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Transportation and Telecommunications Committee February 9, 2026
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MOSER: The afternoon hearing for Transportation and Telecommunications will now come to order. I'm Mike Moser, Chair of the committee. I represent District 22, which is Platte County, and most of Stanton County. We'll introduce the senators starting on my left.

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

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

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

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

STORER: Good afternoon. Senator Tanya Storer. I represent District 43, 11 counties: Dawes, Sheridan, Cherry, Keya Paha, Boyd, Brown, Rock, Blaine, Loup, Garfield, and Custer.

GUERECA: Dunixi Guereca, Legislative District 7, that's downtown in south Omaha.

MOSER: All right, thank you. Our committee clerk is Katy Coquat, on my left, our legal counsel is Gus Shoemaker. There are green testifier sheets on the table near the entrance of the room. Please complete one and hand it to the page if you want to come up to testify in person. If you're not testifying in person but you want to record your presence, sign the yellow sheet in the book on the table near the entrance. The legislator's-- Legislature's policy is that all letters for the record must be received by the committee by 8 a.m. the day of the hearing. Handouts submitted by testifiers will be included as part of the record as exhibits. Please provide 10 copies. Senators may come and go during the hearing, this is commonly required if they may be presenting bills in other committees during the same time. Testimony will begin with the introducer's opening statement, then we'll hear from supporters, then those in opposition, and then those speaking in a neutral capacity. The introducer of the bill will then be given the opportunity to make closing statements if they wish to do so. Begin your testimony by giving us your first and last name and also spell them for the record. We will be using a 3-minute timer light system today. Please be sure to turn off your cell phones or put them on

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vibrate. And we have a gubernatorial appointment to start with today. Welcome.

HEATH MELLO: Good afternoon, Mr. Chairman, Chairman Moser, and members of the Transportation and Telecommunications Committee. Thank you for the opportunity to be here today. For the record, my name is Heath Mello, that is H-e-a-t-h M-e-l-l-o, and I'm honored to be reappointed by Governor Pillen to serve as the Nebraska Highway Commissioner for District 2. I appreciate the confidence the Governor has placed in me and remain steadfast to consensus building and collaboration in order to continue the Commission's important work. Over the past 2 years, my service on the Highway Commission has been defined by the implementation of LB706, which this Legislature passed in 2023. That legislation authorized up to \$450 million in bonding capacity to accelerate long overdue highway construction and modernization across the state. Through the thoughtful leadership and vision of the Department of Transportation Director Vicki Kramer, and her senior leadership team, the Commission responsibly operationalized LB706 in December 2024 by approving a disciplined bonding framework, prioritizing the U.S. 275 corridor project from Scribner to West Point, and ensuring debt service remains well within the state's long-term fiscal guardrails. Beyond authorizing and overseeing the Nebraska Highway bonding as a commissioner, I've continued community engagement across my district to gather community feedback on Nebraska highway infrastructure needs and opportunities for federal funding through the Nebraska Infrastructure Hub and other discretionary grants. I'm proud of the Commission's collaborative approach and the professionalism of the NDOT leadership and staff. I look forward to continuing to work with both the department and the Legislature to ensure Nebraska's highway system remains safe, competitive, and built for the next generation. Thank you again for your time, Mr. Chairman. I'd be happy to answer any questions you may have.

MOSER: All right, are there questions from committee members? Senator Guereca.

GUERECA: Thank you, Mr. Chairman. Thank you, Mr. Mello for being here-- Senator Mello, for being here, for your service to the community. Obviously, you know, road funding is definitely a contentious issue, especially amongst this committee. But it seems to me like there have been some, especially in south Omaha, obviously the, the South 75 corridor, south of the interstate is, you know, again, it bordered your old district and it borders my current district, definitely a point of concern. But it seems like there's

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movement there, so, you know, always glad to see that don't forget your, your metro corridor, and obviously as the CD 2 representative, we hope that you continue to be a strong voice for Omaha and its continued expansion.

HEATH MELLO: I, I appreciate that, Senator, in terms of the unique dynamics of District 2 having both urban and rural and exurban areas in terms of the highway infrastructure and Kennedy Freeway 75 is very important not just for Douglas County but as it goes further south into Sarpy, Cass, and down to Otoe. So it's been a, it's been a, a learning experience to say the least in terms the unique dynamics of some of our infrastructure needs not just in the greater-- not just in the Omaha proper metro, but also its connection, I would say, in terms of the highway needs for-- as we move past downtown south Omaha and to, to other suburban and exurban areas.

MOSER: All right. Our pages today are Kleh and Sydney. They'll be helping us with paperwork and any other incidentals we need. Senator Bosn, do you want to introduce yourself?

BOSN: Sure. Thank you for being here. I'll start with that. And I apologize for my tardiness. Carolyn Bosn, I represent District 25, which is southeast Lincoln, Lancaster County.

MOSER: OK. Senator Brandt.

BRANDT: Thank you, Chairman Moser. So you've served 4 years on this Commission?

HEATH MELLO: 2 years.

BRANDT: And I know you've, you've got a vast amount of experience across, you know, in the Legislature, university, chamber of commerce. When you were here, you probably talked about revenue streams and how to finance. How are we going to do that? It's always the revenue streams are getting shorter and the cost of roads and bridges are getting longer. What's your idea?

HEATH MELLO: Well, thank you for the, the question, Senator Brandt. And I, I think 2 years ago when you asked, I think, somewhat of a similar question, I gave a very artful dodge, I think 2 years ago in terms of that. Part of it, I think, is the opportunity that exists right now with the LB558 task force in terms of being able to explore for the rest of this year, from the legislator's perspective, working with other commissioners or task force members, both from NDOT as well

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as some other lay, lay persons who are helping out the task force. I think it's going to be looking beyond just the typical gas taxes and fee increases that the Legislature has looked at in the past. I know that there's going to be probably innovative financing options that I would expect the department will continue to share and highlight in terms of what other states are doing. That's kind of where the Commission comes in, I would say, in terms of supporting and partnering with Director Kramer and her leadership team in terms of exploring what other tools may be needed for us to execute big projects across the And so, yes, there will be exploring ideas beyond just the gas taxes, beyond motor vehicle titling fees. And I think that's going to be where, where you as the LB558 task force get to help drive that effort. Where clearly I-- as a commissioner I'm here to help out any way I can but that's really kind of more in the policymaker's realm more so than what the commissioners do. I would say though it's been made widely known by Director Kramer at our Commission meetings that we will need to figure out long-term financing. This is not something that, as you shared before, we can simply just kind of look at what we've always done. We're going to have to be more creative moving forward.

BRANDT: So being a rural senator, I recognize the appetite of the population centers. Would you be opposed to putting in toll roads up at Omaha to speed up the, the, the growth? You know, currently, it's, it's fair between, I think, there's nine districts and the money is divided up appropriately today. But if you guys chose to go forward with a big project or something and were willing to go to a toll road, would that be something that this Commission would, would work on or who would, who would determine a toll road in the state of Nebraska?

HEATH MELLO: I think that partially-- I, I think the idea of tolls is one of the many innovative financing options that other states utilize. I'd expect that would be one that the LB558 task force may consider putting forward possibly in terms of your final report come December. I think that's something-- anything and everything's got to be on the table at this point. I mean, I don't think it's just for District 2 only being the only district that would-- should consider tolls or other innovative financing. I think we have to look statewide. I think we're going to have to be pretty bold in terms of what we see for terms of infrastructure financing because we know our economic growth is directly linked to it. So any and all ideas, I think, is what I'm excited to hear from you and other LB558 task force members throughout the rest of the year.

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BRANDT: All right. Thank you.

MOSER: That was an artful dodge. Any other questions from the committee? OK, I have one. So how is your perspective different now than when you started a couple years ago?

HEATH MELLO: I would say, you know, a lot of my experience regarding the Department of Transportation was through the Appropriations Committee. And so I looked at really more of the dollars and cents as it related to money that was coming in from just the gas tax, from motor vehicle fees, budget requests the department put in. And I would say Director Kramer and, and the senior team at NDOT really focuses on helping educate commissioners about the entire state in terms of the impact of what highway construction is currently happening, but also the needs for the whole state, which I would say as a senator, I didn't always see that. I mean, I really was always focused just in my area in Omaha and I think for me it's been a really educational experience to get community feedback, to get constituent feedback from rural constituents to urban or exurban constituents, suburban constituents across all the districts, which helps educate a, a much broader perspective in terms of transportation needs, as well as why we need more funding. So that probably is the biggest thing I've learned a little bit more in terms of the, the broader landscape, in terms of what the infrastructure needs may be in Alliance in comparison to Fremont. And then how I would say a number of local officials, county officials, city officials, really look in terms of wanting to, to work and partner with NDOT and with me as a commissioner, particularly, in terms of my district, around economic-- around the economic impact of what the department wants.

MOSER: What counties do you cover?

HEATH MELLO: Washington County, Dodge County, Douglas County, Sarpy County, Cass County, and a portion of Otoe County.

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

HEATH MELLO: Thank you.

MOSER: Appreciate you being here and your willingness to serve. Is there anyone here to speak in support of Mr. Mello? Is anyone here to speak in opposition to Mr. Mello? Is anyone here to speak in the neutral on the nomination of Mr. Mello? That will close our hearing on

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the gubernatorial appointment and thank you for appearing today. That will take us up to LB1121. Senator Ballard, welcome. We're ready.

BALLARD: Ready?

MOSER: Welcome.

BALLARD: All right. Good afternoon, Chairman Moser and fellow members of the Transportation and Telecommunications Committee. My name is Beau Ballard. For the record, that is B-e-a-u B-a-l-l-a-r-d, and I represent the 21st District in northwest Lincoln, northern Lancaster County. I'm here today to introduce LB1121, which would create the Recreational Vehicle Industry Regulation Act. This act will provide a statutory framework to provide guidance on franchise agreements between recreational vehicle manufacturers and dealers. There has been a collaboration between dealers, manufacturers, and the Nebraska New Car and Truck Dealers Association on this language. In fact, the language is modeled after all our current framework for new car and truck dealers and manufacturers. Currently, RVs you can drive such as Winnebago's are licensed under the Motor Vehicle Licensing Board. However, tow-behind trailers and campers are not regulated. This leaves local dealers of those vehicles unprotected from manufacturers and manufacturers who have no forcible guarantee for dealers. There's no way to police disputes between the two. It's important to note two things: This only deals with new RVs and the regulatory body would still be under the Motor Vehicle Licensing Board. This Board-- this bill does not create a new Board. Instead, it adds representatives and dealers-- it adds representatives of dealers and a representative of manufacturers to the Board. I do have an amendment that I passed out, AM1930, that addresses a few technical issues and one statutory change. It makes it clear on page 31 and 34 that we are applying this to new recreational vehicles only. It is not attempting to apply the sales of any used recreational vehicles. This amendment would also strike the current term "van conversion" from the definition of recreational vehicles as is related to this act. Finally, my amendment addresses the issue that dealers in this state are facing. It has to do with the length of fifth-wheel trailers, travel trailers and motorhomes and buses that can be sold. Current law allows the maximum length of 45 feet. This amendment would change it to 46 feet. Some larger RVs are being manufactured and approved by the federal transportation-- Department of Transportation. They're considered red road-- road-ready and being sold in other states. Our local dealers are being barred from offering these larger RVs in Nebraska, which is costing them potential business. I ask the committee to attach this

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amendment and vote LB1121 to General File, and I'd be happy to answer any questions.

MOSER: OK, questions from committee members? Senator Brandt.

BRANDT: Thank you, Chairman Moser. Real quick, on the length of the fifth-wheel trailers at 25 feet, that applies exclusively to campers, not flatbeds, livestock trailers, or any other trailer in the state of Nebraska. Is that correct?

BALLARD: Correct. 45 feet, but, yes, correct.

BRANDT: Oh, I'm sorry.

BALLARD: Yes, correct. Yes, correct.

BRANDT: All right, thank you.

BALLARD: Yes.

MOSER: Senator Storer.

STORER: I guess just as an additional question. I, I know it was brought to my attention this summer, too, and we've done some inquiry that, that for driving like your RV, the buses-- I'm not thinking of the right word, but anyway not the trailers, but the, but the drive, drive--

MOSER: Motorhome.

STORER: Thank you.

MOSER: I'm not supposed to help you.

STORER: Like phone a friend. That, that Nebraska also has a shorter length requirement or allowable length than other states. So it's interesting that--

BALLARD: Yeah.

STORER: --that it is in both the pull behind--

BALLARD: Correct.

STORER: --and the driving--

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BALLARD: Yes.

STORER: --[INAUDIBLE] motorhome.

BALLARD: Yes.

STORER: So if the-- we've done a little bit of-- we didn't have time to follow up on that in depth, but whether or not that, that should be brought in line with our surrounding states as well.

BALLARD: Yeah, we're trying to correct some of that here, but I'm willing to look in deeper, make sure we're correcting that across the board.

STORER: Thank you.

BALLARD: Yes.

MOSER: Any other questions? Well, thank you very much.

BALLARD: Thank you, Chair.

MOSER: Is there anyone here to speak in support of LB1121? Come on down. Welcome.

MICHAEL OCHS: Thank you. Just for the record, Michael Ochs, M-i-c-h-a-e-l O-c-h-s. Chairman Moser, Vice Chair Ballard, members of the committee, I'm Michael Ochs, Director of Government Affairs for the RV Industry Association. I thank you for the opportunity to appear before you today on its behalf in support of LB1121, Senator Ballard's legislation to govern the relationship between manufacturers and dealers of recreation vehicles. The RV Industry Association is the national trade association which represents RV manufacturers and their component parts suppliers who together build more than 98% of all RVs produced in the United States. Our members build RVs such as motorhomes, truck campers, trailer-- travel trailers, fifth-wheel trailers, folding camping trailers, and park model RVs. According to an economic impact study done by John Dunham Associates, the total annual economic output of the RV industry in Nebraska is \$647 million. There are approximately 300 RV industry-related businesses in the state paying total taxes of \$42 million. These businesses pay nearly \$180 million in wages and are responsible for nearly 3,500 jobs in Nebraska. The RV industry operates on a one dealer to many manufacturers model with no true franchise relationship between parties using manufacturer dealer agreements, while the auto industry

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is more based on a one dealer to one manufacturer true franchise model. Over the years, our industry has worked with the automobile industry to establish exemptions from parts of the automobile franchise law simply because these provisions do not pertain to the RV industry or are, or are handled differently among RV manufacturers and dealers. The result is we are approaching a patchwork of laws across the country that create confusion on which part of what provision applies to which industry and under what circumstances. To fix this problem, the Association is asking this committee to support LB1121 to place the manufacturer-dealer relationship for RVs in a separate section of law. This legislation is a product of negotiation between the RV Industry Association and RV dealers in Nebraska, both of whom support its passage. Passage of this legislation-- legislation will strengthen the viability of the RV industry in Nebraska to the state's benefit and that of consumers and manufacturers and dealers alike. The bill would place the RV industry in a separate section from the auto industry, finally allowing these two industries to operate separately under law as they do in fact. It's designed to be fair, reciprocal, and reasonable to all stakeholders. We urge all members of this committee to vote yes on this important legislation and advance LB1121 to the full Senate. And I'm happy to answer any questions.

MOSER: All right, questions from committee members? Senator DeBoer.

DeBOER: Thank you. So this is basically just mirroring what you do with the new cars?

MICHAEL OCHS: It's mirroring with some differences in things like how warranty disputes are resolved, what constitutes good cause for termination of a franchise, how you set, set the relevant market area, etcetera. But, yes, it mirrors it to a good--

DeBOER: What's the, what's the reason for the differences?

MICHAEL OCHS: Number one is that travel trailers are not covered. And there are several dealers, RV dealers, who sell nothing but travel trailers. And they're not covered under the current automobile law because they don't sell motor vehicles.

DeBOER: OK. OK. So just a difference in the business model for--

MICHAEL OCHS: Complete difference and, and they should have passed out a handout that lists some of the differences between the auto industry and the RV industry. Yes, right there.

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DeBOER: Thank you.

MOSER: OK, other questions? All right, thank you.

MICHAEL OCHS: Thank you, Senator.

MOSER: Appreciate your testimony. Anybody else to speak in support of LB1121? Come on up. Welcome.

NICHOLAS STAAB: Welcome. Thank you, Senator Moser and committee members. My name is Nicholas Staab, N-i-c-h-o-l-a-s S-t-a-a-b, and I'm here in support. I am a, a dealer in Nebraska. I'm at-- with Rich & Sons Camper Sales in Grand Island, Nebraska. And so as, as we communicate with other RV dealers throughout the state, the majority of the dealers are in favor of some sort of protection. We are one of those dealers that sell 98% of towables, so travel trailers and fifth wheels. And because of that, we do not have franchise agreements. We do not have protection from our manufacturers. And so, you know, for the 52 years that we've been operating, you know, it's, it's more like a handshake. So we're just asking that you guys look at this so that our dealers can have full protection and we can have the kind of rights that, that are similar to the auto dealer franchise rights. Thank you.

MOSER: Senator DeBoer.

DeBOER: What's kind of striking me, and maybe someone said this, and I am kind of in a fog today, but if you-- if it's-- if it hasn't been this way for, you said, 52 years?

NICHOLAS STAAB: Like, our dealership's been around for 52 years, yeah.

DeBOER: And what-- what's precipitating the change now? What's happening?

NICHOLAS STAAB: Well, I just believe that the, the world is changing a little bit more. There's a lot of things where-- that dealerships are getting set up that have no business being dealerships because they just buy the inventory. And so it's not like any one grand thing, but it's something that, you know, we have been asking for and we got lumped into with the auto industry, but we're different from the auto industry. And so it's just an opportunity as our world changes and our, and our businesses grow that we're asking for some sort of protection. There's 23 other states that have adopted a similar, you

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know, a, a similar plan like this. And so that's-- I mean, I don't know if I answered the direction you want.

DeBOER: No, no, that was, that was a good start. That was great. Thank you.

NICHOLAS STAAB: OK.

DeBOER: You, you-- you've referred to and others have referred to protection. Can you tell me what you're being protected from?

NICHOLAS STAAB: You know, like for instance, since there's no franchise agreements and let's say that I bring in 50 models of a camper and then the manufacturer says, well, we're going to go ahead and set up this guy right next to you. There's no area agreements, there's no protection that says that this is my area and if you want to take my franchise then we have to-- you know, it has to be in good cause. And so that's one of the biggest things is that manufacturers are able to, in the state of Nebraska, kind of do whatever they want.

DeBOER: Sell to whoever they want.

NICHOLAS STAAB: They can sell to whoever they want. And, you know-- because, you know, like in auto industries, you have, you know, regions that, that are protected through a franchise agreement. There's nothing except for your relationship with the manufacturer.

DeBOER: After this would be passed, would you still be able to-- because I think you can order them online. Can you still order a, a RV online, sort of like craft it together?

NICHOLAS STAAB: But they don't really go straight to the manufacturer, they're ordering them online through, through a dealership.

DeBOER: Got it.

NICHOLAS STAAB: Yeah.

DeBOER: OK. Thank you.

NICHOLAS STAAB: Yeah, thank you.

MOSER: Senator Storer.

STORER: Thank you, Chair Moser. Thank you for being here.

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NICHOLAS STAAB: Thank you.

STORER: Just, I guess, following up a little bit more on Senator DeBoer's questions, have there been specific harms done? I mean, is this more proactive or are there situations that, that dealers, RV dealers, have been harmed by some of the concerns that you shared?

NICHOLAS STAAB: So I would say that our dealership has been pretty lucky where we haven't had a lot of direct harms, probably some of the largest harms is when your, your area that you have established is not protected and somebody just comes in and then carries the same thing that you carry and they haven't had that relationship and-- so, I mean, it's, it's-- I mean, it's competition, that's kind of what happens in, in the industry, but it still would be nice in the fact that, that a manufacturer-- when we've invested millions of dollars into inventory and committing to them that they would give us a region and they would honor, you know, the manufacturer warranties and the rules and the regulations that go, go with that. So I, I haven't had, like, a direct harm except for the fact of local dealerships being set up with like models.

STORER: And that, that is happening or is happening frequently?

NICHOLAS STAAB: It's, it's not frequently, but it has been happening over probably the last 10 years.

STORER: Thank you.

NICHOLAS STAAB: Yeah, thank you.

MOSER: Senator Brandt.

BRANDT: Thank you, Chairman Moser. So that example, pick a manufacturer, why would they do that?

NICHOLAS STAAB: Just to sell more RVs.

BRANDT: But wasn't that going to make somebody angry and they're going to stop carrying their RVs or, I mean, it's kind of a short-term play, isn't it?

NICHOLAS STAAB: I, I kind of see it as a way to professionalize our industry on a much higher level where-- you know, with franchise agreements and territories and things like that, I believe that it helps the industry as a whole grow, because now, as--

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BRANDT: No, I, I, I think you misunderstood me.

NICHOLAS STAAB: Oh, sorry.

BRANDT: Using your example of, of you're established in Grand Island, now they set somebody else up in Grand Island selling the same thing,--

NICHOLAS STAAB: Right.

BRANDT: --just-- it, it just seems unusual that, that a quality manufacturer would ever do anything like that.

NICHOLAS STAAB: And, and like I did mention is that we've had a very good relationship with our manufacturers, but there are some manufacturers that do not operate under the same levels of, you know, integrity that possibly other manufacturers do, and we try to align, align with those.

BRANDT: And so then this bill would force them into a franchise agreement?

NICHOLAS STAAB: It would force them to, yes, to give us a franchise agreement and to give us a territory and we would have our obligations and they would have their obligations.

BRANDT: OK, fair enough. Thank you.

NICHOLAS STAAB: Yeah, thank you.

MOSER: And-- other questions from committee members? OK, I have one. So how does the state of Nebraska reach outside the state to control manufacturers of travel trailers? I mean, they're not building-- a lot of them aren't built-- I don't know, are there any built in Nebraska?

NICHOLAS STAAB: No, they're, they're all built mainly in Indiana and then there's West Coast locations.

MOSER: Yeah. But you think the manufacturers are willing to follow this structure because it has worked other places?

NICHOLAS STAAB: Yes, I believe so. Like I said, is that there's, there's 23 states that are currently operating under that. And our bill is not a complicated bill. It's giving dealerships protection, giving manufacturers protection also. Because I think in the current

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state of Nebraska, it's kind of got to be both people have to agree if they want to dissolve the relationship. Where this, I believe, would give where it would protect the manufacturers and it would protect the dealership.

MOSER: OK. Any further questions from committee members? OK. Thank you for your testimony.

NICHOLAS STAAB: Thank you. Thank you, guys, for listening.

MOSER: Yes. Anybody else to speak in support of LB1121? Welcome.

ANDY MULLIN: Thank you. Welcome. Thank you, Senator Moser and committee members. My name is Andy Mullin, M-u-l-l-i-n. I am representing AC Nelsen RV World. AC Nelsen's been around since 1919 and I've got some examples here where we have been harmed by, you know, some of the stuff that you guys are talking about. And we-- I do thank you guys for bringing this up-- this bill up for consideration. Just recently-- so we buy strictly Forest River products and there are a lot more trailer dealers than there are manufacturers. And when you're in a state that is not protected, the manufacturers, you know, they can kind of do what they want to do and we have to roll with the punches. We have very little recourse other than leveraging our relationship with those manufacturers. So one of our top selling lines was-- last year was given to a dealer that is 45 minutes away from us. And there was-- they didn't say, hey, if, if, if you guys can do this, then we won't do this. They just flat-out told us that, you know, this is what you're going to do. And we had no recourse. We couldn't do anything. Our territory was protected for decades just because of our relationship. And then when we weren't selling enough of those, they just said, OK, we're going to give it to this guy. And that was our bread and butter line. So we couldn't do anything about it. Give you a couple other examples. We currently have a couple situations where the poor quality of the units have caused the consumers the pain and the consumers have very, very little recourse against the manufacturer. So since they bought it from us, you know, they lean on us and we are a liaison with the manufacturer to try and get help. And they will only go so far. So then it puts our reputation in jeopardy with negative online reviews when we didn't build the thing. These are travel trailers. They're stick and tin. That's a nickname for them. And they roll down the road, and they vibrate, and stuff gets broken and, you know, they're, they're RVs. So when the trailer manufacturers aren't held to a certain standard of quality, then it puts the dealership's reputation in jeopardy if that consumer wants to leave a negative

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review, you know, on the dealer. It's the easiest thing for them to do. To leave a negative review to Forest River, you know, that's going to have little impact on Forest River. So I just wanted to give you guys a little bit of personal testimony there, so.

MOSER: I appreciate that. Your light is on here, we'll see if other members have questions. So I guess while they're thinking, I'll ask a question. So are you saying that the manufacturers are going to be required to stand behind warranty problems?

ANDY MULLIN: That-- it was-- that was notated in the bill, certain warranty issues, quality consumer rights and dealer rights.

MOSER: Well, so how would the state of Nebraska tell trailer manufacturers how to build a trailer of quality? I mean, how would we set those standards?

ANDY MULLIN: I don't know that you set the standards, but at least you offer certain rights to the consumers.

MOSER: OK.

ANDY MULLIN: And, also, you guys are allowing, you know, people like myself and Nick possibly to be involved on the Board and have our input, you know, where we can give you direct testimony and experiences on how this truly affects consumers and our businesses, you know. And that-- and we thank you for-- you know, if this passes, we thank you for that possible opportunity.

MOSER: OK. Thank you. Other questions? Seeing no more, thank you.

ANDY MULLIN: Yep.

MOSER: Appreciate your testimony. Anybody else to speak in support of LB1121? Welcome.

JUSTIN BRADY: Senator Moser and members of the committee, my name is Justin Brady, J-u-s-t-i-n B-r-a-d-y. I appear before you today as the Registered Lobbyist for the RV Association. And I just wanted to come up here, Senator Moser, and ask-- answer your question that you've been asking about how do you get to manufacturers? How you get there is this bill, under current law, similarly, requires them to get a license in Nebraska. So if they want a license to sell their product in Nebraska, then they have to agree to these terms. So that's how the process would work to be able to reach out to out-of-state

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manufacturers to make them comply. No different than we do with new car and truck dealers, no different than there is, similarly, in the beer wholesaler world, with the franchise agreement, it says, if you're going to operate, you have to get license, and if you get a license, these are the rules you must follow. So that's how you get to the out-of-state individuals.

MOSER: OK. Are there questions? OK, then it's my turn. So-- well, to be courteous, he shouldn't run the committee and ask all the questions. You know, it just wouldn't be right. So you'll have to, if you want to sell trailers or travel or motorhomes, you'll have to get a license from the state to sell them where now that's not required?

JUSTIN BRADY: Now they have to have a license to sell them, yes. There isn't the requirement behind it that then-- that the manufacturer has to have an agreement with the dealer. So you have to get a license, but there isn't a requirement behind when it comes to the travel trailers and, if you will, of the franchise agreements. So it's adding the franchise agreement really under the licensing of what we currently have to make sure that there's some teeth to protect not only the dealers but also the manufacturers when they have those relationships.

MOSER: Yeah, it just sounds like a pretty big business to encompass into one agreement. So I'm assuming that as you develop it you'll improve it as time goes along.

JUSTIN BRADY: Yeah, and, and it was modeled a lot after the motor vehicle laws that are there. And that there is a framework of the franchise agreement in our laws that, that oversee all the new car and truck dealers. They still have to go out and negotiate their own agreement, but at least there's a framework they have to work within.

MOSER: OK. Senator Brandt.

BRANDT: Thank you, Chairman Moser. Thank you, Mr. Brady, for your, for your testimony. The previous testifier talked about consumer protections and, I guess, I would be more interested in how somebody buys a new trailer and it's-- the quality isn't there or whatever and then they go back to the dealer today and the dealer says, well, we can't do much with the company but we'll try. How will this, how will this franchise agreement protect the consumer?

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JUSTIN BRADY: It will protect the consumer in the way that-- so they go back to the dealer, the dealer then has under their franchise agreement how warranty work is going to be handled, what they're going to recouped for, and who's going to supply the parts? So it's really-- if you think about it, the warranty really stands between the consumer and the manufacturer. The dealer's the one, yes, that we all go back to and say, hey, I've got a question or a concern or a problem. But the-- so the franchise agreement really addresses how the dealer and manufacturer are going to handle the warranty work that's happened between the consumer and the manufacturer.

BRANDT: So, so with this legislation, would the franchise agreement require consumer protections?

JUSTIN BRADY: Yes.

BRANDT: OK. Thank you.

JUSTIN BRADY: Yeah.

MOSER: OK. Other questions from committee members? Seeing none-- I'm sorry, Senator.

DeBOER: There's [INAUDIBLE] committee members left.

MOSER: Yeah.

JUSTIN BRADY: Thank you.

MOSER: Well, there's more than one, that's plural. Thank you for your testimony. Anybody else to speak in support of LB1121? Anyone here to speak against LB1121? Anyone here to speak in the neutral on LB1121? Welcome.

LOY TODD: Chairman Moser, members of the committee, my name is Loy Todd. That's L-o-y T-o-d-d. I'm the President of the Nebraska New Car and Truck Dealers Association. Basically, when we were informed by the RV Association and by the national manufacturers and the local dealers that they had come together to basically find a, a franchise law that's, that's typical of, of our industry, of the cars and trucks. It's been around forever and it works very well. I was really happy to see that. From time to time, there's an overlap between car dealers and RV dealers and, and trailer dealers. And, and so we kept having to occasionally do a carve out on our law where we would love a playing field between our dealers and manufacturers. And what would happen is

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we'd get contacted by either the RV manufacturers or by the RV dealers and say that really doesn't work in our industry. It's a different type of distribution. It's a different type of product. And so this, this cleans that up and so we're happy to see that. I didn't feel real comfortable advocating for a separate industry from ours and so that's why I didn't get up and be in favor. But, as you know, you got to pick some place and going last sounded like a better idea. But so we are very supportive of, of their notion but the details are what they've worked out among themselves.

MOSER: [INAUDIBLE] gets some of the questions asked before you get there.

LOY TODD: So they're not, not quite so tough.

MOSER: OK. Any questions for Mr. Todd? Thank you very much. Appreciate your testimony. Anybody else in the neutral?

JOSH EICKMEIER: Good afternoon, Chairman and committee members. My name is Josh Eickmeier, J-o-s-h E-i-c-k-m-e-i-e-r. I'm the Director of the Motor Vehicle Industry Licensing Board. Our Board did not take a position on the bill but I just want to help kind of clarify a couple things. When I started working in the Legislature many, many moons ago, I was told the most important part of any bill is the definitions. So I wanted to start with the definition to help kind clarify some of the discussion. In our, in our Motor Vehicle Industry Regulation Act 60-1401.36 is our trailer definition. And in that definition it talks about the commercial trailers, so typically we're talking about trailers that are more than 9,000 GVW. Within that definition, it goes on to talk about fifth wheels and other campers, type that would be pulled along. RVs are already a motor-- when I talk about an RV, I'm talking about a self-propelled motorhome, right, motor vehicle. So if you're, if you're driving-- you're literally in the, in the seat driving it, to me that's, that's a different category for our purposes because it's a motor vehicle than these other definitions that fall under trailer. So within the industry it's maybe a little confusing because you have-- if you're selling the, the motorhome that you're driving, you're probably also selling these others. But in our-- under our statutes, they're, they're under two different definitions. We regulate all of it. It's just we regulate one as a motor vehicle and the others as a, as a proper trailer definition. So I think-- so as far as it being currently regulated, they are. I think that the purpose of the bill, and speaking to, to interested parties is the franchise agreement. So if you look at our

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franchisee definition, which is 60-1401.20, it specifically talks about motor vehicles. And so I think that from what I've gleaned from the discussion is it's those fifth wheels, the ones that are being pulled that would normally fall under our trailer definition. It's making sure that those also would have some kind of franchise protection. So it's a little muddled because of the way the definitions are, but I believe that was the, the intent is, is having a formal franchise agreement, which we currently do have for the motorhome, the vehicle that you're driving, we already have those as a motor vehicle definition, but I think to make sure that the rest of the industry is covered by, by a franchise agreement, which from our Board's standpoint wouldn't impact us unless there were additional franchise hearings due to any disputes that may arise, which we already do for all the other motor vehicles in the industry. Hopefully that's clear as mud. I'm on amber. I will stop and see if there's any questions.

MOSER: OK, any-- Senator Bosn.

BOSN: The easiest way to explain the difference is if it has a seatbelt and a steering wheel, it's an RV.

JOSH EICKMEIER: Right.

BOSN: And if it doesn't, it's not.

JOSH EICKMEIER: I think some people when they, they refer to recreational vehicles, they, they extend your definition and it can get a little confusing as to what they're referring to, but, but, yeah. We, we already regulate those from with the seatbelts and the steering wheels, as well as the fifth wheels as part of our trailer definitions. But they just don't have to believe the franchise protections that they would like and the additional Board member representation.

MOSER: OK. Other questions? Senator Brandt.

BRANDT: Thank you, Chairman Moser. Thank you, Mr. Eickmeier, for your, your testimony. Is there a weight limit for a travel trailer? And the reason I ask that, at one time bigger was better and you couldn't get these monsters big enough and you needed a, a, a dually pickup to pull them and now what we're seeing is micro campers We're seeing probably some campers close to 1,000 pounds or under that you can pull with the

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family car or whatever. Those are covered with this bill, is that correct?

JOSH EICKMEIER: So under, under the current statute, under that trailer definition, it specifically talks about trailers and conveniently refers to another statute on how to further define them. If you go look at commercial trailers, not the camper but just a, just a regular like a gooseneck trailer--

BRANDT: Right.

JOSH EICKMEIER: OK. Those have the 9,000 GVW. So if you have just a, a little utility trailer that you would have a golf cart or a lawnmower on, we, we don't, we don't regulate those, but we may regulate the seller because they may also be selling the gooseneck trailers. So it-- but like for-- in general, like a tractor supply company that might have a utility trailer or an ATV, UTV, any of those, we don't regulate them, so they're not getting licenses.

BRANDT: But my question pertains to we're seeing campers built on these utility trailers, commercial campers, very small commercial campers, those are regulated by this agreement?

JOSH EICKMEIER: So the way I read that definition under the trailer definition, it specifically talks about the trailers that I just mentioned, and then it goes on to talk about like a fifth wheel, ones being pulled, and under that language, there is no definition for weight.

BRANDT: OK.

JOSH EICKMEIER: So my-- unless someone else wants to correct me on that, I don't believe the weight-- 9,000 GVW is specifically in the first part of that definition talking about commercial trailers.

BRANDT: All right. Thank you.

JOSH EICKMEIER: I know it would be cleaner if everything had its own definitions, but it gets a little muddied when you combine the two, but that would be my understanding.

MOSER: OK. Other comments from committee members? Seeing none, thank you for your testimony.

JOSH EICKMEIER: Thank you.

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MOSER: Anybody else to speak in the neutral? No. Senator Ballard, come back. So we had no online comments on LB1121, and we had no online comments on the appointment of Heath Mello to the State Highway Commission. Go ahead and close. Thank you.

BALLARD: Thank you. Thank you, Chair and committee. I appreciate all those that came and testified today and I appreciate the questions from the committee. I boil this down to pretty simple what we're doing with new car and new, and new, new car dealers, we're going to do with these. Very, very simple, making sure that dealers are protected, manufacturers are on board. So with that, I'd take any final questions the committee might have.

MOSER: All right, any further questions? Seeing none, thank you,--

BALLARD: Thank you.

MOSER: --Senator. All right, that brings us up to LB1202. Welcome.

CLOUSE: Settle in here a little. Good afternoon. When you're ready.

MOSER: We're ready.

CLOUSE: OK. Good afternoon, Chairman Moser and committee members. For the record, my name is Senator Stan Clouse, S-t-a-n C-l-o-u-s-e, and I represent much of Buffalo County including Kearney, Shelton, and Gibbon. A little information behind this bill. We have coffee with the cops in Kearney a couple times a year, multiple times, you know, over the course of time. And what we do is we just have coffee with the police, the sheriff's department, the State Patrol, and we just talk about issues, thank them for the service that they provide, all those types of things. And so about a year or so ago I was visiting with the officers and I said anything we can do for you down in Lincoln, anything we help with? And he said, well, I do have one issue and he says a lot of times when we pull people over he said they're supposed to have an interlock device, now the interlock device is breathing to start the vehicle, those types of things. And he said, sometimes you're driving somebody else's car, there could be some different things. And so I thought, well, that's kind of interesting. So I thought, well, I'll bring it back. And, you know, in my mind, I was thinking, you know, we could probably do something. So simple mind that I have, well, if you're grounded for a week and you keep doing it, well, your parents will ground you for another week. And so maybe you just extend the length of time that you need to be on this

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interlock device. So I came back, talked to staff, and that was the direction I was wanting-- wanted to go with this. Well, then we started finding out that there was a lot more to this, the devils in the details, and it became very complex in working through the different agencies. So from this point, I'm going to start reading what some of the prepared remarks we have. So interlock ignition permits can be ordered by DMV, the courts, or the Board of Pardons. And despite pertaining to the regulation of the IIPs, which is the permits, so you got the permits and the devices, different tech-- or terminology is used to describe their prohibited acts of vehicle usage without an IIP. LB1202 creates uniformity in language across all three governing entities and states explicitly that when you are issuing an IIP, driving a vehicle without a proper device installed is prohibited. Another discrepancy found in statutes pertains to where the statutes of IIP usage apply. Presently, the Board of Pardons statutes only pertain to highways of the state, whereas IIPs issued by the DMV or the courts pertain to driving in general. LB1202 removes highways of state discrepancy found in statute. Further, it's unclear in statute if points are assessed towards your license and failing to comply with the IIP requirements, particularly in the Board of Pardons statutes. LB1202 makes points being assessed towards your license uniform across the board with the Board of Pardons, courts, and DMV cases. Lastly, statute 60-498.01(10) pertains to license revocation period extensions for violations of the IIP agreement when issued by the DMV. In other words, tampering with or driving without an IIP when so ordered. And so there's a mandatory 6-month revocation period extension for violations, in addition to the criminal charges for DMV cases. In circumstances where the IIP is ordered by the Board of Pardons, there's a mandatory 15-year revocation period, and that's in statute, when individuals fail to uphold their IIP agreement and have a .02 blood alcohol concentration. So in cases where individuals are issued an IIP from the courts, there is no revocation period extension for violating the IIP in statutes. So LB1202 states that the revocation period must be extended for 90 days for first violations and the second or subsequent violations the revocation period restarts. This addition unifies license revocation extensions for violation of the agreement across the board as a proactive step towards repeat offenders tampering with IIPs or driving without one. Further clean up included moving the DMV ignition interlock fund and requirements for interlock ignition-- interlock facilities to notify courts, probation, DMV entities in cases of tampering or attempting to tamper to their own dedicated sections within the chapter. Provision was also added to notify court attorneys and the Board of Pardons in

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the case of tampering. The longer confusing sections were split, in particular, statute 60-6,211.05 applied to both DMV and court-ordered IIPs. This section was divided into separate sections for clarity and repetitive and obsolete language was removed. So thank you for your time and attentiveness. I'm in over my head, I'll openly admit that, but my staff spent a lot of time over the summer working, trying to work with all three of the entities on this common situation, because apparently it was all over the board. And there was nothing in there that-- so I just said, heck with it, I don't care if it ever-- you know, my initial thought was extending it and that was kind of out the window when I found out that it was going all these different directions. So we did have a letter that I just saw at 9:00 this morning from the DMV with a couple of questions or things that they had. And I don't know if you guys have seen this letter or not yet. So there could be some things in there that we need to review and maybe make an amendment. So with that, I will attempt to answer any questions you may have, but it's a pretty complex and crazy issue.

BALLARD: Thanks, Senator Clouse. Senator DeBoer.

DeBOER: Thank you. I actually just want to say thank you for trying to clean up an area of statute and try and put it all in one direction. That's a really good goal. There's a lot here to take in. But I really appreciate the attempt to streamline, clean up, put things together, make our statutes more readable. So thank you for doing that.

CLOUSE: Well, thank you, and just so you know, that wasn't my attempt.

DeBOER: Well--

CLOUSE: That's how it turned out, I guess, so.

BALLARD: Thanks-- thank you, Senator DeBoer. Additional questions? Seeing none--

CLOUSE: Oh, but I will be open, if, if you see anything and when you do get the chance to look at these, let me know.

BALLARD: OK. Thanks, Senator Clouse. First proponent for LB1202. Anyone in support of LB1202? All right, anyone in opposition to LB1202? Seeing none, anyone in the neutral capacity to LB1202?

SPIKE EICKHOLT: Good afternoon, Vice Chair-- are you Vice Chair? OK, Vice Chair Ballard. My name is Spike Eickholt, S-p-i-k-e E-i-c-k-h-o-l-t. I'm appearing on behalf of the Nebraska Criminal

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Defense Attorneys Association in a neutral capacity. We're actually opposed to some parts of the bill, but Senator Clouse did share a copy of this draft before he introduced it, inviting our feedback. And he's been engaging, so I didn't want to be opposed because I wanted this sort of state in discussion, as they say, on whatever happens with the bill. Senator Clouse explained that his intent of the bill was dealing with extending the period of revocation. That's something that I think the constituent officer requested. But then, as he explained, he kind of got drawn into trying to clean up this language, which is sort of commendable, but it's also thankless. But basically what Senator Clouse explained was there's three ways-- we're talking about the ignition interlock, sort of the blow and go is what we're talking about-- and there's three ways under law that you can basically get the authority. One is from the DMV on a temporary basis and that happens if you're, you're stopped and you get a DUI in the field. The officer takes a test, they actually take-- physically take your license and they give you, like, a yellow piece of paper, it's like a carbon copy. And you have 14 days from when you lose your license to take that yellow piece of paper down to the DMV and get one of these installed in your vehicle while your DUI is pending. And that was a decision the Legislature made because you don't want to have people driving around with a fully intact license with no supervision while they got-- they were driving under the influence, case pending. Another way that you can get one of these ordered on-- to be installed in your vehicle and have a special license is if a court sentences you after you're found guilty for a DUI or for some other type of offense that it requires that you have one of these things. And a third way that you can do it is if you have a lengthy period of license revocation for a third offense DUI or some other kind of crime, the Board of Pardons can actually sort of set aside that portion of your sentence and then there's a series of statutes to authorize the Board of Pardons to direct that for the balance of the 15 years, you can drive a vehicle but with one of these ignition interlock devices. So the parts that we would ask this committee to maybe consider changing, there's really three different subjects, and I outlined them on the letter that I have. And I did share this with Senator Clouse and Nolan in his office before the bill was introduced but, unfortunately, it didn't make it into the introduced copy. But one way that we would ask the court or the committee to do is to strike the requirement that when you get authorization from the court that that order be certified. The statute was probably written before the courts went to the electronic filing system. The DMV does have access to justice. And so what you have now is a standard uniform journal entry and order

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that is generated and produced by the courts. And it's easily confirmable. The second part, there's a couple of different instances in which we ask that a violation for driving without an ignition interlock device is now a Class 1 misdemeanor. We would ask that the committee consider reducing that to a Class 2 misdemeanor. That's commiserate with the driving under suspension. And almost on all of those instances, that someone who does not have the device yet installed and their license is suspended. So they're going to be charged with both driving under suspension and driving without an ignition interlock device. Thank you. And the, the penalties for driving with any detectable amount of alcohol, .02 or more, or driving without an ignition interlock and refusing to give a test, that remains a felony. We're not asking the committee to adjust that. The other part that we would ask is on page 12, lines 24-- page-- line-- on page 12, where we're asking the committee to strike lines 25 through 26. And what that proposes to in the bill is it tells a judge that when you have someone who has been, who has been convicted of violating an ignition interlock device, the court has the option to either suspend it for 90 days or to extend their period that they have to drive with an ignition interlock device at another period of 90 days, or to order that the original time, which is usually 6 months, be begun again. The bill on lines 25 through 26 mandates that the court has to impose the greater of those two. I don't think the Legislature can do that consistently with a separation of powers. I think courts have the discretion to impose the sentence that they want to impose. The Legislature can give you-- you can give the court options. You can even sort of direct that the court has no option, but I don't think that the Legislature can provide that in all instances the courts have to impose a greater revocation period for violation. I think that there are going to be instances where you're going to let the judge make that decision based on the totality of the circumstances. And I don't know if it can be done consistent with separation of powers, even if it can we would submit it's just not good policy. You ought to let the courts handle these things case by case. I'll answer any questions if anyone has any.

BALLARD: Thank you, Mr. Eickholt. Are there any questions? Seeing none--

BOSN: I'm just going to want a transcript of this hearing where the rule is that if you work with him beforehand, he will come in neutral.

BALLARD: That is a good, that is a good rule.

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SPIKE EICKHOLT: It happens sometimes. It depends, again, case by case, bill by bill.

BALLARD: It's a good policy.

BOSN: Introducer by introducer.

BALLARD: Thank you, Mr. Eickholt.

SPIKE EICKHOLT: Thank you.

BALLARD: Additional neutral testimony? Seeing none, Senator Clouse.

CLOUSE: Thank you. And I appreciate Spike coming and, and sharing those things. We'll certainly take a look at those and anything that you may see that, as you read through it, any concerns or things that you need, more than willing to do that. So with that--

BALLARD: Thank you, Senator Clouse. Any additional questions? Any final questions? Seeing none,--

CLOUSE: OK. Thank you.

BALLARD: --we did have one proponent online testimony for LB1202, none in the neutral-- or none in the opposition, and one in the neutral, and no ADA. That'll close our hearing on LB1202 and open up our hearing on LB1104. Senator Dover.

DOVER: Thank you, Chairman Ballard. Good afternoon, committee members. My name is Robert Dover, R-o-b-e-r-t D-o-v-e-r. I represent District 19, which consists of Madison County and the southern half of Pierce County. During a recent conversation at a local coffee shop, I was talking with a group of farmers about this bill, where every Nebraskan should pay their fair share of taxes. One of the farmers said how a farmer north of Norfolk had all his vehicles and trailers licensed in South Dakota since license and cost is less there. He said you can't blame him, farming is tough, and you have to save money where you can. I took that moment to point out a larger issue: when someone avoids paying their fair share those dollars do not simply disappear. The cost is ultimately shifted in-- onto law-abiding Nebraskans, people like the very individuals sitting at that table who follow the rules and pay their taxes every year. You can see the realization set in and the conversation quickly turned from frustration to a simple question: What can we do to fix this? In 2014, LB851 was introduced to the Legislature to provide oversight of sales tax evasion involving

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recreational vehicles. At that time, there was not enough evidence to support an expansion to all motor vehicles. And the oversight and penalties were limited to RVs. Today, I believe, and I think Director Lahm will be speaking to this, the increase in reporting by counting treasurers, law enforcement overall is enough to justify an expansion of this statute to include motor vehicles. We acknowledge that part of the problem has to do with the registration policies of our neighbors to the north and their lack of provisions of out-of-state residence licensing motor vehicles within their borders, but I do not believe that we should simply sit back and do nothing. In response to the fiscal note, I believe the assumption that a full-time fiscal compliance analyst will be needed is premature because the overall fiscal impact is indeterminable at this time and I believe someone will speak to that later. LB1104, known as the fairshare motor vehicle tax bill, is designed to ensure fairness and accountability in Nebraska's motor vehicle registration system. The bill clarifies when a vehicle has sufficient connection to Nebraska to require registration here and strengthens enforcement tools to address deliberate tax avoidance. It does not raise tax rates or create new taxes, but instead ensures existing laws are applied evenly so that every resident pays their fair share. And no one is left carrying more than their share of the burden.

BALLARD: Thank you, Senator Dover. Are there any questions for LB1104? Seeing none, we'll take our first proponent for LB1104. Good afternoon, Director.

RHONDA LAHM: Good afternoon, Vice Chair Ballard and members of the Transportation and Telecommunications committee. I am Rhonda Lahm, R-h-o-n-d-a L-a-h-m, Director of the Department of Motor Vehicles. I'm appearing before you today to offer testimony in support of LB1104. The bill proposes to allow for the Department of Motor Vehicles and the Department Revenue to make determinations on whether individuals are avoiding the payment of motor vehicle taxes and fees under the Motor Vehicle Registration Act. The bill will give the DMV the necessary tools to take administrative action against those that are avoiding the payment of taxes and fees. The DMV is aware of complaints from Nebraska residents to county treasurers and law enforcement about vehicles that are being registered and plated in other states to avoid payment of motor vehicle taxes and fees. Some states' laws allow for nonresidents to register vehicles in their states. The bill will help the DMV and Revenue to take action for the state's loss in revenue. Thank you for the opportunity to testify and I'm happy to answer any questions the committee might have.

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BALLARD: Thank you, Director. Any questions? Senator Brandt.

BRANDT: Thank you, Vice Chair Ballard. Thank you, Director Lahm. What does this bill do that you can't do now?

RHONDA LAHM: So primarily-- the current laws primarily addresses RVs and this expands it to all motor vehicles.

BRANDT: So, right now, if a guy's got a farm truck and he registered it in South Dakota, you could do nothing about it?

RHONDA LAHM: Well, we can always, you know, say we think you should register in Nebraska, but there's no really formal action that we could take if they don't do it.

BRANDT: So what is the formal action now when, when you find these individuals with this-- with the new bill?

RHONDA LAHM: So as the bill is written, there's some things that we're supposed to look at, and I don't-- I can't think of them all off the top of my head, to determine whether or not we believe that it's improperly registered. And then we can direct them to register it in Nebraska and pay the fees in Nebraska. And if they don't, then they can-- or if they choose not to or think they shouldn't have to, then there's the Administrative Procedure Act hearing that they can have a hearing to determine what or not it shouldn't. And an independent party would determine whether we were correct and that it should be registered in Nebraska or whether it shouldn't.

BRANDT: And then you would be entitled to damages?

RHONDA LAHM: There's no damages, they would just have to pay the fees that they're supposed to pay. For Revenue-- I think Revenue has the authority to assess a penalty. I don't want to speak to Revenue's laws, I'm not as familiar with them, but we don't have the authority to assess the penalty. They would just have to pay-- they need to pay the fees and register.

BRANDT: So of our six surrounding states, is South Dakota the only problem child?

RHONDA LAHM: In the surrounding states, but Montana also allows-- I'm, I'm not familiar with everybody, but I also know that Montana allows people outside that, that are not residents of Montana to register vehicles in Montana. And South Dakota does the same. They allow people

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who are not residents of South Dakota to register vehicles in South Dakota.

BRANDT: Does Nebraska allow nonresidents to register in Nebraska?

RHONDA LAHM: I don't believe that's an issue here, Senator. I don't think we have a lot of people trying to come here.

BRANDT: I'm just asking. All right, thank you.

BALLARD: Additional questions? Seeing none, thank you, Director.

RHONDA LAHM: Thank you.

BALLARD: Additional proponents to LB1104? Good afternoon.

LOY TODD: Good afternoon, Senator Ballard, members of the committee. My name is Loy Todd, that's L-o-y T-o-d-d. I'm the President of the Nebraska New Car and Truck Dealers Association. We are testifying in favor of this legislation. There is a real problem out there. Some states actually thrive on having improper registrations in their state. South Dakota is a prime example. There are thousands of cars registered-- titled and registered in South Dakota where neither the vehicle nor the owner has ever been to South Dakota. It's just amazing, and, and they brag about how much money they make off of that. Now part of the reason, and I didn't come here to complain about Nebraska motor vehicle taxes, but they are about the fourth highest in, in the country. So there's, there's a lot of incentive out there. There's also these schemes that are out there and especially Montana you see it, because they have no sales tax at all. And so people, people create LLCs or different entities and claim that's the purchaser of the vehicle or there's transfer to there and avoid the tax and then they come back here and drive around on Montana plates or South Dakota plates or whatever. And so enforcement is tough and this looks like it will set up at least a, a pattern and some, some telltale signs that can be explored to determine if it's improperly registered. I did note in reading the, the, the bill, there seems to be a 50% penalty included in the bill, which is fine with us. We would-- we certainly don't want to encourage people to, to do these tax avoidance schemes, and, and we certainly don't want to be any part of any of, of any of that behavior. And some other states have done even more aggressive stuff. I'm seeing some things in Minnesota and other places where they've really gone after this, this problem, but--

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so anything we can do to help clean this up, we'd be happy to, to be involved. Thank you.

BALLARD: Thank you for your testimony. Any questions? Senator Brandt.

BRANDT: Thank you, Vice Chair Ballard. Thank you, Mr. Todd, for your testimony. If I don't pay my property taxes, they take my farm. What would be wrong if, if they're cheating on their car taxes, we take the vehicle?

LOY TODD: Well, I'd have to talk to my Board about that. Quite frankly, quite frankly,--

BRANDT: I know it sounds, it sounds severe, but it's, it's effective.

LOY TODD: --it's-- you know, we're not doing it, so I guess I don't want to propose a penalty for someone else. But I've, I've even-- well, I better not say it.

BRANDT: The thought crossed your mind, is that what you were going to say?

LOY TODD: Something worse.

BRANDT: OK. Thank you.

BALLARD: Thank you, Senator Brandt. Senator Bosn.

BOSN: Thank you. So tell me, and, and maybe you're not the right person to ask this, so if not you can defer, how does this get reported and investigated and actually enforced? Because if you're, particularly in the example that Senator Dover gave, if you live up on the northern part of the state along the border to South Dakota, who's going to be investigating this and under-- and how?

LOY TODD: Well, I'm, I'm confident that some neighbors will tell on their neighbor. So there will be some indication, some contact with law enforcement that someone is, is operating illegally.

BOSN: And who are they going to report it to?

LOY TODD: Well, most likely if there's a city police department or a county, but the, the sheriff seems the most likely person to, to receive that information, or even a county attorney. Just people, people-- because people want other people to pay their fair share. And

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so reporting that, then it's actionable and, and they can, they can take a look at it and see if vehicles are improperly registered. Because if you're here, if you're here for 30 days, or if a vehicle-- if you're an owner of a vehicle and it stays here more than, more than 6 months, 6 months and a day, then it's, it's-- that's, that's where it's taxed. If it's less than that, then it's, it's a different, different animal, but that's where the enforcement comes from, probably, just people informing on some, or local law enforcement sees a car that, that's driving in Nebraska all day, every day, and it's got South Dakota plates on it, good, good reason to stop and have a conversation.

BOSN: Thank you.

BALLARD: Thank you, Senator Bosn. Any final questions? Seeing none, thank you, Mr. Todd.

LOY TODD: Thank you.

BALLARD: Additional proponents to LB1104? Seeing none, anyone in opposition to LB1104? Seeing none, anyone in the neutral capacity? Seeing none, Senator Dover, would you like to close? And as Senator Dover comes up, we had no online testimony in the proponents, the opponents, or the neutral, or ADA.

DOVER: I jotted just a few things down here. It comes as a criminal complaint, so you could report to any law enforcement officer. And then what this does, it, it has a-- first of all, you have to determine is the person a Nebraskan? And just a second here. So it's resident owner that does not own pro-- let's see, let's see-- if they're trying to avoid any motor vehicle tax, sorry. So the resident owner does not own property in another state, does not maintain a physical location in another state, and has not filed an income tax return in another state. That's how-- that's basically whether they're a Nebraska resident or not. And the Department of Motor Vehicles and the Department of Revenue can make a determination if the motor vehicle or trailer has been kept for more than 30 days in this state. And, and so, basically, they look at if the Nebraska resident was the initial purchaser of the vehicle or trailer, operated and stored the motor vehicle or trailer in this state, is a member, partner, shareholder, or otherwise affiliated with a liability-- limited liability company, partnership, corporation, or any other business entity purported to own the motor vehicle or trailer, and the Nebraska resident is covered under an insurance policy for the motor vehicle or

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trailer. And is there any evidence that the motor vehicle or trailer has been kept for more than 30 days in this state? So they try and determine are you a resident and then is this, is this, is this being kept, kept in Nebraska or not? Once they, once they determine that, you can report them. And just one second. If the-- so they have 30 days to pay, and if they don't pay, such residents shall be assessed a late fee of 50% of the unpaid taxes and fees. Such late fee shall be remitted to the State Treasurer for credit to the Highway Trust Fund. So [INAUDIBLE] a little bit more. So we're just trying to determine if, if, if-- [INAUDIBLE] if the person is actually a resident or not and then is the trailer kept here or not? So I don't know if that helped clear up anything or not, but is there any other questions or anything? OK, thank you. I'm following Clouse a hearing to hearing to hearing, so.

DeBOER: Oh.

MOSER: Is that his opening?

DeBOER: That's it.

BALLARD: His closing.

MOSER: Closing?

BOSN: That's how efficient we are.

MOSER: So we're done.

DeBOER: We are done.

MOSER: All right, that will conclude our hearing for today. Thank you.