

**ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009**  
**COMMITTEE STATEMENT**  
**LB202**

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**Hearing Date:** Tuesday February 03, 2009  
**Committee On:** Transportation and Telecommunications  
**Introducer:** Transportation and Telecommunications  
**One Liner:** Provide for electronic certificates of title and lien notification

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File

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**Vote Results:**

**Aye:** 8 Senators Campbell, Fischer, Gay, Hadley, Janssen, Lautenbaugh,  
Louden, Stuthman

**Nay:**

**Absent:**

**Present Not Voting:**

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**Proponents:**

Dusty Vaughan

Loy Todd

Jerry Stilmock

Greg Brigham

Beth Bazyn Ferrell

Gary Merritt

**Representing:**

Introducing for Transportation & Telecommunications  
Committee

Nebraska New Car & Truck Dealers Association

Nebraska Bankers Association

Nebraska Land Title Association

Nebraska Association of County Officials

Nebraska Independent Auto Dealers Association

**Opponents:**

**Representing:**

**Neutral:**

Beverly Neth

**Representing:**

Department of Motor Vehicles

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**Summary of purpose and/or changes:**

LB 202 requires the Department of Motor Vehicles to implement an electronic title and lien system by January 1, 2011.

The system will apply to both motor vehicles and motorboats.

Section by Section Summary

Section 1 harmonizes provisions with the State Boat Act.

Section 2 amends Sec. 37-1211 to give authority to the DMV to prescribe what constitutes satisfactory evidence of the right of possession to a motorboat.

Section 3 amends Sec. 37-1277 to add language that after the implementation date, the electronic title record will be sufficient evidence of an owner's interest in a boat.

Section 4 amends Sec. 37-1279 to eliminate the requirement that a copy of the title be retained by the county official and

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the other copy be sent to the DMV. There is no need for a copy to be retained when the information will be stored in the system. The section also states that if there is a lien on the boat, it shall be handled through the electronic system. The title is no longer mailed to the first lien holder, and there is no reason anymore to refile a title to prevent destruction of the record.

Section 5 amends Sec. 37-1282 to require the DMV to implement an electronic title and lien system for motorboats no later than January 1, 2011. The director can designate an implementation date. Beginning on the date, a security interest or lienholder can file the lien electronically. Upon receipt by the DMV or county official, the lien will become part of the electronic title record. If there is a lien or notice of a lien filed electronically, the DMV will retain an electronic title record and shall note such liens within the system.

Access to the system will be provided to dealers and lienholders in a method determined by the director.

All liens will take priority in the order of time they are filed electronically or noted on the printed certificate of title.

If a county official notes the lien, he or she shall notify the DMV of the lien on the same day.

Subsection (6) outlines the process when a second lien is noted. If a printed title exists, the DMV will notify the first lienholder to deliver the title within fifteen days so that notation of the subsequent lien can be made. After such notation, the lien shall become part of the electronic title record.

The holder of a title who refuses to deliver the printed title is liable for damages that the subsequent lienholder may suffer.

Subsection (7) outlines the process after all noted liens have been discharged. The lienholder shall notify the DMV of the discharge within fifteen days. The DMV shall note the discharge electronically, and if no other lien exists, issue the title to the owner. If the owner cannot locate a lienholder, a lien may be discharged ten years after the date of the filing of the lien.

Section 6 states that beginning on the implementation date, a lienholder may request a printed title if the owner of the motorboat relocates to another state or country or for any other purpose approved by the DMV. If the lienholder fails to provide a printed title to the owner, the DMV may issue a printed title directly to the owner with all liens duly noted.

Section 7 amends Sec. 37-1283 to eliminate the requirement that the title be processed by the county of the court that enters the journal order when the county of title issuance cannot be determined during a court-related transfer of ownership. With the electronic system, it will not matter what county processes the title.

Section 8 amends Sec. 37-1287 to eliminate a \$4 fee associated with refiling a title. Under the electronic system, there will be no need to refile a title.

Section 9 amends Sec. 37-1290 to provide harmonizing language.

Section 10 harmonizes provisions with the Motor Vehicle Certificate of Title Act.

Section 11 amends Sec. 60-140 to add language that after the implementation date, the electronic title record will be sufficient evidence of an owner's interest in a vehicle.

Section 12 amends Sec. 60-147 to eliminate the requirement that the title be mailed to the first lien holder, since there will be no printed title under the electronic system.

Section 13 amends Sec. 60-152 to provide harmonizing language.

Section 14 amends Sec. 60-164 to require the DMV to implement an electronic title and lien system for vehicles no later than January 1, 2011. The director can designate an implementation date. Beginning on the date, a security interest or

lien holder can file the lien electronically. Upon receipt by the DMV or county official, the lien will become part of the electronic title record. If there is a lien or notice of a lien filed electronically, the DMV will retain an electronic title record and shall note such liens within the system.

Access to the system will be provided to dealers and lienholders in a method determined by the director.

All liens will take priority in the order of time they are filed electronically or noted on the printed certificate of title.

Subsection (7) outlines the process when a second lien is noted. If a printed title exists, the DMV will notify the first lienholder to deliver the title within fifteen days so that notation of the subsequent lien can be made. After such notation, the lien shall become part of the electronic title record.

The holder of a title who refuses to deliver the printed title is liable for damages that the subsequent lienholder may suffer.

Subsection (8) outlines the process after all noted liens have been discharged. The lienholder shall notify the DMV of the discharge within fifteen days. The DMV shall note the discharge electronically, and if no other lien exists, issue the title to the owner.

Section 15 amends Sec. 60-165 to provide harmonizing language when dealing with an all-terrain vehicle certificate of title.

Section 16 states that beginning on the implementation date, a lienholder may request a printed title if the owner of the vehicle relocates to another state or country or for any other purpose approved by the DMV. If the lienholder fails to provide a printed title to the owner, the DMV may issue a printed title directly to the owner with all liens duly noted.

Section 17 amends Sec. 60-166 to provide harmonizing language.

Section 18 amends Sec. 60-168.01 to provide harmonizing language.

Section 19 repeals the original sections in the bill.

#### Other Information

This bill was introduced in 2007 (LB 162) and was advanced to Select File, where it died with the end of the 2008 session.

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Deb Fischer, Chairperson