half- to four-year implementation project from the time we start the project until it's completely implemented. So it will be a few years down the road, but that's the trajectory that we're on. But we're still paced to be done, hopefully a couple of years sooner than the statutory mandate.

GEIST: Thank you. That's just helpful for all of us to kind of know where they're at. And I'll just throw in how excited I am to have a Lancaster County new licensing building. I know that's in process as well. But anyway, thank you for your service.

RHONDA LAHM: Thank you.

GEIST: Are there any additional questions for Director Lahm? I don't see any. Thank you very much.

RHONDA LAHM: Thank you.

GEIST: That will close our confirmation hearing and we'll-- oh, no, it won't. I'm sorry. Are there any proponents for this appointment? I

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don't see any. Anyone in opposition to this appointment? Seeing none, anyone in the neutral capacity? Now I will close the app-- the hearing for the appointment of Director Rhonda Lahm to the Department of Motor Vehicles. And we will move on to LB37, which is Senator Dungan. Good morning.

DUNGAN: Good morning. You have such a full schedule today.

GEIST: Yes.

DUNGAN: Good after-- or good morning, Chair Geist and members of the Transportation and Telecommunications Committee. I am Senator George Dungan, G-e-o-r-g-e D-u-n-g-a-n, I represent the people of northeast Lincoln in Legislative District 26. Today I'm introducing LB37. LB37 is a bill to allow county treasurers to accept a certificate of title inspection from any certified law enforcement agency from another state. Current Nebraska laws only allow county treasurers to accept a certificate of inspection from a state police agency only. Many states, like Iowa, allow a certified peace officer to perform title inspections. That could be a state police agency, a county sheriff or municipal law enforcement agencies. Many state police agencies are located in more urban areas, making getting a title inspection burdensome in rural areas. States that have expanded title inspections to a certified peace officer or the equivalent have not seen an increase in crimes associated with vehicle sales or title inspections. LB37 would expand the narrow scope of out-of-state title inspections while maintaining their integrity by requiring that the agency and officers are certified by their respective states. This concludes my introduction to LB37. Thank you for your time and attention, and I'm happy to answer any questions the committee may have.

GEIST: Are there any questions? Yes, Senator Brandt.

BRANDT: Thank you. Yeah, thank you, Chairwoman Geist. Thank you, Senator Dungan, for bringing this bill. I thought the county sheriffs can do this now. I'm almost positive in my counties, when we've had out-of-state titles, we go down to the sheriff, give them their ten or 20 bucks, they verify it. And you're saying that's not the case, that it, it has to be a state officer?

DUNGAN: So what we're talking about specifically-- thank you for that question. I want to clarify. We're talking about the title inspections done by entities in other states. And so if a title inspection is done

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out of state, currently, the law requires that that title inspection has to be done by a state agency--

BRANDT: OK.

DUNGAN: --in that other state. What we're trying to do is just expand the definition of that. So instead of "state law enforcement agency", it says "certified peace officer." For example, if you're trying to accept a title inspection that was done in Wyoming, and I'm just using that as an example, I don't know what Wyoming's laws are, but Wyoming happens to use local municipal officers like the local police that do title inspections out there. This would allow that title inspection to be accepted here in Nebraska because currently it has to be a state law enforcement agency. So a state that does title inspections by state patrol would be accepted, but if they utilize county sheriffs or other levels of municipal law enforcement, it wouldn't necessarily qualify for out-of-state title inspections under the current law. So we're just trying to say if you are a certified peace officer, that title-- in another state, that title inspection would be accepted here in Nebraska as well.

BRANDT: So today, to clarify. Today, if I have a Kansas title and the Kansas State Patrol certified that, I wouldn't have to go to my sheriff?

DUNGAN: Under-- yeah, there are certain qualifications. There are certain times that you still have to do an in-state title inspection, for example, in the instances of salvage titles and things like that. But yes, there is a provision in the law that allows for the acceptance of out-of-state title inspections if they're done by a state law enforcement agency. We're just trying to expand that to all certified law enforcement officers.

BRANDT: All right. Thank you.

GEIST: Yes, Senator Bostelman.

BOSTELMAN: Thank you, Chairwoman Geist. Thank you, Senator Dungan, for bringing the bill. Do you know how many people, because you have to have an in-state, I guess, liaison person to handle these, right?

DUNGAN: Correct.

BOSTELMAN: Do you know how many companies, businesses do that in Nebraska?

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DUNGAN: I don't know off the top of my head. I can try to get that information for you moving forward. But I don't know off the top of my head how many exist in Nebraska.

BOSTELMAN: And do you think there's a few or a lot of these type of things come through the state-- state inspections?

DUNGAN: I think there's a few. I don't think this would-- my understanding is this would not open up some gigantic floodgates where it would completely alter the way that our titling is done. I think it addresses a small problem that would affect in certain individuals and certain companies, but I don't believe that it's a massive amount of the titling that we're looking at here in Nebraska.

BOSTELMAN: OK. Thank you.

GEIST: Any other questions? I have one.

DUNGAN: Yes?

GEIST: When, when this occurs, is the vehicle actually in the state? Like, would it be in Nebraska and seen by our State Patrol to issue that-- or to accept that license? Or is this sight unseen?

DUNGAN: So this is for inspections that are being done out of state by other law enforcement agencies. So a certified law enforcement official who then has to have that certificate of title inspection certified by their boss or their superintendent, that's also required in here. It has to be checked off by a supervisor, would be done out of state.

GEIST: OK.

DUNGAN: And so ultimately, that's this whole provision is allowing for those out-of-state title inspections.

GEIST: OK. Thank you.

DUNGAN: But I do think it's important to note the law does currently require that superintendent or supervisor certification or signoff. So the certified law enforcement official does the title inspection, and then that has to be signed off by a superintendent. So there is at least that check and balance there. And so I don't think this is going to open up the floodgates either to any sort of malfeasance or

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concerns in that respect, given that there is that check and balance already in place.

GEIST: Gotcha. All right, any other questions? I don't see any. Thank you for your testimony.

DUNGAN: Thank you.

GEIST: Are there any proponents to LB37? Any proponents? Are there any opponents to LB37? No opponents. Anyone to speak in the neutral capacity on LB37? Seeing none, Senator Dungan, you are welcome to close.

DUNGAN: There's a lot of questions to be answered.

GEIST: Then that will conclude the hearing for LB37 and our hearings for this morning.

GEIST: Good, good afternoon and welcome to the Transportation and Telecommunications Committee. My name is Senator Suzanne Geist and I represent District 25, which is the east side of Lincoln and Lancaster County. We will start off by having members of the committee and committee staff do self-introductions, and I'll start on my right here with Senator Moser.

MOSER: Mike Moser, District 22. It's Platte County and most of Stanton County.

BRANDT: Tom Brandt, District 32: Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster Counties.

BOSTELMAN: Bruce Bostelman, District 23: Saunders, Butler, and Colfax Counties.

DeKAY: Barry DeKay, District 40: Holt, Knox, Cedar, Antelope, most of Dixon and most of my Pierce-- or northern part of Pierce County.

GEIST: Our committee counsel is Mike Hybl. Caroline Nebel is our committee clerk and also assisting us are our pages, Delanie and Logan. Delanie is studying political science at UNO and Logan, international business at UNL. This afternoon, we will be hearing two bills and we'll be taking them up in the order listed outside the room. On the table near the entrance of the room, you will find blue testifier sheets. If you're planning to testify today, please fill one out and hand it to the pages when you come up. This will help us keep

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MOSER: Thank you.

GEIST: All right. Thank you, Vice Chairman Moser, and good afternoon, members of the Tele-- Transportation and Telecommunications Committee. For the record, my name is Suzanne Geist, S-u-z-a-n-n-e G-e-i-s-t, and I represent District 25. LB136 allows for owners of ATVs and UTVs to try-- to title their ATV or UTV in any county with a county treasurer. Section 2 and 3 harmonizes the term "United States Government Certificate" to obtain title for former military vehicles and adds the term to the list of documents that may be submitted with an application of certificate of title for a motor vehicle which has not been previously titled in Nebraska. Section 2 also allows for a person to check the National Motor Vehicle Title Information System or the National Crime Information Service, in addition to the National Crime Information Center to conduct an identification inspection of a vehicle. Section 4 changes a term from "damaged" to "branded" to allow for all brands from out-of-state titles to be carried forward to

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Nebraska certificates of title. Section 5 allows the director to suspend, revoke, cancel or refuse to issue or renew a registration if the applicant that is registering an apportioned vehicle has committed a violation of the International Registration Act or the rules or regulations under the act. Section 6 eliminates outdated and obsolete language relating to restricted commercial drive-- driver's license. It also increases the seasonal period of validity for a restricted commercial operator's license from 128 to 210 days. Thank you for your time and attention. Director Lahm will be following me to answer any detailed questions that you have. But in the meantime, if you have any questions of me, I'm happy to answer those.

MOSER: OK. Committee have any questions for Senator Geist? You must have done a great job.

GEIST: Yeah, it's, it's an-- this is riveting stuff, so.

MOSER: Well, yeah. We were enthralled. OK, is anyone here to speak in support of this bill?

RHONDA LAHM: Good afternoon, Vice Chairman Moser and members of the Transportation and Telecommunications Committee. I'm Rhonda Lahm, R-h-o-n-d-a L-a-h-m, Director for the Nebraska Department of Motor Vehicles. I'm appearing before you today to offer testimony in support of LB136. I would like to thank Senator Geist for introducing LB136 on behalf of the department. The purpose of the bill is to update and harmonize DMV statutes and implement current business practices. Section 1 of the bill allows for ATV and UTV owners to file applications for title with the county treasurer of any county in Nebraska. This harmonizes with current statute allowing for motor vehicles to be titled in any county. Section 2 allows law enforcement agencies to check the National Motor Vehicle Title Information System or the Nebraska Crime Information Service when conducting an identification inspection of an out-of-state title. The DMV has found both symptoms-- systems provide the same information for law enforcement, but both systems may not be accessible to all law enforcement. The bill does not remove the requirement to conduct a check of the National Crime Information Center. Sections 2 and 3 harmonize the term "United States Government Certificate" to obtain title with other sections of statute and adds the term to the statutory list of acceptable documents for the issuance of a title. This document is issued by the U.S. military to foreign military vehicles and allows for former military vehicles to be issued titles in Nebraska without a vehicle inspection, providing efficiencies for

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the customers. Section 4 changes a term to allow for all brands on an out-of-state certificate of title to be carried forward to Nebraska certificates of title. This will provide for greater customer awareness and protection regarding these types of vehicles which may be purchased at a later time with a Nebraska certificate of title. Section 5 allows the director of the DMV to suspend, revoke, cancel or refuse to issue or renew registrations for an applicant who has committed a violation of the International Registration Act. Section 6 outlines provisions beginning January 1, 2024, increasing the seasonal period of validity of restricted commercial driver's licenses from 180 to 210 days. This change is in conformance with the Federal Motor Carrier Safety Administration's rules and benefits the customer, allowing the RCDL holder to have a longer period of time before the document expires. This section also harmonizes and removes various obsolete statutory language. I encourage the advancement of LB136 to General File. Vice Chairman Moser, at this time, I'd be happy to answer any questions the committee may have.

MOSER: OK. Committee members, do you have any questions for-- Senator Bostelman.

BOSTELMAN: Thank you, Vice Chairman Moser, and thank you, Director Lahm. Section 4, branded.

RHONDA LAHM: Um-hum.

BOSTELMAN: That term, could you explain-- we've dealt with a lot of titles over the years back and forth. So with that change from damaged, branded--

RHONDA LAHM: Yeah.

BOSTELMAN: --could you explain what that means?

RHONDA LAHM: So right now, the statute just says to put the damaged on there, but branded could be any type of thing. So for example, water damage if it was in a flood. And that's what we see very commonly. So like, say, there's floods in Texas and those vehicles have water damage and it has a water brand on it, a water damage brand. But if it comes to Nebraska right now, it just says-- we mark damaged. So we don't specifically say water damage. And that way, a consumer would know that that vehicle had water damage or it previously had water damage when they buy it without that brand on there. So the idea is to make this accurate so we don't have consumers that get taken advantage

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of and purchase a vehicle that could have some significant damage to it that's not visible when they buy it at the time. So--

BOSTELMAN: OK.

RHONDA LAHM: --that's the purpose of that.

BOSTELMAN: Thank you.

MOSER: Other questions? Senator Brandt.

BRANDT: Thank you. Vice Chair Moser. Thank you, Director Lahm. Section 5, what is the International Registration Act? Can you explain what this does?

RHONDA LAHM: Yeah. Thank you. So the International Registration Act is part of the governing rules for registering commercial motor vehicles. So in other words, the big trucks that you see. And so we-- the-- in statute, we already-- I already have the authority to suspend, revoke and cancel if people haven't met the requirements of the International Fuel Tax Agreement, which is the taxes they have to pay for the Unified Carrier Registration plan. But this was just an omission and wasn't included. So basically what this says is if people haven't met their obligations under the International Registration Plan and they apply to be renewed, we don't have to renew them. And if after a period of time they don't comply, that we can suspend or revoke their registration credentials and have to return.

BRANDT: All right. Thank you.

RHONDA LAHM: You're welcome.

MOSER: OK. Other questions? OK. Thank you.

RHONDA LAHM: Thank you.

MOSER: Anybody else to speak in support? We should also note that Senator DeBoer and Senator Fredrickson have joined us. Anybody here to speak in opposition to this bill? Anybody in the neutral? Senator Geist waives her closing. We got one letter of support and no letters from opponents. That should close our hearing on LB136 and we'll move on to LB138, also sponsored by Senator Geist.

GEIST: Well, thank you, Vice Chairman Moser, and good afternoon, members of the Transportation and Telecommunications Committee. My

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name is Suzanne Geist, S-u-z-a-n-n-e G-e-i-s-t, and I represent District 25. LB138 is an annual update bill governing the federal regulations under which the Nebraska State Patrol and the Nebraska Department of Motor Vehicles operate. This bill updates the statutory references of the most recent version of federal laws and regulations in effect as of January 1, 2023. Thank you for your time and attention. Again, Director Lahm and Lieutenant Maytum, I believe, will be following me with more details about this most recent version of federal laws and regulations. But if you have any questions for me, I'd be happy to take those.

MOSER: Committee members have any questions? I don't believe so. Anybody else to speak in support of this bill? Thank you, Senator.

RHONDA LAHM: Good afternoon, Vice Chairman Moser 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 LB138. I would like to thank Senator Geist for introducing LB138 on behalf of the DMV and the Nebraska State Patrol. This is a joint update bill introduced annually to keep the DMV and the Nebraska State Patrol consistent with federal laws and regulations administered by both agencies. LB138 adopts the most recent version of federal laws and regulations in effect as of January 1, 2023. This includes federal law references applicable to the issuance of commercial driver's licenses, Unified Carrier Registration Act, the International Registration Plan, the US PATRIOT Act, rules governing manufactured homes, parking regulations for those with disabilities, and regulations governing low-speed vehicles contained within the Federal Motor Vehicle Safety Standards. This bill would 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 automobile warranties. Section 14 of the bill adds specific reference to federal regulations regarding commercial driver's license issuance regarding the authority to allow the department to comply with the Federal Drug and Alcohol Clearinghouse requirements. The Clearinghouse will be effective in suspending CDLs from drivers that abuse alcohol and drugs. Section 15 extends the period of issuance of a commercial learner's permit from 180 days to one year from the database issuance and eliminates the 180-day renewal period. Section 17 harmonizes and updates the federal disqualification requirements for CDL holders who use any motor vehicle in a commission of a felony involving the manufacturing, distributing or dispensing of a controlled substance. Section 18

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requires notification to a nonresident's license-issuing authority of any conviction for violations of state and local laws committed in commercial or noncommercial motor vehicles operated in Nebraska within ten days of the date of conviction. The bill also harmonizes and removes various obsolete statutory language. Maintaining alignment between federal regulations, state statutes and operational activities ensures Nebraska remains compliant with federal requirements to receive federal highway funds. I encourage the advancement of LB138 to General File. And Vice Chairman Moser, at this time, I'd be happy to answer any questions the committee may have.

MOSER: Any questions for Director Lahm? Seeing none, thank you. Anybody else to speak in support?

MIKE MAYTUM: Vice Chairman Moser 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 am here today on behalf of the Nebraska State Patrol to testify in support of LB138. 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 crashes. 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 federal hazardous materials regulations. Every day, our troopers strive to make our highway safe. In fiscal year 2022, the Nebraska State Patrol conducted 28,942 roadside inspections, identifying 14,919 violations of driver requirements and requiring that 2,182 inspected drivers be placed out of service. In addition, 7,697 vehicle inspections were conducted with an average of 2.23 violations discovered per vehicle and 3,685 vehicles being placed out of service due to serious defects. The roadside inspection program has, has enabled the state to establish clear guidelines for commercial vehicle operators, while ensuring a Nebraska State Patrol presence to assist in 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 tool the agency uses to improve highway safety. In fiscal year 2022, the carrier enforcement division of the Nebraska State Patrol conducted 64 public education and training events across the state directed at commercial motor vehicle owners and operators in a safe and friendly format. In addition, the Nebraska State Patrol

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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.

MOSER: Do we have any questions? Oh, yes, Senator DeKay.

DeKAY: Thank you, Vice Chairman Moser. You said you had 2,182 inspected drivers placed out of service. Are they permanently out of service or are they on a probation or how does that work?

MIKE MAYTUM: The out of service is based on the type of violation that's discovered. So in some cases, it would be a matter of hours for something where they have not followed the hours of service rules correctly. And it can be longer if it's something related to a license revocation or something like that. They would be placed out of service until they were able to correct that issue with their driver's license.

DeKAY: OK. Thank you.

MOSER: Senator Brandt.

BRANDT: Thank you, Vice Chair Moser Thank you, Lieutenant. Is this just commercial vehicles or when that three-quarter-ton flatbed pickup is going down the road and something's loose on the bed is included in these numbers also?

MIKE MAYTUM: This is strictly commercial motor vehicles that are regulated under the federal motor carrier safety regulations. So it would not include the three-quarter-ton truck unless it met certain requirements. Based on what you described, it probably wouldn't apply to that vehicle.

BRANDT: So no farm-plated vehicles would be included in these numbers.

MIKE MAYTUM: Generally, that's correct. Although there are-- farm vehicles that travel across state lines are subject to certain parts of the requirements. I would have to get back to you if there were any that were specifically identified in the numbers that I quoted today, sir.

BRANDT: All right. Thank you.

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MOSER: OK. Other questions? I just have one. It looks like about half of the vehicles you pull over have serious defects and are placed out of service.

MIKE MAYTUM: Yes, sir.

MOSER: That's kind of scary, isn't it?

MIKE MAYTUM: Yes, sir.

MOSER: So what would be--- like, brakes out of adjustment or air hoses not functioning or--

MIKE MAYTUM: Very typical types of violations we would find would be breaks. A very common one is tires. We have new equipment that was made available to us through a grant a few years ago that we're using at our interstate sites currently that identify flat tires. And a large number of these vehicles actually come into the scales with flat tires. And that's a violation that requires them to have that fixed, replaced, the amount of service for that.

MOSER: The one tire of the tandem would have no air in it, basically?

MIKE MAYTUM: Yes, sir. That's correct.

MOSER: Well, that's-- wow. What about the carbon treatment that they run the exhaust through? I don't know what they call that, diesel something--

MIKE MAYTUM: Diesel exhaust systems, yes, sir.

MOSER: Are those required to be in service in order to pass inspection?

MIKE MAYTUM: That's not part of our inspection criteria, no. Most companies keep them up for other states that make those requirements. But we are merely guided by the federal regulations pertaining to all commercial motor vehicles across the nation and the diesel particulate systems are not included in that inspection.

MOSER: OK. Well, thank you. Any further questions? Senator Brandt.

BRANDT: A quick follow-up question: does Nebraska just follow the federal regulations?

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MIKE MAYTUM: The update bill that we're talking about today refers specifically to those regulations, but these commercial motor vehicles are also subject to the state laws and we, we use those as appropriate.

BRANDT: So we have some unique state laws that are different than the federal?

MIKE MAYTUM: Yes.

BRANDT: All right, thank you.

MOSER: OK. Senator DeKay.

DeKAY: Yes. The DEF fluid that he was talking about, that's basically used on what your trucks and newer-- 2018.

MIKE MAYTUM: I've seen it on vehicles are older than that, but I'm not familiar when the regulations started to require it of manufacturers. I'd be happy to get that information if you'd like it, sir.

DeKAY: Well, I guess the point being a little bit there's a lot of trucks out there that are older that are required to--

MOSER: There is--

DeKAY: --have those DEF standards on their trucks at this time.

MIKE MAYTUM: Sure.

MOSER: Senator Brandt.

BRANDT: OK, another-- that jogged my memory. If I said the term "glider" to you, does that-- do you know what I would be talking about?

MIKE MAYTUM: I have familiarity with that term in the motor-- commercial motor vehicle realm, yes, sir.

BRANDT: Could you, could you explain to the committee what a glider is and what Nebraska law says about gliders?

MIKE MAYTUM: The glider specifically refers to a-- what I'll refer to as the shell of a semi or a large truck. It doesn't have any motor or drive train in it. And the industry, what they will do is they will take viable motors and transmissions, driveline systems out of older

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units and put them in the glider kits. Specifically to the regulations that we're talking about today, that has an influence on the applicability of the electronic logging devices in these trucks. Again, I-- probably has something to do with the, the emission standards as well, but that's out of the realm of what I have any knowledge in, sir.

BRANDT: All right. OK. Thank you.

MIKE MAYTUM: Certainly.

MOSER: Anybody else? Thank you very much for your testimony. Anybody else to speak in support? Is there anyone here to speak in opposition, in opposition? Anyone here to speak in the neutral? OK. Thank you. Senator Geist, would you like to close? Senator waives her closing. We received no letters on this bill so that will conclude our hearing for today. Thank you.