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Transcriber's Office

Transportation and Telecommunications Committee
January 26, 2015

[LB45 LB47 LB181 LB220 CONFIRMATION]

The Committee on Transportation and Telecommunications met at 1:30 p.m. on Monday, January 26, 2015, in Room 1113 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB45, LB47, LB220, LB181, and a gubernatorial appointment. Senators present: Jim Smith, Chairperson; Lydia Brasch, Vice Chairperson; Al Davis; Curt Friesen; Tommy Garrett; Beau McCoy; John Murante; and Les Seiler. Senators absent: None.

SENATOR SMITH: Good afternoon and welcome to the Transportation and Telecommunications Committee hearing. I am Jim Smith from Papillion and I am the Chair of the committee. I would like to introduce my colleagues that are here with us today. To my left we have Senator Tommy Garrett from Bellevue. Joining us here shortly will be Senator Les Seiler from Hastings; he'll be seated next to Senator Garrett. Senator Beau McCoy from Omaha. To my right we have Senator Curt Friesen from Henderson, Nebraska. Next to Senator Friesen is Senator Al Davis from Hyannis. And then Senator John Murante will be joining us here shortly; Senator Murante is from Gretna. The Vice Chair of the committee is Senator Lydia Brasch from Bancroft. On my right is Mike Hybl, legal counsel to the committee. And on my left is Paul Henderson, committee clerk. Our pages that are with us today, I see J.T. Beck is...stepped out of the room. He is from Centreville, Virginia, and he is a senior at UNL. And Kelli Bowlin from Cody, Nebraska, and Kelli is a junior at UNL. And we appreciate them being here today and helping us with the committee. We will be hearing bills in the order listed on the agenda today. We have four bills and we begin with a confirmation. Those wishing to testify on a bill should come to the front of the room and be ready to testify in order to keep the hearing moving. If you are testifying, please complete the sign-in sheet so that it's ready to hand to one of our pages when you approach the testifier table. For the record, at the beginning of your testimony, please state and spell your name. If you forget to do so, please forgive me, I will interrupt you and just ask you to spell that name for us and that is for the record so we can get that corrected in the official record. Please keep your testimony concise and try not to repeat what has already been covered. I see we have a number of people in attendance today, so we will use the light system. If you see the green light, that's for you to go ahead with your testimony. The amber light will tell you that there is one minute remaining. And when the red light comes on, just try to wrap up your testimony as you're able to do so. If you do not wish to testify, but want to voice your support or opposition to a bill, you can indicate so at the table and there's a sheet provided on that table. This will be part of the official record of the hearing. If you want to be listed on the committee statement as a testifier at the hearing, you must complete a sign-in sheet and actually testify, even if you just state your name and position on the bill. If you do not choose to testify, you may submit comments in writing and have them read into the official record. We ask that you silence your cell phones for the courtesy of others. Also, we are an electronics-equipped committee and information is provided electronically, as well as in paper form to the

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senators that are at the table up here. Therefore, you may see committee members referencing information on their electronic devices. Please be assured that your presence here today and your testimony are important to us and is critical to our state government's operation. With that we will begin the hearings today with a confirmation of the Governor's appointment, Rhonda Lahm, Department of Motor Vehicles. Welcome, Director.

RHONDA LAHM: (Exhibit 1 and 2) Thank you. Good afternoon, Chairman Smith and members of the Transportation and Telecommunications Committee. My name is Rhonda Lahm, R-h-o-n-d-a L-a-h-m, and I've been appointed by Governor Ricketts to continue serving as Director for the Department of Motor Vehicles. Nebraska Revised Statute 60-1501, sets out the qualifications required for appointment as the Director of the Department of Motor Vehicles. Those qualifications include being a citizen of the United States, a resident of the state of Nebraska, being a qualified voter in the state for at least five years preceding the appointment, and be at least 30 years of age. I meet all of those qualifications. I grew up on a farm, just for background, in southwest Nebraska; attended a one-room country school; graduated from high school in Maywood, Nebraska. I attended what was at the time Kearney State College one year and then transferred to Nebraska Wesleyan University where I received my bachelor of science degree. I have since received my master's degree in management and leadership from Doane College. This is my 35th year of state government service, with three different departments: the Department of Corrections, the Nebraska State Patrol, and the Department of Motor Vehicles. I spent a majority of those years as an officer with the Nebraska State Patrol; ten of which were in management positions, and attained the rank of major prior to my retirement in 2008. As the Administrative Services Major, my responsibilities included oversight of the information technology, finance, procurement, grants, research and planning, communications network, radio engineering, supply, and training academy divisions, as well as being a member of the agency's top five-member administrative staff. Over my career I received specialized training in supervision and management, and am a graduate of the Northwestern School of Police Staff and Command where I received the Franklin M. Kreml Leadership Award. I am a certified mediator through the Nebraska Office of Dispute Resolution, and as such, a volunteer with juvenile offender mediation. I have also been an active volunteer with my church, the schools my children attended, and Boy Scouts over the years. In February of 2013, I assumed the position as the Director of the Department of Motor Vehicles and have served in that capacity since then. In addition to overseeing the day-to-day operations of the agency, I would like to highlight a couple of projects we've worked on since then. One of those was updating the agency strategic plan. This process involved input from all levels of agency personnel and stakeholders we work with on a day-to-day basis. As a result, the agency's vision and mission statements were revised and new goals and objectives were established for the department. A second major project was the development of a business case to modernize the agency's vehicle, title, and registration system. The initial steps of this plan have been put in place and additional

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items continue to be implemented. I am very fortunate to have exceptional employees who work hard for the residents of Nebraska. They are progressive and innovative thinkers who step up to the plate and find creative solutions to challenges. I look forward to continuing to work with them to provide customer-focused services for the people of Nebraska. Thank you very much for your time today and I would be happy to answer any questions you may have. [CONFIRMATION]

SENATOR SMITH: Thank you, Director Lahm. Do we have questions for the director? Senator Brasch. [CONFIRMATION]

SENATOR BRASCH: Thank you, Mr. Chairman. And thank you, Ms. Lahm, for your willingness to continue your service for the state and accepting the reappointment. I do have a question for you. I noticed that you have information technology background. And have you looked at the system with Motor Vehicles, any comments on the technology? At one point some of the permitting was more Windows friendly than Apple based. Has anything been done about...? [CONFIRMATION]

RHONDA LAHM: One of the things...a couple of things, in response to technology, a couple (inaudible) features: one, we've been really trying to get as many of our services on-line as we can because we believe that the people in Nebraska want to be able to do business with us more than just during business hours. And that's been very successful. As far as technology is, we're looking at our vehicle, title, and registration system. We, basically, have three major computer systems within the DMV. One does the vehicle title registration; one does licensing and permits; and then one does the registration of the IRP, or IFTA, the commercial carriers, like the big motor carriers across the state, all three of which are independent of each other and don't communicate with each other. So as we're looking to update these systems, we're looking to have platforms where, eventually, when each system is due to be updated or replaced, they will all connect together and talk to each other so that when one division inputs data, the other one...another division doesn't have to input that data as well. So we're looking at, for the lack of a kind of borrowed term, a MyDMV solution so persons who have multiple dealings with the DMV in different divisions could have an account where they could go to and see all of their business with the DMV. That's, obviously, several years down the road, but that's what we're working toward. [CONFIRMATION]

SENATOR BRASCH: Some interoperability between the systems. [CONFIRMATION]

RHONDA LAHM: Yeah, yeah. Definitely. Yeah. [CONFIRMATION]

SENATOR BRASCH: Yep. I also happen to file electronically for the commercial CDL for the permits, and at one point I was told it's old software that needed updating so it could work seamlessly on all platforms. Have you been... [CONFIRMATION]

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RHONDA LAHM: Well, the software language for our vehicle, title and registration system is COBOL. So that gives you an indication of the age. It was designed in the mid-'80s, implemented in the early '90s. And as far as our licensing system, that is not software that we own, that's a vendor. The vehicle, title, and registration was written by the state in conjunction with the Chief Information Office. So the language of that, I don't know the details of that because that's vendor owned and proprietary.

[CONFIRMATION]

SENATOR BRASCH: Very good. And I am pleased to know that you have the knowledge and facts on the information technology side, that I believe is extremely important not only to the future but the present of all state agencies. So thank you for your willingness to serve. [CONFIRMATION]

RHONDA LAHM: Thank you. [CONFIRMATION]

SENATOR SMITH: Well, Director Lahm, I am very pleased with your appointment by the Governor. I've enjoyed working with you for the last two years and appreciate your service at the Department of Motor Vehicles. Tell me, over the last couple of years, what has been your proudest achievement in the department? [CONFIRMATION]

RHONDA LAHM: Well, I really think the biggest thing has been the strategic plan and not just because of the plan, but we kind of took that plan one step further. And I asked our administrators to make work plans that would help us achieve what we said we wanted to as far as goals and objectives. And they kind of had to get out of their box a little bit, but they did a great job. And I asked each of them to write three work plans related to their area. And actually, they really...most of them wrote more than three, that wasn't an issue. Once they got involved and what we're trying to do is use those to stay on track to make sure that we stay headed in the right direction. And so I think that is getting...myself, one, getting knowledgeable enough of the agency to understand. And then, being able to revise that so we can have a real clearer direction in which way we're heading. [CONFIRMATION]

SENATOR SMITH: And probably through that plan you have a list of priorities that you want to address going forward. Do you see any particular challenges that you wanted to highlight here today going forward? [CONFIRMATION]

RHONDA LAHM: I think one of the challenges, I guess, we'll talk about operational and personnel. One of our biggest challenges personnelwise is retention of our examiners. And we have a significant turnover and we continue to have significant turnover. I just looked at a document today, and out of a staff of about 85, well now we'll have 91 examiners, out of that staff we had 27 openings in 2014. That's really significant when you have that kind of turnover. And it's in particular in the Omaha metro area. And that area is, probably, 50 percent or higher. So that's significant for us because we expend

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so many resources hiring and training. And oftentimes when we have a vacancy, we have to post it more than once to get it filled. So the time delay and that then leads to wait times. Which speaking of operational, that's one of the things we want to look at operationally. Should we have a different type of service delivery model that could help with those wait times and try and improve that? So those are kind of two things that we have on the radar that we do see challenges with--just meeting everybody's needs with what we have, with the resources that we have. [CONFIRMATION]

SENATOR SMITH: Okay. Yes, Senator Garrett. [CONFIRMATION]

SENATOR GARRETT: Thank you, Senator Smith. A question on your retention then of your examiners, is it a compensation issue? Are they just not being paid enough? Do you know why they're leaving? [CONFIRMATION]

RHONDA LAHM: That is a big factor. Right now the starting wage for an examiner, and it isn't just the starting wage, it's the same wage you make if you're there eight or ten years because there's no way to advance to a pay rank. It's \$13.88 an hour. And so certainly in the metropolitan area where the wages are higher, it makes the retention difficult. They are going to get slightly more adjustment than other people in their bargaining contract when it comes July 1, but it is just a challenge to compete. And the...you know, their wages are controlled through bargaining which is done through a comparability array. And we've been working with employee relations, they've been very good to try to help us address the problem. But, you know, it just doesn't happen overnight. So we're still working with that. [CONFIRMATION]

SENATOR GARRETT: Thank you. [CONFIRMATION]

SENATOR SMITH: Senator Davis. [CONFIRMATION]

SENATOR DAVIS: Just to follow up a little more, because that certainly caught my ear when you said you had that kind of turnover. So are these union jobs? [CONFIRMATION]

RHONDA LAHM: All the driver's license examiners are covered under the NAPE/AFSCME labor agreement, yes. [CONFIRMATION]

SENATOR DAVIS: Under that. And they...I assume it includes insurance with \$13.88? [CONFIRMATION]

RHONDA LAHM: That's their salary wage. And then they get the same benefits as other state employees. Yes. [CONFIRMATION]

SENATOR DAVIS: Benefits as others, okay. Thank you. [CONFIRMATION]

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RHONDA LAHM: That's correct. [CONFIRMATION]

SENATOR SMITH: I see no further questions. Again, thank you, Director Lahm. [CONFIRMATION]

RHONDA LAHM: Thank you. [CONFIRMATION]

SENATOR SMITH: We now open it, the hearing, to proponents or supporters of this confirmation of Rhonda Lahm to the Department of Motor Vehicles. Seeing no proponents, opponents are welcome to testify. Seeing none, would anyone like to testify in the neutral capacity for this confirmation? Seeing none, we will close the hearing on the confirmation of Rhonda Lahm for the Department of Motor Vehicles. Again, thank you, Director Lahm. We now move to the hearing on LB45. Senator Coash, you're invited to open. [CONFIRMATION]

SENATOR COASH: Thank you, Chairman Smith. Good afternoon, members of the Transportation Committee. I am Colby Coash, C-o-l-b-y C-o-a-s-h, of Lincoln and I represent District 27 here in Lincoln, here today to introduce LB45 which is a bill that eliminates film vehicle provisions under the Motor Vehicle Registration Act. This particular issue was brought to my attention while working on a film earlier this year and subsequent research that our office did. A film vehicle is "any motor vehicle or trailer used exclusively by a nonresident production company temporarily on location in Nebraska producing a feature film, television commercial, documentary, or industrial or educational videotape production." Currently, any film that is using the production for over 30 days must register with the Department of Motor Vehicles and pay a registration fee. This registration fee for film vehicles is valid for six months from the date of issuance and may be renewed for a period not to exceed three months upon payment of the renewal fee. The six-month registration fee for a film vehicle is \$50 for a film vehicle with a gross vehicle weight of 16,000 pounds or less, and \$150 for a film vehicle with a gross vehicle weight of more than 16,000 pounds. The three-month renewal fee is \$25. All fees collected by the DMV are remitted to the State Treasurer for credit to the Highway Trust Fund. In the last 14 years, dating back to 2001, the DMV has only issued registration for film vehicles in two of those years: 2012 and 2001. In 2012, the DMV registered 41 vehicles and collected a total of \$4,450. In 2001, 16 vehicles were registered. But the retention requirements expired so no records are on file as to how much was collected for those 16 vehicles. An equivalent amount using the 2012 numbers would estimate 16 vehicles would have been around \$1,700. Using that calculation, since 2001 the DMV has only collected about \$6,000 in film vehicles. There is such limited and stringent use of these types of registrations it is rare that there is a need of film vehicle registrations in Nebraska. Changing this provision would not have a great impact on our state coffers, but is a small measure that could assist in luring more films, jobs, and spending here to Nebraska. Competition, as you know, among states for

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film incentives is increasing, so anything that we can do to make our state more attractive to producers and directors is beneficial. Thank you and I'll answer any questions. [LB45]

SENATOR SMITH: Thank you, Senator Coash. Do we have questions for Senator Coash? Senator Davis. [LB45]

SENATOR DAVIS: This is a new one on me, Senator Coash. I have never heard of such a fee. But are there other types of special fees and permits for other industries that you know of? [LB45]

SENATOR COASH: Well, if you look at the bill, Senator Davis, you'll see where film vehicles falls and you won't see other entities anywhere close to film that are given this same registration fee. So this kind of stands out. It certainly stood out to the film producers who will follow me and as to be somewhat of an anomaly in our state. And it's certainly not something that we see in our surrounding states as well. So, like I said, it's a small thing. But I...every little bit helps and that's why I brought the bill. [LB45]

SENATOR DAVIS: Do you have any idea why it was put in place in the first place? [LB45]

SENATOR COASH: I don't. [LB45]

SENATOR DAVIS: Nobody has been around long enough to remember that (inaudible). Thank you. [LB45]

SENATOR SMITH: Do we have other questions for Senator Coash? Senator Coash, does it...seemed like we're seeing an increase in the film industry focusing on Nebraska for filming? [LB45]

SENATOR COASH: Well, there's certainly a big push for that. And I think what you've seen over the past couple of years is certainly some local guys coming home; some people with Nebraska roots wanting to use their art in their own state and are working really hard for that. There's more, there's certainly a lot on the independent and smaller scale, but as some testifiers will follow, there's some bigger productions coming. And I can tell you firsthand how competitive it is to try to get the kind of projects that this bill would impact. And because it's so competitive, we have to do everything we can. And so I anticipate...it's on a slow move up and there's...this will be just one thing to help it in that direction. [LB45]

SENATOR SMITH: I remember several years ago when I was on the Urban Affairs Committee with you, you brought a bill to address...there's another need that we had in our state related to the film industry. [LB45]

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SENATOR COASH: That's right. [LB45]

SENATOR SMITH: And, you know, I really appreciate your efforts bringing this type of a bill forward because it helps to highlight Nebraska, what a beautiful state we have. And I know it's a good thing for Nebraska. I appreciate your efforts on that. [LB45]

SENATOR COASH: Thank you, Senator. [LB45]

SENATOR SMITH: All right. Thank you for testifying today. We will now open the hearing to proponents of LB45. Welcome. [LB45]

MARK HOEGER: Thank you. My name is Mark Hoeger which is spelled H-o-e-g-e-r. I am the president of Oberon Motion Communications which is a video production company based in Omaha, but I'm here today speaking as the president of the Nebraska Film Association which is made up of about 800 affiliate members who are interested in promoting the film industry in Nebraska. The testimony after me will deal more technically with the specific issue that this bill attempts to address. But I wanted to speak very briefly just about the value of promoting the film industry in Nebraska. Several years ago, a professor, Ernie Goss, from Creighton University, a Midwestern economist, was commissioned to make a case for the College World Series, now the TD Ameritrade Park and the \$110 million that was invested in that facility. And he pointed out that that...the direct expenditures from the College World Series is about \$25 million a year with about double for that for the stimulus. But he thought the really big benefits to the state were the publicity that we get from millions of people seeing the College World Series on television every year. And most importantly, that it gives Nebraskans a sense of pride and that this is a place that we want to stay and live and work. And the same case can be made for the film industry itself. Just directly, a good example is a film, came out a couple of years ago, maybe you saw it, maybe you didn't, called Up in the Air with George Clooney. The director of that movie, Jason Reitman, actually wrote it in the Old Market in Omaha. He rented an apartment there. The film was set in Omaha in its original scripted form. And they did come in and shoot two or three days worth of cover material of outside. But we lost that contract that he wanted to shoot in Nebraska, about a \$25 million film that was shot instead in Missouri, except for the three days that it was shot here in Omaha. So there is work out there to be had, that if we can create an environment that is positive is available. Now this is a small step, but at least it takes us from being in a situation of having no incentives...to a state of having no incentives as opposed to this is a disincentive actually to come to the state. So that's our statement of support. And I'm happy to take any questions. [LB45]

SENATOR SMITH: All right. Questions for Mr. Hoeger? Seeing none, thank you for your testimony. [LB45]

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MARK HOEGER: Thank you. [LB45]

SENATOR SMITH: We will continue with proponents of LB45. Welcome. [LB45]

ROBERT CHRISTOFFERSEN: (Exhibit 1) Good afternoon. Good afternoon, my name is Robert Christoffersen, spelled R-o-b-e-r-t C-h-r-i-s-t-o-f-f-e-r-s-e-n. I would like to apologize to the committee as I was printing out my statement, my printer decided to say--we're all out of ink, and I could not find an override button to say--I don't care, please continue printing. So there's a couple of faux pas in there, so just kind of please bear with me on that. Good afternoon, committee members. First of all, I would like to thank you for having us here to discuss the changes to LB45. Let me introduce myself and how I am involved with this bill. Again, my name is Robert Christoffersen and I am what is called a location manager and scout in the film industry. Here in Nebraska I am the only member of the Location Managers Guild of America. This means I have over 300 days managing commercials and feature films. I have been vetted and approved by the guild. What I do is I am responsible for finding locations to shoot and then I manage all the logistics and coordinations for shooting at those locations. You're probably familiar with my work on all the Larry the Cable Guy Prilosec commercials that we shoot here and I manage all of those, along with the help of our Senator Coash, who has worked again to try and get Dan to shoot here. We like Dan. So let me give you some information about how this happened about...this tax happened on the film Nebraska and why it should be repealed. On the movie Nebraska I was working in the transportation department when rumblings about this vehicle tax started to surface in the transportation office. Gary Edelman, the Nebraska Transportation Coordinator, knew I worked a lot of productions here in Nebraska. He inquired if I knew about this tax or had ever dealt with this tax. I replied that I had never...I've never dealt with this tax. I did not even know it existed. Well, this tax was going to cost the film around \$5,000 and needless to say no one was very happy about this. And this did not include the labor cost to deal with the paperwork and all the sundry costs associated with jumping through the hoops. Like any business, no business likes to have a tax imposed on them out of the blue. This then started a whole scenario of when did this legislation come into being? Where did it come from? Is there a waiver for it? In the end, no one seemed to have an answer and they paid the tax. As far as I'm aware, and I guess it's been brought up that the tax has been applied a couple of times, but I've never had to deal with it. So on the film Nebraska, it was actually shot in four other states, and we were the only state who taxed the vehicles. So after engaging the help of Senator Coash and his staff, I started going through some legislation around this. What I found was there was a lot of confusion about this definition of film vehicle and its application. Some possible confusion started with "film vehicle" as there is a film vehicle regulated by the Public Service Commission that came into play. These were vehicles that actually transported the actual film and associated projects such as lobby stills and promotional products, along with the films to the movie theaters throughout the state. Today it's mostly digital delivery, but there's still some actual film. It's a separate entity, but

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actually by definition of LB274 it could possibly fall under its tax, because again, it's coming from out of state. So I think it's important for the committee to know how a lot of productions work in Nebraska, to see how unenforceable and burdensome to any production this tax is. So Senator Coash already went over the vehicle definition, so I'm not going to go over it, but I'll just go to there's a very critical term here that needs to be explained. This statute states--any nonresident production. By nonresident, and it's generally been defined according to my sources as who writes the check, who are we working for? So this I'll use three examples: number one, the Larry the Cable Guy Prilosec ads we do here; number two, a recent Union Pacific commercial shot here; and number three, all the political ads shot during the past election season. So let us begin with Larry's Prilosec spots. Again, first I'd like to thank Dan for shooting here as he employs a lot of local help. It's jobs, it's work, it's an industry that...it's skill. We like Dan. We wish we had more Dans, more Alexander Paynes. Everybody likes working. I think we can all agree on that. Okay, so...and actually, he does this against a lot of...what the agencies would do. If they had their way, all these commercials would be shot in LA because they're cheaper. Dan wants to stay closer to home as much as he can and put Nebraska people to work which is what we all hope to do. So what happens in these commercials is they're put out to bid by the advertising agencies. The agencies come along, like Prilosec, which is Proctor and Gamble, and then they pick the production company with the idea and budget they like. The company then starts the ball rolling with generally a call back to me and we get started. These companies are all based out of Los Angeles. But we do not work for these companies, we actually work for a payroll company. Most are industry related, specific to the needs of the entertainment industry, and most companies employ them for payouts. So this is a nonresident production. The company that rents the motor homes, rental cars, trucks, assorted vehicles by this definition should be paying the tax. I will tell you now that we have never paid this tax mostly due to I've never heard of it. And the problem with trying to jump through the hoops to even begin were so daunting that I never brought it up. It would have been another reason for the production companies that could have come back to Dan and other companies by saying--see, this is why we don't want to shoot here. They pay more money to shoot here, and I did not want to jeopardize productions coming in here. The second one, recently shot a Union Pacific commercial here. This was a spot originated by Bailey Lauerman, a Nebraska company agency I'm sure probably you're all familiar with, and Union Pacific Railroad, a Nebraska company. But the production company, just like the Larry spots, were out of LA and we worked for them. This was a nonresident production that should have paid the tax. Did they? No. Do we want to tell Bailey Lauerman and Union Pacific thanks for shooting here, but we need to pay tax on your vehicles? So I hope our answer is no. Third, the political spots were done here in Nebraska, mostly came from outside companies. As far as I know, again, nonresident production--did any of them pay this tax? To my knowledge they did not. So this tax is so broad, unenforceable, it seriously increases the cost of doing business here in Nebraska. Nebraska is currently not in a very competitive film market position, and we do not need to add another layer or increase the cost of doing business. So with this I

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ask you to pass this legislation. I thank the committee for their time. Questions? [LB45]

SENATOR SMITH: Thank you, Mr. Christoffersen. Do we have questions? Senator Davis. [LB45]

SENATOR DAVIS: Thank you, Mr. Christoffersen--interesting presentation. So how did you...how did the makers of Nebraska find out about this tax if nobody really even knew about it? [LB45]

ROBERT CHRISTOFFERSEN: That was kind of...Colby, do you have a little...yeah, it was really odd. DMV all of a sudden came up, Laurie Richards, our state film officer, and it was...like I said, I'd never...you know, it was passed in 2005, and again, nobody could really figure out why and never been brought up. But, like I said, we couldn't find a waiver to it. DMV...and again, like any business, to all of a sudden be stuck with a tax that nobody else did. Yeah, that was...it's out there but nobody seems to know. We kind of looked, but couldn't find anything. [LB45]

SENATOR DAVIS: And so what the obligation then of the filmmaker is to go to Department of Revenue and voluntarily say, okay, I'm filming here, I need to pay the tax, is that right? [LB45]

ROBERT CHRISTOFFERSEN: It's going to be the production company who would have to hire somebody. And if I'm the transportation coordinator on said production, it would probably be me having to go down, all our vehicles. I probably would have to have a list of all them, all of our production because they fall some of them...they fall under the 25,000, spread out those, spread those out. Okay, what's our tax on this? Send that through the bureaucracy. Wait for our license while...a lot of times we don't...you know, we shoot pretty fast anymore on stuff. [LB45]

SENATOR DAVIS: Sure. [LB45]

ROBERT CHRISTOFFERSEN: I mean, we do the, you know, Dan's spots are done in about a two-week period generally. [LB45]

SENATOR DAVIS: Thank you. Thank you. I just was curious about that. [LB45]

ROBERT CHRISTOFFERSEN: Yeah. And so it just adds more costs, because I'm going to bill them if I've got to work. I mean, I like billing them, but not for extraneous work. [LB45]

SENATOR SMITH: Any additional questions for Mr. Christoffersen? Seeing none, again thank you for your testimony, very interesting. [LB45]

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ROBERT CHRISTOFFERSEN: Thank you, committee. [LB45]

SENATOR SMITH: (Exhibit 2) And we will continue with proponents of LB45. Is there anyone else that would like to speak in support of LB45? Seeing none, I do have a letter to read into the record in support of LB45. It is from Kim Quick representing Teamsters Local 554 in Omaha. We now move to opponents of LB45. Anyone wanting to testify in opposition to LB45? Seeing none, anyone wishing to testify in a neutral capacity? Seeing none, Senator Coash, you're welcome to close on LB45. [LB45]

SENATOR COASH: Thank you, Senator Smith. Briefly, I hope all of your questions got answered. As you heard from the testimony, this is a tax that's not being well collected. I know there have been more productions in between the times that those two companies paid that tax. No tax was paid because people just weren't aware of it. That is what it is. This bill, in my mind, is not so much about the tax, although that is the technical nature of it. It's more about the message that we can send as a Legislature that we're open to film; we support it. And we want to do whatever we can to remove those barriers to attract more of it. So with that, I'll thank you for your time today. [LB45]

SENATOR SMITH: Thank you, Senator Coash. That concludes our hearing on LB45. We now move to our hearing on LB47. Senator Watermeier will open that hearing. And that bill is to change provisions relating to anatomical gifts under the Motor Vehicle Operator's License Act. Senator Watermeier, welcome. [LB45]

SENATOR WATERMEIER: (Exhibit 1) Chairman Smith, thank you. Chairman Smith and members of the Transportation and Telecommunications Committee, I am Senator Dan Watermeier, spelled W-a-t-e-r-m-e-i-e-r, representing District 1 in the southeast corner of the state and here to introduce LB47. LB47 requires applicants for driver's licenses or identification cards to answer the question regarding whether to place their name on the donor registry and donate their organs and tissues at the time of death. Currently, applicants do not have to provide an answer to this question as it is optional. Current law provides that a donor's status is not changed by the suspension, cancellation, revocation, or impoundment of a license or card. This legislation clarifies that the expiration of a driver's license or identification card shall also not change the donor's status making it consistent with statute in the Uniform Anatomical Gift Act. LB47 stipulates that a licensee or identification cardholder is currently on the donor registry would not have to renew their donor status for each driver's license or identification card renewal. Under this legislation, their status would remain the same on the donor registry until amended or revoked by the licensee or identification cardholder. If a person was previously a donor but decided to no longer participate and mark "no" to the question, the Department of Motor Vehicles uploads a list of changes to the donor registry, who then takes the name off the registry. These lists are sent weekly by the department to the donor registry. A person can also change their status at any time by accessing the donor registry on the Internet. Furthermore, if a person decides that the don't want the

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heart designation on their license, they can obtain a replacement license at any time. However, even if the heart designation remains on the license after a person has removed his name from the registry, it is not the final determination. The registry is always checked before a donation is made. The purpose of LB47 is to increase the number of donors in Nebraska. Currently, just over 750,000 Nebraskans are registered with a donor registry of Nebraska as an organ and tissue donor. Approximately 98.4 of Nebraskans registered as donors became registered through the application process for a driver's license or a state identification card. However, approximately 10.5 percent of applicants do not respond to the question asking whether they want to be registered as a donor. With the question optional, only 55 percent of the Nebraska driver's license and state identification cards are registered as donors. Nearby states where the question is mandatory have experienced higher participation rates than in Nebraska. If this legislation helps boost the number of Nebraskans registered as donors, we will be able to help many more people. Each organ donation may directly benefit as many as 8 people; while up to 50 people may directly benefit from a single tissue donor. The Legislature has made great strides over the years in encouraging Nebraskans to donate the gift of life to those suffering and facing the prospect of death due to the failure of an organ. However, at any given time, there are 500 Nebraskans waiting for an organ or tissue transplant. Some must endure years of dialysis or other procedures until a donated organ or a tissue is found. Unfortunately, some die while waiting. If we can pass legislation to help increase the number of donors, we are giving deserving Nebraskans the greatest gift of life. I urge the committee to advance LB47 to the floor of the Legislature. Remember, this legislation does not require an applicant to donate. It just requires applicants to consider the option by marking "yes" or "no" on the application. I believe that Mr. Herber, the executive director of the Nebraska Organ Recovery System, is here today to testify, as are several others. If you have questions, I'd be glad to try to answer them, or if you'd rather wait, you might be better to wait for those following me. I am submitting a letter from the Nebraska Hospital Association expressing their support of LB47. Thank you, Chairman Smith. [LB47]

SENATOR SMITH: Are there questions for Senator Watermeier? Senator Watermeier, thank you for bringing this bill. I know this is a very tough issue and these gifts do save lives in Nebraska. I think, probably, the...what I've heard some discussion on is the primary concern with this legislation is that it requires that box to be checked one way or the other in order for a license to be issued. Right? [LB47]

SENATOR WATERMEIER: Um-hum, that's correct. [LB47]

SENATOR SMITH: Okay. All right. Thank you for the testimony. And we now turn to proponents of LB47, those wishing to testify in support of LB47. Welcome. [LB47]

KYLE HERBER: (Exhibit 2 and 3) Senator Smith, fellow members of the committee, thank you. My name is Kyle Herber and I am the executive director of Nebraska Organ

Recovery System, also known as NORS. [LB47]

SENATOR SMITH: And please spell your name for us. [LB47]

KYLE HERBER: Oh, sorry about that. K-y-l-e, last name Herber, H-e-r-b-e-r. NORS is the federally designated organ procurement organization, or OPO for Nebraska. As Nebraska's designated OPO, NORS coordinates the recovery of donated organs and tissues in Nebraska. Recovered organs and tissues are used for lifesaving transplants, therapies, research, and education. Unfortunately, the demand for organs is far greater than the supply of organs available for transplant. Currently, more than 123,000 Americans, including over 400 Nebraskans, currently await an organ transplant. Organ donations provide brighter futures for patients requiring difficult treatment such as dialysis and saves the lives of others suffering life-threatening ailments. Tissue donation facilitates life-enhancing implants, bone tissue transplants for spinal fusions, joint and bone replacement procedures, and research furthering medical advancements unimaginable only a generation ago. LB47 is the next step in Nebraska Unicameral's more than 44-year history of working with NORS to promote organs and tissue donation and increase availability of donated organs and tissues for Nebraskans. The Unicameral adopted the UAGA, or the Uniform Anatomical Gift Act, in 1971. In 1987, the Legislature observed through the passage of LB74 that the availability of donor organs and tissues can save the lives and restore the health and productivity of many Nebraskans when it amended the Uniform Anatomical Gift Act. In furthering that worthy goal, this Legislature authorized first-person consent and created the Donor Registry of Nebraska. The donor registry enabled Nebraskans to choose to give the gift of life by becoming organ and tissue donors by registering on-line or in person when obtaining a new or renewal driver's license or identification card. In 2010, the Legislature adopted the revised Uniform Anatomical Gift Act with the stated goal of increasing donation and availability of donated organs and tissues. LB47 seeks to revise portions of the Motor Vehicle License Act which enables Nebraskans to enroll in the Donor Registry of Nebraska through the driver's license and identification card application process. This registry lists Nebraskans who have decided to give the greatest gift of all, the gift of life, by identifying themselves as organ and tissue donors. By far, the most commonly used method for joining the donor registry, as Senator Watermeier included in his testimony, is by enrolling when applying for a state-issued driver's license or identification card. Currently, the Motor Vehicle License Act requires that the DMV to include in its application for a driver's license or identification card questions regarding: one, whether the applicant desires to be an organ and tissue donor; two, whether the applicant desires more information about organ and tissue donation; three, whether the applicant desires to donate \$1 to the Organ and Tissue Donor Awareness and Education Fund. However, those questions are optional. Applicants are not required to answer the organ and tissue donation-related questions. In fact, 10.5 percent of all applicants do not respond to that question asking whether the applicant desires to be an organ and tissue donor. Only 55 percent of Nebraskans issued a driver's license or identification card are

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registered donors. Neighboring states such as Colorado and Missouri and several others require applicants to respond to similar organ and tissue donor-related questions. These states enjoy higher donor registry enrollment. Sixty-seven percent of Coloradans and 64 percent of Missourians holding a state-issued driver's license or identification card are enrolled in their donor registries. By requiring a mandatory "yes" or "no" response to the question asking whether the applicant wishes to become registered as a donor, LB47 seeks to increase the percentage of Nebraskans with driver's licenses or identification cards to enroll in the donor registry and to increase availability of lifesaving organs and life-enhancing tissues for Nebraskans. Additionally, LB47 seeks to harmonize conflicting provisions of the Motor Vehicle License Act and the Revised Uniform Anatomical Gift Act. Nebraska Organ Recovery System and I appreciate your thoughtful consideration and ask that you support LB47. Thank you. [LB47]

SENATOR SMITH: Thank you, Mr. Herber. Do we have questions for Mr. Herber? Yes, Senator Brasch. [LB47]

SENATOR BRASCH: Thank you, Chairman Smith. And thank you, Mr. Herber, for testifying and for the work you do. I was reading through this. I'm just curious. I am an organ donor. [LB47]

KYLE HERBER: Thank you. [LB47]

SENATOR BRASCH: However, is it...not however...but is there an age like...you're talking about a driver's license, but say I'm 93 years old and I would like to be an organ donor at that point. Is it any requirements that go along with being an organ donor? [LB47]

KYLE HERBER: There are no requirements, specifically age requirements. We've recovered donors upwards in their upper 80s and there have been donors in their 90s across the country. [LB47]

SENATOR BRASCH: Very good. Well, thank you for the work you do. It's...I know a few recipients that are very grateful for your work. [LB47]

KYLE HERBER: Thank you. [LB47]

SENATOR BRASCH: Thank you. [LB47]

SENATOR SMITH: Yes, do we have any other questions for Mr. Herber? Seeing none, thank you for your testimony. [LB47]

KYLE HERBER: Thank you. [LB47]

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SENATOR SMITH: We appreciate it very much. We continue with proponents of LB47, those that would like to testify in support of LB47. Welcome. [LB47]

ELLEN GRADY: Thank you. My name is Ellen Grady, E-l-l-e-n G-r-a-d-y. I'm the development director of the Nebraska Kidney Association. I came to testify in favor of LB47. At the Nebraska Kidney Association we promote organ, eye, and tissue donation as part of our mission. We have a vested interest in this legislation as nearly half of all patients on the transplant waiting list are waiting for a kidney or kidney/pancreas transplant. As of today, there are 407 people waiting for a transplant in Nebraska. It is our hope that the passage of this legislation will increase organ availability for those awaiting a lifesaving transplant in the future. Thank you. [LB47]

SENATOR SMITH: Thank you for your testimony; we appreciate it very much. Do we have questions for Ms. Grady? I see none, thank you again. Continuing with proponents of LB47. Welcome. [LB47]

CHRISTI KJAR: (Exhibit 4) Welcome. Thank you. Mr. Chairman, members of the committee, my name is Christi Kjar, it's spelled C-h-r-i-s-t-i, last name is K-j-a-r. My name is Christi Kjar and I'm the executive director of the Lions Eye Bank of Nebraska. I'm here to speak in support of LB47. The Lions Eye Bank of Nebraska is a separate 501(c)(3) organization established in 1961 as a joint commitment to sight preservation and restoration by the University of Nebraska Medical Center and the Lions clubs of Nebraska. For 54 years, the Nebraska Eye Bank has served as the vital link between those individuals desiring to leave a legacy of sight after their death in those who are visually impaired. As Nebraska's eye bank, we coordinate, recover, evaluate, process, and distribute donated corneal tissue to eye surgeons in Nebraska for sight-saving and restoring procedures such as corneal transplants. The cornea is the clear front portion of the eye that allows light to enter the eye and becomes...because of its curved shape, provides the majority of the focusing ability of the eye. The only hope of restored vision for a person with corneal blindness is to replace the damaged or diseased cells of their own cornea with the healthy cells from a donor eye. Approximately 300 Nebraskans who receive this precious sight-restoring gift each year. While helping to treat vision loss associated with corneal blindness in Nebraska, United States, and worldwide is an important part of our mission, we also distribute ocular tissue for valuable education of medical professionals, as well as the advancement of important research studies both locally and nationally. As the success of corneal transplants has continued to advance, so has the demand. Currently, only 65 to 70 percent of our patients on the corneal transplant waiting list are receiving treatment from Nebraska eye donations. This gap leads to delayed treatment of many in our state. We believe the language revisions in the LB47 will have a positive impact on the number of Nebraskans who will make their wishes known regarding donation and therefore continue to improve access to lifesaving and enhancing procedures for the citizens of our state. As has been stated, the Nebraska Legislature's support of organ, eye, and tissue donation has been

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paramount to the success of the donation and transplant process. On behalf of the Lions Eye Bank of Nebraska, I would ask for support for LB47. Thank you. [LB47]

SENATOR SMITH: Thank you, Ms. Kjar. Do we have questions for Ms. Kjar? Seeing none, thank you. [LB47]

CHRISTI KJAR: Thank you. [LB47]

SENATOR SMITH: Next proponent, supporter of LB47. Welcome. [LB47]

DOUG BREMERS: (Exhibit 5) Good afternoon, Chairman Smith, members of the Transportation and Telecommunications Committee. Thank you very much for allowing me to speak in favor and support of LB47. My name is Douglas Bremers, D-o-u-g-l-a-s B-r-e-m-e-r-s. I am a representative and employee of Nebraska Medicine. We're home to one of the most reputable and well-known organ transplant programs in the country. Our state-of-the-art transplant programs provide comprehensive treatment for diseases that affect the liver, intestine, kidney, pancreas, and heart. And through our dedicated efforts in education, research, and innovations in clinical medicine, we help shape the field of transplantation each day. In 2014, Nebraska Medicine performed 327 organ transplants and 275 transplant procedures. And I think Mr. Herber and Ms. Kjar kind of outlined some of the stats and the waiting list and have kind of really done a really good job of spelling out the need. And so I just like to share a little story as a lifelong Nebraska resident, graduate of UNL. I've worked in organ donation and tissue donation and the transplant side since 1988. And I've had the opportunity to meet a lot of families that have been touched by organ donation and donating their loved ones' organs and tissues. And I've had the opportunity to also see a lot of transplant recipients who have received the gift of life. A couple of years ago at a ceremony remembering those donors, I was visiting with a mom and dad who had lost their son. And a good friend of mine, who had received a liver transplant ten years prior, came up to talk to me and I introduced him to this family. And even though it wasn't their son that donated to him, they had this strong bond and thanks and appreciation. And as much as the liver recipient was thanking this family for their gift, the donor family was thanking them for also seeing what good has come out that their son didn't die in vain. And so I've witnessed firsthand the benefits of organ and tissue donation and through transplantation. And I know that of the 407 patients currently waiting at our hospitals, 73 percent are Nebraska residents. And unfortunately, over the last couple of years, about 65 patients have died on our waiting list awaiting for an organ transplant that never got that opportunity. And so Nebraska Medicine endorses LB47 making it mandatory for the Department of Motor Vehicles to inquire about donation at the time someone is applying or renewing for their driver's license. We feel that this will help bring attention to organ and tissue donation and will help save the lives of numerous individuals through their generous donation of life. And as was the question earlier, anyone can be an organ and tissue donor regardless of age, race, gender, or medical history. So thank you very

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much for this opportunity. [LB47]

SENATOR SMITH: Thank you, Mr. Bremers. Do we have questions for Mr. Bremers? I do have one. I see that in your prepared testimony that you mentioned 123,000 men, women, and children nationwide that are on the waiting list for lifesaving organ transplants. How does Nebraska compare in terms of a best practices? Are there states out there that are best practices for fulfilling those needs? [LB47]

DOUG BREMERS: I think the waiting list, I think, in more populated states that have a lot more transplant programs there are more patients waiting at other states, but I think as far as best practices, I think Nebraska is on the forefront with the best practices. We have one of the world's largest intestinal transplant programs in the world. And Nebraska organ and tissue...Nebraska Organ Recovery System is actually one of the leaders in the country as well, as far as organ donation and conversion rates. So I think a lot of people in the country look to our groups as leaders in the field. [LB47]

SENATOR SMITH: Okay. Thank you. Senator Brasch. [LB47]

SENATOR BRASCH: Thank you, Chairman Smith. And I want to thank you as well for your testimony and the work you do. A good friend has one of the, I think, longest liver transplants early, early on. And my question is, I think her liver might have come from some young man in Texas. The organs that are donated here, are they on a national list that...or are they Nebraska gifted or can that be specified? [LB47]

DOUG BREMERS: Organ allocation is a continually evolving policy nationwide. Generally, organs are utilized locally first and then regionally and nationally. But there are sharing mechanisms so that organs can go to the sickest patients, those that have the shortest amount of time to survive without an organ transplant. And so we have sharing arrangements across our region and nationally. And people can, in certain circumstances, can designate a recipient for an organ if you have a close family member or friend that is in need of a transplant and you talk to one of the people with the Nebraska Organ Recovery System or whatever organ recovery agency and let them know that I have a relative or friend that needs a transplant. If the size and blood type is compatible, then that designation and that assistance can be done and that organ can go to that patient that can benefit from it. I met a lady who was the fifth person transplanted in our center for a liver transplant in 1985 and maybe it's the same lady, fantastic lady who is actually...traveled in different locations around the state and has spoken on behalf of organ donation and transplant and what a difference it made. And that was in 1985 and she's still doing great. [LB47]

SENATOR BRASCH: This friend, her daughter is 32...33 now and so she's been able to see her daughter grow up and get married. [LB47]

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DOUG BREMERS: That's great. [LB47]

SENATOR BRASCH: So it's very emotional. And is it your group that has an annual reunion for them? [LB47]

DOUG BREMERS: Our hospital has a transplant reunion where...you know, last year we had a thousand people that came back and family members and friends. And so, you know, when you see all these people there at the reunion you can't differentiate between who has had a transplant and who hasn't. I mean, they're back to a normal life. So I had a gentleman, we were at a heart group where they were all walking around with a left ventricle-assist devices and some had had a transplant and some haven't. And the gentleman came up to me and he said--so how long have you been on the wait list for a heart transplant? So I know I'm out of shape and overweight, but that's the way it goes. You know, they looked much better than I do. So I took great sense of encouragement that, you know, you can't tell the difference between a heart recipient and the normal people out in the population. [LB47]

SENATOR BRASCH: I have no other questions and thank you again. [LB47]

DOUG BREMERS: Yes, thank you. [LB47]

SENATOR SMITH: Senator Davis. [LB47]

SENATOR DAVIS: What is your youngest patient? [LB47]

DOUG BREMERS: What's that? [LB47]

SENATOR DAVIS: What would be your youngest patient...transplant patients? [LB47]

DOUG BREMERS: We've had transplant patients that were less than a month of age. We transplanted a three-week-old. So there's been some very young patients that have received transplants. We have, probably, one of the top liver and intestinal transplant programs in the world, so we have patients that are referred to our program worldwide. [LB47]

SENATOR DAVIS: Thank you. [LB47]

SENATOR SMITH: Thank you again, Mr. Bremers. And we now continue on with our proponents, supporters of LB47. Welcome. [LB47]

SPENCER LIMBACH: Good afternoon. My name is Spencer Limbach, S-p-e-n-c-e-r L-i-m-b-a-c-h. And I appreciate you giving me the chance to share my perspective in regards to my support of LB47. I'm 26 years old and I'm a double lung transplant

recipient. To make a long story short, I was diagnosed with a respiratory disease called cystic fibrosis at a very young age. For the most part, I had a normal childhood, but as I got older and into my late teenage years and early 20s, my lung function dropped to what's considered "end of life stage." My doctor referred me to the University of Minnesota to be evaluated for a lung transplant because UNMC here in Omaha didn't have a lung transplant program at the time. I was accepted and officially active on the transplant list in October of 2011, six months after I graduated from the University of Nebraska. Since that time, over three years ago, my health deteriorated to fatal levels. My lung function was a mere 15 percent. I was hooked up to oxygen 24/7. I couldn't go up a flight of stairs. I was homebound and not able to enjoy or experience life like most recent college graduates. To put it bluntly, I was looking at the end of my life. However, on May 13, 2014, just last year, I received a call that the University of Minnesota found a match donor. Needless to say I was pleasantly surprised at the news given my current condition. The surgery was a great success and I was out of the hospital in just ten days, going back for multiple checkups every week. I was extremely fortunate that things worked out in my favor and I was able to recover quickly from such a major surgery. However, as I reflect back on the whole emotions regarding this process, I began to acknowledge how surreal and humbling these circumstances really are. After all, I waited two and a half years to get the call, which is typically much longer than most potential lung transplant recipients. Honestly, for a while I was running short of hope. It's such a delicate process where all the contextual factors have to line up perfectly such as blood type, size, fit, and demand relative to other listed patients; that's just to name a few. I waited two and a half years for my perfect match to come along. If you sit back and think about it, it could have very easily not come to fruition. If my donor, this generous individual, hadn't registered to become an organ donor, then there's a good chance that I wouldn't be here speaking in front of you today. Like I said, this was my first match or offer in two and a half years and I really didn't have much room to spare. So if this one individual decides to glance over the organ registration box when applying for a license, there's a reasonable chance an offer would not have come along for me. Fortunately, it worked out in my favor, but as we all know, that's not always the case when given these ill-fated circumstances. So all in all, I'm offering my support of this bill for obvious reasons that I just outlined. If somebody doesn't wish to become an organ donor, I can fully respect that decision. However, not answering the question due to apathy, indifference, or whatever the reason may be is a lot harder for me to accept. Essentially "no" becomes the default answer whether it's the true feelings of the individual or not. If the person has any reservations regarding organ transplant process, they can easily check no and the outcome would be the same if they didn't check the box at all. The freedom of choice would not be compromised by this bill, but it would hopefully make people reflect on their true feelings regarding this important subject matter. From here it's the responsibility of people like myself, others involved in the transplant process--whether it be physicians, nurses, family members, or anyone generally concerned--to educate people, debunk myths, and offer the best possible information to make an informed decision. Thank you. [LB47]

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SENATOR SMITH: Questions for Mr. Limbach? Senator Brasch. [LB47]

SENATOR BRASCH: Thank you, Chairman Smith. I just wanted to thank you for coming forward today and testifying and relaying to this committee and others who may be listening the importance of this. So thank you for coming forward. [LB47]

SPENCER LIMBACH: Thanks. [LB47]

SENATOR SMITH: And I agree. Thank you for coming forward and sharing your personal story and it's good to have you with us today, Mr. Limbach. [LB47]

SPENCER LIMBACH: Yep, thank you very much. [LB47]

SENATOR SMITH: Thanks. We continue now with proponents of LB47, those who wish to testify in support of LB47. Welcome. [LB47]

WALT RADCLIFFE: Senator Smith and members of the committee, my name is Walt Radcliffe, W-a-l-t R-a-d-c-l-i-f-f-e, appearing before you today as the registered lobbyist on a pro bono basis for the Nebraska Organ Recovery System. I don't have anything to add to what the previous witnesses have said regarding the merits of the legislation. But I'm testifying because I'm doing so in anticipation of opponent and neutral testimony to follow. And there's no chance for me to say anything after they testify, so I've learned this is a way to do that. Two brief comments: I visited with Mr. Cunningham from Nebraska Catholic Conference; he's going to testify neutrally. And we're going to try to see if we can come up with some amendments to address the situation he has. It's my understanding that the Department of Motor Vehicles is going to testify against the bill. You know, I'm really disappointed. They spend hundreds of thousands of dollars a year on highway safety. And for some reason this is an inconvenience for somebody to want to say no to somebody. Come on. That's not what government is about. I'd be happy to answer any questions. [LB47]

SENATOR SMITH: Questions for Mr. Radcliffe? Seeing none... [LB47]

WALT RADCLIFFE: Thank you. [LB47]

SENATOR SMITH: Thank you, Mr. Radcliffe, for your testimony. Any further support, those wishing to testify as a proponent for LB47? I see none. We now move to opponents, those wishing to testify in opposition to LB47. Welcome. [LB47]

RHONDA LAHM: (Exhibit 6) Thank you. Chairman Smith, members of the Transportation and Telecommunications Committee, I am Rhonda Lahm, R-h-o-n-d-a L-a-h-m, Director for the Department of Motor Vehicles. I'm appearing before you today

to offer testimony in opposition to LB47. I would first like to begin by thanking Nebraska Organ Recovery System for the opportunity to review this legislation prior to this session. They were responsive to our suggestions and nearly all of those technical issues are addressed in the bill as introduced. However, one of the major points of the bill, Section 1, page 3, lines 17 through 20, makes the question regarding whether or not you want to include your name on the organ donor registry to become an organ and tissue donor at the time of your death a mandatory part of the license-issuing process. Failure or refusal of an applicant to answer a mandatory question requires the DMV to deny issuance of the license to the applicant. The DMV has concerns about changes to the issuance process which increases the reasons for denying the document. Under current law, the DMV is required to ask mandatory questions concerning the applicant's identify to remain compliant with the provisions of the REAL ID Act. Nebraska law also requires mandatory questions about the applicant's health to ensure that the applicant has the visual, medical, and mental ability to safely operate a motor vehicle before a license is issued. As LB47 is written, the DMV will be required to deny a driver's license to any person who refuses to answer "yes" or "no" to a question about whether or not he or she wishes to be an organ donor. It will be the first time a mandatory question is part of the licensing process that is not based on a federal requirement or related to the applicant's identity or ability to operate a vehicle safely. I formerly worked for the DMV as a driver's license examiner. From my own experience, I know some persons have strong feelings about the government requesting information they see as none of the government's business. The mandatory requirement of indicating whether or not a person chooses to be an organ donor to be issued a driver's license would be an example of this type of situation. Although the number may be small, there will be some who refuse to answer the mandatory organ donor question and as a result will be denied a driver's license should this legislation be enacted. The DMV will be required to deny a driver's license because a person chooses to keep his or her opinions about organ donation to themselves. This places the DMV examining staff in the middle between the personal views of an applicant and the well-intentioned desire for increased organ donation participation, and many times puts them in the position to be the target of verbal abuse as a result of the applicant's frustration, not just a mere convenience. The persons who are denied a license may appeal the denial to myself, and then through the court system, during which time the applicant is without their desired document. Such appeals consume the resources of the agency to defend a court action based on a requirement that is unrelated to the DMV's statutory role. The Department of Motor Vehicles supports organ donation and over the last two years has participated in several activities to promote and encourage organ donation. We have been approached by both NORS and Donate Life to cooperate with various projects. For instance, a pilot project was conducted where applicants were verbally asked if they wished to be an organ and tissue donor, in addition to recording their responses on the application form. We were asked to have examiners wear Donate Life T-shirts rather than their normal uniforms on causal days, and that request was granted. At select examining stations, Donate Life representatives were authorized to set up an

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informational table to talk to applicants about becoming organ donors. The department was asked to use Donate Life clipboards, counter mats, and pens at our examining stations and those materials were distributed and are in use statewide. We conducted a statewide examiner training last spring and representatives from organ donation organizations addressed the entire group, the only nonagency group placed on the agenda. On the home page of our Web site we have a link directly to the NORS Web site so persons can quickly access information and register to become an organ donor. One of our department's administrators has been asked to sit on the community board for NORS and I have approved that request. I think the Department of Motor Vehicles has a strong track history of supporting organ and tissue donation. Organ donation is no doubt a necessary and worthy cause. However, this bill places the agency in a position of being government actors on behalf of a specific cause in order for residents of Nebraska to receive a state service. For this reason I encourage the committee not to advance LB47. Thank you for all your time and I'm happy to answer any questions you may have. [LB47]

SENATOR SMITH: Thank you, Director Lahm. Do we have questions for Director Lahm from the committee? Senator Davis. [LB47]

SENATOR DAVIS: Thank you, Senator Smith. Interesting questions, tell me is there any data on the age of people that aren't responding? I mean most people get their license when they're 16 and they just renew it. So do you have any kind of guidance on that? [LB47]

RHONDA LAHM: I don't have any data here in my hands and I don't know to what level we can break down the data. The data that was presented to you about persons who don't answer the question, that information they got from us and that's correct. And I can tell you from being an examiner, and many of you are probably familiar with the application form, the four optional questions are right there together and people will come in and they will have none of those questions answered. And when you say to them, you know, I'm sorry, you missed some of these questions, they will tell you--I don't want to answer them. So I just know that from experience as an examiner. So it isn't just the organ donation question they don't answer. They sometimes choose not to answer the others too. [LB47]

SENATOR DAVIS: So you've done a lot of research with this and you've tried to help them as much as you possibly can, which I really appreciate. Would it make sense for those...I guess it's about 10 percent of...about 10 percent of the people are...how do I want to put this--Nebraska has a response of about 55 percent versus 65 percent in other states. I think we heard that earlier. [LB47]

RHONDA LAHM: Correct. [LB47]

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SENATOR DAVIS: So that gap...the perception is, if this was mandatory, that gap wouldn't be there, right? So is it...would it be possible for people who don't sign this...don't sign up initially for you to have an explanation here and say, would you please read this before you make a decision on this? And then let them try again. You see what I'm trying to say? [LB47]

RHONDA LAHM: You mean if an applicant.... [LB47]

SENATOR DAVIS: So it's kind of...trying to walk down the middle route with it. [LB47]

RHONDA LAHM: If an applicant were to come to the examining station and it's not filled in at all, that they haven't marked "yes" or "no" to ask them to mark "yes" or "no?" [LB47]

SENATOR DAVIS: Well, I hear you say you're doing that and they say they decline. [LB47]

RHONDA LAHM: Yes, that's generally the practice now. [LB47]

SENATOR DAVIS: But if you had a handout to say, you know, part of state law says we need to have you look this over one more time before you agree to "no." I'm just trying to find a middle here somehow. [LB47]

RHONDA LAHM: I guess I'd have to see exactly what you have in mind. One of the things that if we're talking about 10 percent of our applicants and everything that we ask our examiners to do takes that much more time which slows down the line that much further for people that are processing through. So I guess I'd have to see exactly what you have in mind. I'd be reluctant a little bit to do something that slows the line down a lot. You know, if it's a matter of handing them a piece paper, that's probably not a major issue. [LB47]

SENATOR DAVIS: You know, or is it something that maybe we need to work on in education to emphasize to students when they're in high school how important this is for the good of mankind? [LB47]

RHONDA LAHM: And I guess I'm going to defer that a little bit to the Donate Life folks. I believe that them and NORS work together to do the educational piece. And I have to tell you that I'm not familiar with what all the activities they do or don't do. I just know that when we're approached to do activities to help promote it, if we can at all do them, we do. We allow posters up for Donate Life. We don't allow other people to put posters up. And I think we've been pretty good about cooperating with the activities that they've asked us to do to help promote. [LB47]

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SENATOR DAVIS: Thank you. [LB47]

SENATOR SMITH: Director Lahm, is there any signage that is located at the DMV offices in terms of like a poster or a desktop sign that encourages the person coming in to the office to check the box? [LB47]

RHONDA LAHM: Yes, Donate Life has provided us Donate Life posters and those are in all of our permanent exam stations. And we've provided them to the exam stations where we aren't there every day. And in most cases they're up. But because those are not our office all the time, like it might be a county commissioner's room part of the time, sometimes we're not permitted to put those up. If we're permitted by the people who are the landlord, so to speak, then we put them up. [LB47]

SENATOR SMITH: Okay. Senator Brasch. [LB47]

SENATOR BRASCH: Thank you, Chairman Smith. And thank you, Director Lahm, for your testimony. And from what I've heard is the department has made every effort, short of a mandatory check box, to help save lives. I'm wondering if it's been discussed of just having a third check box that says "I refuse to answer." Wouldn't that shortcut and simply for those who say it's none of your business or I don't...how dare the government...would three boxes be too much of a...I guess, work to do or computer program or just refuse? [LB47]

RHONDA LAHM: Obviously, that...you know, that would provide some programming, but we're willing to take a look at anything. Our main concern is just that we're not denying a document to someone based on something that is not related to their identification or their ability to drive. And so if we could find some other alternative, we're willing to look at what...you know, another option. [LB47]

SENATOR BRASCH: Just the word "refuse" would be simple, I think, to take this off of your shoulders and make the person refusing content. So...but, yes, thank you for the measures you have taken. I have no other questions. [LB47]

SENATOR SMITH: Senator Friesen. [LB47]

SENATOR FRIESEN: Director Lahm, when a person applies for a license, you ask...there's quite a series of questions: your height, your color of eyes, and middle initial or name, height, weight. If they refuse to answer any of those questions, you deny them a license, right? [LB47]

RHONDA LAHM: There are certain things that are required by statute. They have to provide their name, their date of birth, their "Soc" number, and some personal identifying characteristics. [LB47]

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SENATOR FRIESEN: Like weight. [LB47]

RHONDA LAHM: Gender is required right now...race or ethnic background is required. [LB47]

SENATOR FRIESEN: Does that help in any way identify someone or identify their ability to drive or... [LB47]

RHONDA LAHM: It's not related to their ability to drive, but those are issues that are required by the federal REAL ID Act for identification purposes. [LB47]

SENATOR FRIESEN: Okay. So if...I mean, I'm reluctant to say that I just have a box that I don't know or I refuse to answer because to me it's pretty simple if you don't agree with it, you just check "no." We don't ask why or anything else. So I guess I don't see where the damage comes in to someone. I mean, you can have any number of philosophical differences and just say no. I respect that. I think most people do. The boxes are already there, I take it, or the box is there just to check "yes" right now. Is that correct? [LB47]

RHONDA LAHM: Correct. It's a line that says "yes" or "no." [LB47]

SENATOR FRIESEN: Yes or no. [LB47]

RHONDA LAHM: And I don't necessarily disagree with you. Why they don't answer it or choose to answer it, we don't ask them. [LB47]

SENATOR FRIESEN: Okay. Thank you. [LB47]

SENATOR SMITH: Senator Davis. [LB47]

SENATOR DAVIS: Just one more question, Senator Smith, and thank you. I heard Senator Watermeier talk about a couple of other states, but do you know nationally what the percentage of states is that has a mandatory box? [LB47]

RHONDA LAHM: I do not. [LB47]

SENATOR DAVIS: Thank you. [LB47]

SENATOR SMITH: I see no additional questions. Thank you, Director Lahm. [LB47]

RHONDA LAHM: Thank you. [LB47]

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SENATOR SMITH: We continue with those that would like to testify in opposition to LB47. Seeing none, we now move to those that would like to testify in a neutral capacity on LB47. Neutral. Welcome. [LB47]

JIM CUNNINGHAM: Senator Smith and members of the Transportation and Telecommunications Committee, good afternoon. My name is Jim Cunningham, J-i-m C-u-n-n-i-n-g-h-a-m. I'm senior associate with the Nebraska Catholic Conference which is a jointly and cooperatively operated association of the Archdiocese of Omaha and the dioceses of Lincoln and Grand Island under the direction of the diocesan bishops. I'm here to testify in a neutral capacity. The teaching of our religious tradition affirms and encourages organ donation. The teaching views it as a significant act of charity and generosity and one that should be encouraged. But there is a caveat to that, or maybe several, but one relevant to this issue. And that is that as an active charity and generosity it should be, truly, a giving and not in any way a taking. And public policy should respect and honor principles of informed consent and principles of justice. And that's the perspective that we bring to looking at this bill and causes it to be something that will be of interest to the conference. We believe that the process and the procedures that are involved should not be of such a nature that they would take advantage of an uninformed public. That's always been our approach. We have had an interest and have been part of the public policy process on organ donation for many years. I was an active participant in 2010 on the revision...the substantial revision of the Uniform Anatomical Gift Act, that was LB1036, and a number of predecessor bills as well. What I would like to do is direct your attention to page 3, lines 18 through 22. Of course that's one of the key aspects of this. It would apply in a setting in which a Nebraskan is applying for and seeking to obtain an operator's license, someone who is there with the intention and the purpose of getting a license, passing the test and proceeding as such. And in that setting, the person would encounter, perhaps for the first time, a question that asks them to say "yes" or "no" to making an organ donation. I don't know if that's problematic or not. One of the reasons I'm testifying neutral is that our board has not had an opportunity to discuss this in detail. So what I'm trying to do is share with you what some of the questions and issues will be that we will discuss. So that particular question then is one of the setting and the context in which this question is asked. If you'll notice, if the person says "yes," they are doing two things. They are agreeing to have their name included in the registry and they are donating their organs and tissues at the time of death. That's what an affirmative "yes" answer means, at least the way it is written and appears to me. There is a question that arises: what if the person wants to donate organs and not tissues, or tissues and not organs? Or what if they want to donate all of their organs and tissues but not their heart? I don't know if those are realistic situations, but they are accommodated and used in this particular context. Presumably, they have to go to the registry in order to make that clarification. But the question about do you want additional information about the registry would be made optional under this bill...would continue to be optional under this bill. So I think that could be a problem. The second issue is what about the application of this to

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minors? Youngsters as young as 13 apply for operator licenses in some prescribed circumstances. Now it's at age 16 that the driver's license becomes an organ donor card, but it still raises questions about what is the effect of this on 13-, 14-, 15-, and 16-year-olds in terms of how it would apply in a practical sense. I can tell you that it was the issue of minors that was a very significantly discussed issue in 1992 when LB1178 was passed which put this optional provision into the statutes. And finally, I would just like to continue, Mr. Chairman, with one additional point, it's a limited point. On page 5, that has to do with the purpose of continuing the organ donation, even at the time of renewal. I understand from what Senator Watermeier said that at the time of renewal the person confronts the question again, "yes" or "no." If that is the case and a renewal is another answer of "yes," then it would seem that this language that is being proposed to be stricken is necessary and should be retained. I think that's another issue, perhaps, to be investigated and pursued. And as a suggestion, I might offer that, indeed, in 1992 when this was part of LB1178, there was significant discussion about the public policy aspects of this. Thank you very much. [LB47]

SENATOR SMITH: Thank you, Mr. Cunningham. Do we have questions for Mr. Cunningham? Mr. Cunningham, so Mr. Radcliffe mentioned that he was working with you to try to work through some of these differences. So is this going...will this be an ongoing discussion that you have? [LB47]

JIM CUNNINGHAM: I explained to Mr. Radcliffe that our governing board will have a significant...or a thorough discussion of this issue because of our interest in the general topic and if there are questions or issues that I will certainly communicate with him. And perhaps there are some ways that any concerns that we might identify might be addressed through wording in the bill. [LB47]

SENATOR SMITH: Very good. I see no further questions. Thank you for your testimony today. [LB47]

JIM CUNNINGHAM: Thank you. [LB47]

SENATOR SMITH: We appreciate it very much. Do we have anyone else that would like to testify in a neutral capacity on LB47? Seeing none, Senator Watermeier, you're welcome to close on LB47. [LB47]

SENATOR WATERMEIER: Thank you, Chairman Smith, and the rest of the Transportation Committee. I really wasn't planning on testifying...or closing, excuse me. But I feel compelled a little bit to do that. Keep in mind, that there's already eight or nine questions that are mandatory on this driver's license application. This is going to add one more on there. And I realize there's discussion from the Catholic Conference and the department expressing their views. But, I mean, I struggle with that a little bit. And also keep in mind, that having and obtaining a driver's license is a privilege, it's just not

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a right, it's a privilege in this state. And the government has a chance to monitor what goes on to that. And I just think it's a fair and reasonable question to ask on...at that point in time. And Senator Davis asked a question about how many states make it mandatory. I'll find that out. I had it in my testimony, I just said many because I didn't know exactly. It was hard to come up with that number. But I will try to come up with that. So with that I would just encourage your discussion on it. It's been a great debate. I thank both the opponents and proponents on this. I've learned a lot. And I've had even the comment say to me one time--getting an organ donor...designating that as an organ donor has nothing to do with getting a driver's license. And they're right; but that's because a driver's license is a privilege. And this whole discussion that we're having I think is fair game, but I think it's healthy. Thank you, Mr. Chairman. [LB47]

SENATOR SMITH: Thank you, Senator Watermeier. We appreciate your time here today and for your testimony. And with that we will conclude the hearing on LB47. I am going to introduce the next two bills so I will turn the committee over to the Vice Chair, Senator Brasch. [LB47]

SENATOR BRASCH: Thank you, Senator Smith. You will now introduce LB220 and welcome, you're recognized to open. [LB220]

SENATOR SMITH: Thank you, Senator Brasch and colleagues, good to be with you today. Good afternoon. For the record I am Jim Smith, J-i-m S-m-i-t-h, and I represent the 14th Legislative District in Sarpy County. I am here today to introduce LB220. In two years, in 2017, Nebraska will celebrate 150 years of statehood. Last session, in order to recognize this milestone in our state's history, the Legislature created the Sesquicentennial Commission. The commission was charged with developing programs and activities for the official observance of our state's 150th anniversary. In the spirit of this celebration, LB220 would create the sesquicentennial license plate. The plates will assist the commission in carrying out its duties by providing an important fund-raising mechanism, as well as drawing attention to Nebraska's history as motorists travel across our great state and probably across our great nation. LB220 directs the Department of Motor Vehicles to design a speciality plate in consultation with the Sesquicentennial Commission. The plates will be available in lieu of regular license plates beginning October 1, 2015, through December 31, 2022, at a cost of \$70. A portion of the fees collected on the plates will go to the Nebraska 150 Sesquicentennial Plate Proceeds Fund. The commission will be authorized to use the funds to develop commemorative events and activities. At least 5 percent of the funds available in January of 2017, would be used as grants to help support local communities in their sesquicentennial celebrations. In the bill, we do add language providing more direction to the commission's purpose by stating the celebratory activities should promote the state and its economy by focusing on our history, cultural diversity, and unique geography. This language does embrace the mission statement already adopted by the commission. Similar speciality plates have been the center of other statehood

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celebrations including in Iowa, Minnesota, West Virginia, and Nevada. These plates have proven to be successful in raising funds and promoting those individual states. I do want to give special thanks to Secretary of State, John Gale, who is here today with us, and who has been sitting here patiently for this bill and we appreciate his time here today. He serves as the Sesquicentennial Commission's chairperson. He has worked very closely with my office to draft this legislation, which I think provides a fantastic opportunity for Nebraskans to show their state pride. That will end my testimony and I ask you to please consider advancing LB220. [LB220]

SENATOR BRASCH: Thank you, Chairman Smith. Are there questions from the committee? Seeing there are none, we will now hear from the proponents. Will the first proponent please come forward. Welcome, Secretary Gale. Will you please say and spell your name. [LB220]

JOHN GALE: (Exhibits 1 and 2) Thank you, Madam Vice Chair. I'm John Gale, J-o-h-n G-a-l-e, Secretary of State for the state of Nebraska and chairman...or chair of the Nebraska Sesquicentennial Commission. This commission was created by this Legislature last year, about a year ago. And the Governor, Governor Heineman, made the appointments to the commission over the course of the summer; 17 members with very strong geographic, ethnic, gender diversity on the commission. The Governor asked me to be chair pro tem from the beginning in order to help get the commission organized. We've been meeting regularly since September and we've made considerable progress. We elected chairs for the 2015 commission year and I was elected chair for this commission. We have a education subcommittee, we have an arts and culture subcommittee, we have a communications subcommittee, we have a coordinating subcommittee. We really feel like we are off and running and making considerable strides toward getting ready for this exciting celebration in the year 2017 of our 150th anniversary. As part of that, we have been working closely with the Friends of the 150 Committee, a Nebraska nonprofit corporation which began designing and doing some planning for this celebration independent of the commission until the commission was created and we have been working together on a number of things, one of which was this legislation. We have had wonderful cooperation with Senator Smith's office and his staff. It's a complex bill, and if you try and read it from the front to the end, there's a lot of technical language, most all of which was furnished by the Department of Motor Vehicles. Director Lahm has been a very instrumental part in the development of this legislation that offers alphanumeric and offers personalized plates to citizens of Nebraska who wish to participate in this celebration in their own way by having plates on their vehicles that reflect this celebration. One of the nice things, sheer coincidence, I guess, is the fact that in the year 2017 is the first new cycle for the six-year plates so that people who wish to buy a sesquicentennial plate, whether alphanumeric or personalized, that will suffice for the purposes of the six-year license plate from 2017 until January 1, 2023. So it's a wonderful dovetail that people can secure these plates and use them throughout the celebration, but continue to use them on until the end of

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that six-year cycle. We've been very, very excited about the license plate idea. A number of other states, indeed, have used license plates as a means of raising money and also a means of allowing kind of an individualized signature on vehicles saying--I'm a proud Nebraskan; I'm proud of our history; I'm proud of our 150th anniversary. So it's an individualized statement. And you could have these plates beginning October of this year, 2015, right on through the 2017 celebration. And the Department of Motor Vehicles has pledged their cooperation to work with the 93 county treasurers to promote the sale of these wonderful license plates once they become available. Now you may ask me, well, what will that design be? And I will tell you that it's a challenge. The Department of Motor Vehicles has done a number of these personalized plates and they do have the final say. We have a committee who is working on a comprehensive brand design for the sesquicentennial that will include whatever we want to use it for, whether it's a seal, a logo, a heading on stationery advertising our Web site. And we just released a request for information today asking for Nebraska companies to give us their proposals if they want to be engaged to help us draft this comprehensive brand design. And from that will flow some designs that we'll take to the Department of Motor Vehicles. And they have the final word and we're hoping for one that is bold, significant, very captivating that will help those who put the license plates on their cars to feel proud. And to also allow those who are driving behind a vehicle, as Rhonda Lahm said, Director Lahm said, these have to be visible enough that if you're 15 feet away you're going to be able to say--that celebrates Nebraska's sesquicentennial anniversary. So it can't be cluttered with a lot of details; it cannot have a lot of colors that would interfere with the State Patrol uses of a license plate. So that will be a challenge. But we think this is going to be one of the very, very positive things. Now what to do with the money? The money, primarily, is going to be used for grants. There's no question that many Nebraskans are going to celebrate the sesquicentennial whether it's commissioned or not. In other words, there's a lot of community pride, school pride, but we want to help coordinate that across the state. And we want to be able to use these funds over the next several years to use for grants to local celebrations, local political subdivisions, local festivals, who whether they want to have a float or they want to have other kinds of insignia or symbols that help celebrate the sesquicentennial we will have funds to help them with the grant. So this serves many valuable purposes. We're very excited about it. This is going to be, really, the first signage that's going to be visible to the public in October of 2015 as we move forward with the many, many exciting things that we're finding are going to be available out there to celebrate through state agencies, through the State Capitol, through all across the 93 counties. So it's a very exciting adventure. And we hope that you will support LB220 to allow us to have this very significant piece fit into the package. Thank you. [LB220]

SENATOR BRASCH: Very good. Thank you, Secretary Gale. Are there questions from the committee? Seeing there are none... [LB220]

JOHN GALE: If I might add, Senator Brasch, I did omit, I circulated written testimony,

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my own which has more details than what I testified to. I also have circulated a letter from Sara Crook, who is my vice chair, from Peru State College, who has been very involved in Nebraska history, State Historical Society, Humanities Nebraska, and you also will have distributed her letter of support for this bill as well. I'm sorry I omitted that. Thank you. [LB220]

SENATOR BRASCH: (Exhibit 3) Very good. Thank you. And I have a letter of support to read into the record from Rhonda Lahm, representing the Department of Motor Vehicles. Are there other proponents? Welcome. Can you please say and spell your name. [LB220]

MICHAEL SMITH: (Exhibit 4) Of course, I'm Michael Smith, M-i-c-h-a-e-l S-m-i-t-h. Thank you, Vice Chair Brasch, members of the committee. I'm Michael Smith, Director and CEO of the Nebraska State Historical Society, an agency of the state of Nebraska. And thank you for your time this afternoon. I'd like to speak in support of LB220. Civic celebrations have been an important part of American life since the earliest days of our nation. National and state holidays, commemorations of important events, whether they be great victories as at the end of World War II or tragedies such as Pearl Harbor Day or natural disasters are important in bonding among the American people made up as we are of many cultures, many ethnicities, many backgrounds, and many traditions. It is in this action of pausing to remember to resolve and to gather the will to move forward toward a better future that states and their citizens have come to practice the observance of major milestones in time. A sesquicentennial, you should all practice saying that, sesquicentennial, 150 years, is one of those milestones that are important today in our western states. True, that amount of time would be a mere drop in the bucket, so to speak, for civilizations in western Europe or Asia, but here in the United States, still a young Republic, 150 years represents a significant length of time. It's five generations or two lifetimes, if you will. LB220 would provide an opportunity for you, for me, for your constituents, for my family to show our pride and unity with our fellow Nebraskans in this milestone in our state's history with a voluntary and reasonable expenditure of our personal funds. We can put what will surely be a highly attractive license plate on our truck or car as we drive every day and thus present that image of Nebraska wherever and whenever we travel. In my case, as I visit my daughter who lives in Chicago, I will carry to that city a visible message of our special state, a place that I find is very intriguing to those who are not fortunate enough to live here. Furthermore, that small metal plate on personal vehicles will be an amazingly powerful reminder of our 150 years as a member of the United States of America with the obligations, the opportunities, and the privileges that statehood entails. In addition, a sesquicentennial plate will provide for a flow of funding that the Nebraska Sesquicentennial Commission will use to trigger community participation in this sesquicentennial which will be as important now as were those celebrations in the era of the founding fathers of our nation. Thank you. I'd be pleased to answer any questions if I could. [LB220]

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SENATOR BRASCH: Thank you, Director Smith. Are there any questions from the committee? Seeing there are none, are there...thank you for your testimony. [LB220]

MICHAEL SMITH: Thank you. Thank you for your time. [LB220]

SENATOR BRASCH: Are there any other proponents? Please come forward. Seeing there are none, are there any opponents? Seeing there are none, is there anyone in the neutral? Seeing there are none, would you like to close, Senator Smith? [LB220]

SENATOR SMITH: I will be just very brief again. I just want to have one more opportunity to say sesquicentennial. (Laughter) I know my staff was thinking that I was going to mess it up eventually, but I proved them wrong. Again, I'd like to thank Secretary of State Gale for being here today and for testifying on this bill, and Director Smith and others that are here today that have worked on this outside of the Sesquicentennial Commission. I appreciate their efforts and this is a fantastic opportunity to raise funds for that very special event. So I appreciate your consideration of LB220. [LB220]

SENATOR BRASCH: Thank you, Chairman Smith. And we will now proceed to the next item on the agenda with Senator Smith, LB181. You're recognized to open. [LB220]

SENATOR SMITH: Thank you and good afternoon, Senator Brasch, again, and members of the Transportation and Telecommunications Committee. For the record, I am Jim Smith, J-i-m S-m-i-t-h, and I represent the 14th Legislative District in Sarpy County. I'm here today to introduce LB181. Now I know some of you may have looked at the highlights of this particular bill and became a bit concerned, but fear not. I'm going to step you through this. LB181 is a very simple bill. It is not an amber light bill, but rather an orange and blue light bill. The measure would allow blue and amber lights, rotating and flashing lights, to be displayed on vehicles operated by any public utility for the construction, maintenance, and repair of any utility infrastructure on or near a highway. Of course this is just a matter of safety. Blue and amber lights are allowed on vehicles used for snow removal by the state or local authorities, and this would simply extend this warning signal to public utilities. This is not a private entity asking for these lights, as was the case last session, infamous of our amber light debate. These are vehicles operated by a public utility. I will be offering an amendment that clarifies these are vehicles that are owned and operated by the utility, not contractor vehicles. And I want to...that you currently do not have that in your green copy. That will be an amendment specifying that the public utility must own and operate the vehicles that we're asking for this designation. Again, my intention is not for these lights to be used by a contractor or anyone other than a utility. Electrical lines and utility poles line our highways and these workers have no choice but to be on the edge of a roadway. Oftentimes, it's necessary for repairs to be done at night or during inclement weather

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when there is low visibility. Having these lights will serve as an important safety measure for both utility worker and those driving on the highway. That's really all there is to this bill. Senators, there's no fiscal impact and I ask that you advance LB181 to General File once it is amended. [LB181]

SENATOR BRASCH: Thank you, Chairman Smith. Are there any questions from the committee? Yes, Senator Seiler. [LB181]

SENATOR SEILER: Senator Smith, if you limit this to vehicles owned by the public utilities, what about a rental crane that they have sitting out there, wouldn't they want to put temporary lights on a rental? So I'm wondering if you want to put--owned and rented...or rented by the public utilities? I understand you don't want those on private contractors, and I agree with you, but I'm wondering about a rental. Just a thought. [LB181]

SENATOR SMITH: That's a good comment. I think you're absolutely right because there are times when a larger crane is necessary to do that work, very good point. [LB181]

SENATOR BRASCH: Yes, Senator Garrett. [LB181]

SENATOR GARRETT: Thank you, Senator Brasch. Senator Smith, being new to the Transportation and Telecommunications Committee, currently amber lights are permitted on...amber-colored lights are displayed on military vehicles and military department when on any state emergency mission. Normally, military vehicles deploying to a training area will be having amber lights on them as well. Do they not? This implies that it's only for emergency situations. [LB181]

SENATOR SMITH: For the military purpose? [LB181]

SENATOR GARRETT: Right. [LB181]

SENATOR SMITH: I'm not familiar with that, Senator, and perhaps our legal counsel can address that, or if not in this meeting, we can follow up later on that. [LB181]

SENATOR GARRETT: Okay, because I know when they typically go to training areas, they go in convoy and they have...I'm pretty sure they have flashing amber lights. But on the new section, and maybe this is just a semantics issue, the last word..."on or near any highway." What about just the normal public streets within a municipality or anything else? Does it have to be near a highway or on a highway? [LB181]

SENATOR SMITH: I think my preference would be on or near a roadway which could be a state-owned highway, a county-owned highway. [LB181]

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SENATOR GARRETT: Okay. [LB181]

SENATOR SMITH: Or even a private... [LB181]

SENATOR SEILER: One second, excuse me, if I may. My memory is highway is described as any road that's supported by the state funds. So it covers all the gravel roads and everything like that. [LB181]

SENATOR GARRETT: Okay. [LB181]

SENATOR SEILER: As I remember. [LB181]

SENATOR BRASCH: I believe you are correct. [LB181]

SENATOR SMITH: That is correct. [LB181]

SENATOR GARRETT: So thank you. [LB181]

SENATOR BRASCH: Thank you, Senator Garrett. Yes, Senator Davis. [LB181]

SENATOR DAVIS: I have to say, Senator Smith, the word "amber" just gives me...it's like fingernails on a chalkboard. (Laughter) But, so...I guess...did anybody bring this bill to you or how did this come up? [LB181]

SENATOR SMITH: Yes. It was brought to me by the representative from REAs. And I think the reason it was brought to me is my past experience in managing some of the crews that actually would be using this type of equipment and vehicle on the roadway. And I know from my own experience with that, that again during inclement weather, at night, these vehicles run on roadways or just off the shoulder of the roadways repairing street lights and lines and we were wanting to afford them the same type of visibility as vehicles with the Department of Roads have. [LB181]

SENATOR DAVIS: And so these vehicles are going to be parked alongside the road or parked on the road? [LB181]

SENATOR SMITH: Well, it can be either/or. I mean, if you look at some of our state highway systems or interstate systems, you may find electric utility vehicles, maybe one or multiple ones, on the shoulder of the road trying to reach the street lights that line those roads. Sometimes it could be distribution lines that run down parallel with the road that they are trying to reach. And oftentimes it's difficult to go too far off the shoulder because they get into some soft territory where they don't have a stable place to lift that crane. [LB181]

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SENATOR DAVIS: So do you know if it was triggered by any accident or anything?
[LB181]

SENATOR SMITH: I'm not aware of any accident. I think it was just the nature of that type of work and trying to provide a safe...as safe an environment as possible. [LB181]

SENATOR DAVIS: And one of the reasons I'm bringing this up, and you know I have my carrier bill that will come here. When we originally drafted that bill two years ago, the railroad unions brought to me a case of one of those vans that was run into by somebody on the interstate and they were wanting those kind of lights for those vans when they stop to drop railroad workers off. And so you end up opening a door and a lot of people wanting to go through that door, whether it's good policy or not. But I just kind of wondered where it came from and maybe Kristen can talk about that a little bit.
[LB181]

SENATOR SMITH: Yes, and I would not want to diminish the need that there might be there. In this particular case though, I think it's the...how routine it is that these types of vehicles are parked alongside the roads performing their maintenance and repair.
[LB181]

SENATOR DAVIS: And I know that to be true. Of course, out where I come from, when the railroad is working on the tracks, they're all parked right alongside the road, too, because the can't get out because of the sand. So it's a concerning issue. Thank you.
[LB181]

SENATOR BRASCH: Are there any other questions from the committee? Seeing there are none, I am going to invite anyone that is going to testify to come forward. And I am now relinquishing the Vice Chairmanship duties to Senator Murante as I will be going to testify in another committee. Thank you. [LB181]

SENATOR MURANTE: Thank you, Senator Brasch. Are there proponents wishing to speak on Senator Smith's bill? Welcome to the Transportation and Telecommunications Committee. [LB181]

KRISTEN GOTTSCHALK: (Exhibit 1) Thank you. Senator Murante, members of the committee, I am Kristen Gottschalk, K-r-i-s-t-e-n G-o-t-t-s-c-h-a-l-k. I'm the government relations director and registered lobbyist for the Nebraska Rural Electric Association. I'm here providing testimony in support of LB181 on behalf of the Nebraska Rural Electric Association and our 34 rural electric providers across rural Nebraska, as well as the Nebraska Power Association which represents all the electric utilities, including rural power providers, power and irrigation districts, public power districts, and the municipal systems across the state. We would like to thank Senator Smith for introducing this

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legislation. As he mentioned, a similar bill was introduced last year, but it fell victim to time constraints, and as he mentioned the dreaded amber light bill of last year. I assure you this really is much different, has a very, very specific focus on safety and visibility and the protection of utility workers. Along with a number of other vehicle types, as mentioned by Senator Garrett, electric utility vehicles are currently authorized to use amber flashing lights or rotating lights. Much research has been done on this issue as to the effectiveness of lights. And the handout that's being provided to you is the Texas Department of Transportation's warning light research paper that they provided and is background for the reason we're asking for a change. The research has shown that motorists associate less hazard or danger with amber flashing warning lights than they do with other colors or a color combination. There appears to be less of a need to slow down with amber lights alone than when approaching vehicles using amber lights combined with blue. This likely is a result of visibility factors and because of the pervasive use of amber lights tend to just think, oh, it's just another amber light. It could be anything. Since utility vehicles are frequently out in inclement weather, driving very slowly while surveying lines for damaged or stopped adjacent to the roadways doing repairs increasing the visibility of the vehicles in a manner that also encourages motorists to slow down is a very important step in increasing the safety of utility workers who are already out there doing dangerous work. They may be in the bucket truck and they may be alongside the road. Last year in drafting the original bill, we worked with Andy Cunningham at the Department of Roads and Captain Sean Caradori with the Nebraska State Patrol to ensure that the language drafted appropriately. The language specifically allows vehicles operating by any public utility for the construction, maintenance, and repair of utility infrastructure on or near any highway. And the meaning of "highway" is any roadway including county and township roads, paved or unpaved is really what that does mean. It is the intent that this only apply to those vehicles owned or under the direct control, which could possibly include rented vehicles, under the direct control of the utility. The use of amber lights alone by utility vehicles would continue to be authorized for those that aren't doing that more dangerous work alongside the road, but we would encourage you for the safety of the utility workers to advance LB181 to General File. I'd be happy to answer any questions you might have. [LB181]

SENATOR MURANTE: Thank you, Ms. Gottschalk. Are there any questions? Seeing none, thank you for your testimony. [LB181]

KRISTEN GOTTSCHALK: Um-hum. [LB181]

SENATOR MURANTE: Oh, did you have a question? [LB181]

SENATOR DAVIS: I was just going to say, have we had any accidents that you think this might have avoided? [LB181]

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KRISTEN GOTTSCHALK: We have had numerous near-misses. And Randy Evans from Norris Public Power District is going to testify following me that may have something to (inaudible). [LB181]

SENATOR DAVIS: Okay. Very good. [LB181]

SENATOR MURANTE: Any additional questions? Seeing none, thank you very much for your testimony. [LB181]

KRISTEN GOTTSCHALK: Thank you. [LB181]

SENATOR MURANTE: Additional proponent testimony. Welcome. [LB181]

RANDAL EVANS: Thank you. Thank you, Senator Murante and members of the Transportation and Telecommunications Committee. My name is Randy Evans, R-a-n-d-y E-v-a-n-s. I'm the manager of operations and safety at the Norris Public Power District; and I'm here today to testify in support of LB181 on behalf of Norris Public Power District, the Nebraska Rural Electric Association and the Nebraska Power Association. I'd like to thank Senator Smith for introducing LB181 in an effort to increase the safety of electric utility workers. It is my understanding the Nebraska Department of Roads and the Nebraska State Patrol have approved the wording changes outlined in this bill. Norris Public Power District is a rural distributor of electric power. We provide electric service to 18,500 customers located in five counties located in southeast Nebraska. Within those five counties we provide electric service to 43 cities, towns, and villages. The district maintains over 5,000 miles of subtransmission and distribution lines with 75 full-time employees. The district follows a set of key objectives that have been developed together by the district's board of directors and management team. These key objectives enable the district to move forward in a positive direction and a unified manner. The top key objective for the district is safety. Safety will never be compromised for our employees, our customers, or the general public. Fifty of the Norris Public Power District's employees drive vehicles on a daily basis and would be directly impacted by the implementation of LB181. Safety encompasses many things including the safe operation of district vehicles on or near public roads. Currently, electric utilities are authorized by statute to use amber lights on vehicles to enable oncoming traffic to better see their vehicles and these lights have worked well and do warn oncoming traffic. However, on a bright sunny day or during inclement weather, research has shown that blue and amber lights are much more distinct for oncoming traffic to see versus just amber lights. Within current law, snow removal vehicles are allowed to use blue and amber lights. Both snow removal vehicles and electric utility vehicles travel the public roadways during inclement weather. Norris Public Power District utilizes hazard lights during slow movement along public roads while performing maintenance on district facilities. And hazard lights are also used while vehicles are stopped at a work site. The district does not use hazard lights to travel to and from a work site and will not

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change this practice with the passage of LB181. In conclusion, Norris Public Power District, the Nebraska Rural Electric Association, and the Nebraska Power Association support LB181 because we strongly believe that the change provided in LB181 enhances safety for both utility employees and the general public. At Norris Public Power District, we continually seek ways to improve safety so that our employees may go home injury free every day and night. And we believe LB181 increases the opportunity for that goal to be reached. If one vehicle accident is avoided as a result of LB181, the passage of this bill would have been well worth the effort. I thank you for allowing me to speak today and I would entertain any questions at this time. [LB181]

SENATOR MURANTE: Thank you very much for your testimony. Are there any questions? Seeing none, thank you very much. [LB181]

RANDAL EVANS: Thank you. [LB181]

SENATOR MURANTE: Is there additional proponent testimony today? Seeing none, is there any opposition testimony? Any neutral testimony? Senator Smith waives closing. That closes the hearing on the bill and closes the hearing on the day. [LB181]