

ONE HUNDRED FIFTH LEGISLATURE - SECOND SESSION - 2018
COMMITTEE STATEMENT
LB909

Hearing Date: Tuesday January 30, 2018
Committee On: Transportation and Telecommunications
Introducer: Bostelman
One Liner: Change motor vehicle titling and registration provisions, assembled and kit vehicle provisions, and the branding of certificates of title as reconstructed or replica

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Bostelman, Briese, Friesen, Geist, Hilgers, Hughes, Murante, Smith
Nay:
Absent:
Present Not Voting:

Verbal Testimony:

Proponents: Senator Bruce Bostelman Gregory Larson	Representing: District 23 Self
Opponents:	Representing:
Neutral:	Representing:

Summary of purpose and/or changes:

This bill changes provisions of the Motor Vehicle Certificate of Title Act and the Motor Vehicle Registration Act relating to assembled and kit vehicles, and the designation of vehicles as reconstructed or replicas.

Sections 3 through 6 provide the definitions of assembled vehicles, kit vehicles, reconstructed, and replica.

Sections 7 through 9 amend current provisions relating to certificates of title for assembled and kit vehicles. Section 7 states the certificate of title for a vehicle assembled more than thirty years prior to application for the title shall indicate the year, make, and model the vehicle resembles, and that the vehicle shall be branded as reconstructed. Section 8 provides similar provisions for a certificate of title for a kit vehicle. Section 9 makes a technical change to the inspection provision of the assembled vehicle law.

Section 10 is a new provision relating to applications for a title for assembled vehicles. An owner may apply for a title by presenting a certificate of title for one major component part, a notarized bill of sale for all other major component parts replaced, a statement that an inspection has been conducted on the vehicle, and a vehicle identification number. The title certificate would indicate the year application for the title was made and the make of the vehicle as assembled.

Sections 11 through 14 incorporate the new definitions and provisions for assembled vehicles into current law.

Section 11 provides that the DMV will issue certificates of title for assembled vehicles pursuant to new section 10.

Section 12 amends current law relating to vehicle identification inspections, and adds language regarding reconstructed and replica vehicles to the provision requiring records of receipts and sources of major component parts.

Section 13 amends the current law relating to the assignment of vehicle ID numbers by the DMV, and adds reconstructed and replica vehicles to the types of vehicles for which ID numbers could be issued.

Sections 15 through 20 incorporate the new definitions of reconstructed-designated, replica-designated, assembled vehicle, and kit vehicle into the Motor Vehicle Registration Act.

Section 21 incorporates the new definitions into the motor vehicle registration fee statutory section. For assembled, reconstructed-designated, and replica-designated automobiles, the base fee shall be the same as automobiles with a value when new of less than \$20,000, which is \$5. For other assembled, reconstructed-designated, or replica-designated vehicles other than automobiles, the fee shall follow the schedules for their vehicle body type.

Explanation of amendments:

The committee considered and adopted an amendment which accomplishes the following:

The amendment substitutes for the bill and revises the language of LB909 as introduced and, in addition, it adds the provisions of LB740, LB895, LB896, LB1049, LB1092, and LB1136.

The original provisions of LB 909 are amended with the elimination of original Section 11 of the bill, which clarifies that the Department of Motor Vehicles (DMV) will not issue certificates of title for assembled vehicles but that those titles will continue to be issued by County Treasurers.

pp. 37 (Sections 38, 39), pp. 38 (Section 43), pp. 38-39 (Section 44), pp. 39 (Section 47), pp. 40-41 (Section 53), pp. 47-50 (Section 59), pp. 54-57 (Section 63), pp. 57 (Section 64), pp. 65-67 (Section 68), pp. 68 (Section 70), pp. 105 (Section 106)

LB 740 (Lindstrom) Change provisions relating to registration of MUD vehicles

The provisions of original LB 740 amend the Motor Vehicle Registration Act to change the manner of registration of vehicles owned by the Metropolitan Utilities District (MUD). MUD is a district created in Section 14-2101 to provide utilities services for cities of the metropolitan class. The bill would allow MUD to register vehicles in the same manner as public power districts are allowed to do by the passage of LB 783 in 2016. The committee added a provision making the operative date of sections impacted by LB 740 January 1, 2023. This is consistent with the timing of when vehicles will need to be registered by MUD. The bill amends and harmonizes Sections of Chapter 60 relating to registration certificates and where they are stored, special license plates, registration fees for commercial motor vehicles and regular vehicles, gross vehicle weights, and towing regulations.

Testifiers for LB 740 (January 30, 2018)

Proponents:

Sen. Brett Lindstrom, Introducer

Rick Kubat, Metropolitan Utilities District

Opponents: None

Neutral: None

pp. 3-5 (Section 2), pp. 8-9 (Sections 7-8), pp.10 (Sections 11-12), pp. 11 (Sections 18-19), pp. 16-19 (Section 26), pp. 26-27 (Section 30), pp. 31-34 (Section 32), pp. 35-36 (Sections 34-35), pp. 37 (Sections 38-41), pp. 40 (Sections 51-52), pp. 43-45 (Section 57), pp. 50-54 (Sections 60-61), pp. 57-58 (Section 65), pp. 71-77 (Sections 73-74), pp.83 (Section

80)

LB 895 (Geist) Change miscellaneous provisions relating to the Department of Motor Vehicles

The provisions of LB 895 would amend various provisions of laws administered by the DMV.

First, the bill provides DMV with authority to remove improperly noted liens from boat and motor vehicle titles, with sufficient evidence. The DMV must send notice to the last-known address of the lienholder prior to removal of the lien, and the lienholder has thirty days to respond with sufficient evidence that the lien should not be removed. The only amendment adopted by the committee to the original version of LB 895 was that the lienholder response time was extended from fifteen days to thirty days. If the lienholder fails to respond, DMV may remove the lien.

Second, auxiliary axles on car toters or tow dollies do not have to be titled or registered. The bill clarifies that those terms are not part of the definitions of semitrailer or trailer, and thus do not have to be separately titled or registered.

Third, owners of vehicles seeking replacement titles could bring in additional types of evidence of ownership, including affidavits from the collection of property from a decedent's estate, from sales pursuant to a lien, or from purchases of abandoned or towed vehicles.

Fourth, the bill provides for a new type of salvage title, which is a "flood damaged" title.

Fifth, the bill harmonizes license plate provisions necessitated because of the passage of the breast cancer awareness license plate legislation.

Sixth, the bill would allow renewal stickers for handicapped or disabled license plates.

Seventh, the bill provides that a motor vehicle is exempt from tax if a servicemember or his or her spouse serving in Nebraska is a resident of a state other than Nebraska. Current law provides the exemption only for the servicemember. It also changes an outdated definition for motor vehicles owned by Indians.

Eighth, the bill provides that holders of a state ID card with a digital image and a digital signature who are twenty-one years of age or older may electronically renew their state ID cards. Current law allows them to only electronically renew their cards once and then renew their cards in person once every ten years.

Ninth, the bill provides that a holder of an operator's license who has a digital image and a digital signature on file with the DMV may apply electronically to change his or her operator's license to a state ID card.

Finally, the bill would allow driver education instructors in public schools to electronically submit test results to the DMV. The law would still allow paper submission.

Testifiers for LB 895 (January 22, 2018)

Proponents:

Sen. Suzanne Geist, Introducer

Rhonda Lahm, Nebraska Department of Motor Vehicles

Loy Todd, Nebraska New Car Dealers Association

Opponents: None

Neutral: None

pp. 5-8 (Sections 3-6), pp. 19-26 (Sections 27-29), pp. 27-31 (Section 31), pp. 34-35 (Section 33), pp. 36-37 (Section 37), pp.42-46 (Sections 55-56), pp. 99-102 (Sections 100-101), and pp. 104 (Section 103)

LB 896 (Geist) Change provisions relating to Department of Motor Vehicles and certificates of title

Original LB 896 amends provisions relating to the DMV's proposed electronic titling system for motor vehicles and other property. First, the bill clarifies that certain sections relating to electronic certificates of title will apply after the implementation date designated by the Director of DMV. That date is not a date certain, but shall be before January 1, 2021. Sections amended by those provisions include sections relating to motor vehicles and motorboats.

Trailers not required to have titles, such as farm trailers, will be required to have identification numbers assigned after the implementation date. The number would be assigned by the county treasurer or the DMV, and the DMV would be required to provide trailer ID tags, which would be affixed to the non-titled trailer after the issuance of the tags.

The bill would require the DMV to incorporate into its electronic reporting system a process for salvage and junked vehicles and motorboats, and for the use of ID numbers for trailers which do not have a certificate of title.

The bill strikes the current date in Section 60-1507 of January 1, 2019, for implementation and utilizes the date of January 1, 2021 as the final date for implementation.

Testifiers (January 22, 2018)

Proponents:

Sen. Suzanne Geist, Introducer

Rhonda Lahm, Nebraska Department of Motor Vehicles

David Borsuk, Northwest Chapter Institute of Scrap Recycling Industries

Opponents: None

Neutral: None

pp. 10-11 (Section 14), pp. 39 (Section 46), pp. 86-89 (Section 82), and pp. 90 (Section 84)

LB 1049 (Harr) Change definitions relating to low-speed vehicles

The provisions of original LB 1049 would amend the definition of low-speed vehicles to include certain three-wheeled motor vehicles. They would be defined as (a) three-wheeled; (b) with a maximum speed on a level surface that is not faster than twenty-five miles per hour; (c) whose gross weight is less than three thousand pounds; (d) which is equipped with a windshield and an occupant protection system, and; (e) which comply with federal motor vehicle safety standards.

A motorcycle with a sidecar attached would not be defined as a low-speed vehicle. No amendments were made by the committee to the bill as introduced.

Testifiers (February 12, 2018)

Proponents:

Sen. Burke Harr, Introducer

Dan Morrissey, Tuk-Tuk Omaha

Bill Hamik, Tuk Tuk Omaha

Neutral: None

Opponents: None

pp. 1-3 (Section 1), pp. 9-10 (Section 10), pp. 11 (Section 15), pp. 36 (Section 36), pp. 37 (Section 38), pp. 38 (Section 43), pp. 41-42 (Section 54), pp. 46-47 (Section 58), pp. 54 (Section 62), pp. 58-65 (Sections 66-67), pp. 68-71 (Sections 71-72), pp. 77-83 (Sections 75-79), pp. 83-86 (Section 81), pp. 89-90 (Section 83), pp. 90-99 (Sections 85-99), pp. 102-104 (Section 102)

LB 1092 (Smith) Change definition for certain types of autocycles

LB 1092 relates to the definition of autocycle. The committee considered and adopted an amendment to the original bill creating a separate definition of autocycle for those vehicles that are not completely enclosed. Those vehicles would be equipped with a manufacturer-installed rollover protection system, but would not have airbags and a roll-cage. It would not change current definitional provisions that an autocycle (a) has a seat that does not require the operator to straddle or sit astride it, or (b) is designed to travel on three wheels in contact with the ground.

The bill as amended would require operators and passengers of autocycles that are not completely enclosed to wear helmets when that type of autocycle is being operated. No operator of any type of autocycle would be required to obtain a motorcycle operator's endorsement for an operator's license.

For purposes of Nebraska Rules of the Road, autocycles are included in the general definition of motorcycle, except in the sections relating to motor-driven cycle, signal lights, brakes, mirrors, windshield, kit vehicles, child seats, provisions relating specifically to traditional motorcycles, and concealed carry permit provisions relating to handgun storage.

Testifiers (February 12, 2018)

Proponents:

Sen. Jim Smith, Introducer

Mike Gentine, Polaris Industries, Inc.

Mike Bischoff, Dillon Brothers/Slingshot Dealers of Nebraska

Opponents: None

Neutral: None

pp. 16-19 (Section 26)

LB 1136 (Clements) Provide for disposition of proceeds from vehicles sold by auto auction dealers

LB 1136 relates to auto auctions and the mechanism for getting new vehicle titles relating to changes of ownership. The committee considered and adopted an amendment striking the original bill and inserting new provisions. The bill as amended provides a mechanism in Section 60-149 for auto auctions to get new titles for vehicles that have been purchased as salvaged vehicles, either through normal purchase or through payment of a total loss settlement, or when vehicles are donated to 501(c)(3) organizations and become property of the auto auction. The bill would require an affidavit by the holder of the auto dealer's license affirming the title is unavailable, which would be presented to the county treasurer before a new title is issued.

If an affidavit is submitted, the dealer licensee must certify that (a) it has made at least two written attempts and has been unable to obtain the properly endorsed certificate of title from the owner, and (b) thirty days have expired after the mailing of the written notice regarding the intended disposition of the property by certified mail, return receipt requested, to the last-known address of the owner and any lien or security interest holder of record of the property.

The notice shall contain a description of the property and a statement that title to the property shall vest with the auction dealer thirty days after the notice was mailed. The mailing of notice and the expiration of thirty days would extinguish any lien unless the lienholder or security interest holder claims the property within the thirty-day period. The auction dealer would transfer possession of the property to the lienholder or security interest holder if the property was claimed within the thirty-day period.

Testifiers (February 12, 2018)

Proponents:

Sen. Robert Clements, Introducer
Richard Miller, Copart Auto Auction
James Hines, Copart Auto Auction

Neutral:

Jerry Stilmock, Nebraska Bankers Association
Jo Hitz, Professional Towing Association of Nebraska

Opponents: None

pp. 104-105

Technical Sections

Section 103 Directions to Revisor of Statutes
Section 104 Operative dates of sections
Section 105 2014 Repealer
Section 106 2014 Repealer

NOTE: There are no provisions of law repealed outright by LB 909 as introduced or as amended by the standing committee amendment.

Curt Friesen, Chairperson