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Transportation and Telecommunications Committee
January 24, 2017

[LB164 LB177]

The Committee on Transportation and Telecommunications met at 1:30 p.m. on Tuesday, January 24, 2017, in Room 1113 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB164 and LB177. Senators present: Curt Friesen, Chairperson; Jim Smith, Vice Chairperson; Bruce Bostelman; Tom Briese; Suzanne Geist; Mike Hilgers; and Dan Hughes. Senators absent: John Murante.

SENATOR FRIESEN: I'd like to welcome everybody to the Transportation and Telecommunications Committee hearing. I'm Curt Friesen from Henderson, the chairman, and I represent District 34. I'll ask you please to silence your cell phones and I'll ask the audience to please be silent on testimony with no show of emotional support or otherwise. We will be hearing, in order, the bills in order that are listed on the agenda. Those wishing to testify move to the front of the room. If you're testifying, fill out one of the green testifier sheets located just inside the entrance and hand them to one of the pages when you come in...when you come to testify. And when you begin the testimony, clearly state and spell your first name and last name. We have a light system; we will not use it today. Those not wishing to testify may sign in on the pink sheet by the door to indicate their support or opposition to a bill. And I will introduce the members of the committee. And I have...we're missing quite a few of...today they're, I think, either in other committees entering bills or whatever, but off to my right I have Senator Tom Briese from District 41, Senator Bruce Bostelman from District 23--Brainard area. Senator John Murante I think will be joining us a little later, from the Gretna area, representing District 49. And I think Senator Jim Smith will be coming; he's from Papillion--District 14. My committee counsel will not be here today. At my left is Elice Hubbert, committee clerk. And then we have Senator Dan Hughes from Venango, representing District 44, which will be in a little later, I think. And then we have Senator Mike Hilgers from Lincoln, representing District 21, Suzanne Geist from Lincoln, representing District 25. We have two pages: Heather Bentley from Miller, Nebraska, a freshman at UNL, majoring in ag economics; and Jade Krivanek, from Omaha, is a junior at UNL, majoring in economics. And with that we'll open the hearing on LB164. Welcome. [LB164]

SENATOR GEIST: (Exhibit 1) Thank you. Thank you, Chairman Friesen, and good afternoon, fellow committee members of the Transportation Committee. I am Suzanne Geist and, for the record, that's Suzanne, S-u-z-a-n-n-e, Geist, G-e-i-s-t. I represent the 25th Legislative District in Lincoln, and I am here to introduce LB164, which harmonizes and modernizes Department of Motor Vehicle statutes. Sections 1-17 of the bill removes the reference of cabin trailer, which is already included in the definition of "trailer" in Chapter 60, Article 1 of Nebraska Revised Statutes. Sections 18 and 19 clarifies that commercial drivers license or CDL disqualifications are consecutive, which is the current practice. Section 20 eliminates the requirement for the Department of Motor Vehicles to send Part II of the Motor Vehicle Accident Report by U.S. mail

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

Transportation and Telecommunications Committee
January 24, 2017

to the insurance companies. As Director Lahm will explain in more detail, the insurance companies are not required to respond to this letter, and very few actually do. Section 21 requires the Department of Roads to send the information from Part II of the Motor Vehicle Accident Report to the Department of Motor Vehicles electronically; it is currently required to be sent in paper form. Section 22 requires the Department of Motor Vehicles to maintain the registration of motor boats, all-terrain vehicles, utility-type vehicles, snowmobiles, and minibikes, and allows release of the records under the same circumstances as other motor vehicles records, individually and through batch requests. And finally, Section 22 provides the same protections of personal information, under the Uniform Motor Vehicle Records Disclosure Act, for motorboats, all-terrain vehicles, utility-type vehicles, snowmobiles, and minibikes. The DMV did find one error in the bill that we would like to correct. You should have received AM4 to LB164, or you're receiving it now, which clarifies on page 31 of the green copy that the fee for requesting registration records, either individually or by bulk, does not change. Director Rhonda Lahm, of the Department of Motor Vehicles, will be following me and happy to go into more detail. Thank you for your time, and I'm happy to answer any questions. [LB164]

SENATOR FRIESEN: Thank you, Senator Geist. Any questions, tough questions from the committee? [LB164]

SENATOR GEIST: Okay. [LB164]

SENATOR FRIESEN: Looks like they're going to be easy on you, so. [LB164]

SENATOR GEIST: I appreciate that; thank you. [LB164]

SENATOR FRIESEN: Those wishing to testify in favor? [LB164]

RHONDA LAHM: I am. [LB164]

SENATOR FRIESEN: Welcome. [LB164]

RHONDA LAHM: (Exhibit 2) Thank you. Good afternoon, Chairman Friesen and members of the Transportation and Telecommunications Committee. I am Rhonda Lahm, R-h-o-n-d-a L-a-h-m, director of the Department of Motor Vehicles. I'm appearing before you today to offer testimony in support of LB164. I would like to thank Senator Geist for introducing LB164 on behalf of the Department of Motor Vehicles. The purpose of LB164 is to modernize and harmonize multiple provisions of DMV statute and eliminate a nonfunctional process. The bill amends the Motor Vehicle Registration Act to harmonize the various plate statutes to bring

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

Transportation and Telecommunications Committee
January 24, 2017

consistency to the lists which identify the plates allowed for the different vehicle types. The changes are based on existing statutory definitions. LB164 amends plate statutes to read that a "motor vehicle, trailer, or semitrailer" may have such a plate. In the bill, it could appear that "cabin trailer" is being deleted in many places. However, the change does not mean cabin trailers cannot get a license plate, rather, cabin trailers are just a type of a trailer, and a cabin trailer may have any type of plate a trailer may have. The change helps ensure the various types of license plates will be available to a broad range of vehicles. The string "motor vehicle, trailer, and semitrailer" is the most inclusive and would be the preferred language to be included in license plate statutes, both current and in the future. The DMV would request consideration by the committee that other plate bills introduced be amended to be in harmony with the changes in LB164 before enactment. A provision in this bill amends Nebraska Revised Statute 60-4,168 and 60-4,168.01 to meet federal regulatory requirements in 49 CFR 384.231(b). The federal provision requires disqualification periods for commercial driver's licenses--CDL holders--must be served consecutively and separately, which is the current practice. It is important to point out federal code sets out the provisions for determining if there is a first or subsequent incident which would trigger the application of the consecutive disqualification period. Section 383.51 states, and I quote, "(4) Determining first and subsequent violations. For purposes of determining first and subsequent violations of the offenses specified in this subpart, each conviction for an offense listed in Tables 1 through 4 to this section resulting from a separate incident, whether committed in a commercial motor vehicle or a noncommercial motor vehicle, must be counted." The provisions allow a judge to use his or her discretion in determining a disqualification period, should multiple infractions occur in a single incident. The suggested change will clarify language to ensure Nebraska remains in compliance with federal law and, therefore, eligible to receive federal highway funds. LB164 harmonizes statutes so that all the information held in the DMV Vehicle Title and Registration database will be treated uniformly. State statute specifically authorizes the DMV to house motor vehicle and trailer records in its database. Over many years legislation has been enacted, adding responsibility for motorboats, all-terrain vehicles, utility-type vehicles, snowmobiles, and minibikes to be registered and/or titled. However, the record-keeping statute has never been amended to harmonize 60-3,161 with those responsibilities. The bill will harmonize the DMV record-keeping statute. Currently the Uniform Motor Vehicle Records Disclosure Act provides rules for privacy protection for personal and sensitive personal information contained in motor vehicle and driver license records. LB164 amends 60-2904 so that personal information and sensitive personal information held in records for motorboats, ATVs, UTVs, snowmobiles, and minibikes will also be privacy protected. LB164 contains an amendment to modernize statute by replacing the term "batch" with "data to data," which is the current term of art used to describe certain transfers of information. LB164 amends Nebraska statute 60-3,161 to provide the same protections and procedures for the sale of records for motorboats, ATVs, UTVs, snowmobiles, and minibikes as are currently in place for other motor vehicle records, creating a uniform process for all records. The clarifying amendment offered by Senator Geist corrects confusing language regarding the fees to clarify there will be no changes

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

Transportation and Telecommunications Committee
January 24, 2017

from the current fee structure. All such record sales are subject to the privacy provisions of the Uniform Motor Vehicle Records Disclosure Act. No record containing personal information or sensitive personal information in a record held by the DMV can be purchased unless the purchaser can show that he or she needs the information for a specific use authorized in statute. Lastly, LB164 eliminates a process in 60-506.01, requiring the DMV to send a copy of Part II of the driver's accident report to insurance companies to verify insurance coverage for a possible suspension of a driver who has been involved in an accident. Early last year the Department of Motor Vehicles was asked to be the pilot agency for Governor Rickett's continual operational improvement initiative. We examined the labor-intensive process of suspending uninsured drivers involved in accidents. While the project was very successful, and we managed to reduce the time to process the information from 15 days to 1.5 days, we have determined a more efficient way to do business. Of the nearly 31,000 forms sent to insurance companies in the last almost 12 months, only .7 percent of those are returned; and of those, less than .2 percent are suspended or eligible for suspension. We're in the process of establishing an electronic process to take the place of the current manual process. It is important to note: LB164 will eliminate sending the forms to insurance companies, but the DMV will retain authority to revoke the operator's license of a driver involved in a motor vehicle accident who is without motor vehicle insurance. Thank you for your time today. At this time, Chairman Friesen, I'd be happy to answer any questions the committee may have. [LB164]

SENATOR FRIESEN: Thank you, Director Lahm. Any questions from the committee? Senator Hilgers. [LB164]

SENATOR HILGERS: Thank you, Director Lahm, for your testimony today. I wanted to focus a little bit on the provision that relates to the federal regulatory requirements... [LB164]

RHONDA LAHM: Um-hum. [LB164]

SENATOR HILGERS: ...in 40th of the CFR. Can you explain...has there been a change in the CFR that's precipitated this statutory language? [LB164]

RHONDA LAHM: There hasn't been a change, but we get our compliance reviewed. And when our compliance was reviewed, they are usually quite strict about our language mirroring their language and having their exact provisions in statute. But because our practice has been in compliance with it, they didn't find us out of compliance but recommended that our statute be more specific as to what our actual practice was. [LB164]

SENATOR HILGERS: And that is the...is that the Federal Highway Administration who...
[LB164]

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

Transportation and Telecommunications Committee
January 24, 2017

RHONDA LAHM: Right. Well... [LB164]

SENATOR HILGERS: Or who is it that... [LB164]

RHONDA LAHM: The Federal... [LB164]

SENATOR HILGERS: Who's the "they?" [LB164]

RHONDA LAHM: The Federal Highway...it's a multiagency. The rules are done by the Federal Motor Carrier Safety Administration, but the audits for compliance are done by Federal Highway Administration. [LB164]

SENATOR HILGERS: Okay. [LB164]

RHONDA LAHM: So both agencies are involved in some part of it. [LB164]

SENATOR HILGERS: Okay, thank you. [LB164]

RHONDA LAHM: Um-hum. [LB164]

SENATOR FRIESEN: Thank you, Senator Hilgers. Any other questions? Senator Briese. [LB164]

SENATOR BRIESE: Thank you, Chairman. And thank you for being here today. One...one question for you. On page 28 here, lines 15-25 where you adjust the procedure, basically you eliminate sending these reports to the insurance company. Does this make it more difficult to determine insurance status of drivers involved in a wreck? [LB164]

RHONDA LAHM: More difficult for us... [LB164]

SENATOR BRIESE: Yes. [LB164]

RHONDA LAHM: ...or the insurance companies? [LB164]

SENATOR BRIESE: For you. [LB164]

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

Transportation and Telecommunications Committee
January 24, 2017

RHONDA LAHM: The way the process works now is the Department of Roads is the official holder of the accident records, so they go to them. They literally tear off that bottom piece and send it to us hard copy. And then we sort them out; and so we have a pile for this insurance company, that insurance company. And we send a hard copy and then wait to see if they respond. There's no requirements for their response, nor time or anything. So what we feel is that, where this process would...Department of Roads is going to send it to us electronic. What we're establishing is a secured FTP site, and each insurance company will have access. And so it will be a drop-and-drag process, for the lack of a better term. So when they come in, it will say: this is insurance company ABC; so we'll drop and drag it in ABC. If those sit there three days or longer, we'll get a notification, so then we'll make our contact at that insurance company and say: hey, you have some sitting out there you need to look at. Whether they choose to do that, or not, will be their choice. So we feel that it will eliminate all the paper movement and help us be more efficient. As far as determining whether or not they can be suspended, there are certain criteria they have to meet. We have to be able to show that, pretty much beyond a doubt, they were at fault. We have to have a police report; we have to have a report from the other driver; and they have to have been not insured. So there's several other criteria that we have to look at before...that we have statutory authority to suspend. [LB164]

SENATOR BRIESE: Okay, but you're still going to be able to determine if they had insurance through these other measures? [LB164]

RHONDA LAHM: If they had an accident? I mean, we'll be able to determine, when we get the report from Department of Roads. Another process that happens, that's independent of this, is insurance companies will have an insured--their insured--that's involved in an accident with someone else that's not insured. And maybe for some reason the accident wasn't reported; maybe it didn't meet the threshold or they just didn't report it. That insurance company will write a letter to us that says: Our insured was in an accident with this person; they're not insured. You need to check and see if they have insurance. And so we'll send them a letter that says: You were involved in an accident. Fill out this accident report; send this verification of your insurance. And we actually suspend more people through that process than this one currently in statute. [LB164]

SENATOR BRIESE: Okay, thank you. [LB164]

RHONDA LAHM: Um-hum. [LB164]

SENATOR FRIESEN: Thank you, Senator Briese. [LB164]

RHONDA LAHM: Does that answer your question? [LB164]

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

Transportation and Telecommunications Committee
January 24, 2017

SENATOR BRIESE: I believe so; yes. [LB164]

RHONDA LAHM: Okay. [LB164]

SENATOR FRIESEN: Any other questions from the committee? Seeing none, thank you for your testimony. [LB164]

RHONDA LAHM: Thank you. [LB164]

SENATOR FRIESEN: (Exhibit 3) Any others wishing to testify in favor? Seeing none, are there any letters? We have one proponent from the Nebraska Co-op Council. Is there anyone wishing to testify in opposition to LB164? Seeing none, is there anybody who wishes to testify in a neutral capacity? Seeing none...oh, here we go. [LB164]

KORBY GILBERTSON: Just starting to sign this paper. [LB164]

SENATOR FRIESEN: Welcome. [LB164]

KORBY GILBERTSON: Good afternoon, Chairman Friesen and members of the committee. For the record, my name is Korby Gilbertson; it's spelled K-o-r-b-y G-i-l-b-e-r-t-s-o-n, appearing today as a registered lobbyist on behalf of the Property Casualty Insurers Association of America, or PCI, in a neutral capacity. The language that Senator Briese brought up in your questions is the language that...some red flags went up regarding cutting the notice, but then not having a replacement. The department is going to have the replacement that is the electronic version and so, for that reason, we're not concerned but we wanted to be on the record, saying we want to make sure there is some type of notice for this action to take place, since there is a presumption in the statute. Be happy to try to answer any questions. [LB164]

SENATOR FRIESEN: Thank you, Ms. Gilbertson. Any questions from the committee? Seeing none, thank you for your testimony. [LB164]

KORBY GILBERTSON: Great, thank you. [LB164]

SENATOR FRIESEN: Welcome. [LB164]

TAD FRAIZER: Good afternoon, Senator Friesen and members of the committee. My name is Tad Fraizer; that's T-a-d F-r-a-i-z-e-r. I am local counsel and lobbyist for the American Insurance

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

Transportation and Telecommunications Committee
January 24, 2017

Association, a national trade association of property and casualty insurers; and I'm appearing in a neutral capacity along the lines that Ms. Gilbertson just outlined. We saw the information about the deletion of the report to insurers but, in speaking with Senator Geist's aide and the department, we're advised that there will be this electronic method of getting information about accidents; and we think that should address any concerns we had there but again, just wanted to touch base. So we wanted to make sure that there was still notice available, but it sounds like it will be in a form that will be acceptable to us. And I would... [LB164]

SENATOR FRIESEN: Thank you... [LB164]

TAD FRAIZER: ...try to answer any questions. [LB164]

SENATOR FRIESEN: Thank you, Mr. Fraizer. Any questions from the committee? Senator Bostelman. [LB164]

SENATOR BOSTELMAN: Thank you, Mr. Chairman. I guess a question would be, since both of you have testified in neutral on this, do you see an issue with electronic filing of any type of that recordkeeping that... [LB164]

TAD FRAIZER: No, we're doing a lot of it there in certain forms of filing but there can be some timing issues as to whether you...how quickly you have to access it and things but, overall, I think at the end it'd be acceptable to us. [LB164]

SENATOR BOSTELMAN: Okay, thank you. [LB164]

SENATOR FRIESEN: Thank you, Senator Bostelman. Any other questions from the committee? Seeing none, thank you, Mr. Fraizer. [LB164]

TAD FRAIZER: Thank you. [LB164]

SENATOR FRIESEN: Anyone else who wishes to testify in a neutral capacity? Senator Geist, would you wish to close? [LB164]

SENATOR GEIST: I will close. [LB164]

SENATOR FRIESEN: Welcome back. [LB164]

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

Transportation and Telecommunications Committee
January 24, 2017

SENATOR GEIST: Thank you; it's good to be back. No, I just encourage you to support this bill, LB164. Also, Director Lahm did want me to address that the insurance companies will be receiving this information quicker when it's done by electronic filing, as opposed to paper filings, so one additional reason to do it, and electronically. But other than that, I just appreciate your time and listening, and I encourage you to support it, move it to General File. [LB164]

SENATOR FRIESEN: Thank you, Senator Geist. [LB164]

SENATOR GEIST: Thank you. [LB164]

SENATOR FRIESEN: With that, we will close the hearing on LB164. And we will open the hearing on the next bill. LB173? [LB177]

ELICE HUBBERT: LB177. [LB177]

SENATOR FRIESEN: LB177, sorry. LB177. Welcome, Senator Bostelman. [LB177]

SENATOR BOSTELMAN: Good afternoon, Chairman Friesen and Transportation and Telecommunication members. I am introducing this bill on behalf of the Nebraska Department of Motor Vehicles. This bill...this is a bill to update and modify provisions of law relating to apportioned vehicles, the International Fuel Tax Agreement, and the Division of Motor Carrier Services. Excuse me; let me...my name is spelled B-r-u-c-e B-o-s-t-e-l-m-a-n...my apologies. This bill alters sections of the law relating to apportioned vehicles, which are defined in Nebraska Revised Statute 60-308, to include "any motor vehicle or trailer used or intended for use in two or more member jurisdictions that allocate or proportionally register motor vehicles or trailers" and are used for "the transportation of persons for hire or designed, used, or maintained primarily for the transportation of property." Under a current law, chartered buses are exempt from that definition and apportioned...of apportioned vehicles. This bill eliminates that exemption and classifies chartered buses as fitting within the definition of apportioned vehicles. This change is simply to bring the statute into compliance with the International Registration Plan, or IRP. The IRP is a licensing compact between member jurisdictions, including the lower 48 states, the District of Columbia, and Canadian provinces. Apportioned registration is a method of registration that provides for licensing a fleet of vehicles operating in two or more jurisdictions by payment of fees to the base jurisdiction. All chartered buses in Nebraska are currently registered as apportioned vehicles. This provision simply brings the statute into conformity with what is already happening and what is now required by the IRP. This bill also removes refund provisions for disabled apportioned vehicles from Nebraska Revised Statute 60-3,198(8). This refund provision is unnecessary because the provision in subsection (8) is obsolete and is not currently being utilized. Instead, the refund provision immediately preceding

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

Transportation and Telecommunications Committee
January 24, 2017

subsection (8), in subsection (7), is being used on a much more frequent basis to provide refunds for disabled apportioned vehicles, making subsection (8) unnecessary. Therefore, this bill streamlines the statute by deleting the unused and redundant subsection (8). Additionally, this bill inserts language that stipulates that unladen-weight registrations are for vehicles in Nebraska-based fleets only. An unladen-weight registration is a permit used by the division for a \$20 fee per tractor or trailer, which allows an operator, for a period of 30 days, to operate the vehicle, when empty, across the state. This would allow an individual operator who is seeking employment, but does not have a full registration, the ability to operate their empty vehicle across the state and, therefore, give them the ability to obtain employment and registration elsewhere. This clarification is necessary so that the Department of Motor Vehicles has the necessary records available to determine if an unladen-weight registration is appropriate and that full registration is not necessary. This provision affects companies like Crete Carriers and Werner Enterprises and protects all carriers by allowing the DMV to assure the right fee for operation is being assessed. In addition, this bill separates out from the Department of Revenue those statutes regarding the International Fuel Tax Agreement, or the IFTA, and places into a new section those which are relevant to the enforcement of IFTA. Currently there are statutes within the Department of Revenue Compressed Fuel Act (sic: Compressed Fuel Tax Act) which allow administrative fines and penalties which are not allowed under the International Fuel Tax Agreement. This bill separates out those statutes into a new section to remedy this problem. This bill affects all those who file under IFTA, but will not change how IFTA is currently being administered. Lastly, this bill eliminates the provision of the director appointing the administrator of the Motor Carrier Division. Currently that position is a classified position under the state personnel rules and regulations. This bill strikes this language as unnecessary and redundant. Again, this bill provides essential updates and clarification to provisions of law regarding apportioned vehicles and the Division of Motor Carrier Services, as well as makes necessary adjustments in relation to provisions of the International Fuel Tax Agreement. Therefore, I ask for the committee's support on this bill. [LB177]

SENATOR FRIESEN: Thank you, Senator Bostelman. Are there any questions from the committee? Seeing none... [LB177]

SENATOR BOSTELMAN: Thank you. [LB177]

SENATOR FRIESEN: Those wishing to testify in favor of this bill, come forward. Welcome, Director Lahm. [LB177]

RHONDA LAHM: (Exhibit 1) Thank you. Good afternoon, Chairman Friesen and members of the Transportation and Telecommunications Committee. I am Rhonda Lahm, R-h-o-n-d-a L-a-h-m, director of the Department of Motor Vehicles. I am appearing before you today to offer

testimony in support of LB177. I'd like to thank Senator Bostelman for introducing LB177 on behalf of the department. LB177 modernizes and harmonizes statutes administered by the Motor Carrier Services Division of the Department of Motor Vehicles. The Motor Carrier Services division was created in 1996 to provide a one-stop shop for Nebraska trucking companies operating vehicle fleets in interstate commerce. Motor Carrier Services issues titles to apportioned vehicles, registers apportioned vehicles and collects registration fees for apportioned vehicles based in Nebraska pursuant to the International Registration Plan, issues fuel tax permits and collects fuel taxes for such vehicles pursuant to the International Fuel Tax Agreement, verifies that carriers in interstate commerce have paid their heavy vehicle fuel taxes and collects fees pursuant to the federal Unified Carrier Registration Plan and Agreement. The bill is intended to harmonize statute with the International Registration Plan, the International Fuel Tax Agreement, and current practices. IRP is a multijurisdictional agreement of which Nebraska has been a member since the 1970s. IRP Ballot 391 removed the exemption for charter buses from its definition of apportioned vehicles. LB177 amends 60-308(2) which defines apportioned vehicle in Nebraska statute. The bill would remove charter buses as vehicles that are exempt from IRP registration, to comply with the IRP definition of apportioned vehicles. The change means charter buses will have to obtain IRP registration to travel interstate or purchase trip permits at every state border. Prior to this change a majority of the charter buses in Nebraska were already registered under the IRP. A handful of carriers who were not, were notified and all are currently in compliance. LB177 deletes a provision in statute concerning a refund of registration fees for disabled apportioned vehicles registering through IRP, which has not been used for over 30 years. Apportioned vehicles only pay according to the months registered and through the states they travel. It is common for apportioned vehicles to move in and out of fleets. A new registration can easily be issued if the vehicle rejoins a fleet. Since there is no demand for refunds under this section, it can be deleted with no harm to the operation of apportioned vehicles in fleets. Another provision, Nebraska Revised Statute 60-3,198(7), provides for a payment of a refund or credit for registration fees, should an apportioned vehicle become disabled. The bill repeals obsolete language that requires the director to appoint the Motor Carrier Services administrator. The Motor Carrier Services Division is a division in the DMV, like all other divisions. The Motor Carrier Services administrator is a classified position under the state of Nebraska rules and regulations and, as such, cannot be appointed. Removing the second sentence in Nebraska Revised Statute 75-385 eliminates this obsolete provision. LB177 amends statute to clarify that vehicles are eligible to operate with an unladen weight permit. The bill adds a sentence which says eligible vehicles must have been registered to a Nebraska-based carrier within the current or previous registration year. Eligible vehicles will be able to travel unladen, or unloaded, for a \$20 permit. The amendment harmonizes Nebraska law with IRP provisions for unladen weight permits. Lastly, LB177 revises the IFTA provisions of Chapter 66, Article 14 to harmonize them with the current IFTA agreement and DMV business practices. The bill repeals unneeded references to the Department of Revenue that have been in statute since the responsibility of IFTA was transferred to the DMV in 1996. In 1996 law LB1218, authorized

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

Transportation and Telecommunications Committee
January 24, 2017

DMV to follow the appeals process of the Department of Revenue's Motor Fuels Division Appeal statutes in Chapter 66, Article 7 for IFTA program appeals. In the intervening years, revenue has revised Article 7. As a result, some of the statutory language only applies to the duties of the Department of Revenue and is in conflict with provisions of the International Fuel Tax Act Agreement (sic: Agreement Act) and current practices. LB177 contains a rewrite creating a specific appeal process for IFTA and the IFTA statutes administered by DMV. The rewrite adopts language currently in statute which is relevant to the administration and enforcement of the International Fuel Tax Act, and consistent with current practices. The DMV has conferred with the Department of Revenue to confirm the proposed changes will not affect the functions of Revenue's Motor Fuels Division. Thank you for your time today and, at this time, Chairman Friesen, I would be happy to answer any questions you or the committee may have. [LB177]

SENATOR FRIESEN: Thank you, Director Lahm. Are there any questions from the committee? I got one question that deals with the International Fuel Tax Agreement stuff. When you have vehicles now using probably a dual fuel, diesel and compressed natural gas, how do they arrive at the fuel taxes on those? Is that...your department handle that? [LB177]

RHONDA LAHM: For the compressed gas? The compressed gas, I don't believe is with us, because that's not in the definition of motor fuels. I think that's still under the Department of Revenue. [LB177]

SENATOR FRIESEN: Okay. [LB177]

RHONDA LAHM: Because I don't see any audit reports on that that come. [LB177]

SENATOR FRIESEN: So there's nothing on registrations that indicate they're a dual-fuel truck, that you know of? [LB177]

RHONDA LAHM: I'm not familiar. I'll check on it and get back to you, but I have not heard any of my folks talk about that. Dual fuel...I'll check on it and I'll get back to you. [LB177]

SENATOR FRIESEN: Okay. All right. Thank you, Director Lahm. [LB177]

RHONDA LAHM: Yep. [LB177]

SENATOR FRIESEN: Seeing no other questions, thank you for your testimony. [LB177]

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

Transportation and Telecommunications Committee
January 24, 2017

RHONDA LAHM: Thank you. [LB177]

SENATOR FRIESEN: Any other proponents who wish to testify? Seeing none, anybody want to testify in opposition to this bill, LB177? Seeing none, anybody wish to testify in a neutral capacity? Seeing none, Senator Bostelman, wish to close? [LB177]

SENATOR BOSTELMAN: I'd just like to close with...on behalf of Director Lahm and myself, we'd appreciate your support in this bill and passing it as it stands. Thank you. [LB177]

SENATOR FRIESEN: Thank you, Senator Bostelman. With that, we will close the hearing for today. [LB177]