

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Transportation and Telecommunications Committee  
January 28, 2008

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[LB709 LB756 LB827 LB834 LB910]

The Committee on Transportation and Telecommunications met at 1:30 p.m. on Monday, January 28, 2008, in Room 1113 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB709, LB827, LB756, LB834, and LB910. Senators present: Deb Fischer, Chairperson; Arnie Stuthman, Vice Chairperson; Ray Aguilar; Carol Hudkins; LeRoy Louden; Dwite Pedersen; and DiAnna Schimek. Senators absent: Scott Lautenbaugh. []

SENATOR FISCHER: Okay, good afternoon. Welcome to the Transportation and Telecommunications Committee. My name is Deb Fischer, I am Chair of the committee and I am the senator representing District 43 in the Nebraska Unicameral. I would like to begin with introductions of the committee and committee staff here at the head table: On my far right is our Vice Chair, Senator Arnie Stuthman, Senator Stuthman is from Platte Center; next to Senator Stuthman is Senator Ray Aguilar from Grand Island. You're frowning at me. Oh. On my immediate right is Mr. Dustin Vaughan, who is the committee counsel; on my immediate left is our committee clerk, Mrs. Pauline Bulgrin; next to Mrs. Bulgrin is Senator Carol Hudkins from Malcolm, Nebraska; and on our far left is Senator LeRoy Louden, who is from Ellsworth. We have two pages with us this session, we have Matt Pederson, who is from North Platte, and Rhianna Needham from Bellevue. And we will be hearing the bills in the order that they are listed on the agenda. Those wishing to testify on a bill should come to the front of the room and be ready to testify as soon as someone finishes testifying in order to keep the hearing moving. Please complete the yellow sign-in sheet at the on-deck table so it is ready to hand in when you testify. A computerized transcription program is being used, so it is very important that the directions on the sign-in sheet are followed. You will need to hand the sign-in sheet to our clerk, Mrs. Bulgrin, before you testify. For the record, at the beginning of your testimony please spell your last name and also your first name if it can be spelled several different ways. Please keep your testimony concise and try not to repeat what someone else has covered. If there are large numbers of people to testify, it may be necessary to place time limits on the testimony. I don't believe we will have that problem today or that situation today. It is never a problem when we have a large number of people testifying. If you do not want to testify but want to voice your support or opposition to a bill, you can indicate so at the on-deck table on the sheet provided. This will be a part of the official record of the hearing. If you want to be listed on the committee statement as a testifier at the hearing, you must complete a yellow sign-in sheet and actually testify, even if you just state your name and your position on the bill. If you do not choose to testify, you may submit comments in writing and have them read into the official record. I would ask that if you need anything that you would call for a page when you are up testifying and we will be happy to assist you in any way. And also in this committee, I would ask that you turn off all of your cell phones, no vibrating, no text messaging. And with that, I will open the hearing on LB709 and welcome Senator Pahls. Nice to see you here today. []

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SENATOR PAHLS: (Exhibits 1, 2) It's good to see you, Chairperson Fischer and members of the committee. My name is Rich Pahls, P-a-h-l-s. I represent District 31, which is, I call, the "Millard of Omaha." Today I would like to discuss LB709, which is what we call a one-stop shop. LB709 simplifies the process of titling, registering, and licensing a motor vehicle when you make a purchase from a dealer in Nebraska. Under this bill, you can buy a car and drive it off the lot with legal plates, all the taxes and fees have been paid, and all the paperwork signed and submitted. You do it in one stop. The actual title and registration are mailed after the fees, taxes, and documents have been deposited. Under state law, you have a 30-day window to complete this process. Under this bill, it will be done in about 24 hours. The paper registration will be mailed early in the 30-day window, but most of the state and county computer records will be updated when you drive away. If you are stopped by law enforcement as you drove away, a law enforcement officer would have more information available through the state and county records about the vehicle than they do in the current law. Twenty-five other states offer this service; we are not inventing anything new here, it's just new to us. I would like to have us keep that in mind because sometimes new can be a little bit scary. There is a company that contracts with dealers in those states to provide the computer connections and equipment necessary to make it work. We have a representative from that company here today to follow my testimony. They are experts at what they do. It is in their best interest to collect all taxes and fees and timely submit them to appropriate authorities under the watchful eye of the State Vehicle Regulation Departments. All of the provisions of this bill are optional. Any dealer who wants to provide this service must apply to the Department of Motor Vehicles and satisfy the director that the dealer has the adequate equipment. Any buyer who does not want this service can decline it without any penalty. Under the bill, dealers will obtain license plates and decals from the Department of Motor Vehicles. It is conceivable, but unlikely, that a dealer would obtain plates for each of our 93 counties. Most likely dealers will stock up on plates of the counties where they do most of their business. The dealers will be bound by the same rigorous standards as state and local officials who carry out the titling, registering, and licensing duties. Any dealer who cannot prove to the DMV's satisfaction that they can handle the duties will not be approved. The state and counties will collect the taxes and fees and the buyer will avoid extra time at the county standing in line to get a vehicle titled, licensed, and registered. I think, as to quote an old cliché, this is to me a win-win proposition. Again, I want to point out, it's optional by the dealer and by the consumer. The concept behind this is the one-stop shop and I just wanted to draw some attention to the fiscal note because it is a high note. This would not be out of our General Fund, but as you peruse this, they looked at this through the high end. Most of us know that there will not be 500 people...dealers jumping onto this right away. I think in our discussion with the people following me, I think they'll point out how this will probably be somewhat of a systematic approach to this. Again, I'm just asking you to take a look at the fiscal note and I'm just going to read the last line, for the purpose of the fiscal note, it is assumed that 240 new car dealers and 280 used car dealers would sign up for this

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service. This is not a validated estimate. These are just estimates. And I would like to have you save your questions for the people following me because I think they could really give you some really good information because we do have somebody in from the industry outside. [LB709]

SENATOR FISCHER: Thank you, Senator Pahls. At this time I would like to note for the record that we have been joined by Senator Dwite Pedersen from Elkhorn. Senator Pahls, did you have an amendment to offer with this or...you said there was an amendment filed. [LB709]

SENATOR PAHLS: Yes, yes. [LB709]

SENATOR FISCHER: Have you... [LB709]

SENATOR PAHLS: Yes. Do we have that? It should be with you. [LB709]

SENATOR FISCHER: Thank you. Thank you, we have that. [LB709]

SENATOR PAHLS: Okay. [LB709]

SENATOR FISCHER: Senator Hudkins, question. [LB709]

SENATOR HUDKINS: Senator Pahls, I know you said to refer your questions to those behind you... [LB709]

SENATOR PAHLS: Right. [LB709]

SENATOR HUDKINS: ...but this one, I think, you would be able to answer better. [LB709]

SENATOR PAHLS: Okay. [LB709]

SENATOR HUDKINS: Who came to you with this particular bill? [LB709]

SENATOR PAHLS: To be honest with you, I was sitting having coffee with a number of people from California and they had moved here...they had lived here; they moved back, and they had just gone through the process of doing this to their cars and they said, why don't you do it like California does it? That's how this started. And then I started investigating it and I talked to...had Ron look up the information and then we started investigating and that's how this all came about, simply through a conversation with several people over a cup of coffee. [LB709]

SENATOR HUDKINS: All right. Thank you. [LB709]

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SENATOR PAHLS: Yes. [LB709]

SENATOR FISCHER: Other questions? I see none. Will you be staying for the rest of the hearing, Senator? [LB709]

SENATOR PAHLS: I will...I'll try to. [LB709]

SENATOR FISCHER: Okay. Thank you very much. Could we have the first proponent please come forward on the bill, LB709. [LB709]

KEN MEHALL: Good afternoon, my name is Ken Mehall, that's M-e-h-a-l-l, and I represent the company that the senator referenced, it is...the company is called Computerized Vehicle Registration. Rather than that mouthful, we typically go by CVR. CVR is a general partnership that is jointly owned by the two largest providers of dealer management systems. When I say dealer management systems, that is the computer that typically runs a dealership. Whenever you go in for service, they can go ahead and give you your vehicle history. When, of course, we go in at that point of which we're going to purchase a new vehicle, all of the information that is typically required for vehicle registration and titling, as well as to create the contracts for that particular vehicle, are printed and captured on that particular computer system called the DMS, the Dealer Management System. As Senator Pahls mentioned, we do provide this service in a number of states and I would tell you that to quote him, and I'm sure it's overused, but it truly is a win-win situation, and we view it as a distinct partnership. Specifically, that partnership begins with a relationship with the authorized motor vehicle agency, and in the case of Nebraska, that would most certainly be the case. In addition, what we do provide is the expertise as well as all of the infrastructure to provide the scenario that the senator mentioned, whereby a vehicle customer can go into an authorized provider of this service...and again I would highlight that this is indeed optional. It's optional for those dealers that wish to participate and optional from the perspective of the department authorizing them in which to participate. But once that particular transaction is enacted, at the very end of the day, what we're really doing is we're taking a manual labor-intensive paper process today and we're bringing that into the new age, if you will, from an automation standpoint. And we're moving the information, those key pieces of information that are required for registration as well as application for title. We're moving that information electronically, we're doing it in real time, such that that individual could, in fact, drive off the lot with their brand new vehicle purchase and have that information be updated in the appropriate Department of Motor Vehicle systems, such that as, again, Senator Pahls mentioned, that information is now transferred and the access to that information is now provided for all those agencies that may have a need to know, certainly, of course, law enforcement. I would also tell you that in the 25 or so states that we are in the midst of adding to that, each and every one of those programs is unique. I think certainly from my travels and having done this

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for quite a while, I would tell you each and every state that we've dealt with has a unique situation, a unique system. Vehicle titling and registration, while some of those elements are quite common, each and every state seems to handle them a little bit differently. So the way that we would initiate a program is we would work very closely with the department, we would work in concert with the infrastructure and technological experts from the Department of Motor Vehicles. We would also look to engage the dealer association, the representatives of those ultimately who would be our target customers, as well as any other agencies. And in this particular instance, I understand there is a county infrastructure that would be required, and we would certainly want to engage those individuals as well, such that we would then have a program that would address each and every one of those constituents and their particular needs, as well as make sure that we provide the value that we would be looking for at each and every level. Thank you. [LB709]

SENATOR FISCHER: Thank you, Mr. Mehall. Are there questions? Senator Stuthman. [LB709]

SENATOR STUTHMAN: Thank you, Senator Fischer. Mr. Mehall, you stated in your testimony that it was...currently we have a labor-intensive process to go through. Explain that a little bit more. [LB709]

KEN MEHALL: I'd be happy to, Senator. And as a general rule, what happens typically in that transaction, the customer goes in, paperwork is generated, paperwork for the application for title, odometer statements, all of the specific paper documents that are required for that transaction to be viewed legal and complete. In many states, that paper document, that package of paper, if you will, once the customer drives off the lot, they typically have a temporary placard of some sort on the vehicle. That paperwork has to go somewhere. It goes somewhere and in the case of some states, it goes to a county office, in some states it goes to what are called the branch office of the Department of the Motor Vehicle agency, and at some point, that information is then input into an automated or a mechanized system, such that that information is now updated on that particular transaction. What we do, in effect, is we provide that data entry point at the very point at which the transaction takes place. The paperwork itself, and again each state has its own specific requirements, paperwork still has to go somewhere. It has to be viewed, in many cases has to be audited, and you want to make sure that you've got original signatures, etcetera, etcetera, so, to meet all legal requirements, the paperwork still must go somewhere. [LB709]

SENATOR STUTHMAN: Another question that I have...since you're attempting to do part of that process and we've got all of the players engaged at the present time, you know, I purchase a vehicle from a dealership, I get the paperwork, I go to the county clerk and get the title transferred over to myself and everything like that, all of that process we're paying for already. That's all engaged. Now, you're coming with another

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service, trying to provide another service, and...are you doing it for nothing or are you...since we're already paying for the total process, or is there a slight charge to the dealer or to myself? [LB709]

KEN MEHALL: That's a great question, Senator. There is a charge. I wish we were a benevolent organization, but we're not. We are, in fact, a for-profit organization and there is a typical charge that ultimately is passed to the customer, and I would highlight again the fact that it is an optional charge, but ultimately for the customer to engage in having that transaction done electronically, there is a charge that is passed on to the customer. [LB709]

SENATOR STUTHMAN: Okay. In the fact that a used vehicle is purchased and there's a lien against it... [LB709]

KEN MEHALL: Um-hum. [LB709]

SENATOR STUTHMAN: ...and you had stated that this, I don't know...no, I guess the introducer said that this could happen within 24 hours, that you could get a clear title. I have found that to be untrue because if there is a prior lien against the vehicle, it takes a minimum of 18 to 20 days to get a clear title or lien release. [LB709]

KEN MEHALL: Well, yeah, I would...let me address that, if you would, please. Relative to what we do is we don't do anything as far as a title or printing the title. All we're doing is we are facilitating the application for title, that process, such that the information on that title gets into the system much more rapidly than it would if it were a paper trail or a paper process. And in the case, as I understand it here in Nebraska, nothing would occur potentially until day 30 when the individual takes his information to the county office. So at that point in time, you've got 30 days that I've been out on the road with a temporary placard and now really nothing official has occurred on that particular vehicle until I go to the county office. [LB709]

SENATOR STUTHMAN: Okay. [LB709]

KEN MEHALL: At which point now the clock starts running, if you will, relative to when the information is actually processed, when you go ahead and get that release of lien, and ultimately when you get the actual title, whether the title is, you know, a title-holding state or not. [LB709]

SENATOR STUTHMAN: Okay. Thank you. [LB709]

KEN MEHALL: You're very welcome. [LB709]

SENATOR FISCHER: Thank you, Senator Stuthman. Other questions? Senator

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Louden. [LB709]

SENATOR LOUDEN: Yes, thank you, Senator Fischer, and thanks for testifying here today. When you say there's a cost to that, now who pays for that cost? Does the dealer pay for that cost, do they pay for it at the treasurer's office, or...who foots the bill here? [LB709]

KEN MEHALL: In most of the states that we work with, in fact virtually all of them, the customer, the ultimate vehicle purchaser, will be asked if they would like to participate. And if that's an affirmative, they will then be...number one key issue is notification, is disclosure, so that the customer is provided as an option, Mr. Customer, if you'd like us to go ahead and provide this and process this transaction electronically, there's a nominal fee of "x" dollars. The customer, the vehicle purchaser ultimately bears that cost. [LB709]

SENATOR LOUDEN: Now, is that going to be more or less than what's being charged now, because, I mean, I think it costs you \$10 to record your title or \$15, whatever it is, and that's about the size of the cost as far as paying anybody at the county. I mean, I'm not talking about the fees that you'd have to pay anyway... [LB709]

KEN MEHALL: True. [LB709]

SENATOR LOUDEN: ...but are you going to do that for \$10 or what do you do it for? How much do you charge? [LB709]

KEN MEHALL: Well...how much do we charge? I would tell you that our price range per transaction, it goes typically from around \$9 per transaction up to \$14 and that's amongst the breadth of 25 states that we work in. Now, in many, many of those states, there are statutes on the books that allow dealers to charge "in addition to" or an "up to" fee for that service that they provide on behalf of their customers. [LB709]

SENATOR LOUDEN: Now... [LB709]

KEN MEHALL: Many of those...I'm sorry, I didn't mean to interrupt you, sir. [LB709]

SENATOR LOUDEN: Well, I was going to say yeah, if you buy one in Colorado, when you get done all with your deal, I think it was another \$95 or \$99, there's a certain little fee on there and that's that benediction fee, as I call it. [LB709]

KEN MEHALL: Well, we're not in Colorado, Senator, so I can't speak with any... [LB709]

SENATOR LOUDEN: It mostly covers everything and I was wondering if that's where that fee would be or would it be on top of that probably? [LB709]

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KEN MEHALL: No, I think...are you referring to what's typically known as a doc fee or a documentation fee? [LB709]

SENATOR LOUDEN: Something like that, that that... [LB709]

KEN MEHALL: Okay. And again, I would tell you, that is a buyer per state type of a situation. What we would typically recommend in the case of this program is that it be completely and totally separated from the doc fee, from the...whether it's an administration fee or a documentation fee, some states call it... [LB709]

SENATOR LOUDEN: Well, it depends on how big of a car dealer you deal with. The bigger they are, the more of a fee. If you get some of them hometown car dealers, why, they're tickled to death to sell a car and you don't have that fee, but. [LB709]

KEN MEHALL: No, that's true, and again, some states actually regulate that very specifically where the doc fee is a particular dollar value, it is printed on the actual sales transmittal document, etcetera, so. Other states quite frankly, and states that we work in, they take a different view of the documentation fee, it is unregulated, it is...there's a wide range. You can go from...to your point about the guy who's happy to sell the car and he may throw it in to \$200, \$300, \$400 in some cases. [LB709]

SENATOR LOUDEN: Now, will...this is just on purchase of cars or trucks, new and used. It is...doesn't do any...has anything to do if people are from moving from state to state, they're still going to have to go down to their county office and get their title changed over and that's... [LB709]

KEN MEHALL: That is correct. Right, that is correct. [LB709]

SENATOR LOUDEN: This is just strictly on a purchase through a dealer? [LB709]

KEN MEHALL: That is correct, yes. [LB709]

SENATOR LOUDEN: Okay. [LB709]

KEN MEHALL: Or what we would term as an authorized provider of this service and that authorization again would typically come from the Department of Motor Vehicles. [LB709]

SENATOR LOUDEN: Then not all dealers have to participate? [LB709]

KEN MEHALL: Dealers do not have to participate. It is, again, it is a totally optional program. [LB709]



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SENATOR LOUDEN: Okay, thank you. [LB709]

KEN MEHALL: You're welcome, sir. [LB709]

SENATOR FISCHER: Other questions? Senator Hudkins. [LB709]

SENATOR HUDKINS: Thank you. This service is all in...it's headquarters is in California? [LB709]

KEN MEHALL: The business, the organization that I work with, Senator, is headquartered in California, but we have people virtually in every one of the states, number one that we're currently working in. We typically will put people on the ground if, for lack of a better term, we put feet on the street relative to those states where we have programs. I personally live in Detroit, but my job is specifically to add additional states to the CVR program and so I obviously travel a great deal. [LB709]

SENATOR HUDKINS: The states that participate in your program, what approximately percent of these dealers are participating members? [LB709]

KEN MEHALL: That's an excellent question. I would tell you it is typically a progression. Once a program is initiated, we work very closely with the department as well as with the dealer association. We typically will develop the program, we'll test it, and then we'll bring it on into what we refer to as a pilot program with a handful of dealers to make sure that it's working the way that we all anticipate, and more importantly that it's delivering the value that we all contemplated at the outset. Ultimately then what we'll do is we'll enter what's called a general release, where at that point in time we all agree that, hey, this works and now it's wide open and whoever wants to participate can participate. In the states that we have a lot more maturity, I mean, our first state is the state of Virginia and we're probably penetrated at...we don't necessarily more often look at the number of dealerships as much so as we look at potentially the number of transactions. So in the state of Nebraska, new car sales in 2006 were right around 72,000. So what we always see typically is a one-to-one ratio from new cars to...and new and used cars, so out of a population of, we'll call it 144,000, 145,000 vehicles annually, what we're doing in a lot of our states is we're at the penetration level of 90, 92, 93 percent. And we would certainly look to, you know, to approach that in the state of Nebraska as well if given the opportunity. [LB709]

SENATOR HUDKINS: Thank you. [LB709]

KEN MEHALL: You're welcome. [LB709]

SENATOR FISCHER: Other questions? I see none. Thank you very much for being

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here today. [LB709]

KEN MEHALL: Thank you. My pleasure. [LB709]

SENATOR FISCHER: At this time I would like to note that we have been joined by Senator DiAnna Schimek from Lincoln. Are there other proponents to the bill? Are there any other proponents? Are there opponents to the bill? If you would please step forward. Good afternoon. [LB709]

SANDRA STELLING: Good afternoon. I'm Sandra Stelling, S-t-e-l-l-i-n-g, Jefferson County Clerk, Register of Deeds, and Election Commissioner, and I'm also the co-chair of our legislative committee for our Clerks, Register of Deeds, and Election Commissioners Association. And, I guess, I heard you say there was an amendment to this bill. I am not sure what that leads to. As it states right now, I would ask you to oppose this bill. I don't think we need any more people out there issuing titles, which I understand this gentleman to say they will not issue the title, but yet it may come to that. Titles are complicated. As Senator Stuthman alluded to, getting a new vehicle...we see a lot of titles come in, they don't have the proper signatures, they are not assigned correctly. A reassignment from one or two dealers previous may be incorrect, they may have the incorrect odometer statement, and these are coming from the dealers themselves. I guess I have the question of what education the dealers are going to have for this. We are instructed by DMV; hopefully, they would work very, very closely with them. They get lots of questions from us on a lot of these titles already on what we need to do. They say the turnaround is 24 hours. Most of the time, a dealer does not have a title in hand, cannot get that title out within 24 hours unless they're a very, very large dealership, but your run-of-the-mill dealers will not have that title on hand. And I guess some of these...when the dealers also do is the addresses. I'm going to use Jefferson County because that's where I am from. We have also addresses of Mahaska, Kansas, Alexandria, which the village of Alexandria is in Thayer County, we have DeWitt, which is in the county of Saline, we have Beatrice, which is in the county of Gage. We do get incorrect titles now. Are they going...you know, and they get sent to the wrong place. Everybody's human, we all make mistakes. I guess this is one of the things that...some of these things are really...we brought up these questions. And I guess if you so choose that you would go forward for this bill, which I'm asking you not to, please work with our motor vehicle committee. Our Clerks Association does have a motor vehicle committee that would be more than willing to work with anybody on any bills that come up. And I...to my knowledge, they were not contacted on this one. So if you've got any questions, I'd be more than willing to try to answer them for you. [LB709]

SENATOR FISCHER: Thank you, Ms. Stelling. Are there questions? Senator Stuthman. [LB709]

SENATOR STUTHMAN: Thank you, Senator Fischer. Sellings (sic)? [LB709]

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SANDRA STELLING: Yes. [LB709]

SENATOR STUTHMAN: Sellings (sic). First of all, thanks for coming and testifying today, I appreciate that for the fact that we have people, you know, that are, the grass-roots people that are working with us every day and give us some of your input. So what you're saying is you're concerned about that even if there was the process of this group working with a dealer and sending you the title as they were doing it as a one stop when they come to...the way I understand it, the individual still has to come to the courthouse for this title. [LB709]

SANDRA STELLING: Okay. [LB709]

SENATOR STUTHMAN: And that title is very possibly going to be wrong. [LB709]

SANDRA STELLING: Yes. [LB709]

SENATOR STUTHMAN: So you're going to have to go through the process to get it all right. [LB709]

SANDRA STELLING: Yes. [LB709]

SENATOR STUTHMAN: Because, you know, and I realize that, you know, there are titles that are not sent right, there's some wrong information on, and you're going to have to go through that process anyway. So... [LB709]

SANDRA STELLING: Right. So I guess we would like to have first choice to do it so we know what has been done with that title. [LB709]

SENATOR STUTHMAN: Um-hum. [LB709]

SANDRA STELLING: And from what we have seen, we still understand that all of the liability is centered on us, so if something has been done wrong, the liability still comes back onto the election official that is issuing that title. [LB709]

SENATOR STUTHMAN: The thing that really concerns me is, you're still going to be employed whether this is in process or not and somebody else is going to have to pay part of the bill for this additional service. [LB709]

SANDRA STELLING: Um-hum. [LB709]

SENATOR STUTHMAN: Which to me, the end result will not get any better than what you're already doing today. [LB709]

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SANDRA STELLING: Thank you. [LB709]

SENATOR STUTHMAN: Thank you for your service. [LB709]

SANDRA STELLING: Thank you. [LB709]

SENATOR FISCHER: Other questions? I see none. Thank you very much. [LB709]

SANDRA STELLING: Thank you. [LB709]

SENATOR FISCHER: Are there other opponents to the bill? Good afternoon. [LB709]

JEAN SIDWELL: Good afternoon, Senators. I'm Jean Sidwell, S-... [LB709]

SENATOR FISCHER: Would you hand in your yellow sheet, please? [LB709]

JEAN SIDWELL: Yes. [LB709]

SENATOR FISCHER: Thank you. [LB709]

JEAN SIDWELL: S-i-d-w-e-l-l. I've been Buffalo County Treasurer for over 25 years. I wasn't prepared to testify today, but after hearing the introduction of the bill and the explanation given of it, I thought it might be in my best interest at this point to rise to oppose this bill. There are just some points that I heard during the presentation that do not line up with the way that we do motor vehicle titles and registrations in this state. We have a process...like the gentleman explained every state is unique...but Nebraska does indeed have some unique features. It does not lend itself very well to the type of system that he was addressing. And I would like to just point out a few of those differences that I would have. It is a concept that could work in many states, I can understand that, but Nebraska's motor vehicle registration system is dedicated to collecting also property taxes for the political subdivisions. At current times schools, villages, and cities...county...receive part of that property tax money. We also collect the sales tax. On to sales tax, there is additional tax of city tax and that rate changes depending on where you live in the state of Nebraska. I would contend that outside vendors trying to do this process would be at a loss as to try to figure out how and what percentages should be applied to the registration cost of a motor vehicle. You basically have to have some knowledge of how the tax districts lie within the state in order to get that correctly. I know in my office we often go refer to our real estate records in order to determine where an individual actually resides and where the car is located in order to get the registration in the correct district. And again, that is important because it does determine who is getting that tax money from that motor vehicle. I would also beg to differ that the process was...you were led to believe that it's a time-taking process in our offices. I can

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guarantee you that if you walk into my office and you have the paperwork in hand that you need, I can have you in, out the door, registered, and paid in 10 minutes. Now, I'm saying that, saying that everything is properly in order, but I do have people who go to a dealership, buy a brand new car, walk right from the dealership with the paperwork in hand, show up my office, and they want that title done then, and we do it. It's very, very quick. I don't want to misrepresent to you that there aren't a lot of title problems that slow down that process because there are. There's a lot of intricate details that go into processing a title; but those that are straightforward, those that are just coming right off new vehicles, walk right in, it is a fast and slick process with very, very little time taken to do it. I would also question how...often people are trading vehicles and not just registering a new vehicle, so I don't know how this process would ever work in determining how to give a refund back to a customer at the dealership. You would have to be in complete possession of the motor vehicle records of the person that was doing the trading, the traded vehicle, in order to correctly apply that refund...(clears throat) excuse me for my hoarseness...in order to apply that refund to the new vehicle. And often we have to do a fairly extensive search of our records to determine whether or not the trade-in allowance on the sales tax portion of the vehicle is really entitled to that customer. And it's no simple matter, but you must actually look through several records in order to figure that out at times. And also there is the refund portion on the motor vehicle registration that is also an intricate part of this process. Again, I would say it doesn't take 30 days to do a title; you're allowed 30 days to do a title in Nebraska. That's a distinct difference. In Nebraska, you are supposed to have the process complete in 30 days. It does not take 30 days to do the process if you decide to do it immediately. The other point that I would really like to make is that it was alluded to that at the time that the sale is occurring that information would be entered into a computer system that would get that information out to all law enforcement individuals too, and it would become part of the records of the state of Nebraska. The way we have devised registration and titling in this state is that you cannot register a car unless the title has been issued and is completed. No registration can go out there, and therefore, trying to get information out there for law enforcement or whatever other purposes there might be, to me would seem completely impossible to do in the current scheme we have for registering and titling motor vehicles. And that pretty much concludes the points that I would like to make and I'd be happy to answer questions about the process. [LB709]

SENATOR FISCHER: Thank you, Ms. Sidwell. Any questions? Senator Louden. [LB709]

SENATOR LOUDEN: Yes, did I understand you're from Buffalo County? [LB709]

JEAN SIDWELL: Yes, Buffalo County. Kearney, Nebraska. [LB709]

SENATOR LOUDEN: Yeah. Do you have long lines of people waiting to get titles or anything in your office or, you know...how much of a time frame if I went there on some

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days would I have to stand around and wait? [LB709]

JEAN SIDWELL: You know, Senator, it has a whole lot to do with what day of the week you decide to come. If you decide to come the first day of the month or the last day of the month, you're going to be in a line. If you decide to come on a Friday, you may be in a little bit of a line. The rest of the days of the week, we're pretty quick and pretty fast to get customers through. [LB709]

SENATOR LOUDEN: Um-hum. And the reason you have the line, is that because people are trading cars or is it because they're buying their stickers for their...getting their license plates or something like that? [LB709]

JEAN SIDWELL: It may have to do with paydays for people. [LB709]

SENATOR LOUDEN: I see, okay. I was...the way this, if this bill was drafted so it was just for...well, I guess the dealers it can be optional. I don't know how that would work, but if it was just for some of the larger populated counties, would that make a difference? But when you say Buffalo County, why, you got a sizeable population in Buffalo County, so I'm wondering if that's of any value to have it just for some of the populated areas or to make it just dealer optional. [LB709]

JEAN SIDWELL: Well, that is correct, we do about 50,000 registrations a year. So comparatively, you know, Omaha, Douglas County and Lancaster do a great many more than that. But it's certainly optional. It would be extremely important because the training that they would have to have on their staffs to do it, I would have a hard time thinking a lot of the smaller dealerships could even afford this. And then I think at most you can be talking about new dealerships with a fairly high volume. I don't think this goes anywhere to help all the used car dealers out there that would have a scenario of titles coming in from all over the country. When you're talking about new cars, you're talking about manufactured statements of origin, which are original documents. When you're talking about a process that would involve used cars, you're talking about titles that can come from any state, and that in itself complicates things a great deal. In fact, many of you probably realize we have to do VIN inspection, State Patrol, and also actually my staff has been trained to do VIN inspections on vehicles that come from out of state so that we know that we're titling the title to the proper car. So it just gets to be any number of complications as you start to look at the details of the system. I would say that it's not that I would be totally opposed to a system like this in a state where you would not be so closely identifying a vehicle's registration wherewith the vehicle resides. In Nebraska, we really truly closely identify that; it's an important part of the structure that we've created. If you wanted to talk about a motor vehicle system in the state of Nebraska that did not do that, that that was not an important component of what we do, it would certainly be a lot better and much more easy process to do. [LB709]

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SENATOR LOUDEN: I got one more question to ask. When you talk about that VIN inspection, you would...even with this bill, you would still have to have that VIN inspection from a patrolman or sheriff's officer or somebody like that? [LB709]

JEAN SIDWELL: Absolutely. I see no elimination of that. [LB709]

SENATOR LOUDEN: And that's what, \$15 now? [LB709]

JEAN SIDWELL: It's \$10. And actually I have personnel in my office trained to do it, we do it in my office, again hoping to eliminate part of the confusion for taxpayers. They can come in and have their inspection done at the same place where they have their title issued and registration done. [LB709]

SENATOR LOUDEN: But it's still a fee? [LB709]

JEAN SIDWELL: It's still a \$10 fee, yes. [LB709]

SENATOR LOUDEN: Okay, and that, you would still have to pay that, irregardless of this, what's in this bill? [LB709]

JEAN SIDWELL: Yes, I don't see anything that would replace the requirement to do that. [LB709]

SENATOR LOUDEN: Okay, thank you. [LB709]

JEAN SIDWELL: Um-hum. Are there any other questions? [LB709]

SENATOR FISCHER: Thank you, Senator Louden. Other questions? I see none. Thank you very much, Ms. Sidwell. Are there other opponents to the bill? Welcome. [LB709]

LARRY DIX: Senator Fischer, members of the committee, my name is Larry Dix, spelled D-i-x, I'm executive director of the Nebraska Association of County Officials. Certainly in a bill like this, in LB709, I think it's safe to say that the devil is really in the details when you go through this. And we visited with Senator Pahls's office over the summer and exchanged some ideas, but as you can see it really boils down to, the process in Nebraska might be a little bit different, in some instances quite different, than what we see in other states. And so I think before we jump ahead too far, we really, really want to understand how it impacts all the components, the taxpayers, the dealers, and the county officials within the system. So I think, you know, it's an idea that its time may come in the future; I don't know that the time is really, really right now for that. Certainly our organization is willing to look at those details and try to understand those and work through those. One of the points that I would bring up and that I would call your attention to is on page 6, line 25, at a certain point in time, that being January of 2010, a

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"designated county official includes a motor vehicle dealer." And from our organization, we have a little bit of a concern, and maybe this is just terminology, but we have a little bit of concern that we have motor vehicle dealers who are designated county officials, which is...that is really what that makes them. When you start to look at the statutes and do a search on "designated county officials," you're going to get 120 some hits at least to talk about a "designated county official." Certainly that isn't the end of the world and maybe there's a different terminology that you could use, but when you make that statement and make that assumption, there may be some other things that come along with that. I know as a designated county official, you have the ability to issue handicap permits, and I certainly don't know that that's our intention. So as I started out, I think what this particular bill the devil really is in the details. It's something that I think really has to have some time to look through it, work through it, understand the interfaces between computer systems; those things are quite intricate. I certainly would have the confidence that the gentleman from CVR and their company understands that. Obviously they worked with a number of other states, but our system also has a lot of uniqueness to it and it's going to take some time to go through that. And so for that reason we certainly pledge our cooperation as we move down the road, but we just don't know that right now is the time to move ahead with this bill. [LB709]

SENATOR FISCHER: Thank you, Mr. Dix. Are there questions? I have a question for you, Mr. Dix. Have you had a chance to look at the amendment to the bill that's being offered? Does that... [LB709]

LARRY DIX: Yeah, I did, I did. And I think the.. [LB709]

SENATOR FISCHER: Would you stand by your testimony even seeing the amendment? [LB709]

LARRY DIX: Yeah, the amendment. And I think what...really within there, one of the things that when we looked at the original bill, I think we, at least we had the impression that dealers had the authority to issue titles, and certainly we did not accept that. The amendment starts to address that, and again we would want to make sure that we have a clear, clear understanding because I don't believe, and at least from the testimony I heard from Senator Pahls and the gentleman who was here, that it's not their intent to actually issue titles. I did read with interest in the statement of intent that it is the intent for the dealers, I think, to put license plates on the vehicle, and I'm not so sure if that means that the dealers are going to actually house license plates. You know, that statement just comes out that says they will put license plates on a vehicle, which I don't quite know that assumption, but.. [LB709]

SENATOR FISCHER: That brings up another interesting point for Nebraska where we basically love our license plates being from our counties. Would dealers have to have available to them a number of license plates, like 93 different license plates? Or would



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we change in how we license our vehicles? [LB709]

LARRY DIX: If it truly is the statement that the dealers would put the plates on or have license plates, I guess I, living in Lancaster County, could go to a dealership in Fremont, purchase a car, and say, here's the fee, I want to pay that fee to have you do the paperwork, and assume they're going to put the license plate. They would have to have an alphanumeric plate as opposed to a Dodge County plate if that's really what's intended in here. [LB709]

SENATOR FISCHER: Thank you. Other questions? I see none. Thank you. Other opponents to the bill, please. Good afternoon. [LB709]

FRED UHE: Senator Fischer, members of the Transportation Committee, my name is Fred Uhe, and the last name is spelled U-h-e. I am the registered lobbyist for Sarpy County and also the chief deputy county clerk, and actually on this particular testimony, I will have my deputy county clerk hat on. I applaud Senator Pahls for, you know, attempting to make taxpayers' service more efficient, but like Mr. Dix mentioned, I think sometimes the devil's in the details. And I guess, to kind of give you a little bit larger county, viewpoint of it, frankly a lot of our dealers already do this, I believe, because they will hand-carry the paperwork and oftentimes will have the checks for the taxes and registration as well as for the title issuance. Quite often, probably a large majority of the dealer-issued...dealer-sold titles will involve financing and that paperwork is usually either hand-carried to us or mailed to us and the titles are issued relatively quickly, so the lien interest is protected. And then quite often the citizen will wait until about the 30th day before they come in and write that check because they want to hang onto that money as long as possible, so. It does raise an issues, I think, it touched on a cross county, I look at say Woodhouse, who has got dealerships in at least three counties I'm aware of, the Performance Auto Group that's probably in three or four, I think of the Tincher Auto Group, which is down in Cass County, but does quite well, I think, in the Omaha metro area and probably southeast Nebraska. So I think there would be a host of issues on getting plates to these people and I think again while the intent is good, I'm not sure if this is specifically the vehicle. I have not seen the amendment, I was aware that one was coming, and would possibly react differently. But...and the additional thing we face in Sarpy County also is Offutt, so we run in some very interesting title transactions of vehicles that are purchased overseas, may not even have a stateside title that are being traded into our dealerships and border certificates, EPA statements, etcetera, so. And these are all documents that we audit and do due diligence before we issue the titles and I think also the original green copy references I think that the records could be audited, but I would think from a fraud perspective, at least that there could be some concerns about the original documents that these ownership was issued off of, so. With that, I think the previous testifiers covered most of the county concerns and I'd be willing to take any questions. [LB709]

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SENATOR FISCHER: Thank you, Mr. Uhe. Are there questions? I see none. Thank you very much. [LB709]

FRED UHE: Okay, thank you. [LB709]

SENATOR FISCHER: Are there other opponents to the bill? Good afternoon. [LB709]

GARY MERRITT: (Exhibit 3) Good afternoon. My name is Gary Merritt, M-e-r-r-i-t-t, I'm assistant director to the Nebraska Independent Auto Dealers and registered lobbyist for the association. As we've handed out, there's been the...several of the questions that we've posed to our dealership, and we are currently opposed to this bill. There's been a lot of factors. We talk about the dealerships. We have a range of dealerships from one- or two-person dealership family, up to some of the largest dealerships in the state of Nebraska. We have a lot of questions on this, there's a lot of regulations they are currently involved with. They...one of the biggest things, they see it as a back door to making the dealership collect all the sales tax and that's something that we've tried to stay away from. We've been very fortunate that every county takes care of because they know what's going on in their county. You talk to any dealer out there, they have a great relationship with their county clerk, but maybe the county two or three counties away, they're not familiar and things are...work a little different. So you have to know what your county and how your county clerk is working so when you're sending in these titles down and doing this paperwork, you have to know how each county looks at it. So in a centralized system means that all the counties have to look exactly on all the paperwork, and that doesn't exactly happen. That's doesn't mean anyone is wrong because, like I say, every dealer has a great relationship with their county, but maybe they do it a little different in the county down the road. We're a little concerned with the mandatory...if this was not a mandatory program, if not enough dealerships come on board, it becomes a mandatory and then becomes a hardship on dealerships. How can you be at the auction buying cars, getting them on the lot, doing a lot of detail, and still be taking care of a lot of these programs? We as associations have worked, been here before, we've asked for education, we think it's important for dealerships. We think education and working with the DMV and these different organizations important. I don't say that down the road we wouldn't see some of these dealers be in favor of this, but it is going to take some education to get them to understand it. Currently on sales tax, you just sign a paper that you know how to, what the sales tax is. So is a certification program going to say, take more than just saying, you know what the sales tax is, do you know what use tax is, do you know what these are? Is the certification program going to be more involved than what it is currently? To get a dealer's license, you just have to know the law. There's no test to know what the law is, there's no test to know with it. So is this certification program going to be more involved in just, do you, we set it up? Yeah, it looks good. Is the person that's going to be there doing the program today, is he going to be the same one tomorrow? So is it a program that's set up...and in some businesses and some of the dealerships may have a high turnover. So, yeah, you got a

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certified program, but the person behind the counter, is he...or behind the computer filling this, is he certified? So these are things that we do see important. We are, like I said, opposed to it, we don't like to collect sales tax because there are different counties and it's hard to keep track of every county that we'd collect the sales tax. There's different fees for every city. It's hard to tell when you're from one area to the next, where's the city line, where's the county line? And so it makes it harder for the dealerships to know exactly that and that's why we would be opposed to this bill and we are at this point in time. Now, I would also preface it that if something like this does come, we as a state association would be on the forefront to working with all parties involved to make sure there's...all our members and dealers will be up to speed and as fully aware of everything that goes on in this. [LB709]

SENATOR FISCHER: (Exhibit 4) Thank you very much. Are there questions for Mr. Merritt? I see none. Thank you very much. Are there other opponents to the bill? I did receive an e-mail from Joann Fischer, no relation, Knox County Clerk, in opposition to LB709, and that will be entered into the record. Anyone wishing to testify in the neutral capacity? Good afternoon. [LB709]

LOY TODD: Good afternoon, Senator Fischer, members of the committee, my name is Loy Todd, it's L-o-y T-o-d-d, I'm the president and legal counsel for the Nebraska New Car and Truck Dealers Association. We are testifying neutral on this particular bill basically because I haven't had a chance to show it to my legislative committee with the amendments that have been offered. We do certainly support the concept and the idea that the senator has brought forward. I'm compelled to say, it's just not that tough to register a car and title it in Nebraska. I mean, it's...from the testimony I've been hearing, it's this gauntlet that...everybody gets it, I mean, we did 72,000 of them last year that were new and we can do a lot more. What this bill suggests doing is something that they're doing in at least 25 other states, and that's that there is going to be the possibility, if it would pass, there would be the possibility of a computer terminal being located at a dealership with people who are trained and approved by the department under their system, whatever that might be. And I certainly trust the Department of Motor Vehicles and companies like CVR to figure it out, so I mean, this isn't the hurdle that no one can overcome. And it certainly wouldn't apply to every sale of every motor vehicle. It would be only some of them, and in fact in my view of Nebraska's procedures and what is possible, I think we're talking about pretty much the cash transactions and it's pretty much the ones where the people just don't want to go to the courthouse. Some people don't want to go there for various reasons and it would just be one more menu item that we dealt with at a dealership in the event this did ever become law. And we would charge for it, I mean, this is a perfect thing for us as dealers. It's a customer service that the customer has an option to do if they choose to do that, and we get to charge for it. What could be better than that? It's just, you know, there is no add-on that the customer doesn't want to add on themselves. And some people...and I've tested this a little bit with friends, relatives, yeah, what would you pay us to go to the courthouse for

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you? And you'd be surprised at some of the numbers, whether it's convenience or...it's just not the same for everybody. So this does have appeal, this does have a market. I only know of one state where anything like this is mandatory and I believe that's just been implemented in Wisconsin and that was after years of other kinds of things. And dealers in Wisconsin actually have to pay an extra fee to not do it electronically from the dealership. Certainly the concerns that have been raised are legitimate, it would be...it takes work, it would take a lot of things that are unique in Nebraska to accomplish this. But from a voluntary standpoint, we see a lot of merit to being able to implement something like this in the future. The original draft of this legislation...we first found about it this summer at some hearings that the senator had in her district...and the original concept we thought pretty much was going to mostly verify that the dealer can do what the dealers do now, and that is, we can physically go take those documents for you and handle that for you, run down to the courthouse, get everything, and in fact by the time you come to pick up the car, we'll have the plates on it if you want us to do that in some circumstances. But we're not involved with a lot of financing or it's not a lease or the other kinds of things that make that 30-day period necessary. So, you know, and we did have one county historically that wouldn't let the dealer bring your check to the dealership, but that person is gone now. (Laughter) And so we don't know what the future holds, so we'd like that concept. [LB709]

SENATOR FISCHER: So are you saying we all need to be careful, Mr. Todd, when you come forward to testify? (Laughter) [LB709]

LOY TODD: I hope not, Senator. (Laughs) [LB709]

SENATOR FISCHER: Or we'll be gone? Okay. [LB709]

LOY TODD: But with that, we absolutely support the concept and would work with anybody to make it happen. And it can happen, this isn't rocket science. Thank you. [LB709]

SENATOR FISCHER: Thank you, Mr. Todd. Are there questions? Senator Stuthman. [LB709]

SENATOR STUTHMAN: Thank you, Senator Fischer. Mr. Todd, you made the statement that, you know, if this was adopted or anything, that the individual would never have to go to the courthouse. I was under the understanding that this group that was working for the Car Dealers Association would help facilitate with the paperwork and they would still have to enter and go to the courthouse to do the final preparation. [LB709]

LOY TODD: Senator, there will be...if this were implemented in the way that we envision it, there are some people that would still always have to go. For example, a vehicle that

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came in from out of state for the physical inspection done by the designated official, that might always have to happen, but there would be a lot of transactions where there wouldn't be...at least a customer wouldn't have to go. There may be times when a dealership employee may have to physically go do something, but this could envision everything from, depending on what the state wanted to do, to the dealer storing plates, or my association by contract storing plates and mailing them out, or the county officials simply doing it in a manner that they do countless times already. So, you know, a lot of things could happen, but we certainly do view this as having the potential for some number of cash customers or certain financial arrangements for the person simply not to have to go to the courthouse. [LB709]

SENATOR STUTHMAN: So it is my understanding then, Mr. Todd, that if this would all fall into place, we could probably have the county clerk on a part-time basis and lower our property tax? (Laughter) [LB709]

LOY TODD: I'm pretty sure that won't happen, either, Senator. But...because all the fees are still there. This doesn't call for, and I don't know of anything that would, eliminate any of those fees that are already being paid. And the state is still doing this. They're...I don't know of any state where anyone other than the state issues the title and they still...all those fees are there for that. I think it would free up some time because it's another computer terminal. This really wouldn't be significantly different than adding another county. If we had 94 counties, I don't think it would be fruit basket upset in the state of Nebraska, nor would it be a similar problem if we had 93 counties and one dealership doing this. [LB709]

SENATOR STUTHMAN: Thank you. [LB709]

SENATOR FISCHER: Other questions? I see none. Thank you, Mr. Todd. [LB709]

LOY TODD: Thank you. [LB709]

SENATOR FISCHER: Anyone else wishing to testify in the neutral capacity? Good afternoon. [LB709]

BEVERLY NETH: (Exhibit 5) Chairwoman Fischer, good afternoon. Chairwoman Fischer, members of the committee, I'm Beverly Neth, B-e-v-e-r-l-y N-e-t-h, director of the Department of Motor Vehicles, appearing today to offer neutral testimony, LB709. I believe Senator Pahls and I are in agreement on the fundamental principle of establishing a process for titling and registering motor vehicles that is straightforward and timely with adequate oversight to ensure compliance and proper collection and distribution of taxes and fees; however, we have a number of unique technical issues with the legislation, some of which I will address in this testimony, some of which has already been addressed and I am not going to cover it again, like the titling issue. I

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understand there is an amendment that would remove the ability for dealers to title and I think that is probably an appropriate amendment. There are also issues, however, that are unique to Nebraska when it comes to registering and plating vehicles; specifically, Nebraska is one of the few states that issues license plates that have county-specific numbering as a part of the numbering sequence. You've discussed it here, but determining and maintaining appropriate inventory levels will be difficult and will be costly. License plates...the inventory and control and production and delivery of license plates rests with the Department of Motor Vehicles. Those plates are not distributed and I wouldn't envision that they would be distributed by county officials. It would still be the department's responsibility to figure out where all of the plate inventories would be distributed across the state to different dealerships. Currently, our renewal stickers do not have control numbers. Control numbers are expensive and auditing the proper distribution of registration stickers could prove difficult. Nebraska does not have a state titling authority, we have 93 counties that engage in titling and registration of motor vehicles. The way the VTR system was created, any vendor providing a dealer-automated transaction system would be required to interface with the state's mainframe and all 93 counties AS/400 servers. It is not as straightforward as some systems and may cause difficulties and extra added expense. There is one provision of the bill that no one has discussed and that is the fact that motor carrier dealers are not excluded from this process. Of the International Registration Plan, know as IRP, and the International Fuel Tax Agreement, IFTA, and the Uniform Carrier Agreement, UCA, govern the title and registration of motor carriers engaged in interstate travel. These are complex programs that require distribution of fees to other jurisdictions. We are unaware of any state that allows motor carrier dealers to do any part of these processes and we would ask that you definitely consider amending the bill to remove that or exempt those people from this process. As the fiscal note filed to LB709 indicates, this process will require the DMV to develop a new program and add staff. LB709 certification and auditing functions will require the creation of positions that currently do not exist within the DMV. The business hours of dealerships are considerably different than the core hours of the state, resulting in the addition of several help desk staff. Many of these issues can be resolved over time. As the introduction of LB910, which you will hear later today, indicates, the titling and registration of vehicles in Nebraska is an area where appropriate improvements can be made. I respectfully offer the assistance of the DMV to Senator Pahls and other interested parties in developing a process that is efficient, secure, and beneficial for all users of motor vehicle titling and registration in the state of Nebraska, including dealers and citizens. I'd be happy to answer any questions you might have. [LB709]

SENATOR FISCHER: Thank you, Director Neth. Are there questions? Senator Schimek. [LB709]

SENATOR SCHIMEK: Thank you, Madam Chair. I'm not sure that Senator Pahls would be interested in my idea, but we could add a little tiny amendment onto this that got rid

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of the county sequence numbering on the license plate. (Laughter) [LB709]

BEVERLY NETH: I expect that's a hypothetical or are you not... [LB709]

SENATOR SCHIMEK: It was, it was. (Laughs) [LB709]

BEVERLY NETH: Okay, thank you. [LB709]

SENATOR FISCHER: That was just a rhetorical question, wasn't it? [LB709]

SENATOR SCHIMEK: Right, yes. [LB709]

BEVERLY NETH: Yes, it was rhetorical, thank you. [LB709]

SENATOR FISCHER: Thank you. Senator Stuthman. [LB709]

SENATOR STUTHMAN: Thank you, Senator Fischer. Thank you, Director Neth, for testifying in the neutral position. The concern that I have is, you know, you stated, you know, you're going to have to develop a program, you're going to have to add staff, there's going to be another process taken at the dealer, that's going to cost the person that is purchasing it...is where it's going to come down to. It's just...to me, it's just continually an extra expense of doing business. Can we really...should we really be looking at something like that? [LB709]

BEVERLY NETH: Well, fundamentally, Senator, there is value in trying to figure out how the process can be conducted in other environments. On a national level, we're having conversations about an electronic title, something that doesn't really ultimately ever require a title be issued or paperwork be handled or distributed for the transaction involved in a motor vehicle sale. That ultimately should be the goal we're all working toward. When you purchase stocks you do not get a piece of paper anymore; you do that all electronically. I mean, there needs to be a way and there can be a way for us to figure these things out. So the lofty goals, 30,000, 50,000 foot goals are very lofty and very, I think in my opinion, attainable. Obviously other states do the process; it probably could be tailored to fit into Nebraska. However, you've heard today that we are...probably need to figure out how we're going to walk before we run with this...maybe this is something that's appropriate for an interim study to bring the stakeholders together to really explore, what are the hurdles in the way from getting to point A to point Z in this case? [LB709]

SENATOR STUTHMAN: Thank you. [LB709]

BEVERLY NETH: Um-hum. [LB709]

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SENATOR FISCHER: Other questions? I see none. Thank you, Director. [LB709]

BEVERLY NETH: Thank you. [LB709]

SENATOR FISCHER: Anyone else wishing to testify in the neutral capacity? [LB709]

BOB HALLSTROM: Chairman Fischer, members of the committee, my name is Robert J. Hallstrom, I appear before you today as a registered lobbyist for the Nebraska Bankers Association and... [LB709]

SENATOR FISCHER: Could you spell your last name, please? [LB709]

BOB HALLSTROM: Yes, I will. In a neutral capacity on LB709. H-a-l-l-s-t-r-o-m. We are pleased that Senator Pahls has come forward with the amendment to LB709; it clarifies that the motor vehicle dealer will be issuing the documents to the county official or the designated county official and having the actually certificate of title issued and liens noted and released thereon, which is a process that we would quite frankly prefer. There is some language in that amendment, however, that causes us to pause and that is it talks about the county official mailing out through the lienholder or the owner within 10 days of receiving the documents, the taxes, and the fees. Traditionally with regard to all types of motor vehicles, manufactured homes, motor boats, ATVs, etcetera, the issuing official has been authorized to issue the certificate of title for purposes of noting the lien and sending it to the lienholder, irrespective of whether taxes had yet been paid. We want to make sure and would like to make sure that that process continues and that that language doesn't interfere in any respect with that particular concept. With that, I'd be happy to address any questions. [LB709]

SENATOR FISCHER: Thank you, Mr. Hallstrom. Are there questions? I see none. Thank you very much. [LB709]

BOB HALLSTROM: Thank you, Senator. [LB709]

SENATOR FISCHER: Others who wish to testify in the neutral capacity? I see none. Senator Pahls, do you wish to close? [LB709]

SENATOR PAHLS: Yes. You know, about 15 years ago when I first saw my first computer, I was scared. And that's why I think some of the things that we were talking about today, we are maybe a little bit afraid of some of the changes. I'd just like to point out, I mean, the testimony that I did hear today did enlighten my staff, myself, about some changes that need to be made. But I have a feeling this probably, this concept will be in the state of Nebraska at some day. And just by listening, I did find out that the largest county did not come here to...or even Lancaster, I don't think...testify against this, so there must be something good about this. I think that we had an expert; we



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probably, if I could do this again, even ask him more direct questions like, if those states that are doing this, is the error rate higher or lower? Well, the error rate is much lower than by doing it with the human transactions. So there are some merits in the 25 states, what they are doing. I must tell you, though, in all honesty we did sit down, talk to the state, sit down and talk to the county, and when we talked to this county, I thought they was actually more supportive. Then I hear other county officials come up and imply that they were not even involved. Now, they may not have been involved, but we did talk to the...I just want to make sure, we talked to the parties involved here. So I am a little bit disappointed in that, that that information is not getting out to the other people because we spent a lot of time talking about our amendment that...which we needed to correct the original bill. So a lot of the testimony was driven by that, and I just, I think, you know, that was a little bit on my side that I thought we could have gone to some other things. But this has been proven to be successful in other states. And here, this is the ironic thing, let's say the county, they basically, their amount of work should go down. Did we take any of their fees away from them? None. So I'm surprised you, Senator, you didn't say, well, gee, you were paying all these fees to the county and they're really not that involved, maybe we ought to cut those back. Now, think about that. And again, this...if I would want it to do this, I had to be willing to pay this as the customer. I'd have to be willing to...and I apologize for implying that you're going to stand in long lines; that's not the issue. I'm talking about more or less by the person not wanting to spend their time doing it. It's almost, you know, somebody like Pahls may be a little lazy, would rather pay a few more extra bucks to do that. Because I do need to commend, because I have for some reason...the new car industry ought to love me because I trade on a regular basis and every time I do go to Douglas County, I do not have to wait in a long line. So I do commend them for doing that. Again, I do think we need to take some looks at...I hope we don't put this to sleep, you know, okay. And I'm willing to answer any questions, but I think my time is done, did it. [LB709]

SENATOR FISCHER: It was a good hearing, thank you, Senator Pahls. And I do want to thank you for the interim study we had this year in both Atkinson and Valentine on this issue, so people out in the state are aware... [LB709]

SENATOR PAHLS: Yeah. [LB709]

SENATOR FISCHER: ...of this issue and hopefully will become better educated. [LB709]

SENATOR PAHLS: Yeah. And I did enjoy God's country. [LB709]

SENATOR FISCHER: As you should. [LB709]

SENATOR PAHLS: Thank you. [LB709]

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SENATOR FISCHER: Thank you, Senator. With that, I will close the hearing on LB709 and open the hearing on LB827. Good afternoon, Mr. Vaughan. [LB709]

DUSTIN VAUGHAN: Good afternoon, Senator Fischer, members of the Transportation and Telecommunications Committee. For the record, my name is Dustin Vaughan, spelled V-a-u-g-h-a-n, and I am the legal counsel for the committee. LB827 does one simple thing: It reduces the time required to keep a paper record of a motor vehicle registration from six years to three years. This information is stored in the Department of Motor Vehicles' VTR system and the paper copy is redundant. These paper records are maintained by the counties, many of which have limited space. Passage of this bill can reduce much of the wasted time and space in fulfilling the current requirement. And that's it. [LB827]

SENATOR FISCHER: Thank you very much. Any questions? Thank you. Are there proponents for the bill, please? Good afternoon. [LB827]

JEAN SIDWELL: Good afternoon, senators of the Transportation Committee. I'm Jean Sidwell, Buffalo County Treasurer, S-i-d-w-e-l-l, and I am rising and will just say very quickly that we are supporting this bill to allow us to destroy records after three years. A little bit of history on this: Prior to the extension of the life cycle of license plates, it had been three years for...almost always we had kept these records only for three years. And then the license plate extension came along and into the bill was written an extension on also saving the record for up to six years. It has never been valuable or necessary to save it for six years; most of this can be recovered through the computer system. And again, space and time is money to us, having to preserve these records for a longer retention period. So I rise in support of this bill. [LB827]

SENATOR FISCHER: Thank you, Ms. Sidwell. Are there questions? Senator Stuthman. [LB827]

SENATOR STUTHMAN: Thank you, Senator Fischer. Jean, this does not eliminate the records, it just eliminates the paper record, right? [LB827]

JEAN SIDWELL: That's correct. That's correct. [LB827]

SENATOR STUTHMAN: So there are still records for the registrations of vehicles? [LB827]

JEAN SIDWELL: We have a fairly long time recovery from...the DMV actually is sort of the repository of that longer-term information on all the registrations, so. But it's out there for a long time and like I said, we had functioned forever with the three-year record and had absolutely no problems with that. [LB827]

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SENATOR STUTHMAN: Okay, thank you. [LB827]

JEAN SIDWELL: Um-hum. [LB827]

SENATOR FISCHER: Thank you, Senator Stuthman. Are there other questions?  
Senator Louden. [LB827]

SENATOR LOUDEN: Yeah. How come you have to keep these registration records  
anyway? [LB827]

JEAN SIDWELL: Well, I'm not certain why. Most things can be drawn up, but they do  
have information-type things. You may have made hand notes on them on occasion that  
may be helpful. There's also sales tax information kept on that record when a car is  
originally purchased. And that sales tax information tends to start to disappear in terms  
of what we call a Form 6, which is the filed document for sales tax collection with the  
Department of Revenue, and that is a very difficult document after the money has been  
collected to ever access again. And so a registration can actually serve that purpose  
fairly well, that that information, pulling that out you can see the collection of that money.  
But again, that information is still also on the computer. [LB827]

SENATOR LOUDEN: What I'm wondering, that vehicle could be, I mean, it could be  
clear across on the other side of the country or something, couldn't it, in that length of  
time, and you're still keeping the registration in your office there? Is that what you're  
telling me? [LB827]

JEAN SIDWELL: I've assumed at some points that there may have been come  
connection to IRS filings, you know, people that may have inquiries on their IRS filings  
that they may actually want us to photocopy tangible documents in our office rather than  
reprint computer records. And prior to, of course, everything being computerized, that  
hard record was the essential record to have in file. I don't believe that's any longer the  
case. We could basically certify the information off a computer-printed screen. [LB827]

SENATOR LOUDEN: Now, it isn't required that you register the...or that you record the  
title of the vehicle, is it? [LB827]

JEAN SIDWELL: I'm sorry? [LB827]

SENATOR LOUDEN: It isn't required that you record the title of the vehicle? [LB827]

JEAN SIDWELL: It's required to.. [LB827]

SENATOR LOUDEN: Do you have...is it required that you record the title of the vehicle  
with the clerk? Do you have to record it? [LB827]

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JEAN SIDWELL: Oh, yes. Now I happen to be a one-stop county, so I do the full process and a title requirement is a five-year record, so we are keeping titles for five years in paper form before we destroy those. [LB827]

SENATOR LOUDEN: But is that title recorded? [LB827]

JEAN SIDWELL: Yes, it's also recorded. It's also...can be regenerated as a computerized document. [LB827]

SENATOR LOUDEN: In one of your books in a clerk's office in the courthouse? [LB827]

JEAN SIDWELL: Yes. In my case, it's in my office. Now keep in mind, titles also have other components to it that a registration does not. A title record contains releases of...probably releases of liens, original signatures of sellers, original signatures of buyers, odometer statements on it, so there actually is more important original information that's contained on a title document than on a registration document. [LB827]

SENATOR LOUDEN: Is there anything on this registration that you would need that isn't already on your recorded title? [LB827]

JEAN SIDWELL: Yes, sales tax is not recorded on the title. [LB827]

SENATOR LOUDEN: Of course, once the sales tax is paid...is made, that's a moot subject, isn't it? [LB827]

JEAN SIDWELL: I'm sorry? [LB827]

SENATOR LOUDEN: Once the sales tax has been paid on it, that's a moot subject because it will change next time the car is traded. [LB827]

JEAN SIDWELL: That's true, but it's not always a moot subject to businesses and companies that are claiming it on their IRS. They may have to produce proof that that sales tax was paid on that vehicle. [LB827]

SENATOR LOUDEN: Okay, thank you. [LB827]

JEAN SIDWELL: Um-hum. [LB827]

SENATOR FISCHER: Other questions? Thank you very much. Are there other proponents to LB827? Welcome. [LB827]

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LARRY DIX: Good afternoon, Senator Fischer. My name is Larry Dix, D-i-x, executive director of the Nebraska Association of County Officials, appearing in support of LB827. Certainly, Senator Fischer, we appreciate you introducing this bill. This actually was a bill that NACO had brought forward. It is very, very self-explanatory. When you think through the concept...we took it from six years to three years...certainly in the advent of computers, you probably could reduce that in addition to that because we're only talking about the registration document. That document typically is good for a one-year period of time and after that point, then you renew your registration, it's the little pink slip that you typically keep in your car and if you're like I am, after that year I take it out and tend to throw it away. So the possibility is there, certainly, to reduce it down even further from three years to a little bit less than that. Certainly all that information is in the database. One of the unique things about the state of Nebraska's database, the way that's set up, the redundancy that's built in is fairly tremendous in the fact that every county has an AS/400, so that data is inside the county's database. That data is replicated at a state server so that data is replicated at the state level, and then of course there is backups of that data on it, systematic timetable. So that data can be...we can get to that data electronically very easy for a number of years. And so certainly, you know, if the committee wants to explore reducing that down, I think we'd be willing to talk about it, but for right now certainly we believe going from six to three years would be very, very beneficial. [LB827]

SENATOR FISCHER: Thank you, Mr. Dix. Are there questions? I see none. Thank you very much. Any other proponents to the bill? Is there anyone here speaking in opposition to the bill? Anyone in the neutral capacity? We will waive closing and with that close the hearing on LB827 and open the hearing on LB756. Hi, Mr. Vaughan. [LB827]

DUSTIN VAUGHAN: Hi, Senator Fischer and members of the committee. For the record, my name is Dustin Vaughan, again spelled V-a-u-g-h-a-n, and I am the legal counsel for the committee. LB756 is being introduced by the committee. This is our annual updating of dates that reference federal law in the motor vehicles statutes. These updates are necessary for Nebraska to remain in compliance with federal law. Failure to do so could result in loss of federal highway funds. Sections updated include references to the International Registration Plan. The International Registration Plan, or IRP, is a registration reciprocity agreement among states of the U.S. and provinces of Canada providing for payment of license fees on the basis of total distance operated in all jurisdictions. These sections need to be updated annually to reflect the most recently adopted version of the IRP agreement, which becomes effective on July 1, 2008. The current version of the IRP agreement will be in place until then. Sections that govern occupant protection systems, or seat belts, commercial drivers licenses, motor carrier safety, and hazardous materials transportation are also updated. And that will conclude my testimony. [LB756]

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SENATOR FISCHER: Okay, thank you, Mr. Vaughan. Questions? I see none. Thank you very much. Are there those of you wishing to testify in support of this bill? Good afternoon. [LB756]

BEVERLY NETH: (Exhibit 1) Good afternoon, Chairwoman Fischer, members of the committee, I'm Beverly Neth, B-e-v-e-r-l-y N-e-t-h, director of the DMV. I'm appearing today to offer testimony in support of LB756. Legal counsel for the committee covered the bill pretty well. It is our annual update reflecting updates to federal plans that we administer at the state level including the IRP, International Registration Plan. There is one small change...I'm deviating from my testimony. I will let you know that last year, the IRP jurisdictional membership recodified the plan that governs IRP. The recodified plan becomes effective July 1, 2008. Section 6 of the bill is in response to the recodification that would be effective July 1. The bill drafters took the opportunity to amend the statutes so that in future only one small section of law will need to be updated and amended annually, thereby hopefully reducing the size of the bill that you'll see in the future. The federal programs that we're updating: IRP; CDLs; and of course occupant protection systems. The CDL is particularly important for us to remain in compliance with those programs as those are governed by the Federal Motor Carriers Safety Administration and federal highway and as usual, federal highway funds could be at risk if we are not in compliance with the federal laws. With that, I would ask you to advance the bill. I know that there is also...this year we have included the State Patrol's federal updates as well and I believe there is someone here from State Patrol who will speak to their portion of the bill. With that, any questions you might have? [LB756]

SENATOR FISCHER: Thank you, Director Neth. Are there questions? Senator Louden. [LB756]

SENATOR LOUDEN: Yeah, as I look this thing over, is it on section 4 and section 6, we've got this whole big ream of paper just to do those two things in this bill? [LB756]

BEVERLY NETH: That's right, to update the dates. There are specific federal programs that are updating the dates. That section 6, the reason that is in there is so that in the future you won't have to have that stuff in there again. But the bill drafters added more things than what were originally in the bill so that we could get that covered once and for all and you won't have to update those again in the future. [LB756]

SENATOR LOUDEN: Very good, thank you. [LB756]

BEVERLY NETH: You're welcome. [LB756]

SENATOR FISCHER: Other questions? I see none. Thank you, Director Neth. [LB756]

BEVERLY NETH: Thank you. [LB756]

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SENATOR FISCHER: Others wishing to testify in favor of the bill? Good afternoon.  
[LB756]

GERALD KROLIKOWSKI: (Exhibits 2, 3) Good afternoon, Senator Fischer. Senator Fischer, members of the Transportation and Telecommunications Committee, my name is Captain Gerald Krolikowski, that's G-e-r-a-l-d K-r-o-l-i-k-o-w-s-k-i, and I'm here today on behalf of the State Patrol to testify in support of LB756. When the United States Congress passed the Motor Carrier Safety Act, emphasis was placed on the states adopting uniform safety measures with the ultimate goal of a reduction in the number of commercial motor vehicle accidents. In order for the state of Nebraska to remain consistent and compliant with these federal regulations, it is necessary to update our commercial vehicles safety regulations annually. This legislation will enable the State Patrol to continue enforcing updated federal motor carrier safety regulations adopted by State Statute 75-363 and hazardous materials regulations adopted in 75-364, which were in effect January 1, 2008. This portion of LB756 does have an emergency clause. Every day, our troopers strive to make our highways safe. From our most recent statistics in 2006, we had 34 fatality crashes involving trucks and 2 fatalities involving buses. This is down from the 115 fatality crashes in 1989 when we began enforcing these safety regulations. Our success is built on this principle of uniformity and the safety inspection program. Enforcement of these uniform safety measures by the Nebraska State Patrol increases the likelihood that vehicle safety defects, commercial driver deficiencies, and unsafe motor carrier practices will continue to be detected and corrected. In the handouts provided are short summaries of the latest federal motor carrier safety and hazardous material regulations that are being adopted by this update of our safety regulations. Thank you for the opportunity to testify on behalf of this bill and I will be happy to answer any questions that I may. [LB756]

SENATOR FISCHER: Thank you, Captain Krolikowski. Are there any questions? I see none. Oh, Senator Louden, did you have a question? [LB756]

SENATOR LOUDEN: Yeah, my...does this just include larger trucks or what size vehicles does this include? [LB756]

GERALD KROLIKOWSKI: It...the federal regulations as adopted through state statute, there's a difference between interstate and intrastate operations. Interstate commerce would include any vehicle or combination of vehicles with a gross vehicle weight rating or gross weight combined of over 10,000 pounds. Intrastate is where we start getting some exceptions, and it depends upon whether it's a commercial business or farm-plated vehicle makes a difference on...essentially the regulations would apply to all vehicles in commerce over 10,000 pounds except for the farm vehicles, they have to be plated for over 16 ton. [LB756]

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SENATOR LOUDEN: Where did that school bus of kids wrecked over here in Iowa pulling the trailer, where did that fall in? Did that fall in under any of these regulations? Does that mean (inaudible)... [LB756]

GERALD KROLIKOWSKI: I'm trying to refresh my memory, Senator. If it's Nebraska school bus, if it's a bus-operated...owned and operated by the school district for school purposes... [LB756]

SENATOR LOUDEN: This is a private school, a college. They were going to a wrestling match, whatever, it was a 15-passenger van, and so it was pulling a trailer. They would have been over 10,000 pounds wouldn't they? [LB756]

GERALD KROLIKOWSKI: Certainly, but if, once again, if the school is recognized and it's operated by the school and owned by the school for the delivery of children for school purposes, it probably wouldn't. Now, if you have a commercial bus line, Laid Law for instance, and they're contracted to the school, they're hauling the kids for purpose other than from home to school and back home, then they would fall under the regulations. [LB756]

SENATOR LOUDEN: Okay. My questions is, then, if it's over 10,000 pounds or...what rating, I guess...do they have to have brakes on a trailer for pulling a trailer? [LB756]

GERALD KROLIKOWSKI: For equipment violations or equipment effects, it would be over the 10,000 pounds. [LB756]

SENATOR LOUDEN: The whole system or the trailer? [LB756]

GERALD KROLIKOWSKI: If the vehicle is regulated to begin with. [LB756]

SENATOR LOUDEN: In other words, if the whole unit is over 10,000 pounds pulling a trailer, you got to have trailer brakes, is that what you're telling me? [LB756]

GERALD KROLIKOWSKI: If it's in commerce. [LB756]

SENATOR LOUDEN: Pardon? [LB756]

GERALD KROLIKOWSKI: If it's in commerce. [LB756]

SENATOR LOUDEN: Just in commerce? If it's hauling people, then it doesn't have to? [LB756]

GERALD KROLIKOWSKI: Now, people would be part of commerce. Property or people. And, sorry, I can't exactly answer your questions because I don't know the exact



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information surrounding that accident in that vehicle at the time. [LB756]

SENATOR LOUDEN: Now, pulling a pickup and a horse trailer down the road or pickup and trailer, what rate or what weight...are you back to 10,000 pounds and you got to have brakes on the trailer? [LB756]

GERALD KROLIKOWSKI: Typically, yes, but here again you have the exception or exemption that if it's operated intrastate and it's farm-plated, it might not be. If it's plated for 16 ton or less. [LB756]

SENATOR LOUDEN: Okay, thank you. [LB756]

GERALD KROLIKOWSKI: Yeah. [LB756]

SENATOR FISCHER: Other questions? I see none. Thank you very much. [LB756]

GERALD KROLIKOWSKI: Thank you. [LB756]

SENATOR FISCHER: Other proponents for the bill? Anyone wishing to speak in favor of the bill? Anyone wishing to speak in opposition to the bill? Anyone wishing to speak in the neutral capacity? I see none and we will waive closing and close the hearing on LB756. With that, I will open the hearing on LB834. Good afternoon. [LB756]

DUSTIN VAUGHAN: Good afternoon. Senator Fischer and members of the Transportation and Telecommunications Committee, again, for the record, my name is Dustin Vaughan, spelled V-a-u-g-h-a-n, and I am the legal counsel for the committee. LB834 provides that an out-of-state title with a valid lien on its face is sufficient proof to have the lien noted on the issued Nebraska title when transferring ownership into Nebraska. The bill applies to both motor vehicles and motorboat titles. Current practice requires an owner who has an out-of-state title with a valid lien noted on the face of the title to retain a copy of the lien instrument before a Nebraska title with the lien noted on the face of the title will be issued. This can be difficult and time-consuming as the lienholder usually resides in another state. LB834 removes this requirement without hurting the validity of the process. That's it. [LB834]

SENATOR FISCHER: Thank you, Mr. Vaughan. Are there questions? Thank you very much. Would the first proponent to the bill please come forward. Welcome. [LB834]

SANDRA STELLING: Senator Fischer and committee, I'm Sandra Stelling, S-t-e-l-l-i-n-g, Jefferson County Clerk, Register of Deeds, and Election Commissioner and co-chair of our Clerks, Register of Deeds and Election Commissioners Association. I'm here today to ask you for your support that we can put liens on a Nebraska title when they come in from another state as long as it's owned by the same owner. There

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are a lot of states out there that are not title-holding states, so therefore the customer does have that title. And it would serve us a lot of good purposes, good reasons to just be able to transfer that lien to the Nebraska title. And if you have any other questions, I'd..I can answer. [LB834]

SENATOR FISCHER: Thank you very much. Are there questions? I see none. Thank you very much. Next proponent, please. Good afternoon. [LB834]

LARRY DIX: Good afternoon, Senator Fischer. For the record, my name is Larry Dix, I'm executive director of the Nebraska Association of County Officials. Once again, this is a bill that NACO has looked at, we certainly appreciate Senator Fischer for introducing it. It's, you know, before we've heard...occasionally we'll hear some testimony from people saying, dang, I hate to go to the courthouse, those doggone county officials. This is one we're actually trying to make it a lot easier for these folks when they come into the county. It makes sense to do this as opposed to trying to bring somebody in from another state that has all the proper documentation and we say, whoops, sorry, you don't have all the lien documentation attached with this, so you got to go home and actually go back to wherever you moved from, get the proper paperwork, and come back and appear in front of our counties. So we believe very confident that this bill will do what we're intending to do, it really will help the customers go through the process. We do not believe it opens up any areas for fraud or anything like that, it's something that should be done especially for citizens that are coming in from other states that have some questions on our process. With that, I'd be happy to try to answer any questions anybody has. [LB834]

SENATOR FISCHER: (Exhibits 1, 2) Thank you, Mr. Dix. Are there questions? I see none. Thank you. Any other proponents to the bill? I do have a letter from Mr. Robert Hallstrom, who is the general counsel for the Nebraska Bankers Association, written in support for LB834. I also received an e-mail as Chair of the committee from Joann Fischer, no relation, Knox County clerk, in support of the bill, LB834. So I would like that noted in the record. Anyone in opposition to the bill? Anyone wishing to speak in the neutral capacity? I see none. With that, I will close the hearing on LB834 and I will open the hearing on LB910. We will need to wait a few minutes until Senator Pirsch arrives, so we'll stand at ease until Senator Pirsch arrives. [LB834]

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SENATOR FISCHER: Okay, welcome, Senator Pirsch. I will open the hearing on LB910. Thank you for joining us today. [LB910]

SENATOR PIRSCH: Sure. Delighted to be here, Senator Fischer, members of the Transportation Committee. I'm State Senator Pete Pirsch, representing the 4th District, I'm the sponsor of LB910. LB910 will move all Nebraska counties to what is currently

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referred to as a one-stop system for titling and registration of motor vehicles. At the present time, 34 counties have adopted the one-stop concept in the county treasurer's office so that persons only need go to one county office to complete titling and registration of vehicles. These one-stop counties now title and register approximately 55 percent of the vehicles in the state. Fifty-nine counties still split the processes of titling and registration between the clerk's office and the treasurer's office. In the counties where the duties are split, the DMV now has duplicate equipment in each office. The equipment that is now deployed is outdated and needs replacement in order to simplify oversight of the VTR system and reduce the amount of replacement equipment needed. The Department of Motor Vehicles wants to consolidate all DMV-related services to the county treasurer's office in those 59 counties where the duties are still split. This should result in better customer service for the people of Nebraska and some direct hardware cost savings as well. In addition, the Department of Motor Vehicle would like to provide a higher-quality laser printer in each county treasurer's office for replacement equipment. This will allow bar codes to be printed on the title and registration documents that can be read by scanners. This is a value-added benefit for law enforcement and will enhance the E-citation process developed by the Department of Motor Vehicle, the Crime Commission, and the State Patrol. The process uses scanners to populate vehicle fields on documents such as accident reports and citations, which increases accuracy and saves officer time. Bar coded documents will also enhance processes in the county office because the bar code can be used to retrieve vehicle records and eliminate keystrokes needed for transfer of title or renewal of registration. Thank you very much for your time here today. [LB910]

SENATOR FISCHER: Thank you, Senator Pirsch. Are there questions? Senator Louden. [LB910]

SENATOR LOUDEN: Yeah, Senator Pirsch, thank you for testifying today. And when you say 34 counties have one-stop shopping, do you know which counties those are? [LB910]

SENATOR PIRSCH: With respect to naming the counties, I think that since they constitute 55 percent of them, they tend to be, I think, the...well, I'd hate to characterize them...probably to have an overall understanding, it's better to ask the...I anticipate someone from the Department of Motor Vehicle to testify here after me and I think they would probably be a little bit better positioned. I have my suppositions, but rather than kind of conjecture on them, it's probably more accurate to get those. [LB910]

SENATOR LOUDEN: Well, that's a long answer for a short question. (Laughter) [LB910]

SENATOR PIRSCH: Yeah. I guess... [LB910]

SENATOR LOUDEN: I think if you think about it... [LB910]

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SENATOR PIRSCH: Yeah. [LB910]

SENATOR LOUDEN: ...there's a few counties out in our end of the state that are one-stop, and the reason they're one stop is because there's only about two people in the courthouse. I mean, they run the county treasurer's office, they run the county clerk's office, and they run the whole thing. And that's probably part of your 34 counties that have one-stop. When you take...when you go into...you've got to go in and register your title and get it recorded. Now, how can the treasurer then...would the treasurer, if they record that title, then are they the ones that take it back over at the county clerk and get it recorded in one of the books? Or how do you plan on doing that if you just have the county treasurer do it? [LB910]

SENATOR PIRSCH: Well again, I think probably the exact...probably better to field the...to have the Department of Motor Vehicles field this question. But my understanding is that it requires even in the counties in which you're talking about, if you have those separated, it requires duplicate machinery, one for the clerks and one for the...my understanding is that it's not unified equipment in both of those offices. And so...but with respect to the particular, I guess, daily details, it might be more informative to ask that question of the Department of Motor Vehicles, so. [LB910]

SENATOR LOUDEN: Okay. Now one more question. If 34 counties do it now, then it must be optional, it must be they can do it if they want to? [LB910]

SENATOR PIRSCH: That's correct. That's my understanding. [LB910]

SENATOR LOUDEN: Okay, thank you. [LB910]

SENATOR PIRSCH: Sure. [LB910]

SENATOR FISCHER: Thank you, Senator Louden. Other questions? Thank you, Senator Pirsch. Will you be staying for closing? [LB910]

SENATOR PIRSCH: I think I'm going to waive for this. We have a Banking Committee currently in process. [LB910]

SENATOR FISCHER: If...okay. If you're still here, that would be fine. [LB910]

SENATOR PIRSCH: Okay, very good. [LB910]

SENATOR FISCHER: Are there proponents for the bill, please? Welcome. [LB910]

BEVERLY NETH: (Exhibits 1, 2) Chairwoman Fischer, members of the committee, I'm

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Beverly Neth, B-e-v-e-r-l-y N-e-t-h, director of the Department of Motor Vehicles, appearing today to offer testimony in support of LB910. First and foremost, I want to thank Senator Pirsch for introducing the bill on behalf of the department. Senator Pirsch really covered the nuts and bolts of the bill very well. LB910 requires that all counties provide for vehicle titling and registration services via the county treasurer's office. Currently, there are 34 counties that have voluntarily converted to the one-stop process. And I know in Senator Pahls's bill earlier, he referred to his process as one-stop, but we coined the phrase a long time ago, so we're not going to let him take that one from us. These 34 counties title and register more than 55 percent of all of the vehicles in Nebraska; 59 other counties split the vehicle title and registration process between the clerk and the county treasurer. As Senator Pirsch said, currently the computer system that the Department of Motor Vehicles provides to the counties to do both titling and registration requires us to implement hardware both in the county clerk's office and in the county treasurer's office; however, all of the data associated with motor vehicle titling and motor vehicle registration rests in the same computer system. Senator Loudon, to go to your question about recording things in books, we haven't recorded things in books for years. All of the information associated with a motor vehicle, the title and the registration, rests in a computer database. All of that data rests in a mainframe; think of it as a large filing cabinet that is here in Lincoln in the state office buildings. There are multiple databases that exist in all counties where county-specific data rests. Those are all kept in smaller filing cabinets, smaller computer databases in that county, so all of that information is updated nightly to the DMV's mainframe system. There isn't information...the information that is going back and forth between the counties is going back and forth inside the system, inside the computer terminals that they're accessing, which for most counties right now are what we call green screen or dumb terminals. They have no logic in them, they're not PC-like computers. What we're looking to is to do a hardware refresh, upgrade the technology, the hardware associated with the vehicle and title registration system. We want to put a PC-like product in place, which is called a thin client. It is a smaller PC, it's not...it doesn't have all of the PC bells and whistles, all of the software that you could do, but it has everything you need in order to have a PC-based product running. We want to implement those in place of the green screen terminals. We also want to implement laser printers in place of dot matrix printers that currently exist at the county levels. Dot matrix printers are, and green screen terminals are, they are dinosaurs in terms of technology. The green screen terminals are so outdated that they are not supported by the manufacturer and you cannot get replacement equipment. We are essentially cannibalizing existing equipment to keep the green screens going now. We believe that now is the time to mandate one-stop, to move the process into one county office, thereby reducing the costs associated with the VTR system, directly reducing those costs by removal of hardware and offering a better service to the customer in that you will only have to go to one county office in the 59 counties that are currently still have a separate process associated with them. Senator, with respect to your question of what counties are one-stop, I do have a list and I don't have copies, but I will leave this list with the pages

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to be copied for you. And it's anywhere from Douglas County, the largest county, to Hooker County, which I think is county 93 and I think probably still the smallest county. Those counties and everything in between, 32 other counties in between, have moved voluntarily into one-stop, so the county treasurer does the entire process. In those counties that have adopted one-stop, you've seen in some instances staff reductions on the county clerk side without increased staff on the county treasurer side. It is a...because the information is there and the titling component can be done if you've got straightforward paperwork...you heard earlier from Jean Sidwell, the Buffalo County treasurer, that if the paperwork is straightforward, the process doesn't take that long. It's...there certainly can be complications associated with titling, but they're not insurmountable and county treasurers, because they are familiar with the motor vehicle process, could certainly adapt to the titling portion as well. We will be adding our 35th county, Pawnee County has requested to go one-stop and we will be adding them as a one-stop county within the next couple of weeks. So it's really, it's all over the board. There are lots of reasons on the local level why counties voluntarily decide to move to one-stop. That process has been available to them probably for at least 15 years, maybe even longer, but as you can see over the course of moving voluntarily, we haven't moved...we've only moved a third of the counties. We still have two-thirds of the counties to move, so we're now asking the Legislature to consider mandating that movement to a one-stop. With that, I believe I will answer any questions that you might have. [LB910]

SENATOR FISCHER: Thank you, Director. Are there questions? Senator Louden. [LB910]

SENATOR LOUDEN: Will that save money if they do this? [LB910]

BEVERLY NETH: There are direct savings for the state of Nebraska. In the first year, we anticipate we would save...it's not a lot the first year, about \$10,000, and that has primarily to do because that is when we will be doing training of the county treasurer's staff, so we will incur travel costs and those kinds of things. The next year, we would save about \$34,000. After that, we believe we would save upwards of \$54,000 a year in direct costs of maintaining the VTR system. You've heard from Senator Pirsch as well that there are value-added savings and benefits that can be realized with this movement. [LB910]

SENATOR LOUDEN: What does it cost...does it cost the county something to do this? [LB910]

BEVERLY NETH: No. We provide the system without cost to the counties. The counties are given a share of title fees, lien fees, motor vehicle fees, registrations, they're given money to do this process because they are providing county personnel to conduct this process for the state. But the actual VTR system and hardware as a rule does not cost

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the county. There are some counties that have gone out and purchased their own equipment, primarily because ours is so antiquated and not very good to use. They've put their own equipment in place and they use it for other purposes as well, property tax collection, maybe reporting and other things as well. [LB910]

SENATOR LOUDEN: Well, what I was wondering, I have some counties in my district that they're clear at the max, I mean, there's no wiggle room, and if it's something that's very expensive, why, it won't happen. If it's mandated, why, it will crash, you know, and that's the reason I was wondering if there was a cost there and if the state picked up the tab when they did that or who pays for the changing over. [LB910]

BEVERLY NETH: We pay. We pay for training costs, we pay for the hardware, there is no cost to the counties for this process, and if it is done correctly as it has been done in some counties, there could be savings to the county as well. They could see a reduction in personnel associated with motor vehicle titling. It depends on how many personnel rest in the clerk's office and how many are in the treasurer's office. [LB910]

SENATOR LOUDEN: And you still have trouble with getting some of the counties to switch over? [LB910]

BEVERLY NETH: Yes. [LB910]

SENATOR LOUDEN: Why? Have they said? [LB910]

BEVERLY NETH: I don't...I can't say that I've personally had a conversation with any county commissioner or supervisor with respect to this. I believe that there is some resistance on both sides of the fence, both county clerks and county treasurers. County treasurers have some, I think, some trepidation of taking on new program, learning a new process, and likewise county clerks maybe are somewhat resistant to giving up the process. It's something they have done for years and it's simply a change from the way we do things now. [LB910]

SENATOR LOUDEN: Now, when you go and you buy a car or something or truck or something, who decides the value on that, the county assessor or the county treasurer or who? [LB910]

BEVERLY NETH: The system. The system decides the value. We have a computer software package called VINA. It is a package that contains the manufactured suggested retail prices of nearly every vehicle ever made. I say "nearly" because every day we add MSRPs to the system because there are new vehicles produced faster than you can put them in; new model years are generally our biggest problem. But if it's a model year that's been out for a while, let's say 30 days, that is updated into the software and when the county opens up the software and they begin titling or registering

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a motor vehicle, input of the VIN is critical, correct input is critical to drawing back other data that helps them title and assess appropriate fees with that particular vehicle.  
[LB910]

SENATOR LOUDEN: Okay. [LB910]

BEVERLY NETH: But it's all done within the system. They're not looking at pieces of information except for on those occasions where there's a vehicle not in there yet, say a 2009 something or the other, which will probably be out next week, I imagine we'll see 2009 vehicles soon. [LB910]

SENATOR LOUDEN: Okay, thank you. [LB910]

BEVERLY NETH: Um-hum. [LB910]

SENATOR FISCHER: Other questions? Senator Stuthman. [LB910]

SENATOR STUTHMAN: Thank you, Senator Fischer. Director Neth, how far back can you get information on vehicles like you were just stating, as far as value or information like that? [LB910]

BEVERLY NETH: Well, I think the MSRP values are in there for...jeepers, for, I mean, years, decades back, really. You're talking about in Nebraska what happens as practical application is, once a vehicle is 14 years or older, I believe the assessment for tax purposes is zero. So the MSRP really doesn't play in those older vehicles in Nebraska, it's 14 years or newer where the retail price of the vehicle has some component in the price assessed, the fee assessed and the registration taxes assessed for the vehicle. So prior to those, they're not really relevant for taxing purposes. [LB910]

SENATOR STUTHMAN: You mean...for taxing purposes, the value is zero? [LB910]

BEVERLY NETH: It goes down to zero, yes. You start, if you start, let's say, with a 2008 vehicle... [LB910]

SENATOR STUTHMAN: Yeah. [LB910]

BEVERLY NETH: It may be \$10, I can't remember, it may be a minimal fee, but it's no longer based on the MSRP. If you start with a brand new 2008 vehicle, you are taxed at 100 percent of a calculation of the MSRP value. The second year you're taxed at 90 percent, and then 80 percent, and 70 percent, it's a descending scale until you're in the 14th year, if you hang onto that vehicle for 14 years, eventually you'll get down to...it's either a very nominal cost or it's zero, I can't recall right off the top of my head, but...  
[LB910]



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SENATOR STUTHMAN: I think it would be a very nominal cost because some of my older vehicles went down to a certain level and it stayed there and then increased a little bit all the time after that. [LB910]

BEVERLY NETH: Well, they probably increased due to other impacts that could be on the motor vehicle fee side of the fence. The taxing part is where the MSRP comes in. On the fee side, where there could have been a statutory change that would have increased that fee in the last few years, we've added EMT fees, we've added other fees... [LB910]

SENATOR STUTHMAN: Okay. [LB910]

BEVERLY NETH: ...that make that, as well as in plate cycle years, that goes up because you pay for the plates. There are other impacts, but there really are three main components that you pay when you register and title a motor vehicle are, you pay the motor vehicle registration tax, you pay the fee, and you pay sales tax for new vehicles. [LB910]

SENATOR STUTHMAN: Okay. Thank you. [LB910]

BEVERLY NETH: Um-hum. [LB910]

SENATOR FISCHER: Other questions? Director, do you know how many other states or how many states would basically charge their fee or tax, have it a uniform fee onto every motor vehicle when it's registered and it would not be determined on the year of the motor vehicle? [LB910]

BEVERLY NETH: Well, Senator, it probably has more to do with the fact that we collect, I guess the term really is sort of in lieu of property taxes on our motor vehicles. Many states don't do that and so their taxing and fee systems are completely different than ours. There are states that are much bigger with many, many millions more vehicles that don't collect as much revenue through their motor vehicle systems as we do. We collect on average about \$450 million that's distributed statewide through the VTR system. Wisconsin, we went to a program the other day where we heard from Wisconsin, doubled the vehicles, collect roughly the same amount of money. So it has more to do with how do you...what's your taxing policy and how do you distribute those? How do you collect the taxes needed to fund government? [LB910]

SENATOR FISCHER: Thank you. Other questions? I see none. Thank you very much. [LB910]

BEVERLY NETH: Thank you. [LB910]

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SENATOR FISCHER: Other proponents for the bill? Anyone wishing to speak in support? Good afternoon. [LB910]

JEAN SIDWELL: Good afternoon, Senator Fischer and members of the committee. I'm Jean Sidwell, S-i-d-w-e-l-l, Buffalo County Treasurer. And I rise in support of this bill today and I want to be very specific that today I'm really, really representing my opinion as Buffalo County Treasurer and a person who has been actively doing one-stop shopping since 1997, a little over 10 years now. I want to speak to it because it has been a slow process in getting a lot of counties to go ahead and consolidate to the treasurer's office. Now the law, I believe, speaks to the fact that it can be consolidated to a designated county official, so it doesn't always follow that it has to be a county treasurer in the past, but logic kind of has told us that it probably is going to be the county treasurer that would take over the titling function and one-stop also. In 1997, prior to that, registering a motor vehicle required a customer to go to three offices: They went to the clerk's for the title; they went to the assessor's for the evaluation; and they went to the county treasurer's for the registration. Along the way, probably a few years before 1997, the assessor's offices were taken out of the equation. We consolidated mandatorily all assessors out of the equation of registering and titling motor vehicles. That went very smoothly and it was partly successful because of the way the VTR system worked for us. At that time, there was sort of a little bit of an outcry that it was affecting other county offices to do this, but it went really well and treasurers took over that function...or could take over that function and then the law mandated they will take over that function. Now, we've come along where the law allowed treasurers to take over titling and my county did so in 1997. My county is, I believe, the fifth largest in the state of Nebraska, I think I said before we do approximately 50,000 registrations. I can tell you that when we decided to make this transformation in our county, my customers were extremely grateful to our office for doing that. And it was not meant to be anything against clerk's offices, but they just felt that the ease for them coming to the courthouse and going through this process was really simplified by having to talk to only people in one office about the process. What had been happening is you might go to the clerk's office and have a title and you can, depending on the difficulty of the transaction, you may or may not make it through, but there are always questions about the paperwork, so perhaps you weren't able to successfully complete it at the clerk's office so you'd find yourself coming back at a later time. Then maybe you would go down to the treasurer's office, now there are registration questions and now maybe you can't successfully get your car registered because you're missing pieces of paper or parts of the necessary requirements to do that, so you would be forced to come back maybe another time to the treasurer's office. So it became pretty bulky for our customers to be taken care of in this process. When we took over titling, that was all eliminated because we as titling clerks, my staff is cross-trained to do the entire process. As I said before, we do VIN inspections in our office so we're not sending them away to a sheriff's office for a VIN inspection, and we do the titling, we do the registration. And in that process, when you

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encounter the paperwork, you look at all of it in its totality; you look at it in terms of, is it going to make the VIN inspection, is it going to make the title process through, and do you have what you need to get it registered, which would include sales tax information also and also perhaps refunding on vehicles that are now going away from your possession. So at the end of the day, we were able to process people with basically the same set of questions that they were getting at both offices by only having to go through those set of questions once at a treasurer's office. So I think there was a real accomplishment of making it an easier service to provide to customers. In terms of education for treasurers and clerks, at this point in time because there are a split between clerks and treasurers on who's doing these functions, education process becomes a little difficult. DMV must take time to educate both of our groups, and while we're compatible and we often meet at the same times, there are many times when we do not, and therefore I'm sure the DMV finds themselves duplicating information or making a choice about which group of people is going to get the information. So from an educational standpoint, it certainly seems to me it would be also easier to keep 93 people informed and their staffs informed than keeping the double number of that going on. Again, I really am speaking only from my perspective and I would be happy to take questions. [LB910]

SENATOR FISCHER: Thank you very much. Are there questions? I see none. Thank you very much. [LB910]

JEAN SIDWELL: Um-hum. [LB910]

SENATOR FISCHER: Any other proponents to the bill? Good afternoon. [LB910]

LOY TODD: Senator Fischer, members of the committee, my name is Loy Todd, L-o-y T-o-d-d, president and legal counsel for the Nebraska New Car and Truck Dealers Association. Simply put, any time a bill comes in that simplifies the process and makes it cheaper, we feel compelled to support it. We're there every day, registering, titling, all the other kinds of things. I'm sure when they first came up with this system, there were lots of promises made that, we'll never make in mandatory, but that's been long enough that those promises probably don't have to be kept anymore. So here we are, to the point where maybe it's a good idea to make it mandatory and so, unless there's some really compelling reason not to, I can't imagine why, with all the criticism we get about government expense and costs and nothing ever goes away, nothing ever gets cheaper, we've got a chance to do that, maybe we ought to support that effort. [LB910]

SENATOR FISCHER: Thank you, Mr. Todd. Are there questions? I see none. Thank you very much. Other supporters for the bill? Any other person wishing to testify in support for the bill? Any opposition to the bill? Good afternoon. [LB910]

LARRY DIX: Good afternoon, Senator Fischer. For the record, my name is Larry Dix,

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executive director of the County Officials Association. And some folks would say, well, what's NACO doing here opposing this bill? We've had a treasurer up here that supports it. I would tell you, we would probably have 34 or 35 treasurers that would say, this is a good idea. We probably could add Pawnee here to the list. On the other hand, we would have a number of treasurers, a number of elected officials who would say, no, things are working fine in our counties. And that's really one of the things when NACO looked at the bill, and we had a lot of discussion, is this something we should support? Should we oppose? Certainly the concept, the fact of efficiency, that's fine, there isn't any question about that. Would we like to get rid of the green screens? In the worst way. We've got counties out there spending their own money to replace DMV computer screens, as you just heard, only so they can become more efficient and do more things. Well, originally the deal was on LB814 when LB814 was introduced, there was money that was going to go into a fund to replace these terminals when they got old or when they needed replaced, and that isn't coming forth very rapidly because, like I said, we have some counties where we're actually spending county funds to replace terminals that really should be VTR replacements. So we would want to make sure that as we go down this path, we don't get into a situation again where we say, yeah, we're going to replace all these, and then of course ten years from now, now we're fighting for new equipment again. We want to make sure that when we go down that path, there's some provisions that when new technology comes out and we can become more efficient, that the state of Nebraska steps up to the plate and starts to replace the terminals and the printers and the technology that's out there. That simply must happen. And we know of some counties where they do still have the green screens, they still have the green screens that they had from 10, 12 years ago. I had a county said that they would like to have it replaced, how do they get it replaced? They made a call and on the other end they said, well, is it still working? They said, yeah, it's still working, but it's fuzzy, I can't read it. They say, yeah, but it's still working, isn't it? Yeah. Okay. So we've got to have some assurances here that there is going to get that replacement. The other question Senator Loudon asked, is there no cost to the counties? And I think the director of DMV answered it very well. She said, there's no cost to the counties for the VTR process. But when you do look at it at a VTR scenario and you go to a one-stop, county courthouses were not designed with one-stop in mind. They just weren't. We've got some historical buildings out there, we've got some offices where the county treasurer simply has no more room. And these are some of the counties that are of the size that they would have to do some remodeling, so to make a statement or to have the committee believe there was no cost to the counties, that's not true. That is absolutely not true. One of the 34 counties that's on the list is Thomas County and Thomas County had an older courthouse...Senator Loudon, you've probably driven through their town and are familiar with that...Thomas County is now a one-stop shop, Thomas County now has a new courthouse. Now, I would be the first to tell you, they did not build the new courthouse only to implement one-stop shop, that was not the reason they built that courthouse. But in doing so, they designed it with that in mind. And while I understand...and I would love to see the counties embrace that technology and move faster than what they have,

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there is no question about that...but there are other pieces of information that go into that decision-making process than simply say, I'm going to look here and the first year I'm going to save \$10,000 and then two years down the road, I'm going to save \$30,000. In some of those courthouses where they have to do some of the remodeling, I mean, literally that's a drop in the bucket compared to the cost that some of those counties may have to go through to actually implement the one-stop shop. We don't have any qualms about moving in that direction; we certainly have some concerns about mandating it in a two-year period of time. And so with that, I'll ask for any questions. [LB910]

SENATOR FISCHER: Thank you, Mr. Dix. Are there questions? I have a question to the bill. Would you be more receptive if this would be mandated over five years instead of two? [LB910]

LARRY DIX: There's a couple things that I think you want to look at when we do it. I believe our organization wants to move in the right direction as far as efficiency. When we look at it at a two-year period, that's taking and actually going through some of these county courthouses and making those decisions in a pretty short period of time. The other thing that I would say is, and I'm not sitting here to try to push that date out, but as an elected county official, prior to an election their salary is established so that when they run, they pay a filing fee based on that salary. And the county board establishes, sets that salary prior to them filing. In some counties, they have at least considered the fact that some of that task is going to be moved to another county official. And so if we're going to have that lined up, you know, two years is just too short of a period of time, but if you would add the other four years on, at least then you have the opportunity for someone to take that into consideration. [LB910]

SENATOR FISCHER: As you know, I represent very small counties, sparsely populated. It's not unusual that I only have two county officials in some of my courthouses. When county officials in cases like that are combined, what are the offices that are usually combined? [LB910]

LARRY DIX: Well, in this instance here, when county offices are combined typically a register of deeds will be...the county clerk will be the register of deeds and be the election commissioner and be the clerk of the district court. That's typically the direction that consolidation goes. I don't know and I don't think... [LB910]

SENATOR FISCHER: Then you would have the treasurer and the assessor... [LB910]

LARRY DIX: Yeah. [LB910]

SENATOR FISCHER: ...serving in the same...so in a case like that, you wouldn't, the clerk and the treasurer, do you know any counties that, where the clerk and the

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treasurer are combined? [LB910]

LARRY DIX: There are none nor are there any counties...the only other office that goes to the clerk's office is some of the smaller counties, the assessor. The county clerk is also the assessor. I do not know of any where the county treasurer holds...wears another hat, so to speak, that we typically would see. [LB910]

SENATOR FISCHER: Do you know on any of these 34 counties that have implemented this one-stop, have they saved any cost to their local taxpayer in eliminating any positions at the county level? [LB910]

LARRY DIX: I wouldn't be able to say specifically if they had. I certainly would not be able to deny that they had, but there could be an instance where they did, but I can't sit here and say that that is really what happened. And as you'll notice on there, it's interesting, you know, because I study those counties, I know them pretty well, certainly we have Douglas County, which is the largest, that's a one-stop; we have Hooker County, which probably...it isn't the smallest, but it's got the license plate that indicates it is. [LB910]

SENATOR FISCHER: We love our "93" license plate. [LB910]

LARRY DIX: But the second county is Lancaster County, the third county is Sarpy County. Sarpy County is not a one-stop county. So it's interesting that...you know, it isn't just that one size fits all, it's always been a local decision, the county board, and they need to weigh out a number of issues before they go through that process. [LB910]

SENATOR FISCHER: How many counties do you think would be affected due to the configuration of their courthouses if this would be mandated? If they would have to look at remodeling? [LB910]

LARRY DIX: It's...I would have to look at the list of the remaining counties that are on there to sort of in my mind walk through those counties and see. I could, you know, probably have some ideas. Typically I know some counties have said, if I'm going to do it, I want to physically move the treasurer's office down to the first floor of the building simply so that it impacts the people that come into the courthouse, which is a good decision to be made, but there's certainly a cost there in doing that. We've got to make sure there's the proper vaults and things like that for the county treasurers, so it isn't without cost, but it's something that I think...rather than just mandating, there's a lot of ideas that have to come together to make that a good decision. [LB910]

SENATOR FISCHER: If this wasn't mandated, do you think any of these counties are going to move any faster on becoming one-stop? [LB910]

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LARRY DIX: Oh, you know, it was interesting... [LB910]

SENATOR FISCHER: And the second part of that question is, is the cost to the state for the computers? [LB910]

LARRY DIX: Yeah, it was interesting when Director Neth had said, I haven't been in front of any of the county boards, you know, to really talk about that. Certainly from NACO's point of view, we wouldn't be opposed to joining Director Neth and going out to those counties and discussing that process. I think over the years, it's just sort of happened, everybody knows about it, occasionally a county clerk or a county treasurer will come in and say, hey, county board members, I'd love you to look at one-stop, and there's sort of a joint agreement that happens. But there really hasn't been a marketing effort per se to say, we really need to move this in this direction and here's why. But that may be a step in the right direction. [LB910]

SENATOR FISCHER: Okay. Thank you. Other questions? Senator Stuthman. [LB910]

SENATOR STUTHMAN: Thank you, Senator Fischer. Larry, I'm very familiar with our county, Platte County... [LB910]

LARRY DIX: Yeah. [LB910]

SENATOR STUTHMAN: ...and I see no way that it could work as a one-stop in Platte County because there's a waiting line to the treasurer's office almost every day. There's one-way traffic street that goes in there, you got to enter one side and exit the other. And I just feel that it's not doable in our county and it would be met with a lot of resistance. [LB910]

LARRY DIX: Yeah. It's...those kinds of issues, you know, are the ones I think that the county board members really need to sit down and discuss and look at because it's easy to say, okay, well, you know, I'm going to save \$50,000 here on the state side. But in Platte County, if I were to go through and remodel that treasurer's office as I have in my idea, we would probably take the county board room and move it somewhere because you would have to almost take some of that space and move it into the county treasurer's to be able to handle it because Platte County's a sizeable county. So it is a county by county decision, I believe. [LB910]

SENATOR STUTHMAN: I have noticed that a lot of the smaller counties, you know, went along with it, you know, and the medium-sized ones are not participating. So I think there must be a concern there. [LB910]

LARRY DIX: Yeah. [LB910]

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SENATOR STUTHMAN: Thank you. [LB910]

SENATOR FISCHER: Other questions? I see none. Thank you, Mr. Dix. [LB910]

LARRY DIX: Thank you. [LB910]

SENATOR FISCHER: Other opponents to the bill? Welcome. [LB910]

SANDRA STELLING: Thank you. Senator Fischer and committee, I'm Sandra Stelling, S-t-e-l-l-i-n-g, Jefferson County Clerk, Register of Deeds, and Election Commissioner and co-chair of our Clerks, Register of Deeds, and Election Commissioners Association. I'm here to ask you to oppose LB910 to make it mandatory that the county treasurers take over titling of the motor vehicles by 2010. And Mr. Dix has reiterated that some of these courthouses are not feasible; I have one of them, I work in one of them. Our treasurer's office does not have room for my title files to go over there and Ms. Neth alluded to the equipment, that they want to buy new equipment. We have taken over as a county, we have put PCs on our desk. We do not have the dumb terminals that she alluded to because so we could do...be more efficient in ourselves and other equipment. So as for the state supplying Jefferson County with equipment, they're providing us with a printer right now and that is all, and that printer would have to go to the treasurer's office. He has so many printers and stuff in there now, I don't know where he would put it, either, along with all the files that he would take from my office. As for personnel, I don't think for my county it would save personnel. I think he would probably want another full-time person and to take a full-time person from my office, I don't foresee that to be able to happen either with all the other things that we do with elections and register of deeds and stuff like that, and that county board stuff. And besides, we're probably 10 steps away, our offices, to go from one to the other. I guess if you have any other questions about our offices or anything, I'd be able to answer any questions you have. [LB910]

SENATOR FISCHER: Thank you, Ms. Stelling. Any questions? I see none. Thank you very much. [LB910]

SANDRA STELLING: Thank you. [LB910]

SENATOR FISCHER: Next opponent to the bill, please. Welcome. [LB910]

FRED UHE: Chairman Fischer, members of the Transportation Committee, again, I'm Fred Uhe, the last name is spelled U-h-e, chief deputy clerk of Sarpy County and I'm actually speaking on behalf of the Sarpy County Clerk, Deb Houghtaling, and the Sarpy County Treasurer, Rich James. Let me give you maybe a little bit of how we approach things in Sarpy County and then actually I'll throw in an historical perspective, so I may be getting old, I'm thinking all this history I know on this project. But the...in Sarpy



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County, currently we have the clerk's office and we actually have two stations of the treasurer's office right next, which is down the hall from the renewal registration area, the full treasurer's office. So I guess we're kind of son of one-stop, or modified one-stop because it seems to work out very, very well where customers have newly purchased either a brand new vehicle or a used vehicle. They both come in, obtain their title, if that's all they wish to obtain, then they leave; or if they wish to register it, the paperwork is handed physically to a treasurer's employee at the next window, the customer has a seat, and then that particular customer is called up. And quite often then maybe we need to have a dealer fax a sales tax statement, proof of insurance or something like that. So it seems to work very, very well as far as the flow. Our treasurer's office probably runs about five or six windows at any given time and at some of our busier times, we've got four title windows going. I have eight full-time title employees that do nothing else, they're not cross-trained in any other function. So actually if the one-stop happened in Sarpy County, I think it would cost the state money because you'd have the same number of windows going. But in this case we have title printers in our area, there's registration printers in the treasurer's staff, that to really facilitate the workflow, you'd probably want a title printer and a registration printer in each workstation so they're not hopping around within the line anyhow. Further complicating the matter...or that Sarpy County is in the middle of building a \$6 million administrative wing that is kind of based on business as we currently do it. It will have horseshoe-type area, half treasurer, half clerk. And we feel again that will continue to suffice and meet the needs. We have others basically where treasurer fees can be deferred so our citizens are able to write one check, basically they feel they're dealing with one office, again they come and get the title, have a seat, treasurer's employee calls them up, tells them their fees, they write a check and then are handed the plates and the registrations. It seems to work quite well for us. Now, the historical part...maybe I've been doing this too many years and I start thinking about this. Former Speaker Ron Withem reminded me in the hall today that I am probably the father of the designated official because Douglas County Clerk Tom Cavanaugh in the early 1990s had a bill to mandate that it all went to the treasurers. And I actually...working with them, Senator Withem had an amendment that was about three times the length of the bill allowing it to either go to the clerk, assessor, or treasurer, the term designated county official. Our feeling at the time was that our treasurer at Sarpy County at the time was very resistant to the things that we were doing on staying open. Currently, we stay open one evening using faxes because we tend to operate our office on the thing that we don't send anyone away. They come to the courthouse, we're going to get their business taken care of. And similar to what Buffalo County does, my staff is actually trained to make sure that even though, say if a person is sent away due to a title issue, we also do make sure that they have the sales tax statement, proof of insurance or anything they will need for the registration side so when they do come back, they are led through the process without multiple return trips. Additionally, we've created a postcard notification system that any time we get title paperwork in our county and a title is issued, we send it out to the customer that the title has been issued. Our local dealers have been very good on educating the customers on

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the fact that, you know, don't go to the courthouse until you know the paperwork is there. And additionally we can do this if there's additional fees or information needed, maybe the contract, some other part, but then we give them numbers they can call, so we truly try to make it as efficient and user-friendly as possible. But again going back to the director's statement, I think in Sarpy County it would probably actually cost the state in equipment to allow us to maintain our level of service. And touching on the historical part a little bit, Mr. Dix mentioned LB814 and actually our county clerk Deb Houghtaling was on the original LB814 committee appointed by then Governor Orr and the Sarpy County titling system actually is probably the backbone of the current state computer system. We had programmers that were involved working with state programmers to develop this system. And back in 1993, an additional \$4 was levied on the title fees and a title originally was \$6 of which the county retained \$3.25 and the state took \$2.75 with the thought being at the time that the county did most of the labor. Well, they went from \$6 to \$10 with the additional \$4 going to the motor vehicle computer fund. Unfortunately, during the budget crisis of the 1990s, DMV was moved to be a cash-funded agency and so those funds that...that additional \$4 we remit on every title and lien, now instead of going to the motor vehicle computer fund actually goes to the Motor Vehicle Cash Fund. So again, I just touched on previously where, you know, several counties, including Sarpy, we've bought PCs for all of our folks because that way they have access to e-mails, they have dealers that are trying to reach them about a specific customer, even internet access if we need to bring up a out-of-state department of motor vehicles to double-check a document or anything of that nature. So, you know, I think the current system works well in Sarpy County, we've invested in the building to make sure the system continues to work, both the clerk and the treasurer are in agreement that the current system works, so we would hate to see it be mandated. So, with that I'd be willing to answer any questions. [LB910]

SENATOR FISCHER: Thank you, Mr. Uhe. Any questions? I see none. Thank you. [LB910]

FRED UHE: Thank you. [LB910]

SENATOR FISCHER: You've overwhelmed us with information. [LB910]

FRED UHE: Oh, I doubt that. [LB910]

SENATOR FISCHER: (Exhibit 3) Any other opposition to the bill? I do have an e-mail that I received and this is again from Joann Fischer, Knox County Clerk, no relation, who is writing to oppose LB910. That will be entered into the record. Anyone wishing to testify in the neutral capacity? Senator Pirsch, would you like to close? [LB910]

SENATOR PIRSCH: Just briefly. Thank you, Chairman Fischer and members of the Transportation Committee. And I just wanted to briefly thank all those who have testified

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here today and with respect to the bill. I think there's a great opportunity to move ahead with this bill, I think it's the right thing to do for Nebraskans. I look forward to working with the committee on this. I think rare is it that there's an opportunity for a win-win in terms of cost savings to the people of Nebraska and also an opportunity at the same time to provide better service through new technology. I don't think that this is a question of urban or rural here. I don't think that as we heard testimony on that there's extra personnel that will be required to utilize this technology or...that if anything there will just be a cost savings with respect to the personnel replaced. And also, the testimony with respect to the technology that's employed will not be a...technology computer systems don't get bulkier and bulkier, they get smaller and smaller and the number of employees on this dumb terminal would be, because of the greater technology, less. And so there won't be a need to tear down walls and build extra space but rather to go the other way, and so I think this uniform system will allow for cost savings and better service and I urge you to support the measure. Thank you so much. [LB910]

SENATOR FISCHER: Thank you, Senator Pirsch. With that, I will close the hearing on LB910 and we are adjourned for the day. [LB910]

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Disposition of Bills:

LB709 - Held in committee.

LB827 - Indefinitely postponed.

LB756 - Advanced to General File, as amended.

LB834 - Indefinitely postponed.

LB910 - Indefinitely postponed.

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Chairperson

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Committee Clerk