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Transportation and Telecommunications Committee January 26, 2026
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MOSER: Our hearing this afternoon for the Transportation and Telecommunications Committee will now come to order. My name's Mike Moser. I'm the chair of the committee, and I represent District 22, which is Platte County and most of Stanton County. And we'll now introduce senators, beginning on my right.

GUERECA: Good afternoon. I'm Dunixi Guereca. I represent downtown and south Omaha, LD 7.

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

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

BALLARD: Beau Ballard in District 21 in northwest Lincoln, northern Lancaster County.

DeBOER: Good afternoon, everyone. My name is Wendy DeBoer. I represent District 10 in vibrant northwest Omaha.

BOSN: Carolyn Bosn. I represent District 25, which is southeast Lincoln, Lancaster County, including Bennet.

MOSER: Thank you, senators. Appreciate you all being here with us today. Our committee clerk is Katy Coquat. Our legal counsel is Gus Shoemaker, but pinch-hetti-- pinch-hitting for him today is Mike Hybl. He's a longtime committee counsel before we hired Gus. There are green testifier sheets on the table near the entrance to the room. Please complete one and hand it to the page if you plan to testify. If you're not testifying but would like to record your presence, please sign the yellow sheet in the book on the table near the entrance. The Legislature's policy is for letters of the record to be received by the committee by 8 a.m. the day of the hearing. Handouts submitted by testifiers will be included as part of the record. Please provide ten copies of handouts and give them to the pages. Our pages today are Kleh and Jessica, who are both seniors at UNL majoring in political science. Senators may come and go during the hearing. That may be required, as they may be presenting bills in other committees at this same time. Testimony will begin with the introducer's opening statement. Then we'll hear from supporters of the bill, then those in opposition, and then those speaking in the neutral. The introducer of the bill will then be given the opportunity to make closing statements if they wish to do so. Begin

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your testimony by giving us your first and last name, and then spell them for the record. We'll be using a three-minute timer-- light system today. Be sure to turn off your cell phones or put them on vibrate so they don't disturb our hearing. And with that, Senator Ballard, the floor is yours. Welcome.

BALLARD: Thank you, Chairman Moser and members of the Transportation and Telecommunications Committee. For the record, my name is Beau Ballard, B-e-a-u B-a-l-l-a-r-d. And I represent District 21 in northwest Lincoln, northern Lancaster County. I introduce LB781 on behalf of the Nebraska Department of Motor Vehicles and the Nebraska State Patrol. I'm appearing before you today to offer testimony in support of LB781. This is a joint update bill introduced annually to keep the DMV and Nebraska State Patrol consistent with federal laws, regulations, [INAUDIBLE] by both agencies. LB781 adopts the most recent version of the federal laws and regulations in effect of January 1, 2026. As, as examples, this includes federal law references applicable to the issuance of commercial driver's license, the Unified Carry Registration Act, and the International Registration Plan, and the U.S. PATRIOT Act, rules governing manufactured homes, parking regulations, and persons with disabilities, regulations governing low-speed vehicles contained within the federal motor vehicle safety standards, and the updating motor carrier enforcement civil penalties. Maintaining alignment between federal regulations, state statutes, and operational activities ensur-- ensures Nebraska remains compliant with federal requirements and receives federal highway funds. The Nebraska DMV and Nebraska State Patrol are behind me to answer any technical questions, but I would be happy to answer any questions the committee might have.

MOSER: Questions from the committee?

BALLARD: Off easy.

MOSER: Looks like you're off the hook-- for the start, anyway.

BALLARD: Thank you, Chair. Appreciate it.

MOSER: Thank you. Anybody to speak in support of this bill?

RHONDA LAHM: Good afternoon, 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 Nebraska Department of Motor

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Vehicles. I'm appearing before you today to offer testimony in support of LB781. I would like to thank Senator Ballard for introducing LB780-- LB781 on behalf of the department and Nebraska State Patrol. LB781 serves as the annual update bill, ensuring Nebraska statutes remain aligned with federal regulations governing motor vehicle safety, licensing, registration, and commercial driver requirements. The bill updates statutory references in the Motor Vehicle Certificate of Title Act, the Motor Vehicle Registration Act, the Motor Vehicle Operators Act, and the Nebraska Rules of the Road to comply with federal motor vehicle rege-- regulations to reflect the regulations in existence as of January 1, 2026. This includes compliance with Federal Motor Carrier Safety Act, Motor Vehicle Safety Responsibility Act, Federal Motor Vehicle Safety Standards, and the Uniform Carrier Registration Plan. The passage of LB781 is necessary for Nebraska to maintain compliance with federal motor vehicle and commercial transportation laws, ensuring continued access to federal funding and promoting the safety and efficiency of the state's motor vehicle operations. For these reasons, I respectfully urge the committee to advance LB781 to General File. Thank you for your time and consideration. I'm happy to answer any questions the committee may have.

MOSER: Questions from the committee? Senator Bosn.

BOSN: Thank you. Thank you, Director Lahm. In my review of this, the changes are that we're changing the year from 2025 to 2026. And then the rest appear to be the value of the penalty. Is that fair to-- am I missing something?

RHONDA LAHM: No, no. You're, you're absolutely correct. And the civil penalties I believe that-- really apply to penalties assessed by the State Patrol. And so I think the State Patrol representative can answer specifics about that, but you're not missing anything. That's really the changes.

BOSN: OK.

RHONDA LAHM: There weren't substantive changes at the federal le-- level this year.

BOSN: OK. So do the feds dictate what our civil penalties are or they just dictate the year be up to date every year?

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RHONDA LAHM: I'm, I'm going to defer that to the State Patrol because they're the experts in that and I don't want to give you wrong information.

BOSN: OK. OK. So do you know where the fees for these civil penalties go? Do you, do you collect them or does the State Patrol collect them?

RHONDA LAHM: The State Patrol collects them.

BOSN: OK. Then I will save all of those questions for them. Thank you.

RHONDA LAHM: Sorry.

MOSER: OK. Other questions from the committee? Seeing none. Thank you very much.

RHONDA LAHM: Thank you.

MOSER: More testimony in support of LB781. Welcome.

MIKE MAYTUM: Thank you. Chairman Moser, members of the Transportation and Telecommation-- 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 with the Nebraska State Patrol. And I'm here today to testify on behalf of our-- for-- on-- for the Nebraska State Patrol, testify in support of LB781. When the United States Congress passed the Motor Carrier Safety Act, emphasis was placed on state's adoption of uniform safety measures, with the goal being a reduction in the number of commercial motor vehicle crashes. For the state of Nebraska to remain consistent and compliant with these federal requirements, it is necessary to update our statutory references to the commercial vehicle safety regulations annually. This legislation will enable the Nebraska State Patrol to continue enforcing the updated Federal Motor Carrier Safety regulations and the Federal Hazardous Materials regulations. Every day, our troopers strive to make our highways safe. In fiscal year 2025, the Nebraska State Patrol conducted 27,432 roadside inspections, identifying 14,135 violations of driver requirements, the requirement-- requiring that 1,370 inspected drivers be placed out of service. Additionally, 6,456 vehicle inspections were conducted, with an average of 2.03 violations discovered per vehicle and 4,049 violations severe enough the vehicle was placed out of service. The roadside inspection program has enabled the state to establish uniform rules for

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commercial vehicle operators while also ensuring the Nebraska State Patrol presence to guide in correction of safety deficiencies by operators who have vehicle or driver defects. These directives create a significant deterrent effect and lead to fewer crashes on Nebraska's roadways. To augment our enforcement efforts, public education is a valuable tool the agency uses to improve highway safety. In fiscal year 2025, the Carrier Enforcement Division of the Nebraska State Patrol conducted 107 public education and training events across the state directed at commercial motor vehicle owners and operators in a safe and friendly format. As a direct benefit to our customers, the Nebraska State Patrol website provides downloadable source material and points of contact to help answer questions about driver requirements, transportation of hazardous materials, and other supplemental information pertinent to commercial vehicle owners, operators, and the public. The Nebraska State Patrol would like to san-- thank Senator Ballard for introducing this bill as well as the Department of Motor Vehicles for their partnership in the legislative process. I'm thankful for the opportunity to testify. Happy to answer any questions the committee may have.

MOSER: Questions from the committee? Senator Bosn.

BOSN: Thank you. Thank you, Lieutenant. I appreciate your testimony. You heard the questions I asked, so-- probably aware. Tell me-- so you collect these fees.

MIKE MAYTUM: On behalf of the state, we do. The fees-- to answer both questions if-- will save some time. To-- the fees are set by the federal government. They are an annual inflationary-- inflationary increase tied to metrics that the federal government uses. It's applied uniformly across pretty much all regulated industry that's touched by the Department of, of Transportation. And so these numbers are the same numbers that would be applied to airway, rail transportation, the same thing, so the numbers are all consistent. The moneys that are collected are returned to the General Fund.

BOSN: And are they kept in the state of Nebraska or do they go to the federal government?

MIKE MAYTUM: They stay in the state.

BOSN: OK. So am I understanding that if you're driving into Iowa on I-80 the fee would be the same in Nebraska as it's going to presumably be in Iowa if they pass similar legislation?

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MIKE MAYTUM: I wanna make sure that I'm clear about what these fees are. These are not roadside fines, per se. These are civil penalties that are assessed against motor carriers for unsafe operations. So in your example, a company that is-- goes through a, a, a, a process of, of review in Iowa would be held to the same number as those-- as a company would be in Nebraska that goes through a review.

BOSN: OK. OK. I think that answers my questions. Thank you.

MIKE MAYTUM: You're very welcome.

MOSER: Other questions? So is there anything alarmingly different from previous years in this bill? Anything that should make us wrinkle our nose, lift an eyebrow?

MIKE MAYTUM: Regulatory, a-- as, as Director Lahm mentioned, from a regulatory perspective, very little has changed in the last year. I think everybody's aware that news headlines have been made over the last year related to enforcement of certain parts of the regulation, but the regulations themselves have not changed that dramatically.

MOSER: So when you pull over, say, a semi-truck, you check to make sure their brakes are adjusted correctly?

MIKE MAYTUM: That-- that's one of the things we check. Yes, sir.

MOSER: And that the lights all work?

MIKE MAYTUM: Yes, sir.

MOSER: What else would they-- what would be a common violation?

MIKE MAYTUM: For vehicles-- our, our top violations are compliance with annual inspection requirements. And then roadside lights and tires and brakes are the, are the top three.

MOSER: If tires are bald or--

MIKE MAYTUM: Tires are flat, actually. A lot of people drive around with flat tires.

MOSER: Well, they got extra ones.

MIKE MAYTUM: That's true.

MOSER: There's 18 of them on there.

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MIKE MAYTUM: But those darn, those darn tires tend to, tend to leave the rim when they're not inflated. And we try to, try to mitigate that for safety purposes, of course.

MOSER: So if their brakes are out of adjustment, is that enough to make them have to fix them before they can continue?

MIKE MAYTUM: I-- in certain circumstances, yes. It's based on how many vehicles-- or, or how many brakes are actually on the vehicle, how many are out of compliance and how far out of compliance they are. We use a-- there's a, a chart system we use that we can look at the number and compare it to how many are out of, out of--

MOSER: Well, if they're out of adjustment, they na-- may not apply equally.

MIKE MAYTUM: Being just a small amount out of adjustment versus being a large amount out of adjustment does impact our calculation, yes.

MOSER: How about log books? Do you check those?

MIKE MAYTUM: Absolutely. All done electronically now. The drivers that are subject to hours of service rules are inspected and are required under federal regulations in most cases to download an electronic file that we review.

MOSER: OK. Any other questions? Yes, Senator Storer.

STORER: Thank you, Chair Moser. So I'm just-- want to make sure I'm clear as well. So the-- you're collecting on behalf of the state, but the federal government sets the rate. I mean, is that--

MIKE MAYTUM: That is correct.

STORER: Am I understanding that? OK.

MIKE MAYTUM: That is correct. We, we operate on behalf of the federal government to enforce their rules and regulations. That's part of what these, these updates are for, is to make sure the-- current with all of the most recent changes.

STORER: So the federal government's not getting any portion of those civil penalties?

MIKE MAYTUM: Not to my knowledge, no.

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STORER: And what, what happens theoretically if Nebraska didn't stay up to date with the federal?

MIKE MAYTUM: It's a progressive punishment, so to speak. It-- it's all tied to funding that comes to the state to do what we do.

STORER: OK.

MIKE MAYTUM: And a lack of compliance over time will take, take those funds away for us to do what we do.

STORER: For-- federal highway funds, I presume.

MIKE MAYTUM: Well, federal highway is one of them, but we actually get grant funding directly from FMCSA, the Federal Motor Carrier Safety Administration. It comes directly to the State Patrol to do our safety enforcement programs.

STORER: OK. Thank you.

MIKE MAYTUM: You're welcome.

MOSER: Anybody else? Going one more time. Senator Brandt.

BRANDT: Thank you, Chairman Moser. Rough numbers, how much did we collect last year in fines-- or, fees, as you call them.

MIKE MAYTUM: Senator, I don't have that number in front of me. I apologize. I'd be happy to report it back to your office, though.

BRANDT: Because it looks like some of these are pretty hefty, but I don't know--

MIKE MAYTUM: The-- we collect on the very low end of those numbers most of the time, those large numbers for very egregious violations. I can get you a report, though, with an exact amount.

BRANDT: So is that discretionary by the officer that stops the vehicle as to what the fine is going to be? Or how do you decide how much you're going to fine this--

MIKE MAYTUM: Again, these are not roadside fines that we're talking about here. These are administrative fines that are given to a company after a very thorough review. Roadside fines are set by the waiver schedule, which is set by that Supreme Court. These fines are not negotiable. We don't get to pick any of those numbers, whether

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it's the civil penalties or roadside fines. Those are all set either by Supreme Court or through, through FMCSA.

BRANDT: If you could get the committee that information, I think it would be helpful. Thank you.

MIKE MAYTUM: I'd be very happy to do that, sir.

MOSER: Senator Guereca.

GUERECA: Thank you, Mr. Chairman. Thank you [INAUDIBLE] being here and for your testimony. So how-- and-- we see the numbers for fiscal year-- fiscal year 2025. How does that compare with '24? Are we seeing more violations, less violations?

MIKE MAYTUM: As a percentage of the total, we see about the same amount every year. It doesn't, doesn't vary too much, although I will say one of the unreported pieces of this is that actually our fatality numbers were down fairly substantially last year in commercial motor vehicles. I think the state saw some similar numbers in passenger vehicles. But in commercial vehicles, it was remarkable almost. So I hope to say that they're, they're tied together. The types of violations, though, it, it ebbs and flows.

GUERECA: Sure.

MIKE MAYTUM: I think our vehicle violations are probably down a little bit, but our driver violations are up a little bit if I had to generalize them.

GUERECA: Thank you, sir.

MOSER: Anybody else? I have a question. Are farm and ag vehicles subject to the same rules as the rest of the trucking industry?

MIKE MAYTUM: Generally speaking, they are exempted from most rules. If they cross state lines, there are some rules that do come back into play. Certain types of operation could invoke parts of the rules. But as a rule, ag vehicles, farm vehicles are exempted from most of the requirements in the state of Nebraska.

MOSER: So a grain truck that's taking grain to the, the grain company and it has brakes that are out of adjustment, they may not get a fine?

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MIKE MAYTUM: If we're talking about a farm truck that's operating inside of the state of Nebraska, we typically are not stopping them for roadside inspections.

MOSER: Oh, you don't even inspect them?

MIKE MAYTUM: As a rule, no. Now, if they're involved in a crash or some other event, they are subject to certain parts of the rules. The rules about brake adjustment actually are in play, but they're not regulated the same way as commercial vehicles are. So we don't just stop them randomly to do--

MOSER: What's-- i-- is that a Nebraska thing or is that federally prescribed?

MIKE MAYTUM: It-- covered farm vehicles are a subset of the vehicles that FMCSA provides guidance on. And in our case, I think we're talking about a covered farm vehicle in most cases. So it is-- the rules to play in that sphere to be a covered farm vehicle are provided by FMCSA. We codify that in our state law. And as a rule, we leave them alone.

MOSER: OK. You're off the hook, Senator Brandt.

BRANDT: I'm not gonna mess up a good thing.

MOSER: Yes. All right. No further questions. Thank you for your testimony. Anybody else here to speak in favor of LB781? Is anyone here to speak in opposition to LB781? Anyone here to speak in the neutral about LB781? Senator Ballard. Welcome to close.

BALLARD: Thank you, Chair. Thank you, committee, for your questions and the dialogue. Just want to say thank you to the Department of Motor Vehicles and State Patrol for all their work on this legislation and all their work for the people of Nebraska. I look forward to moving this on to General File just to stay within compliance with federal regulations. With that, I would take any additional questions.

MOSER: Seeing none. Thank you very much. All right. That moves us on to-- there were no online comments. There was no ADA testimony on LB781. OK. LB922, Senator Brandt.

BRANDT: Good afternoon, Chairman Moser and members of the Transportation and Telecommunications Committee. I am Senator Tom

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Brandt, T-o-m B-r-a-n-d-t. I represent District 32, which consists of Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster Counties. I am here today to introduce LB922 on behalf of the Motor Vehicle Industry Licensing Board. This beal-- bill deals with the funding structure of the Motor Vehicle Industry Licensing Board. The board is a cash-funded agency that relies almost entirely on license and administrative fees to carry out its regulatory and enforcement responsibilities. While the board reviews and sets actual fees each year, those fees are capped in statute. This bill updates those statutory maximums to better reflect current cost and provide flexibility going forward. Specifically, the bill increases the maximum allowable fees across a range of licenses, including motor vehicle dealers, supplemental dealers, dealer agents, manufacturers, distributors, finance companies, auctions, motorcycle and trailer dealers, and record-- wrecker or salvage dealers. Most dealer- and manufacturer-related licenses see maximums increase into the \$500 to \$1,500 range. The bill also adjusts administrative fees, increasing the change of location fee from \$25 to \$100 and the change of name fee from \$5 to \$50. I want to be clear that this bill does not mandate an increase in the majority of fees but instead increases the statutory caps so the board can responsibly manage its operations without relying on General Fund dollars. I thank you for your time and would be happy to answer any questions.

MOSER: Questions from the committee? Senator Storer.

STORER: Thank you, Chair Moser.

MOSER: I believe you were-- passed on introducing yourself.

STORER: Oh. Senator Storer, District 43. 11 counties. Yeah, I came in late.

MOSER: Yeah. Thank you.

STORER: Thanks for acknowledging that.

MOSER: We missed you, yeah.

STORER: Senator Brandt, help me understand a little bit. I mean, obviously these are kind of shocking. And I do understand, you know, the cost of-- most of our fee structures are not tied to any inflationary automatic increase, right? So they can get stuck and, and we have-- these seem like a really, really large tax, but we're--

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but, but-- just recommending it be increased. Is there kind of a little background as to why they need to be--

BRANDT: There will be some testifiers following me that will be able to explain that more clearly on why they're asking for that big of a cap. I'm not sure exactly where this board is at right now if they're, they're at the maximums on their caps or, or, you know, if it took them ten years to get to there or five years or-- how much of an increase-- how long this increase is going to last them.

STORER: OK. Thank you.

MOSER: Other questions from the committee? Seeing none. Thank you, Senator. Are there people to testify in support of LB922? Welcome.

JOSH EICKMEIER: Thank you. Thank you, Chairman and committee members. My name is Josh Eickmeier, J-o-s-h E-i-c-k-m-e-i-e-r. I am the director of the Motor Vehicle Industry Licensing Board. And our, our board appreciates and thanks Senator Brandt for introducing it on, on our behalf. We-- as a agency, we were very, very cognizant of fees as well as how the board reviews them every year. One of the-- actually, in the statute that we are looking to amend, it-- it's, it's-- essentially states that we're tasked to only charge the fees necessary to, to run the agency. And so we've tried to run as lean of an agency as, as possible but still meeting the regulatory needs of our, of our board and the member-- or-- not members-- but the licensees that, that we regulate. I'd be happy to answer any questions you may have. I know we had a couple board members that were reappointed last week, and I believe there are some more coming up tomorrow. But if you'd like to ask any questions in general about what the agency does and the board's responsibilities, I'd be happy to answer those as well.

MOSER: Senator Storer.

STORER: Good guess. Thank you, Chair Moser. I guess you heard the question I asked of Senator Brandt. Just a little background to understand the, the, the reason for such-- I mean, these are triple in some cases an increase on the cap. And I understand it's not mandating that they be increased to that, to that level, but help, help me understand why such a drastic request for--

JOSH EICKMEIER: Sure. Absolutely. Thank you for the question. We-- the board is current-- has currently set the fees at the statutory

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maximum. So what you see there is where we are currently at. The board had lowered them recently, and then as we, as we were drawing down-- our, our fund got to a level where it was about a million dollars. And you have to understand, with-- we're kind of a seasonal operation in the sense that the bulk of our fees that we collect are from renewals. And the renewals are-- they're an annual license. And so October, November, December, sometimes into January-- depending on how quickly the, the, the dealer re-- renews their license-- so-- that's when we collect a bulk of those fees. And so in January, we tend to have a lot of-- more in our fund than we-- that has to last us the whole rest of the year. As far as setting these amounts, there's nothing magical about, about what they were set at. I think the last time this was addressed was 15 years ago, before my involvement with the board. So I, I can't speak to that. Again, the board has-- the board since I've been the director since 2018 has been very aware-- obviously, our board is made up of licensees primarily. The chair of our board is always the director of the DMV, who-- who's Rhonda Lahm, who all-- you all know. Then we have a public member who can be anybody in the state. And then the remaining eight members are all licensees. So they're all paying these fees as well. So it isn't, isn't like a, a board that's disconnected from the industry is setting fees that, that don't impact them. So they understand the value of what the board does, the value of what our agency does as a whole. And so in some cases, it was going two or three times what the, the maximum was to give room so that-- again, our, our board-- we've had conversations about wanting to adjust it every year, depending on where we are fiscally. We have-- they have lowered it since I've been the director. So it isn't like the-- we're always increasing the fees. It-- they're just trying to be very responsive to, to what our agency's needs are in relation to our ability to effectively regulate the industry. We-- we're not-- I, I jokingly say we're a small but mighty cash-funded agency. I have eight employees, three office employees and I have five investigators across Nebraska, three of whom are commissioned deputy state sheriffs. And so they, they do a, a great job enforcing the, the Motor Vehicle Industry Regulation Act, which is what gives us the jurisdiction to do what we do.

STORER: And can you-- if I may ask a follow-up question. Can, can you give us an example of what types of things that the board-- the agency regulates?

JOSH EICKMEIER: Absolutely.

STORER: What are those sort of primary--

JOSH EICKMEIER: I feel like Admiral Stockdale. Who am I and why am I here, kind of, of feeling. But yeah, absolutely. So it's really about relationships. It's the relationships within the industry. So you have-- on the, on the new vehicle side, you have the franchiser agreements and the franchise structure between a, a, a new automobile or a new motor vehicle dealer and the, and the manufacturer. So making sure that that relationship is intact and, and making sure the-- there's any unbalance in the force, if you will, that, that our-- where our board is there to, to take a look at that and make sure that you don't have a, a manufacturer coming in and just saying, hey, you know what? We're canceling your franchise. As you-- as many of you know, there are small franchi-- or, small, medium, large franchisees all over Nebraska. Small towns would be decimated if all of a sudden the, the franchise dealers disappeared overnight. And so making sure that the franchise agreements that they both entered into are, are upheld and enforced fairly. The other relationship is between the dealer and the customer, and that's where our investigators get involved mostly. If you are a customer and then you purchase a vehicle and you have an issue with the dealership, you can contact us, file a complaint, and then I'll assign an investigator for that area to go and visit with not only the dealership but also the customer, making sure that we understand what the issue is. In some cases, we'll have a, a dealer have to unwind the deal. We'll make them unwind it and, and try to get the parties back to where they were because the-- something went wrong with the transaction. Sometimes it's not the dealer's fault. Sometimes it's-- like, on the-- on an ind-- the independent dealers or used car dealers, they'll-- those used vehicles, those trades, sometimes there's a lien on that in another state. And so in order to get that title from another state's financial institution-- and keep in mind every state has different laws. Ours is 60 days-- or, 30-- ours is 30 days to deliver the title. Some states it's 60 days or longer. And so they may not be in a hurry in another state to get the dealership the title even though the clock's ticking on our end. And if it gets past the 30 days and it doesn't look like they're going to get the title anytime soon, we may just say, hey, unwind the deal if the customer wants to get out of it. Until you get the title, then you could, you know, sell it to somebody else or to that same person. It got really bad during COVID when states were shutting down and trying to get titles from other states like California. It became virtually impossible, at least not in a timely manner. So those are the two

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different dynamics, if you will, under the relationships from the dealer to the customer and the dealer to-- and the co-- the new car and truck dealer, the franchise dealer, and the manufacturer.

STORER: Thank you. That's very helpful. So just, just sort of rebe-- repeat back what I heard, which is-- I've learned to do to make sure I didn't und-- misunderstand things-- is your role really is in-- the primary involvement is anytime there's a transfer of ownership and the key component oftentimes is making sure there's proof of ownership in relationship to a title specifically and-- that's in place before the noon-- new owner acquires that property, right?

JOSH EICKMEIER: Yes.

STORER: Thank you.

JOSH EICKMEIER: Yes. It's that relationship that we-- that, that contractual relationship, making sure it's done the right way. A lot of times with new-- with the franchise dealers, a lot of them, it-- it's, it's, it's a dealership their grandparents may have started. So they've grown up in that. They have a manufacturer also making sure that they, that they know what they're doing. But they have tons and tons of experience. Sometimes you have a-- an independent dealer who has never sold a car before, and those are the dealers that our investigators spend the most time with when they, when they inspect the location to initially issue the license to say, OK, do you understand the paperwork? Do you understand the purchase agreement, the Form 6? You know, the documents that we in the state of Nebraska care about. Making sure that they understand what all that does. And just recently, we have implemented-- the independent dealers association had pushed for education requirements. So now their-- starting this year, just this last-- January 1, now when, when you apply for a new license, if you are not a franchise dealer, you'd be required to have eight hours of con-- of educational training so that-- to kind of help with that, that curve of those who especially don't have that background.

STORER: One final question. I promise I'll be done. Hypothetically, what, what would the industry look like if your agency didn't exist?

JOSH EICKMEIER: Well, I think the lawyers would love it, whether that's good-- I'm a lawyer, so I, I make that joke. Because a lot of what we do-- and, and I'm talking about the consumer protection aspect first. So the customer has an issue getting that title from

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the dealer. At some point of-- it-- the communication breaks down and, and neither one probably wants to talk to the other. And so they can call the Attorney General's Office here, and they will forward them to us. Or they can contact us directly. Either way, we would end up with that complaint. If we didn't exist, either you're going to have to hire an attorney-- a lot of times, the, the customers that, that have issues with dealers, sometimes hiring an attorney's not really an option. It's expensive. It takes time. We are able to much more efficiently address the issue to the, to the point where I've literally had-- found a title, had it delivered within, within, like, six hours because we were bumping up against that 30 day. And, and if you had lawyers involved, you had to go through court, it would tie up the court. It, it, it would really be a, a litigation mess, and it would create a lot more inefficiencies for the customer. For the, for the, the, the dealer and the, and the franchise-- and the franchisee and, and the manufacturer, I assume it would just be straight litigation all the time. But the problem is it's a relationship that's not going to-- that's not going anywhere. And so because that relationship is there, you, you don't necessarily want, want to-- no one wants to rock the boat too much because you don't want to capsize. But sometimes there are things that happen that are unfair maybe to the dealer that this, this is an avenue for them. And we've do-- we've done franchise hearings for, for that purpose, especially if they're looking to close the franchise-- the manufacturer is trying to close the franchise.

STORER: Thank you very much.

JOSH EICKMEIER: Sorry for the long-winded answer, but we do a lot. And it's hard to get it in, in a short amount of time.

STORER: In short, things operate-- there's some level of fraud and theft prevention but also resolution. And it's all generally rooted in the title for vehicles and, and also making sure big companies are not unfairly taking advantage of independent dealers.

JOSH EICKMEIER: We want a level-- we want a level playing field as much as possible, yes.

STORER: Thank you.

JOSH EICKMEIER: Thank you.

MOSER: Other questions? Senator Beau.

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BALLARD: Thanks, Chair. Can you help me understand the fiscal note? So it's \$2,200 in revenue, and you're increasing fees from \$20 to \$1,000. I know-- it just-- it doesn't seem like it-- I know you're kind of stair-stepping up, but it would seem-- and these are not annual fees, correct? Am I--

JOSH EICKMEIER: They are.

BALLARD: They are.

JOSH EICKMEIER: I can, I can explain.

BALLARD: OK.

JOSH EICKMEIER: Let me explain. OK. I don't know if the board wha-- will raise the fees. So all of the fee maximums in the bill aren't accounted for in the fiscal note because even if you voted-- you didn't pass the bill, the next day, the only fees that change are those two bottom ones that are set. It's the change of location and the change of name. Those are the only fees in the statute that were set. Everything else in there is a maximum. So if this bill passes the next day, the only fees that would change are those two, the change of location and-- and so based-- and, and change of name and change of location fees. That's why the fiscal no-- I, I went back and looked at how many of those we did last fiscal year, timed it by that, and that would generate that revenue. So it-- the, the-- you're right. I mean, the, the, the total amount of fees that are collected are, are somewhere-- just from the dealers alone is, is, is around \$600,000. I think the, the total is, is roughly a little bit more than that, but the bulk of our licensees are going to be the fe-- the, the, the dealers' licenses.

BALLARD: OK. So the revenue could be \$600,000.

JOSH EICKMEIER: Well, no. It could-- I say-- currently, it would be-- I didn't calculate it would be based on the maximums because they don't go up unless the board says. And the board-- I assume the board wouldn't go right to the new maximums. I assume they would incrementally increase them as needed and then incrementally decrease them as appropriate. And that's why it's, it's, it's a little confusing because-- I'm not, not trying to hide the ball or anything. It's just that until the board takes action on that, if this were to pass, nothing would change except for those two.

BALLARD: The bottom two, which equals the 20 to 100.

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JOSH EICKMEIER: Yeah.

BALLARD: Or it could be up to--

JOSH EICKMEIER: Well, tho-- those are set, though.

BALLARD: Those are set? OK.

JOSH EICKMEIER: Yeah. Yeah. All the rest of them-- that's why-- I don't know-- I don't know why that was done the way it was, but that's why the fiscal note reflects that only.

BALLARD: OK. Thank you.

JOSH EICKMEIER: Yes.

MOSER: Other questions? So where does the money go that you collect? Does it go directly to your commission or does it--

JOSH EICKMEIER: Yes. We have a cash fund.

MOSER: Is it held by the state?

JOSH EICKMEIER: Yes. It, it-- it's like every other cash--

MOSER: And can the state raid it to balance their budget?

JOSH EICKMEIER: They can. They have. In 2017, the fund had approximately a million dollars in-- at the end of our, our calendar year. So that would be December, January. There was a million in the fund. I don't like rai-- they transferred. They transferred half a million of that into the General Fund. That same year, they-- the Legislature also eliminated a salesperson's license, which reduced revenues-- annual revenues by about \$160,000. So between those two actions, that's when the board initially increased all the fees to the statutory maximum because there was concern getting through to the, to the next-- again, to October when the fees start coming in again. We're pretty, pretty light on the fees. We do collect a small portion of every title printed, but I think that comes out to about \$40,000 or so, \$50,000 annually. And so that's why-- so, so that wha-- ha-- so that happened in 2017. They raised the fees in 2018. I was brought on board the same meeting that they raised the fees, but technically before I was, I was brought on board. And then as that-- as the fund grew, it got back up to about that million dollars. And we had the conversation of, OK, we, we need to be responsible to the,

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the direct-- the statutory directive, which is to only charge the fees necessary to run the agency, and started lowering-- lowered the fees back to about where they were prior to 2017. And then as we drew it down, now we're to the point where we need to go back again in order to, to-- it's-- we're mostly people, and so our expenses are the people that we have in our agency. And so if we have a-- six months or a year where we don't have a position filled, that's, like-- that's significant savings for us. And so we typically, you know, slow-play those new hires to make sure that we get the right person. But there's a secondary benefit to doing that as well. But that could be, you know, I-- a posi-- an investigator position, that could be a total of a \$100,000 impact to our agency.

MOSER: What's the most common violation of independent dealers? Title problems?

JOSH EICKMEIER: Well--

MOSER: Do, do we have a lemon law?

JOSH EICKMEIER: We do have a lemon law, but that typically is going to deal with new vehicles. And typically, that's with the manufacturer that indes-- independent dealers have an issue. And it's-- and the common issue is not just with them, it is also with franchise dealers but to a lesser extent because new vehicles come on what's called an MSO, the manufacturer's statement of origin. And all the dealers are going to have all the MSOs to their, to their vehicles, usually on site. And so there's no issue with delivering that to the customer. The-- on a trade, though, that title-- or if you're an independent dealer, you're, you're buying used vehicles at auctions, typically-- those are going to have titles that you may not have as the dealer in your possession. The title could still be at-- with some other financial institution or DMV somewhere because maybe there's a lien on it that hasn't been released yet. So the biggest violation we typically see isn't necessarily-- isn't intentional. It's almost never intentional on, on our-- on the dealer's part. But it's the late title [INAUDIBLE] are good for 30 days. So day 31, if you don't have your title, that means you haven't been able to register your vehicle and pay the taxes and you're going to-- and, and you're, you're sweating. My mom would be a wreck if that happened to her. She wouldn't leave the house. She'd be so afraid to drive anywhere. But that's the-- that's when-- we get called on day 31 and, and trying to make-- to find out, OK, where is the title? Can we make a phone call and help expedite that? And we usually can.

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MOSER: OK. Other questions? Seeing none. Thank you for your testimony.

JOSH EICKMEIER: Appreciate it. Thank you all. Have a good evening.

MOSER: Anybody else to speak in support of LB922? Welcome, Mr. Todd.

LOY TODD: Thank you, Senator. Senator Moser, members of the committee, my name is Loy Todd. That's L-o-y T-o-d-d. I'm the president of the Nebraska New Car and Truck Dealers Association. You know, when you-- when these bills arise, you have to make a decision right off the bat. Am I going to be opposed to it? Or I'm gonna support it? Or am I gonna be neutral? Now, the safer part would be to be neutral. Then I wouldn't have to explain to my dealers why we supported an increase. But it's an easy choice. This a-- this agency is absolutely vital to the industry.

MOSER: Keeps fees in the industry.

LOY TODD: Absolutely. And, and protects the consumer. It's, it's just so much of that that is consumer protection as far as advertising laws and, and other things that require discipline for bad actors when it, when it does happen, and that does happen from time to time. I can tell you that, 15 years ago, the-- which was the last time they raised this ceiling, I testified in favor of that at that time. And it's never been abused in, in any way. And that, that precaution is in this, in this statutory suggestion, and that is that it's only to run the agency. And that agency is, is actually made up of three new car dealers, three used car dealers, trailer dealer, consumer-- the, the, the agency. And so there is nobody on there that's going to indiscriminately raise their own taxes and [INAUDIBLE] be subject to criticism from all their friends and, and, and other dealers around. So we're not, we're not concerned with abuse. And at first, I-- the numbers kind of surprised me, but then I got thinking, well, if we're going do-- this has got to last for another 15 years. It's probably enough room to, to do that. And so we're not-- I don't have any good advice about better numbers. It seems to me that you don't want to have this bill every year. And so from that standpoint, we'd like to see this supported, we'd like to see this advanced, and allow the agency to do what they need to do. I've seen some-- I've seen some cases that were amazing. That-- we had a dealer-- not, not a new car dealer. I want that on the record. But there was a dealership where the-- they were out of trust with a whole bunch of titles. This agency went out and rounded up, I think it was 20 or 30 titles that--

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from bankers who had to give them up. That wouldn't have happened without this agency being there. It would have been litiga-- that, that many can-- chances of litigation. So we are in support of it. I have no problem at all on behalf of my dealers supporting this.

MOSER: All right. Questions from committee? Seeing none. Thank you.

LOY TODD: Thank you.

MOSER: Anyone else to speak in support of LB922? Anybody here to speak in opposition to LB922? Anyone here to speak in the neutral on LB922? There were no online comments and no ADA testimony received on this bill. Senator Brandt.

BRANDT: So like you just heard, this was last set about 15 years ago. This agency is critical for customer-dealer relations. And it provides discipline for those bad actors out there. So with that, if nobody's got any questions.

MOSER: It doesn't appear. Thank you.

BRANDT: You bet.

MOSER: That will end our hearing on LB922. Now we're going to hear LB972. Senator Fredrickson--

_____ : He just stepped out.

MOSER: --is supposed to present. Oh, you're up. Welcome back. It's a good thing you came back. We were going to skip to the license one. That would have been a hairy-chested monster to live through.

BOSN: He still has to live through it on the committee.

MOSER: What's that?

BOSN: He's still going to have to live through it. He's on the committee.

MOSER: Yeah. Welcome.

FREDRICKSON: All right. Thank you. Good afternoon, Chair Moser and members of the Transportation and Telecommunications Committee. For the record, my name is John Fredrickson. That's J-o-h-n F-r-e-d-r-i-c-k-s-o-n. I represent District 20, in-- which is in central west Omaha. I'm here today to introduce LB972 on behalf of

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the Nebraska Department of Motor Vehicles. LB972 is a cleanup and harmonization bill. The bill ensures the continued efficiency and effectiveness of the Department of Motor Vehicles by making several technical corrections including streamlining processes, improving customer service, providing for fraud protection, and creating new license plates. LB972 allows for improved customer service by amending statute to allow the commercial driver's license of an active duty military member to remain valid until 60 days after they are discharged from active duty. It removes the testing requirement for persons who have held an ignition interlock for less than one year. It eliminates unnecessary testing to only require the same testing in person as would be required if the person is eligible to complete the respective transaction online. And it better serves customers by requiring insurance companies to file SR-22 forms electronically after July 2027. This will result in a cost savings for insurance companies currently filing SR-22 forms electronically. The bill also addresses the reduction of fraud. The bill will require entities who apply for transporter plates who are doing business in Nebraska to be registered with the Secretary of State. The bill will require proof of ownership documents when registering untitled trailers. The bill will authorize an in-transit tag to be placed on the rear of the vehicle in addition to the current rear side window or rear window of the vehicle and move from two to one in transit to mirror legislation enacted from last session. This allows the department to initiate a pilot project using an in-transit number issued by the department's vehicle system to track in-transits more effectively. The New Car Dealers Association has expressed a desire to have the bill amended so the transition date of going from two in-transits to one coincides with the date of moving from two license plates to one. There is no concern from the department in amending that provision into the bill. I have prepared AM1800 for the committee's consideration to address that specific concern. The bill also provides for the creation of choice color plates beginning on January 1, 2027. Customers will have the option of four different background colors: black, red, blue, and green with white lettering. The additional fee for the plate would be credited to the DMV Cash Fund. There are several additional language cleanups that are critical to maintaining a modern, effective, and legally compliant Department of Motor Vehicles. LB972 is a necessary step to align Nebraska statutes with best practices, enhanced public safety, reduce fraud, and improve administrative efficiency. Director Lahm of the DMV will be testifying after me. She will provide additional information about the specifics regarded in the bill. Thank you for

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your time and attention to the bill. And I'd be happy to answer any questions the committee may have.

MOSER: Questions from the committee? I guess there aren't any. Thank you very much, Senator.

FREDRICKSON: All right. Thank you.

MOSER: Anyone else to speak in support of LB972? Seems so quiet in here today.

RHONDA LAHM: Good afternoon, 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 of depar-- Nebraska Department of Motor Vehicles. I'm appearing before you today to offer testimony in support of LB972. I would like to thank Senator Fredrickson for introducing LB972 on behalf of the department. LB972 has proposed legislation that serves to harmonize provisions of statute in response to requests from customers and enhance efficiency for the department. The bill proposes four different revisions in statute which allow the department to provide improved customer service. Section 16 and 17 of the bill amends statute to allow the commercial driver's license of an active duty military member to remain valid until 60 days after they are discharged from active duty. This provision is similar to the provision allowed for passenger vehicles. A second provision of the bill, Section 18, removes the testing requirement for persons who have held an ignition interlock permit for less than one year. These individuals pass the written and skills test when issued their ignition interlock permit, and requiring testing again is redundant. Persons who have met all of their reinstatement requirements will then be able to go online and be reinstated on the day of their revocation ends even if on a weekend or holiday. Another provision of the bill, Section 22, eliminates unnecessary testing to require the same testing in person as-- only require the same testing in persons be required if persons are eligible to complete their respective transaction online. The fourth provision of the bill in Section 23 to better serve customers is the requirement for insurance companies to submit SR-22 forms electronically after July of 2027. Currently, electronic submissions go through the state's online portal, which has fees associated with the transaction. There will be no fees for filing for the SR-22s directly into our system. Three provisions of the bill address the reduction of fraud. The first of these provisions is to require entities who apply for transporter plates to be registered with the

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Secretary of State as doing business in Nebraska, which is reflected in Section 8. The second provision to address fraud is to require proof of ownership when registering an untitled trailers-- trailers, generally farm and utility trailers-- reflected in Section 9. The requirements outlined in this bill mimic the requirements for proof of ownership for commercial trailers. It's important to note this does not change any requirements to title trailers not already required to be titled. The third provision of the-- to reduce fraud is to authorize an in-transit tag to be placed on the rear of the vehicle or the rear side window or the rear window of the vehicle to move from two to one in-transits to be consistent with going to the one license plate beginning January 9, which is reflected in Sections 4 through 7. This allows dealers to continue their current practice and allows the department to initiate a pilot project using the in-transit number issued by the department's vehicle system. The bill provides for the creation of choice color plates beginning January 1 of 2027. Applicants would have the option of four different background colors. The additional fee would be-- for the plate would be in our DMV Cash Fund. The proposed fee would be \$70 for an alphanumeric plate and \$100 for a message plate. There are several provisions which are language cleanups from previous legislation as well as cleaning up obsolete language of practices. Clarifying the plate of all semi-trucks must be pla-- displayed on the front. Allowing new veteran handicap plates to be harmonized with local laws for handicap parking spaces. Elimination of special interest plates to coincide with one plate issuance. Harmonizing lien release language for motor boats to match the language of motor vehicles. A drafting oversight to change the term "suspension" to "revocation." And to remove the outdated and unnecessary requirements for issuing snowmobile permits. The provisions of LB972 will allow the department to provide better customer service, reduce fraud, enhance customer-- enhance public safety, and eliminate unnecessary barriers for our customer. I respectfully request the committee advance LB972 to General File. Thank you for your time. And I'm happy to answer any questions.

MOSER: Senator DeBoer.

DeBOER: Thank you. Thank you, Director Lahm, for being here. I have kind of two lines of questioning for you. One is-- and I'm sorry. I don't have much voice yet. The insurance that's filed electronically, would you still be required to have your own insurance card in your car? Or if they file electronically with the state, you don't have to have one in your car?

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RHONDA LAHM: So-- no, you'd still have-- you'd still have to have proof of insurance with you if you're stopped by the law enforcement or whatever. So these are then-- before they're eligible to get their license back, they have to provide [INAUDIBLE] insurance to us. And that's the difference there. That's SR-22. And--

DeBOER: Perfect.

RHONDA LAHM: --we already have an insurance company wanting to do this electronic piece now and move to our system. I said, well, we-- our system won't be up and running until January, but.

DeBOER: Thank you for that clarification. The other piece is about the special interest motor vehicle license plates. This is on page 18 under Section 12, 18 of the original bill, lines 17 through 20. It looks like the special interest motor vehicle license plates are going to be eliminated. What are the special interest motor vehicle license plates?

RHONDA LAHM: So they're a plate that's right now designed for people that have, like, a hobby car and they don't want to have a front plate. So they get a special interest plate to only put it on the rear. But once we go to only one passenger plate, they become irrelevant because everyone will have only a plate on the rear.

DeBOER: Is this the-- where they have the, the one plate in the back and then they had the sticker on the, the front? Don't they have to pay 50 bucks for the sticker?

RHONDA LAHM: Yeah. That's a separate provision. That's actual regular passenger plate. If they just want to have a regular passenger plate and have only one plate, then they have to pay the \$50 and the sticker, but this is an actual different plate type. This special interest that was designed before the provision for the one plate and sticker. So it's actually just obsolete because no one will need to have a-- two plates after that.

DeBOER: So these-- this is not a-- I thought the special interest plates were, like, a grouping of plates, like the zoo plate [INAUDIBLE].

RHONDA LAHM: Those-- they now have changed in statute to call them alternative plates.

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DeBOER: OK. It's probably good I'm done after this year. I think I've seen enough. Thank you.

MOSER: Senator Bosn.

BOSN: Yeah. So now I have a question. So when you have, like, a historical vehicle, those only require one plate. Are those what you're talking about here?

RHONDA LAHM: No, that's another plate type, historical vehicle. Your vehicle has to be 30 years old to qualify for a historical pa-- plate. And then you have to show your plate to the department and we have to prove it. Has a historical sticker on it. But that's another-- different plate type.

BOSN: But then they don't re-- re-register that every year.

RHONDA LAHM: Correct.

BOSN: OK.

RHONDA LAHM: That's correct.

BOSN: OK. So that's not what's changing in here. Can you give me an example of what it is that's changing?

RHONDA LAHM: So, so the special interest plate is like if somebody has, like, a collector car or something and they didn't want to have to put on a front plate, they could get a special interest plate. And it's supposed to only be driven for, like, pala-- parades or special events. It's not supposed to be a vehicle that you use for day-to-day driving.

BOSN: And who determines whether I use my vehicle for day-to-day driving?

RHONDA LAHM: So we just assume Nebraskans are honest. And when they register, they're going to tell us and be honest.

MOSER: That's a work in progress.

BOSN: Well, in addition to that, I will just-- and I-- my office worked with you on the SR-22 insurance part of that, so I thank you for including that and giving that to Senator Fredrickson to include because that was a constituent that brought that to me. And that's a

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very real issue that I certainly support including in this cleanup stuff. So thank you.

RHONDA LAHM: You're welcome.

MOSER: So will we need proof of insurance to go in and get our car re-registered?

RHONDA LAHM: Nothing will change in terms of registration of vehicle.

MOSER: But it is required now to bring in proof of insurance? Or do they just look you up and say, the database says your insurance is in force?

RHONDA LAHM: Both. So not all insurance companies are required to participate in the database. So if you are somebody who's-- if you're-- have insured with a company that's not required to participate in the database, then you'll need to bring your card in. But if your company participates in our database, then the county treasurers would be able to see that and register your car without seeing the card.

MOSER: OK. Other questions from the committee? Senator Storer.

STORER: Thank you again, Chair Moser. And thank you, Rhonda. I-- a couple questions. I have two kind of questions. One is-- I don't know that there was much discussion-- and I noticed there's quite a bit on boats. And, and just sort of the proof of ownership for a bonded certificate of title. Can you just give me a little bit of background of--

RHONDA LAHM: So there-- there's, there's provisions in statute to get a, a bonded certificate, a title, and what you-- the process you have to do to get a lien removed, to get a bonded certificate of title for motor vehicles. But there is no provision for that same thing for boats. And so basically what it does is it just adopts into statute basically the same procedures for a boat. So if you have a boat and we're showing a lien on it-- and so you can't change ownership or get a re-- [INAUDIBLE] number-- for a boat, then the same process would go through to show either that's an outdated lien, we can't find the lienholder anymore, so that we would then be able to si-- issue a bonded title.

STORER: OK.

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RHONDA LAHM: So it's really the same process as we have for cars.

STORER: Going to be required upon transfer of ownership.

RHONDA LAHM: Right.

STORER: OK.

RHONDA LAHM: If, if there's no title-- or, if they don't have a ownership document.

STORER: OK. And having boats could range in value from-- anywhere from 3,000 bucks to probably 50,000. I don't know. I haven't bought a boat for a long time, but.

RHONDA LAHM: I've never bought a boat, so I don't know anything about boats. So I'm not even want to-- I'm sure that they're worth a lot. I mean, I'm sure they could be worth a lot of money. Just like everything, you know, it could vary a lot.

STORER: OK. And then second question is, I guess, similar. But in your testimony, you spoke specifically to Section 9 and the provision to address fraud and require proof of ownership. So that is when a trailer that has not been required to have a title as being sold or tra-- ownership transfer is taking place, then this provides for four specific documents that can prove ownership. Is that the way that--

RHONDA LAHM: Yeah. So for example, if your trailer isn't titled and that-- someone comes into the county treasurer's office to register it-- because it's still required to be registered-- when they don't bring in any paperwork, the county treasurers are a little bit at a loss as to what is the correct information. And what's happening is incorrect information gets put in the system. So then that trailer goes to transfer ownership and then we have real problems because we have incorrect information. So it doesn't identify it. Or the trailer gets stolen, and then trying to recover the trailer is very difficult when the incorrect information's in our system. So showing some type of proof of ownership so the county treasurer's gonna have accurate information in our system to register the trailers makes sense because some of them are worth a lot of money.

STORER: Right.

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RHONDA LAHM: A farm and-- as you-- as you're probably aware of, horse trailer that carries four horses or whatever would fall into this category. They can be with--

STORER: Well, there's horses in the trailer worth far more.

RHONDA LAHM: Yeah, they could be. I mean, they could be--

STORER: Or the cows that are in the trailer.

RHONDA LAHM: Yeah. They could be really expensive. So we-- just to protect the ownerships and make sure that people aren't stealing trailers and we can't track them down and find them for people.

STORER: So proof of ownership is important when there's transfer of ownership.

RHONDA LAHM: Yeah.

STORER: Thank you.

MOSER: Senator Brown.

BRANDT: Thank you, Chairman Moser. Thank you, Director Lahm. Colored plates. Are we becoming Colorado?

RHONDA LAHM: Well, I don't know-- I don't know about that. We've had a number of customers that have requested this. And so we actually were looking at it last year, but too late to get a bill introduced. And we actually have some blackout plates in Nebraska that aren't issued by us, but they are on vehicles. And so in an attempt to kind of get everybody on the legal end where they should be, we've had a lot of customers request it. And so-- basically, our legislation is set up to mirror what's happening in most states.

BRANDT: OK. And then a second question. And I see this when I'm up here in Lincoln and I'm staying in my apartment and walking around. I've never seen so many in-transit stickers in my life as what's on these Lincoln cars. I mean, is there-- and I don't know if this is your agency or if this is law enforcement, but it-- I kind of get the impression a lot of people are getting through on in-transit stickers. Is there a way to clamp down on that?

RHONDA LAHM: So a little bit of in-transits and the, and the misuse of in-transits falls under the Motor Vehicle Industry Licensing Board

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instead of the Mo-- Motor Vehicle Department. But one of the things that we want to do because we're seeing fraud and we get reports of fraud from other cities about in-transits in Nebraska, the pilot project is that then the number would be registered in our system. So if you see an in-transit, it would have a number on it. I don't want to call it a license plate number, but an identifier. And it could run in our system and-- two things we'd know: one, is it legit; and secondly, within 30 days, have they registered their vehicle and paid their motor vehicle tax and taxes and registered their vehicle? And if not, we can send notification to them reminding them to get their vehicle registered properly. And, if not, to the Department of Revenue so they can collect the proper taxes. So that's the whole point of the pilot, to work with dealers and the interested parties and figure out how to make it work. That's what's done in most states. That's industry standard.

BRANDT: I think, think that would be a great idea. Thank you.

MOSER: So every time I go to the Treasurer's Office to get a plate, transfer a vehicle, re-register my vehicle, I always have a hassle. How, how is a citizen supposed to know all this stuff that you need to get your things transferred and-- I was there three or four times once. And I didn't raise a fuss or anything. I think I did call-- I call you?

RHONDA LAHM: Maybe.

MOSER: I called somebody right from the Treasurer's Office. I said, what the heck is going on here?

RHONDA LAHM: So, so it-- I mean, there are a lot of-- there-- it can be complicated. I guess one of the things-- first of all, county treasurers are not employees of the state. You know, they're elected officials and they have their own staff. And while we try to provide them guidance and-- our vehicle administrator, she does a dynamite job of helping them out and giving them good advice and good re-- good information to go by, there are also individual offices which we don't really have any parameters or control over. One of the things that we're doing in terms of information-- and I'm just [INAUDIBLE] plug. We are piloting for the state an, an AI chatbot to answer questions so that you can just go on our website and type in a question. And so, like, if you wanted to know what information do I need to register a new vehicle, that you could type that in on our

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website and it'll just pop it up from all the information on our website.

MOSER: That is available now?

RHONDA LAHM: Mm-hmm. Yep. And fact is, in the first month, we had over 25,000 questions answered on-- asked.

MOSER: Well, the-- one of the craziest-- I think the time I called-- maybe I called Tim McCoy. Anyway, so I have this, like, ancient boat, 1974 Sea Star, pink or-- I don't know. Orange, ugly-- and I wanted to register it and they wouldn't register it. They said, well, we need a picture of the number from the plate on the, the boat. I said, well, I've registered it every three years for 30 years before and all of a sudden I need to go out and take a picture of it? And I said, what's that all about? And so what is it all about?

RHONDA LAHM: Without knowing the specifics, I can't really say for sure, but what I'm guessing is that different treasurers' offices have some internal protocols that vary. And I'm guessing that in your situation in your particular treasurer's office, the-- maybe the county treasurer changed and the protocol changed would be my guess. But if you have specific information-- the law didn't change. So it would have been--

MOSER: I, I just did what they told me. I was a dutiful soldier. I went and did it, but--

DeBOER: Chair Moser, I'd like to note for the record my objection to your use of the word ancient because I was born in 1974 and I do not think that qualifies.

MOSER: Well-- but a boat invented in 1974 and a person born in '74 are distinct.

DeBOER: Don't try and get out of it.

MOSER: You weren't recognized.

BOSN: Point of personal privilege.

MOSER: So what their explanation to me was is that they've had some fraud and that they had direction from the state to clamp down on transfer of boats to make sure they're not stolen.

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RHONDA LAHM: Yeah. I'd have to-- I mean, I'd just have to follow up with the particular situation and-- and we do, we do have a manual that we ask them to kind of use as guidance, but we know we're no-- we're not able to mandate everything. One of the things is when you modernize your system, though, you can put checks and balances in the system, and we were able to do that in 2019 with our vehicle system, and we'll be able to do the same thing with licenses here shortly, where you can take away some of that discretion that isn't helpful.

MOSER: Yeah. I, I was just flabbergasted. I mean, if you park this boat in the Walmart parking lot and you came back out after getting groceries, there'd be another boat tied onto the back of it just like it. Somebody else is-- it's like parking your car and leaving your accordion on the front seat and you come back and there's two accordions. That's how bad that boat is. OK. Questions?

RHONDA LAHM: I'll take your word for it.

MOSER: Well, we have some crazy rules, I think. All right. Thank you very much, Director. Appreciate your--

RHONDA LAHM: Thank you.

MOSER: --appearance and for humoring my questions. Anybody else to support LB972?

CANDACE MEREDITH: Good afternoon, Chair-- Chairman Moser and members of the committee. My name is Candace Meredith, C-a-n-d-a-c-e M-e-r-e-d-i-t-h. And I am with the Nebraska Association of County Officials. Just real quickly, we're here as a proponent of LB972, understanding this is a, a DMV cleanup. I'm here to talk specifically about the county-related item, Section 9, which would place in the statute the documentation required for the registration of untitled trailers. The language has been taken from an existing DMV guidance document that Director Lahm did talk about. That guidance document was drafted based on conversations and agreements with the treasurer's Motor Vehicle Committee. It just reflects that kind of clear and consistent direction county treasurers have been asking for, so. That's all I have. If there's any other questions, I can help with, be happy to answer them.

MOSER: OK. Any questions from the committee? Seeing none. Thank you for your testimony.

CANDACE MEREDITH: Thank you.

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MOSER: It's a long wait for that. Anybody else to speak in favor of LB972? Welcome again.

LOY TODD: Thank you. Chairman Moser, members of the committee, my name is Loy Todd. That's L-o-y T-o-d-d. I'm the president of the Nebraska New Car and Truck Dealers Association. All I want to say is that we would like to thank Senator Fredrickson and the, and the DMV for Sen-- for-- Director Lahm for working with us on the, on the bill. We think it's good legislation. We would just support it.

MOSER: OK. Great. We have questions for the testifier? Seeing none. Thank you.

LOY TODD: Thank you.

MOSER: More testimony in support of LB972. Is there any testimony-- excuse me-- in opposition? Welcome.

TIM HRUZA: Good afternoon, Chair Moser, members of the Transportation and Telecommunications Committee. My name is Tim Hruza. Last name's spelled H-r-u-z-a. Appearing today on behalf of the Nebraska Association of Service Providers. Elena was here to testify, but she had to leave to attend to a child. I've, I've passed out a copy of her letter. I want to be clear, I'm only sitting here today in opposition to Section 13 of the bill that creates the choice color plates. I've talked with Senator Fredrickson about why. And I think there'll be a couple more that follow me today. But we have been working on an effort-- and maybe to your question earlier, Senator Brandt, LB1092 was introduced separately by Senator Bostar, which kind of attacks the same issue. We are trying to do what Colorado did. And so a few years ago, Colorado introduced-- they're called historical plates in Colorado, but plain black plates based off of older designs. I think they have four colors as well, which is what this bill does and LB1092 does. In Colorado, they use that money to-- part of it or I, I think all of it there, but at a lower rate-- to fund developmental disabilities provider grants. It's a clever way for Colorado that came up to finding a way to get revenue in for developmental disability service providers especially at a time when state revenues don't always keep up with the cost of providing those services. So we have been working with Senator Bostar, who was interested in the issue, had reached out. Colorado's the model that we chose. LB1092 was introduced separately before we knew that Senator Fredrickson was working on this effort in conjunction with the DMV. I only appear today to let you know that LB1092 is out

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there. It's introduced. It is not scheduled for hearing yet. And we would ask that before you act on this legislation with respect to where that money should go and how it should go that you consider LB1092 as another viable option for the use of the funds that might be raised by these types of license plates. I'm happy to answer any questions if you have them.

MOSER: Questions from committee members? Senator Brandt.

BRANDT: Thank you, Chairman Moser. Thank you, Mr. Hruza, for testifying. So how much money will these colored plates raise?

TIM HRUZA: Well, the DMV's projections show about \$5 million in the first year and then going up to \$10 million based on, like, the level of adoption. I, I don't know for sure what we can actually expect in Nebraska. That's based off of the \$70 and \$100 as listed in this bill. Senator Bostar's LB1092 uses a flat \$100 fee, I think, for those plates. In Colorado, they're at a much lower rate. And I think after three or four years of implementation, they've grossed about \$12 million for these-- for the DD providers in that state. I'll tell you that several other states have plates just like this. Our neighbor in Iowa has blackout plates. Minnesota does as well, I think. I see them in my neighborhood, that's why. Ever since we started working on this issue, I've been taking pictures and sending them to Senator Bostar like, hey, there's an Iowa plate across the street from me that's all black. So I don't know for sure how we would get to a projection on that. The DMV's fiscal note on this is probably about what we have.

BRANDT: So under Senator Bostar's bill, you want to divert that money from the DMV Cash Fund to the Nebraska Association of Service Providers? And then the money they get now they would take less from the General Fund?

TIM HRUZA: No, not-- maybe to clarify, not divert. I don't think that-- we're creating a new license plate that is separate. There's an additional fee on top of it. Then-- if you got your plain license plate, you're still pay-- paying all of the fees that you would to have your li-- your car licensed in Nebraska.

BRANDT: No, I'm talking about these, these colored plates.

TIM HRUZA: So if we create new plates and we take an additional fee on top that, what we would do is what Colorado did. For the

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additional fee to get that black plate-- in Colorado, they have four: black, red, green, and-- maybe white-- I can't remember-- blue. But you pay an additional fee just like you would with a-- you know, Czech heritage plates, for example, you pay an additional fee. That-- those dollars go into a cash fund. In Senator Bostar's bill, the proposal-- just as they do in Colorado-- would be to put it into a grant fund the DHHS manages. That would then be paid out for grants for provider needs in terms of things like infrastructure, upgrades, to retrofit bathrooms for people with special needs, to pay for special transportation needs, like certain vans that you might need or transportation things, upgrade-type facilities type stuff that are kind of one-time grant dollars as that money starts to come in.

BRANDT: All right. Thank you.

MOSER: Senator Bosn.

BOSN: Thank you. So ha-- [INAUDIBLE] talked to Sen-- and I know he's here and can speak for himself, but you've had conversations--

TIM HRUZA: We had a conversation last week about-- and, you know, very much open to discussing how the, the split can be or what the number should be. Like I said, it's just, like, a weird, perfect storm where Senator Bostar had been working on this issue, had reached out to me, admittedly, and I was like, hey, we could do what Colorado did. He introduced the bill. I, I don't want to speak on behalf of anybody, but I think there have been conversations with at least the department and maybe Senator Bostar's office too, but I don't know that-- like I said, I-- only appearing today to let you all know before this moved quickly out of committee to the floor that, that we think that that some of the money that's raised from this should-- could be used in a different way like other states have in a successful way.

BOSN: And we have other specialty plates. Do some of the funds raised from other specialty plates, if you know, go to those designated services, i.e. Josh the Otter? Does some of the money raised from that specialty plate go towards the Josh the Otter Foundation?

TIM HRUZA: My understanding is that it does, yes.

BOSN: OK. So what you're saying is that these plates would be specifically designated as developmental disability associated plates

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and some of the funds or all of the funds in the other bill would go to DD services.

TIM HRUZA: Sort of. I mean, not, not necessarily. So the, the, the-- Senator Bostar's bill would call them iconic design plates. It's modeled after Colorado's bill, which I think are called historical plates. We already have historical plates in Nebraska, so we can't use that moniker again. But basically, what Colorado's did is said we're going to come up with these historical design license plates, we're going to look at old styles that we've used in Colorado that were popular, right? Plain black, plain white, those things that, that have a demand for them. And then they put that money into a cash fund that goes out to grants for DD providers. We would do that same model [INAUDIBLE] for these i-- we call them iconic designs in LB1092, but it would take that money, put it into a grant fund, and then the providers could apply for it as needed.

BOSN: Have you had these conversations also with Director Lahm?

TIM HRUZA: I have not. I've not had that conversation. I talked with Senator Fredrickson last week.

BOSN: Those are my questions.

MOSER: Senator DeBoer.

DeBOER: Thank you. So under the schema that you have in mind here that you're trying to draw our attention to, would the plates-- or would there be some other way that folks would know that they were supporting DD by purchasing these plates? With all of our other special interest plates, Josh the Otter, with the can-- pediatric cancer, with the zoo, with whatever, you-- it says on the plate what you're supporting when you support by buying those plates. Would your scheme inven-- envision indicating what you were supporting?

TIM HRUZA: Not, not through the design of the license plate like others necessarily do. The idea would be maybe the website does or the explanation for where the fee goes or something like that. We could certainly build that into the bill. Like I said, we're trying to come up with a novel concept as just kind of what they do in our neighboring state. So yeah, the, the plate would not identify that that-- like, any sort of specific source there. As Senator Bostar's bill is set up, it's exactly like this, but with four license plate designs. Again, they're both modeled after Colorado. One just has the

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funds going toward cash funds to-- for DMV. Again, on top of the other funds that you would already otherwise pay. The excess funds from these types of designs under this bill would send it to DMV to be used to support the department. Under the bill that we have proposed, the funding would go toward a grant fund at DHHS. And again, I-- there's no magic sauce to the amount of money, but--

DeBOER: My question then would be, since the plate does not identify where the funds go, the question would be then could someone, another senator at another time, come and say we want this to go to some other thing? It's a black plate, it should go to the Church of Satan, so we're going to do it. That-- it doesn't say on the plate. So now we're gonna-- I mean, let's hope that the body doesn't pass that. But you know what I'm saying. Like, without it identified, then the funds could go anywhere.

TIM HRUZA: The legislation in-- in LB1092, it specifically says that the funds-- just, just as in here in this bill, that section of the bill has the money going toward the DMV Cash Fund.

DeBOER: You could change it, right?

TIM HRUZA: You could change it. Yep. The Legislature-- and the Le-- arguably, the Legislature could do the same thing. Like, the Josh the Otter plates, for example, don't go directly to Josh the Otter. They have to go to a cash fund that then is given out to grants to the private organization, just like this would be. No different structure, just different conversation about the amount and then the designs used.

DeBOER: All right.

MOSER: They're still plates printed by the DMV.

TIM HRUZA: Correct. Yes.

MOSER: They're not printed by some third-party plate manufacturer.

TIM HRUZA: Nope. It would all be ordered through the DMV.

MOSER: This is probably a better question for the DMV. But if somebody would come up with an embossed plate with the shape of Nebraska like we had 40 years ago, I think that would sell well. I'd pay 100 bucks for that one.

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TIM HRUZA: So under LB1092, that could be one of the options. So what, what LB1092 would do is say you have a black one and a white one, and then there'd be two other ones that would be modeled after iconic design license plates. So older plates, like you just described, Mr. Chair, that might be popular with the public that people would, would want to choose. And that would be at the discretion of the DMV to determine what those other two historical or iconic design plates would look like.

MOSER: OK. Thank you. Looks like no further questions. Thank you.

TIM HRUZA: Thank you for your time. Thank you for your consideration.

MOSER: More testimony. Welcome.

JENNIFER MEINTS: Thank you. Good afternoon, Chair Moser and members of the Transportation and Telecommunications Committee. My name is Jennifer, J-e-n-n-i-f-e-r; Meints, M-e-i-n-t-s. I am here on behalf of Hands of Heartland, an intellectual and developmental disability service provider. We provide residential services, day services, community service, supported employment services, and shared living services in communities across Nebraska with locations from Omaha to McCook as well as in other states. I am also the proud parent of a daughter with a developmental disability, and I am passionate about improving the experiences of, of other people with disabilities and their families. We do not typically testify in this committee, and we take no issue with any of the cleanup provisions of this bill. Our opposition testimony is limited only to the provisions dealing with the simple solid color license plate. We would respectfully request that the committee consider dedicating the provisions of the sale of the solid color license plate to provide funding for developmental disability service providers similar to what is outlined in LB1092. Service providers regularly request rate increases from the legislat-- Legislature to help keep pace with inflation, rising minimum wage, and changing rules and regulations that dictate services. In other states, a simple solid colored license plate have generated millions of dollars for developmental disability service providers. We are not requesting that reim-- I'm sorry. We are not requesting that the reimbursement rates be funded by the proceeds from the license plate but rather a grant program or additional funding for necessities such as accessible vehicles to be provided with the procee-- with the proceeds from such license plates. Vehicles that we use to transport our clients can easily cost six figures or more. If a fund were created that would assist providers

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with covering these costs, providers across the state would benefit. Our solution would be respectfully request the committee consider merging the language in LB1092 into LB7-- LB972 or otherwise including the dedicated funding source for service providers and legislation that advances from the committee this year. We appreciate Senator Fredrickson's efforts in this bill. We are thankful for your service to the great state and would love to have all of you come tour one of our facilities and meet our staff and the individuals we serve. With that, I am happy to answer any questions.

MOSER: Questions? So would you think that we're possibly opening the flood gates to all kinds of grant-supported programs that want money from the license plates?

JENNIFER MEINTS: I would hope not.

MOSER: What would you say to the next group that comes along and they want a plate for early childhood education or they want it for--

JENNIFER MEINTS: And maybe they would have one that had a specific design on theirs, but I, I would hope not.

MOSER: Yeah. OK. Thank you for your testimony.

JENNIFER MEINTS: Thank you.

MOSER: Madam Clerk, we're still in opposition, right? Anybody else to testify in opposition to LB972? Welcome.

JUSTIN SOLOMON: Thank you. Thank you, Chairman. I'm Justin Solomon, spelled S-o-l-o-m-o-n. I am the chief operating officer of Integrated Life Choices. Similarly, we're a statewide developmental disability services provider. And we also provide services in Colorado, which is maybe interesting considering this conversation. First and foremost, want to thank Se-- Senator, Senator Fredrickson for his support historically of DD providers. And we're just here simply, as Tim Hruza said, to only oppose Section 13 of this bill as we're-- as Senator Bostar's LB1092 proposes sort of a different option. As I mentioned, we are also a provider in Colorado, across the state of Colorado, and using this model has been really effective for the DD community there. As DD providers, we're in the unenviable position of being completely state funded, right? There's no other revenue stream for us in the state. There's no private pay. And so we're trying to find ways in which we can cover increasing costs without impacting state general funds, right, particularly in years like this one. And

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so over the last three years, we've-- have, like, what amounts to a 1% rate increase over that time. And so this is a way for us to get to address some of those increasing costs without going to bat over general funds and exacerbating the budget picture writ large. And so would appreciate your guys'-- your consideration of LB1092 from Senator Bostar. And happy to answer any questions.

MOSER: Is there anything particularly magical about Senator Bostar's bill? I mean, could we just take this bill and specify where the funds go and how they're split?

JUSTIN SOLOMON: You know, I think there are people probably behind me better equipped to answer-- I mean in the room better equipped than that-- than me to answer that question.

MOSER: OK. That's fair.

JUSTIN SOLOMON: Yeah. I will note that what is, I think, really pretty smart about Senator Bostar's bill is it identifies where those grant funds can go-- to several projects, as Tim mentioned. Those capital-intensive projects that-- when budgets are tight, those get pushed down the, the to-do list, right? Things like wheelchair-accessible vans, those cost \$70,000 a pop. And we're in the phase of-- we're running ones from 2016, 2017 whose powertrains are not fantastic. And we're dumping more and more money into them because our budgets don't allow us to buy new ones, right? That is something that in LB1092 would be covered under those grant funds. And so, you know, other very tailored projects like that are articulated in Senator Bostar's bill and I think really would move the needle for DD providers in the state.

MOSER: OK. Thank you. Any other questions? Thank you for your testimony. More opposition to LB972. Anyone here to speak in the neutral on LB972? Welcome.

ROBERT M. BELL: Good afternoon. Chairman Moser and members of the Transportation and Telecommunications Committee, my name is Robert M. Bell, spelled R-o-b-e-r-t, middle initial M. Last name's spelled B-e-l-l. I am the executive director and registered lobbyist for the Nebraska Insurance Federation. The federation is neutral on LB972. I've also been authorized to add the American Property Casualty Insurance Association on the record in a neutral position. As a refresher, the Nebraska Insurance Federation is the state trade association of Nebraska insurance companies. The federation has 50

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insurance member companies who write all lines of insurance. I am proud to say that the Nebraska Insurance Federation membership includes the top ten writers of private auto insurance for Nebraskans. These top ten riders include nearly 84% of the total market share of Nebraska auto insurance according to the National Association of Insurance Commissioners. Section 23 of LB972 provides that, beginning on July 1, 2027, proof of financial responsibility provided to the Department of Motor Vehicles by an insurer for those individuals who require SR-22 certificates to be provided must be done electronically. My understanding from speaking with Director Lahm is that insurers are-- will be able to file directly with the Department of Motor Vehicles without cost, thereby avoiding the convenience fees, which are currently causing some insurers to mail-- in the U.S. mail the SR-22 information instead, although many file electronically currently. The federation appreciates Director Lahm and the department running this language by the members in late 2025. And as-- no member insurer has objected. But because our legislative committee has not yet met to determine positions on this legislation, I'm appearing neutral to state that the federation has no objection to this change. I appreciate the opportunity to testify. Thank you.

MOSER: Questions for Mr. Bell. You must have been succinct.

ROBERT M. BELL: Good.

MOSER: No questions.

ROBERT M. BELL: That was my goal. Thank you.

MOSER: OK. Anybody else to testify in the neutral? Welcome.

CHRISTA YOAKUM: Good afternoon, Chair Moser and members of the Transportation and Telecommunications Committee. My name is Christa Yoakum, C-h-r-i-s-t-a Y-o-a-k-u-m. And I'm appearing before the committee in my capacity as the chair of the Lancaster County Board of Commissioners and as the chairperson of the regional governing board that oversees APACE, formerly known as Region V Services, wi-- wi-- a provider of services for individuals with intellectual and developmental disabilities that supports approximately 740 Nebraskans across southeast Nebraska. I'm here to testify on behalf of the Lancaster County Board and APACE in a neutral capacity on LB972. And I specifically intend to address, you might guess, Section 13 of LB972, providing for the choice color plates and distributing those funds from those plates to the Department of Motor Vehicles Cash

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Fund. We're also aware of another similar bill you've been discussing, LB1092, providing for iconic, iconic design license plates and distributing those funds from those plates to the Developmental Disabilities Provider Capital and Equipment Maintenance Cash Fund. At APACE, our responsibility is to ensure that our organization can safely and sustainably serve people with disabilities over the long term. That responsibility is becoming increasingly difficult to accomplish as the cost of providing these supports has increased substantially. Reimbursement rates for intellectual and developmentally disability providers have not kept pace with rising costs, meaning providers cannot make needed capital investments. APACE is routinely forced to defer replacing aging vehicles or delay critical home improvements because the resources simply are not there when accessible vehicles cost approximately \$80,000 and accessible group homes cost around \$400,000. Like many other providers, APACE operates on extremely tight margins, making it increasingly difficult to maintain the infrastructure necessary to promote dignity, safety, and community participation for our clients. Given the similarities between the license plate provisions of LB972 and LB1092, we urge the committee to consider am-- amendments that bring forward the best of both ideas in both bills, including directing revenues arising out of the sale of the new choice color plates and the similar iconic design plates to the Developmental Disabilities Provider Capital and Equipment Maintenance Cash Fund. This proposed fund would create a meaningful opportunity to bridge the funding gap that exists between reimbursement rates and real capital needs. We applaud Senator Fredrickson for identifying an innovative source of new revenue. And we look forward to seeing this critically needed in-- funding strengthen community-based services, prevent costly crises, and help ensure Nebraska's disability system remains stable and reliable for the future. Thank you for the opportunity to testify.

MOSER: Questions for the testifier?

CHRISTA YOAKUM: I think you got a lot of those questions out earlier.

MOSER: Seeing none. Yeah, we've got things talked out pretty well here.

CHRISTA YOAKUM: Thank you.

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MOSER: Yes. Appreciate it. Anyone else in the neutral? All right. We received no online comments and no ADA testimony on LB972. Senator Fredrickson, would you like to close?

FREDRICKSON: I'll be here for close. Thank you, Chair Moser and members of the committee. So-- yeah. I mean, I-- the bill, as I said earlier, is primarily a DMV cleanup bill. I understand there's been some concern about one component of the bill. I had found that concern out last, last Friday, so this is a little new to me as well. I am open to conversation about how to move forward with this. One thing I will say, though, that I think we should be thoughtful for-- about as a committee is whether or not we want to have funding for sources that is not clearly identified. And, and what I mean when I say that-- I think Senator DeBoer brought this up in, in, in some questioning, but in the event that that were to change something in the future, a future legislator could bre-- some-- could bring a new source for blackout plates, for example, for the funds to go to, I think it's important for consumers to be aware of, of, of where their dollars are going. So that's one thing I would just kind of caution against, but I'm open to conversation about how to move forward that component of the bill as well. And I'll take any questions from the committee.

MOSER: OK. Questions from committee members? Seeing none. Thank you.

FREDRICKSON: Thank you.

MOSER: That'll conclude our hearing on LB972. Our next bill is LB886. Senator Andersen, welcome.

ANDERSEN: Thank you, Senator Moser, Chairman Moser. Good afternoon, Chairman Moser and members of the Transportation and Telecommunications Committee. I am Senator Bob Andersen, B-o-b A-n-d-e-r-s-e-n. And I represent District 49, which includes northwest Sarpy County and Omaha. I'm introducing LB8-- LB886 to protect our roadways and all who legally drive on them. This is a commonsense bill and is about public safety. Currently, 19 states and the District of Columbia issue licenses to people who are here unlawfully. Our neighbor to the southwest, Colorado, is one of them. Some of the states make it clear in the license that-- driver's license that driver's undocumented, but others do not. Time and again, we hear stories on the news about undocumented drivers causing accidents and injuring or killing others on the road. In particular, this has been an issue for truck drivers. Last fall, authorities

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arrested 223 undocumented persons driving on Indiana highways near the Illinois border. 146 of those arrested were tu-- driving trucks. In California, authorities arrested 101 undocumented people driving trucks. Title 49, federal law mandates a person must be here lawfully and provide proof of their legal status. Undocumented immigrants are federally barred from attaining a CDL. 49 CFR 383.71 requires a person possessing a CDL to achieve and maintain certain standards. They must be here legally, be able to prove their status, and be able to read English. Obviously, we cannot trust that all states act as responsibly as the great state of Nebraska and enforce these statutes. LB886 makes any license standard to CDL issued to a person not lawfully present in the United States invalid in the state of Nebraska. If someone is pulled over and found to be operating under such a license, they will be subject to the current penalty. The bill makes no distinction between a license that declares the lack of lawful presence and ones that do not. Illegal's illegal. I've quoted a federal statute repeatedly in my remarks, and you may be wondering why. CDL standards are federally mandated. The states are simply the administrator of the program and not a policymaker. To reiterate, LB886 is about public safety on Nebraska roadways. Nebraskans should not be put at risk due to the failure of other states. Of note, Nebraska would not be the first state to pass this kind of legislation. We would be following Wyoming's lead. I thank you all for your time and attention. I'm happy to answer any questions you might have.

MOSER: So does this only affect CDL certificates or all drivers?

ANDERSEN: All licenses. CDLs are federally mandated on what the, the standard is. But the reality is if you have a driver's license, you can't read, write, or speak English, you're a danger to be on a roadway.

MOSER: OK. Questions from the committee? Senator DeBoer.

DeBOER: Thank you, Chair Moser. So you listed some statutes that say that it's already prohibited for anyone who does not have legal status to drive, is that-- did I understand that right?

ANDERSEN: For the CDLs, that's correct.

DeBOER: So why is this legislation necessary then?

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ANDERSEN: Because there's states that are actually issuing driver's license and C-- including CDL licenses to people that don't meet the federal statute.

DeBOER: But we would already be able to pull them over and say that you can't drive in Nebraska if it's illegal federally, right?

ANDERSEN: Yes.

DeBOER: OK. How about Dreamers? How does this affect Dreamers?

ANDERSEN: Dreamers? Deba-- if they have legal status, then they have legal status.

DeBOER: OK.

ANDERSEN: If they don't, then they don't qualify.

DeBOER: OK. Thank you.

ANDERSEN: Yes, ma'am.

MOSER: Other questions? Senator Guereca.

GUERECA: Thank you, Mr. Chairman. Thank you, Senator Andersen, for bringing forth legislation. In your opening, you referred to penalties for-- if a commercial driver was pulled over, they were unlawful, un-- you said-- I'm, I'm not seeing any penalties in your legislation.

ANDERSEN: Right. I, I have-- I'll have to research and find out for you what the penalty actually is.

GUERECA: But that's on a federal level? It's not in this legislation?

ANDERSEN: The penalty is not articulated here. It already exists.

GUERECA: Oh, OK.

ANDERSEN: If you want more information, I can find out about the penalties.

GUERECA: Yep. That's fine. Yeah.

MOSER: OK. Other questions? Senator Brandt.

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BRANDT: Thank you, Chairman Moser. Thank you, Senator Andersen, for bringing this bill. When we go down to Texas-- my wife's originally from El Paso-- you see a lot of Pemex trucks from Mexico in the United States. So this bill would not apply to Mexican truck drivers driving Mexican trucks in the United States?

ANDERSEN: It would not apply to Mexican drivers driving Mexican trucks with a valid Mexican CDL license. There is a reciprocity. If they have a, a, a valid CDL license from Mexico, then they're allowed to drive here within the United States.

BRANDT: So then-- when Senator Brewer was here, he moved heaven and earth to make sure that the Ukrainians that are here in Nebraska got a special driver's license. While they are not citizens in the United States and the license is not truly a Nebraska driver's license, would this be removed from that group?

ANDERSEN: No. The differentiation is being here of legal status or-- as opposed to being a citizen. They may not be a citizen, but they're here of a legal status. If they're an a-- a-- an "asylee"-- "asylumee"-- if they're seeking asylum and they've been given permission to be here legally, then this would not affect them.

BRANDT: All right. Thank you.

MOSER: Other questions from committee members? I guess that's all for now. Thank you.

ANDERSEN: Thank you very much.

MOSER: Yup. Anybody here to speak in support of LB886? We received online comments of 48 proponents, 55 opponents, 0 neutral, 0 ADA. OK. One last chance. Anybody else in support? OK. Now we'll go to opposition. Does anyone oppose LB886?

SPIKE EICKHOLT: Good afternoon, Chair Moser.

MOSER: Welcome.

SPIKE EICKHOLT: I wanted to go first. I had to go back to Education to testify against Senator Andersen's other bill there.

MOSER: Oh.

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SPIKE EICKHOLT: I, I told Senator Andersen last week that I would, I would be opposing the bills. My name is Spike Eickholt, S-p-i-k-e E-i-c-k-h-o-l-t. I'm appearing on behalf of the ACLU of Nebraska and the Nebraska Criminal Defense Attorneys Association in opposition of the bill. With respect to the ACLU's position, part of the reason we're opposed to this is because we see this bill as part of a larger effort of hostility to the immigrants of this state and the immigrant community overall. But the ACLU and the defense attorneys who I represent also have a more perhaps nuanced and more complex problem with this bill. Just so it's clear-- and somebody asked something alluding to it-- to get a driver's license or be able to get authorization to drive in Nebraska, you have to be a citizen or have some legal status. 60-484 and 60-484.04 explain what you need to show to get a driver's license or a state ID card, and you have to be lawfully present in the United States. The concern that we have is that what this would provide for, it would address out-of-state licenses, and we easily see this scenario happening, and that is a law enforcement officer in Nebraska stops somebody with an out-of-state license-- say from Illinois or California or Colorado. Nebraska is part of the Driver's License Compact, which generally means-- and I, I can't speak to it all, but I'm generally familiar with it-- that if the member states sort of rec-- they sort of rec-- recognize-- excuse me-- the validity of another license-- the-- they have a shared computer database. They can confirm if somebody presents, like, a Illinois license-- driver's license, they can check on their database in Lancaster County or in Nebraska that it's still valid by accessing their mutual shared database. But this bill invites them to do something a little bit further, and that is inquire as to immigration status to see if they are still lawfully present at all. In other words, you might be able to get a driver's license in Illinois or in Colorado and not be lawfully present, but this bill would require a law enforcement officer in Nebraska to make sure that is the case. As far as the criminal penalty that this would provide, I think what it would be [INAUDIBLE] under suspension or driving without valid authorization or some infraction like that. The risk that we see is that you're going to have a lot of prolonged detention of people who have out-of-state license if law enforcement tries to enforce this law somehow. It's going to lead to racial profiling. It's going to lead to a lot of arbitrary and selective enforcement. We are concerned about the phraseology of "does not have lawful status in the United States." To answer your question or address the point you me-- mentioned, Senator Brandt, the Ukrainians are here lawfully because they've been provided with refugee status.

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The president can undo that by executive order, and this president has in other circumstances. And if that's the case, then they are no longer in the country lawfully. So these are all sype-- types of things that we can see that Nebraska law enforcement will be sort of assigned with having to do, and we just see that being very problematic. I'll answer any questions if anyone has any.

MOSEER: Senator Fredrickson.

FREDRICKSON: Thank you, Chair Moser. Thank you for being here and for your, your testimony. So I, I-- I've, I've got just a few questions, I guess. I mean, I-- so I was just kind of rereading the legislation itself and kind of hearing the introducer's testimony as well as what you're saying as well. I, I, I, I sort of feel similar to Senator DeBoer. I-- do-- what does this bill do that is not already federal law?

SPIKE EICKHOLT: Well, the CDL thing is different because that is federally mandated, and that's, I think, part of the reason that Senator Andersen explained why he introduced the bill, but I think the bill as written does more. And-- you know, I tried to make this point in Judiciary-- perhaps not very successfully-- but if you pass a bill-- you know, the courts don't necessarily look at all the things that we're talking about now. They don't care really what senators' subjective opinion or hope were by passing the bill. They just look at the text of the bill. And what this says is that a driver's license to be a valid driver's license in Nebraska needs to be issued by someone who is-- is not something that's issued to someone who's not a U.S. citizen and someone who does not have lawful status. So if law enforcement is trying to confirm the validity of someone's driver's license ability, I don't know how a Seward County sheriff does that.

FREDRICKSON: So, so to kind of put a finer point on that, I gue-- I guess one of my concerns is, in theory, you could have an individual who has lawful status, applies for a CDL, is given a CDL with lawful status, et cetera, you have a president or someone in the federal administration who determines on a whim that a certain group of people are no longer lawful, and then that person who was lawfully given a CDL could then be punished for being given a CDL when they were--

SPIKE EICKHOLT: I think so because they would have lost-- assuming you can do that with a CDL-- they would have lost their lawful

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status. Because like you said, if the executive order's-- undoes whatever sort of executive order extended protection that they have.

FREDRICKSON: And have we seen something like that happen with the federal administration currently?

SPIKE EICKHOLT: I know that the Trump administration has rescinded a number of refugee status-- not to Ukraine but to other countries. I think Myanmar-- or what used to be-- yeah. Myanmar was one of the countries. I should have looked that up, but I know that's just been done.

FREDRICKSON: Yeah. OK. Thank you.

MOSER: Senator DeBoer.

DeBOER: Thank you. So how-- I don't know the answer to this question-- I hope you do-- and that is, how does full faith and credit work with respect to things like driver's license? I know that if I get married in Colorado my marriage is recognized by Nebraska as pal-- part of full faith and credit. So how does something like driver's license-- do they get the same benefit of full faith and credit?

SPIKE EICKHOLT: I think-- well, I think so. I mean, full faith and credit might apply maybe more to adjudicated things like court orders and past laws and that sort of thing. I'm-- maybe administrative privileges may be different, I don't know. But I think the full faith and credit-- was it Article IV of the Constitution-- sort of provides the basis, if you will, for the Driver's License Compact like-- we're a part of since 1963. That's 45 states. And I can't speak to it, but I know it comes up sometimes. And I think that the basis of that is, is that if somebody has an Iowa driver's license and they're in Nebraska, we presume that it's valid. We, we don't just disregard it. Sorry, we don't recognize Iowa as being legitimate. You can hand it back. We just don't do that.

DeBOER: So what is the force of law of that compact? So, like, if I ignore that compact-- not because of this bill, some random other reason--

SPIKE EICKHOLT: Oh, I see.

DeBOER: --and Nebraska just says, you know what? We don't like people from Indiana. So forget anybody from Indiana who comes in here. We're

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just not gonna accept their driver's licenses. Everybody from Indiana who comes here, we're gonna, we're gonna pull them over and charge them for driving without a license. What are the legal consequences to Nebraska of operating in that fact? Like, is this a-- is the compact something that's enforceable by law?

SPIKE EICKHOLT: I would assume so. And admittedly, I'm not sure. I don't know if there's a remedy within the compact, like perhaps the compact itself or the member states could sue to enforce it, if they could expel a member, if there's a reciprocal sanction if one member state doesn't recognize another state. I don't know, to be honest. I just know that-- I tell my clients if-- they have a driver's license that works in other states because of that.

DeBOER: So we would have to look into interstate compacture law and particularly this one to determine the consequences of violating interstate compacts?

SPIKE EICKHOLT: I think so.

DeBOER: We're going to start having-- Indiana's going to say, OK. Well, then we are not going to recognize whatever and we're going to end up some kind of weird administrative law war.

SPIKE EICKHOLT: I think, I think so. But I think it's going to be more borne on the law enforcement officers in the state. You know, if you talk to any of the state troopers, they know which plates-- or, which states are single plates and which are double plates, because they're trained on that. They know. And I think this is going to something even more detailed, and that is, which states can you be non-- nonlawful status, get a driver's license. I think they'd have to know those things, and I think that it would just be something that would be somewhat unfair for them to be given.

DeBOER: OK. Thank you.

MOSER: Senator Bosn.

BOSN: Thank you. OK. So to clarify, there's two sections here. There's Section 1 that says Nebraska can't issue licenses, and then Section 2 that basically prevents a nonresident who does not have lawful status from operating on our roads. And what I hear is your argument goes mostly to Section 2. So I'm curious about Section 1 that says our DMV can't give drivers' licenses to individuals here who do not have lawful status. Am I reading that wrong?

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SPIKE EICKHOLT: Respectfully, I think you are. We have a separate statute that tells the DMV who to give licenses to, and that's 60-484 and 60-484.04. I should have given copies to the committee, but--

BOSN: I, I can look it up.

SPIKE EICKHOLT: I think what this says is that if somebody is driving, they have to have proof of valid-- I think what this is, they have to have proof of actual legal ability to drive. And I think what will happen is if you have a, a Lancaster County sheriff pull somebody over on the interstate and they've got a Colorado license, the officer learns somehow that they don't have lawful status, I think that they would have violated 60-474 by not having proof of valid authorization to drive or maybe even driving under suspension or driving without a license or something, whatever that catch-all infraction is, I think.

BOSN: Well, it could be driving under suspension because you'd have to be notified that you were suspended.

SPIKE EICKHOLT: Right. So it wouldn't be that, but it maybe would be whatever the other one is.

BOSN: OK. I'm reading it wrong then. And you did answer my question, so I appreciate that. Because subject-- Section 2, it appeared to me that it was saying state of Nebraska DMV, you can't issue if they are not lawfully here.

SPIKE EICKHOLT: Right.

BOSN: But that's not what it says.

SPIKE EICKHOLT: That's right.

BOSN: This is just saying--

SPIKE EICKHOLT: We have a separate sa--

BOSN: Got it. Thank you.

SPIKE EICKHOLT: We have a separate statute for that. And we've-- you've already said that. You've already told the DMV, don't give a license to people who's not here lawfully. It's done.

MOSER: Senator Brandt.

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BRANDT: Thank you, Chairman Moser. Thank you, Spike, for being here today. Is this constitutional? Because aren't we subjecting these other 19 states that have issued these licenses to-- I don't know if it's called primacy-- of Nebraska law?

SPIKE EICKHOLT: Well, that's kind of what Senator DeBoer asked about full faith and credit, because the states are sort of required to give full faith and credit to other states' orders. I don't know if it's unconstitutional. I hate to say that, because everyone says that all the time, right? They come up here and they say, oh, that's not constitutional. They can't do it. So I don't, I don't know. You know, maybe other states have done this. I'm not sure. But I think it's probably suspect.

BRANDT: All right. Thank you.

MOSER: Senator Fredrickson.

FREDRICKSON: Guess I just have one more question. So I-- I'm thinking about the introducer's introduction and I-- maybe he'll be here to close to clarify on this, but one of the, the-- he, he mentioned sort of safety on the road and risk. Do we have any evidence that people who are immigrants to our country are at higher-- a higher safety risk driving than American citizens?

SPIKE EICKHOLT: I haven't seen any survey that said that.

FREDRICKSON: OK.

SPIKE EICKHOLT: I mean, I think, safety risk, I'll tell you, it's age of driver, right? Younger drivers are probably more aggressive and reckless, inexperienced drivers, older drivers. I think that's what studies tend to show. And of course intoxication. Some say phone use, but I'm not willing to concede that.

FREDRICKSON: I would argue distracted driving is certainly a safety risk, yes. Thank you.

MOSER: Other questions? Thank you for your testimony. Any other opposition to LB886? Welcome.

ITZEL LOPEZ: Thank you. And good afternoon. My name is Itzel Lopez. I'm-- I serve as the chief executive officer of the Latino Economic Development Council. I'm also a business owner and one of more than 3,000 DACA recipients who call Nebraska home. I'm here today in

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opposition to LB886. This bill weakens Nebraska's driver's license law and puts our communities at risk. Our roads are actually safest when everyone who drives in our state is properly licensed, tested, and insured. Evidence from across the country is clear: states that issue driver's license based on a person's ability to drive rather than on specific immigration documentation see improved road safety and higher rates of insured drivers. LB886 will invalidate these licenses and roll back proven public safety gains. Doing so will not only harm immigrant communities, but it will undermine road safety for all Nebraskans. In closing, I urge you as lawmakers entrusted with the safety and the well-being of all Nebraskans-- Nebraskans to reject LB886 and focus on strengthening approaches that keep our roads safer, our communities insured, and our state moving forward together. Please stand for public safety, fairness, and common sense by voting no on LB886.

MOSER: Thank you. I was in error of not asking you to spell your name first.

ITZEL LOPEZ: Oh, yes. Itzel Lopez, I-t-z-e-l L-o-p-e-z.

MOSER: OK. Questions?

ITZEL LOPEZ: All right. Thank you.

MOSER: Thank you very much. Anybody else here to speak in opposition to LB886? Welcome

NICK GRANDGENETT: Thank you. Good afternoon. My name is Nick Grandgenett, spelled N-i-c-k G-r-a-n-d-g-e-n-e-t-t. I'm a staff attorney with Nebraska Appleaseed testifying in opposition to LB886. I guess we would just make, I think, three quick points about this. The first is we do have concerns about the fair faith and credit clause-- or, the full faith and credit clause. The, the non-REAL ID licenses that are issued to undocumented people in other states, those are promulgated by statutes. So it's-- it would be like Nebraska then not honoring those statutes that are passed in other states. The second, kind of like the prior testifier said, we do think and do know just by evidence that our roads are safest when all drivers are licensed, tested, and insured. If you look at our fact sheet-- which is attached to our testimony-- it kind of highlights how in states where they've made this policy choice to ensure that there is greater driver's license access when people know the rules of the road, have good eyesight, they can pass a driver's license exam, they see a lot

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of good public safety benefits. They see fewer fatal car accidents. They see fewer rates of uninsured drivers. They-- there's less fraud in their driver's license system. If there is a car accident, people are more likely to stay at the scene. And then finally, I think our third point, I would just-- in the bill-- the current bill draft where it says lawful status, I would just be really careful with that word. I think the, the challenge is the REAL ID Act uses lawful status. And the REAL ID Act was passed in 2005. In Section 202(d)(11), the REAL ID Act, it allows for states to issue new drivers' licenses where basically immigration law has outpaced the REAL ID Act. That's basically what Nebraska did with LB199 in 2023. So Uniting for Ukraine-- which was created in 2022-- that humanitarian parole program, that is not within the definition of a lawful status in the REAL ID Act. But again, Section 202(d)(11) allowed Nebraska to pass LB199 to ensure that Ukrainians with humanitarian parole were able to get licenses in Nebraska. I think in addition to the statute that Spike cited, I would just [INAUDIBLE] it's 60-404.07. That is the statute that allows Ukrainians to get this Nebraska driver's license. So with that, I'll close and just urge the committee not to advance LB886. Thank you.

MOSER: OK. Questions from the committee? Thank you very much for your testimony.

NICK GRANDGENETT: Thank you. Take care.

MOSER: Are there others who want to testify in opposition to LB886? Is there anyone to testify in the neutral for LB886? Seeing none. Senator Andersen. Or is he here?

GUERECA: He left.

BOSN: I think he was opening on a bill in Education, is what Mister--

MOSER: Well, I would say that concludes our hearing on LB886 and concludes our work for the day. Thank you, committee, and thank you for everyone--