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January 15, 2004 LB 740

SENATOR CUDABACK: Thank you, Speaker Bromm. As stated, we're passing over LB 609. Mr. Clerk, LB 740.

ASSISTANT CLERK: Mr. President, LB 740, introduced by Senator Baker. (Read title.) The bill was read for the first time on January 22 of last year, referred to the Transportation and Telecommunications Committee. That committee reported the bill to General File with no committee amendments.

SENATOR CUDABACK: Thank you, Mr. Clerk. Senator Baker, you're recognized to open on advancement of LB 740.

SENATOR BAKER: Thank you, Senator Cudaback and members. I thought I was going to get a rest for a bit there, but not so. We jumped from one bill to another and landed on another bill that we have. This is known as the TRAC bill--terminal rental adjustment clause bill. I need to point out right at the beginning, there's no committee amendments or anything on this bill. It's the green copy and nothing but the green copy. You'll notice that there was no opposition to it in the committee hearing. Advanced with 7 votes. There was one member absent. But let me explain to you briefly what this bill does. It allows that when...and it's only fleet leasing here. When these people bring these fleets of vehicles back to the owners for turning them back in, this would allow that rental agreement between the two parties to adjust that rent. Now, if they bring these vehicles back in in good shape and lower mileage than maybe what they had thought they would be brought back in or was allowed to be brought back with, they could adjust the rent down. On the other hand, if they bring a fleet of vehicles back and there are numerous problems with them, maintenance was inadequate and poor, then that rental agreement would be adjusted upward. This actually provides an incentive for the lessee, that if they bring them back in good shape, they can adjust the rental agreement. Right now, they can't. And as I said, it's called the terminal rental adjustment clause. There's been approximately 40 other states have enacted this. And the reason we have to enact this, it's actually dealing with some federal guidelines that we have to address on the state level. So I would be glad to answer any questions. I think