

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 3, 2025

KELLY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the thirty-sixth day of the One Hundred Ninth Legislature, First Session today. Our chaplain for today is a guest of Senator Clouse, Pastor Nathan Kroll, Christ Place Church in Lincoln and Beatrice. Please rise.

NATHAN KROLL: Well, good morning. I'm honored to be here. There's a verse out of Romans, 13:1. It says everyone must submit to government authorities, for all authority comes from God, and those in positions of authority have been placed there by God. So you're here because God put you here. Let's pray. Heavenly Father, we thank you for these individuals who have dedicated their time and, and part of their life to the people of this state. And Lord, we just pray that in the decisions that have to be made and the, the bills that are in place or going to be in place, Lord, we just pray for wisdom and we pray for discernment. We know that King Solomon, and when he asked, he asked for wisdom. And you say that you grant wisdom. So Lord, we just ask that you would give all the people that, that make those decisions that you have put into place, Lord, we just pray for the wisdom and discernment they're going to need to, to make those decisions. In Jesus' name. Amen.

KELLY: I recognize Senator Ballard for the Pledge of Allegiance.

BALLARD: Good morning, colleagues. Please join me in the pledge. I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

KELLY: Thank you. I call to order the thirty-sixth day of the One Hundred Ninth Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

CLERK: There's quorum present, Mr. President.

KELLY: Are there any corrections for the Journal?

CLERK: I have no corrections this morning, sir.

KELLY: Are there any messages, reports or announcements?

CLERK: There are. Mr. President, your Committee on Urban Affairs, chaired by Senator McKinney, reports LB441 to General File with committee amendments. Additionally, your Committee on Transportation and Telecommunications, chaired by Senator Moser, reports LB398 to

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General File, and your Committee on Natural Resources, chaired by Senator Brandt, reports LB-- excuse me, LR17 to the Legislature for further consideration. Additionally, an announcement. The Revenue Committee will meet tomorrow, Tuesday, at 11 a.m. in room 2022. Revenue, exec tomorrow, Tuesday at 11, room 2022. That's all I have this time, Mr. President.

KELLY: Thank you, Mr. Clerk. Mr. Clerk, please proceed with the first agenda item.

CLERK: Mr. President, first item on the agenda. General File, LB140, introduced by Senator Sanders at the request of the governor. It's a bill for an act relating to schools; requires each school board of a public school district to develop and adopt a policy relating to the use of electronic communication devices by students as prescribed; and declares an emergency. The bill was read for first time on January 13 of this year and referred to the Education Committee. That committee placed the bill on General File with committee amendments, Mr. President.

KELLY: Thank you, Mr. Clerk. Senator Sanders, you're recognized to open.

SANDERS: Thank you, and good morning, Mr. President and colleagues and Nebraska. LB140 was brought to me by the Attorney General's office, which addresses the significant distraction caused by cell phones in the classroom. This bill was heard in the Government, Military and Veterans Affairs Committee, which had multiple testifiers in support of LB140. I believe it was heard in Education, I'm sorry for that. Many of which included students, teachers, and Governor Pillen. LB140 supports local control, allowing each school district to set its own policy. Bellevue Public School has successfully implemented phone restrictions, which has been overwhelmingly positive. This bill encourages similar efforts statewide. According to the Pew Research Center, 72% of high school teachers, 33% of middle school teachers, and 6% of elementary teachers say their students are distracted by cell phones in the classroom. According to the National Center for Education Statistics, 53% of school leaders report negative impacts on both academic performance and mental health due to sch-- cell phone use. Limiting phones' use also has proven health benefits. Research in the Journal of Social, Clinical and Psychology indicates that reducing screen time can decrease anxiety and depression in adolescents by over 20%. The Mayo Clinic Health Center in 2024 reported that cutting down on screen time improves overall, overall mental well-being. Teachers support this bill, as it reduces distraction, allowing them to engage

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students and focus on teaching. It's time to prioritize student success by eliminating unnecessary distraction. And good news, there are no-- there's no fiscal note. Thank you for your time, and I ask for your green vote on LB140. Thank you, Mr. President.

KELLY: Thank you, Senator Sanders. Senator Machaela Cavanaugh would like to recognize the physician of the day, Dr. Joe Miller of Omaha. Please stand and be recognized by the Nebraska Legislature. As the Clerk stated, there is a committee amendment. Senator Murman, you're recognized to open on AM203.

MURMAN: Thank you, Mr. President, and good morning, colleagues, good morning, Nebraska. The Committee amendment, AM203, clarifies language to ensure it applies to all electronic devices, and not just cell phones, and that the ban is limited to instructional school time, and not a ban on electronics on school property during non-classroom hours. There was some concern that if it was during non-class-- if the ban was during non-classroom hours, that there'd be issues in, like, sports activities and so forth, issues on how to control the, the use of cell phones there. And the amendment also has a decision on, on a policy come from the district level, and not allow for each teacher to have an individual policy. So it would be uniform in each district. And we, we're very supportive because the bill with the amendment does retain local control by school districts. And with all that, I'll close and appreciate a green vote on AM204, and the underlying bill, LB140. Thank you.

KELLY: Thank you. Senator Murman. Going to the queue, Senator Hansen, you're recognized to speak.

HANSEN: Thank you, Mr. President. I'm in favor of LB140 from Senator Sanders, and AM203 from the Education Committee. I think this is a great bill, very similar to a bill that I introduced about three years ago, I believe, allowing, or mandating that schools put their cell phones into a designated container before entering the room. It was met with some opposition, so it's nice to see now in the bill coming out had little to no opposition, it had favorability, even somewhat among the schools and, and teachers especially, and parents, which is what I think my bill did as well. I just want-- one thing that I thought was a very interesting note that I learned when we had our hearing when it comes to more of the research behind cell phone use in schools. One of the key findings of a study which we, I think we brought up during my bill was it takes, on average, a student 20 minutes to refocus on what they are learning after being distracted. So every time their Apple Watch buzzes, every time they feel their

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phone in their pocket, buzz, every time they hear a ding, very similar to Pavlov's dog, when that bell goes off, it takes them 20 minutes. I thought that was extraordinary, for a student to then refocus back on to what's going on. So you want to talk about one of the major distractions in a school is allowing cell phones in the classroom. And so I am wholeheartedly in favor of LB140. I'm glad Senator Sanders brought this. I think this is an important bill for school safety, for school learning. And parents, it's OK to not text your student to find out what they're having for supper that night. Life goes on, we'll be OK, it's more important they're there to learn. So I encourage my fellow senators to vote green on AM203 and LB140. Thank you, Mr. President.

KELLY: Thank you, Senator Hansen. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President, and good morning, colleagues. I hope everybody had a good weekend. It's good to be gathered together again for what should be a busy and productive week. I rise in support of Senator Sanders' bill, LB140 and the Education Amendment, AM203. As a member of the Education Committee, I can tell you that we had a really thoughtful and very engaged hearing on this topic. If you take a minute to look at your committee statement, you can see the diversity of testifiers that came in support of this measure. And one thing that I wanted to make sure to lift specifically in regards to this measure, was something that we all noted on the education committee level. There was a chorus of young voices, of student activists who came forward to share their experiences in schools and their experiences in their schools that had implemented different district level cell phone restriction policies. And we got to hear firsthand from young Nebraskans about how those restrictions helped to ensure uniformity, helped to take pressure off of checking your device during the school day, and how, how it really helped them to focus on learning. And it was, it was a really special hearing, and I really want to commend those young people for-- and their parents-- for taking time off of school and coming to engage their government in such a positive and informative way. The other thing that I want to make sure to lift in regards to this measure, because we've heard about it already a couple times this legislative session, and I think we'll, we'll hear about it a couple more times based upon the plethora of bills that have been introduced to education that follow a similar model. As you heard me talk about many times in regards to LB31, this is a standard policy directive bill. These bills come forward through the Education Committee and through the Legislature frequently, wherein under the authority granted to us to direct the State Board of Education, the

Legislature says, we'd like you to adopt a model policy on this issue, either updating an area of policy that has become antiquated, or addressing a new and emerging area of policy. And this is exactly in line with that very familiar practice. Now, that being said, many times, policy directive bills do spark opposition, as this matter did at the Education Committee level from the School Board Association. The School Board Association provided very thoughtful testimony, but also has a very legitimate, consistent perspective, focusing on local control and pushing back against any sort of policy directive at the state level. Again, that is consistent, that is familiar that, of course, is legitimate. And it is pattern and practice with policy directive bills like LB31 or the one before you today, brought forward by my friend Senator Sanders. The other piece is, and I don't know if I'll get all the way through this time on the mic, but I, I can punch in again, that I wanted to make sure to lift for the record, was that, as you may know, I, I represent North Lincoln, of course, but we also have two young children in LPS. And we love being a part of the LPS family, and we have witnessed firsthand how they've implemented a very strong, very clear cell phone restriction policy in one of our state's largest school districts. And I think there's so much learning that we can glean from that example that helps to show how this broader policy directed bill can be helpful for all districts across the state. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Senator Hughes, you're recognized to speak.

HUGHES: Thank you, Mr. President. I just wanted to speak briefly on this bill. I support LB140, I also support AM203. So, I mean, in all honesty, the majority of school districts are doing some kind of cell phone policy. This will just blanket the rest. But what I like about leaving it up to local control is that it is up to the school boards themselves to decide what that policy looks like. You could potentially say, you know what? All cell phones have to be in a locker all the school day, 8:00 to 3:30. Others are doing it just in the classroom, that you can come in, you put it in a little cubby by the door. Or some schools use-- you just have to not have it on your body. It could be in your backpack or in the locker. So that's what I like about it. It's leaving it up to the locals to decide how they implement this. I think we all clearly can say that a cell phone, even for us adults, is a distraction. And if we can keep that away from the periods that they are learning, that is a good thing. The amendment addresses-- the original bill, said any time you're on school grounds, and figured that would be quite an issue if you're at a sporting event for the school or, you know, something that you're taking pictures at,

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and just trying to handle that with kids and cell phones would be a little bit much. So this narrows that scope to educational time frame, and, and so I support this bill, and I think it's a good thing, I think it's a good for our Nebraskans and our students. Thank you.

KELLY: Thank you, Senator Hughes. Senator McKinney, you're recognized to speak.

McKINNEY: Thank you, Mr. President. I don't think I oppose this bill. I actually do think most schools already have these policies, which is good. And I think, you know, creating a model policy, or not a model policy, but encouraging all school districts to have some sort of policy isn't a bad idea. The only thing I'm thinking about with this is just discipline and how these school districts will enforce this. That's the only thing I think about when I think about cell phone policies is enforcement and how that will play out. I know this isn't in the bill, because school districts will be allowed to come up with their own policies, which is great because every school district is different and has different needs. So I think that's good. I'm just thinking about like the enforcement piece of this, and just-- that's the only thing I think about is the practical piece of, like, enforcing a cell phone policy, because just working with high schoolers and they are, you know, a particular bunch, even, you know, middle school students and elementary school students. So just the enforcement side of this is going to, going to be interesting. And I don't think that's something that we should look over or not think about because we might see an uptick, at least in the first year or two, of suspensions or some type of thing, just trying to implement these things with school districts, although they have policies, start implementing stricter policies because high schoolers are high schoolers for one, middle schoolers are middle schoolers. Elementary, I don't see it, I don't predict it as a huge problem. I think when you get to the middle school and high school levels is when you might start seeing the issues with the cell phones as far as enforcement, but it's just something to think about that we might see an uptick in suspensions or referrals or something else, at least in the first year or two to, like, get this implemented. I'm not opposed to having something in place to, like, make sure our kids are focused on school and those type of things, because I do think there is an imbalance in the system. Honestly speaking, as a father, as an uncle, there is. So I'm not opposed to that. I just think the enforcement piece of this on the back end, which is not in this bill, but it is something to think about. Because I'm telling you, high schoolers are wild, and middle schoolers are too. And at least in the first year or two, you're probably going to see an uptick in discipline because of this. Just

thinking about that. Not saying you're right or wrong, but it's something to think about, especially at the high school and middle school levels. So thank you.

KELLY: Thank you, Senator McKinney. Senator Rountree, you're recognized to speak.

ROUNTREE: Good morning, and thank you, Mr. President. And good morning, colleagues and all those that are joining us online this morning. I just rise to share a part of the experience I'm relating to this type of bill as a substitute teacher over in the public school systems that you represent. I recall an incident where in a ninth grade class we had maybe four of the students that came into the class and did not want to put their cell phones away to engage in our instruction for the day. As a matter of fact, one of the students said, what are you going to do about the cell phone? You can't take it away from me. I said, that's all right. I just went and pushed the button and asked for the administrator to come and to begin to deal with that particular student, and the others fell into line so we could get the instruction done. So I understand the position with Senator Sanders and this bill. And as I was out campaigning for this position over the course of last year and the summer, a lot of the parents began to talk about the access to the cell phones while there are in the classroom for their students. As you know, we had a lot of, you know, tragedies, shootings in the schools around the state, so they wanted their kids to have an opportunity to be able to contact them if something was going on. So it's trying to find that balance. I know as I went to my training for this year for substituting in the public school system, the-- it was said that we already had a policy that now there are no cell phones in the classroom. So, Senator Sanders, would you yield to a question?

KELLY: Senator Sanders, would you yield?

SANDERS: Yes.

ROUNTREE: Thank you ma'am. Now, I think we represent the same public school system over there. So as the policy has been implemented and is in effect, what kind of feedback have you gotten back as far as any type of disciplinary actions like Senator McKinney addressed? Those will be items that we wanted to look at. And also, what about in the community, how are the parents and so forth feeling about this policy as it's been implemented in this school year?

SANDERS: Thank you for the question, Senator Rountree. On discipline, the discipline, discipline, issue. They already, the schools, the school boards already have those types of discipline in place in their policy for anything that happens at the school. And so that also goes back to the school board and the teachers, and how that is implemented, and each school is different. And that is, that is part of that process making. As far as the feedback that I have received, probably the most feedback comes from the teachers that are so excited that they can get back to teaching again. So, and but the numbers that we have seen in a lot of the research, what concerns me is the mental health issue. There are also issues with being on the screen too long, for teenagers, approximately eight hours a day on a screen. And, and the bullying that comes with that when they're on. And from the students, what I heard was to have a bill throughout the state of Nebraska will help them, so their friends that go to other schools in other districts aren't texting them when they need to be studying.

ROUNTREE: So it'll put it everyone on a level playing field.

SANDERS: Very positive. Yes.

ROUNTREE: All right. Thank you so much, Senator Sanders. And that's all I have, Mr. Speaker. So I yield the rest of my time back, Mr. President.

KELLY: Thank you, Senators Rountree and Sanders. Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. Good morning, colleagues. I wanted to say thank you to the sponsors of this bill and the Education Committee for the amendment. One thing that I do want to make sure we have very clear is that we're not over prohibiting those electronic devices which are used for instructional purposes. So I wondered if Senator Conrad could yield to a few questions?

KELLY: Senator Conrad, would you yield to some questions?

CONRAD: Yes, yes, of course.

DeBOER: Thank you, Senator Conrad. I was looking through this, and I know I kind of talked to you about it, but I wanted to put some things on the record. So I know that there are quite a few school districts in the state where children have tablets, iPads, things like that, or even computer classes with computers in the classroom. So since those computers could, through email or some sort of FaceTime app or something like that, communicate with other computers. I was wondering

what the bill thought in terms of providing for those kinds of exceptions.

CONRAD: Thank you Senator, and as you know, I am not the world's most tech savvy person in the world, but an enthusiastic student in that regard. And I think if you toggle between the bill as introduced and the committee amendment, you can start to discern the definitional components in this policy directive bill. And we tried to sort through this at the committee level as well. I think the primary focus of the measure is to ensure that there is a clear policy in regards to personal electronics, so that might be your cell phone, that might be your personal iPad, that might be your smartwatch. All of these kinds of devices that are contemplated by the bill and the amendment, and that generally focus on the personal nature of those devices and how they communicate with each other, and remit signals and things of that nature. We, of course, would not want to tie the hands of our frontline teachers from being able to utilize any technology in the classroom. So I know many school districts, including my kids here at LPS, have school issued Chromebooks that they utilize for instructional purposes in, in, in each of their school days. And then we do know that different schools will utilize different iPads or other technologies for instructional purposes. Now, in my read of this, I think that would probably be OK, because the focus in the definition is on the personal, the personal devices. But if we need to have any additional clarifying information either today or in between General and Select File, I don't want to speak for other members of the Education Committee, but this is an issue that we've worked on really closely together, really in, in a unanimous fashion from that perspective. So if we need to provide any additional clarification to ensure that front line teachers can utilize iPads or other technologies in the classroom, I think that would be just fine, because that's not really the intent of this, this measure.

DeBOER: Thank you for clarifying that. I think the, the section that sort of spells out is under Section 1(2)(b)(ii). So an exception when authorized by a teacher for educational purposes during instructional time. So I'd just like to get on the record that that would mean that if the teacher gives some sort of free reading time, if they have an app for reading, they can use the, the reading time there. Or if they have, you know, do your own work time that they can do some of their apps, because I know that, that my niece, for example, is required to do a certain amount of app work per week, kind of as homework, that all of that would be acceptable.

CONRAD: Yes, that's right, Senator. And I will, I can talk a little bit at my next time on the mic, just in case we run out of time here, but I did want to lift up some of the feedback we heard from teachers at the committee. The original bill had a kind of general exemption or exception that said, unless teachers say otherwise, they, you know, for instructional purposes. And we heard from teachers that actually that was unhelpful to them, that they were looking for more of a uniform approach so that it wasn't all on them to be the good guy or the bad guy in terms of setting individual class policies for access to personal devices, communication devices.

KELLY: That's your time, Senator. Thank you, Senators Conrad and DeBoer. Senator Conrad, you're next in the queue.

CONRAD: Thank you, Mr. President. And again, thank you to Senator DeBoer for the questions. And just to continue there. So that is one piece that I know the Education Committee contemplated and did modify the bill as originally introduced with the committee amendment to take into account that feedback from Nebraska teachers to ensure a more uniform approach and really put the decision making on the district level, rather than on the individual teacher level in terms of access to personal communication devices. If we do need any additional language to ensure that legitimate educational instructional activities can happen with new technologies in the classroom, I think that we can, we could absolutely take that up from General to Select. And then, of course, as with any policy directive bill, while it sets minimum standards that the state Board of Ed will, will set, and then allows for an opportunity for each district to kind of utilize those, those minimum standards. There's still a, a fair amount of give and take on the local district level respecting local control for exactly how stringent those definitions or applications might be. The other piece that I did want to lift up, since I ran out of time on my first, my first on the mic was I had an opportunity to watch this policy develop in Lincoln Public Schools as a Lincoln Public Schools parent and as a parent of two, two young children in our school district. And first, Lincoln started with essentially a pilot program in two, I believe it was two of our high schools, and they had a chance to learn some lessons about implementation and issues that arose from that pilot program. So then taking that learning into account, then they were able to develop a very robust, very strong policy across the Lincoln Public Schools district that then rolled out subsequently from the pilot program. And it really does meet best practices in many ways, that, that kind of bell-to-bell kind of restriction, which we heard so frequently at the committee level as being really important to this conversation. There was a lot of dialog at the committee level

as to whether or not access to personal devices should be permitted in passing periods or at lunches, for example. And this was an issue where there wasn't, perhaps, 100% consensus. But it did seem that the vast majority of information that the committee was able to process really came down to that bell-to-bell kind of standard as the most appropriate way to move forward and maximize time and energy on learning during the learning day. So the other thing that I wanted to make sure to lift up is I think this is really, truly a strong, bipartisan, nonpartisan kind of issue. We have information from the U.S. Surgeon General. We have information from the U.S. Department of Education. We have great feedback from our fantastic partners in public education across the state here in Nebraska. And we know from common sense and personal experience, many of us as parents, that we're all really struggling to help figure out what the boundaries are and how to strike the right balance when it comes to children's interactions with cell phones and big tech and online endeavors. And it seems while there may be some disagreement as to some of the solutions put forward to address those very real and very important public policy considerations, one area where we're finding a significant amount of consensus is let's be good partners to our teachers, let's be good partners to our school districts, let's set uniform expectations for all kids to take the pressure off and say, when you're in school, you get to focus on social development and you get to focus on learning endeavors. And we can put these, these little supercomputers out of our pockets and out of our minds and, and not be so distracted. And that has improved opportunities for academic success and social development. We heard from a lot of the students at the committee hearing-- oh, I see, I'm out of time. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Senator Lonowski, you're recognized to speak.

LONOWSKI: Thank you, Mr. President. I stand in support of LB140, and I also support AM203. The cell phone, cell phone security has really been in evolving stages, and as a teacher of 35 years, we had issues with flip phones way back in 2005. I advise you to tell students to put their phones away from a teacher creates, creates a little bit of a power struggle. And so that has happened where some teachers are putting them away, some haven't. If an administrator, a principal says this is just good suggestion, then not everyone follows it. So there have been mixed, mixed results with that. Eventually we've got to principals that said, put the phones away. Here, we have a bag on the, on the wall. Everybody puts them in there, and it almost became like a, like an attendance thing where you could just look at the phones to

see who was there for the day. And that has evolved to where we're at now, where these phones do not need to be in schools at all, or at least during the day, with exceptions of emergencies and what have you. I talked to a local superintendent, and this year, the first time they went from turning the phones in at 8:15 in the morning and the kids getting back at 3:15 or 3:30, and they said it's been tremendous. In fact, their biggest problem is how loud the lunchroom gets at noon now that kids are not using their cell phones. He did tell me, however, that there are school districts that still have not implemented any type of policy, that they've left it up to school room teachers. And so that creates a difference in the school, and that creates a kind of a good guy, bad guy situation. There's also times when students will need to use those phones. A teacher might say, hey, we're going to look up mitochondria on our phone, I want everyone to write down the definition they find. So there's got to be exceptions. And also I know of-- I also know of coaches that have required their students to put the phones in a basket when they get on the bus, and that's worked out good for team talks and for just some team camaraderie. So I stand in support of LB140 and I also like the amendment. Thank you, Mr. Speaker. I yield my time.

KELLY: Thank you, Senator Lonowski. Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. I again want to stand in support of the bill and the amendment. I would ask for slight more clarification, and I'd like to just get at this on the record that one of the concerns I have is while the electronic devices for a smartwatch are within the purview of this bill, one thing I would want to make sure that we're exempting is if you're just looking at your watch for time. So I have a smartwatch that's a Fitbit. You have to push the button, then you can see the time. If I were taking a test, I might want to have that feature available to me. And I know this is sort of ridiculous, but just so that the folks who are making the policy know that there are some, some strange exceptions we want to have. I'm really pleased that there are exceptions already present in the bill for if someone has a continuous glucose monitor, they can look at their bill [SIC] to see what their glucose levels are, or for any other health purpose, which I think is great. But just wanting to make sure that there are exemptions for looking at a smartwatch to see the time, those sorts of regular watch features. And also for iPads used in instructional purposes, tablets, Chromebooks. Now, I've said some brand names, so I feel bad, but tablets and computers of other sorts so that those can be used. I know that my brother teaches at a private school that all of their books, their textbooks, are on some sort of

tablet. And so they don't even have physical textbooks. They have all their textbooks on the tablets. So just wanting to make sure that between General and Select, we look through and, and make sure that we've given proper instruction in terms of what we would like to have the policy makers develop the policy to look like, so that there are adequate exemptions for those instructional purposes that these electronic devices, which are integrated into our lives, are used for, and that those regular sort of things like a watch has some sort of viability under the, the statute as well, or whatever policy is made as a result of it. So that's really just-- I think the bill's great, I think a policy is great, I just want to make sure that we are not accidentally creating those unintended consequences, since those electronic devices are so integrated in our life now, and we want to make sure that we are able to use them in ways that are good, but not in ways that are distracting. So thank you very much, Mr. President.

KELLY: Thank you, Senator DeBoer. Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. Well, I think-- I appreciate Senator McKinney's comments when he said that he's not rising in opposition or he doesn't dislike this bill, and I kind of feel the same that, you know, as a parent of young kids who are in school, fortunately not old enough yet to be asking me for a cell phone, though I fear that that is coming soon. I do think, I mean, they have screens and things like that, so I can see the problems. The kids get distracted and they kind of become little zombies when they stare at screens, and that can be very detrimental to the learning environment. So I definitely agree with the intention of this bill, of making sure that schools are a place that is about learning and not about all of the other extran-- extraneous things that then kids can get distracted by, and that they can focus on the task before them, and can get the learning done. And then I, I also appreciate AM203, which I did get an opportunity to watch some of the hearing. And, you know, this is one of the things about committees and the way that they should work is AM203 is in response to some of the criticisms or things that were raised at the committee hearing. AM203 includes the change from, I think, it's school grounds just during academic activities. There was talk about dances and football games and things like that. It's my understanding that AM203 would address that concern and say that the schools are not going to be policing kids' cell phones when they're in nonacademic spaces, which I think is good. Other concerns, I don't-- I'm, again, I'm not technically savvy, so I don't really understand the distinction between the watches and the cell phones. But I appreciate Senator DeBoer's comments and concerns about that. I do

have a, a dumb smartwatch. And I do have to press a button to tell time on it. So I would want to make sure that you can still tell time. A lot of people use, just use their cell phone to tell time now. But so yeah, I think this worked its way through the committee, I think the committee did the right thing in responding to the comments that were brought forward by the opposition. I think it has a positive intention. I think that allowing the school districts to make their own policy that works for them is good, because obviously schools like OPs have a different consideration than schools out in, I don't know what it is, the Tri County, I think is Senator, Senator Brandt's district, are going to have different concerns, and so we want to make sure that the schools can respond appropriately to the different situations that their students bring forward for them. But, so my oldest kid's in fourth grade, and I did ask her, as this bill was working through, if anybody had cell phones, and she said that 2 or 3 kids in her class had cell phones and that they are required to put them in a sleeve in the back of the classroom so they can't have it, so it's not a distraction. But that's fourth grade. I imagine that the problems multiply at each grade level. So I think it's, it is important that we start addressing this because cell phones are becoming-- well, they are everywhere now and they're just getting more and more as you go down younger ages. So I'm supporting AM203 and LB140, and I appreciate the work of the committee and Senator Sanders on this, and I hope that we can maybe help our kids be a little less addicted to these devices, at least in the academic setting. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Conrad, you're recognized to speak. This is your final time on the amendment.

CONRAD: Thank you, Mr. President. Again, good morning. Colleagues. I want to thank each member that has had a chance to ask smart questions and share experiences about this important legislation, and also just wanted to add a particular note. We are very grateful to welcome Senator Lonowski to the Education Committee. His extensive experience in the classroom, on the front lines of education policy, and his work as a coach have, have really brought a lot of rich conversations to our committee hearings and our executive session. Of course, we have members like Senator Hughes, and Senator Murman, and Senator Meyers, and Senator Juarez with deep policy roots grounded in their commitment to public education as expressed through their service on the local school board levels as well. So it's definitely a committee that we, we get to kind of kick the tires on education policy from, from a lot of different angles on. The other thing that I did just want to lift, and I made sure to commend the governor and the Attorney General and

Senator Sanders at the committee level, but their legislation that they brought forward really was thoughtful about ensuring that there are appropriate accommodations and exceptions for students with special learning needs. There were also considerations given in the bill as introduced for kids who have health care needs. We've heard about continuous glucose monitoring as a primary example in that regard. So again, I think that the drafting of this measure was thoughtful, was comprehensive, and as with all policy directive bills, we utilized the experience, expertise, and resources available at the state Department of Education to fine tune those policies and then make them available to all schools. And policy directive bills, in particular, have the benefit of helping many of our smaller schools and our rural schools that maybe don't have the same access to resources for local general counsel, or a significant IT budget, or personnel. And so these policy directive bills not only ensure a certain sense of uniformity across the state, but typically are of great benefit to, to rural schools as well, in helping to do some of the research and limit some of the legwork requisite for policy promulgation on the local level. So the other piece that I wanted to make sure to lift was the original bill, and you've heard this from some of the colleagues, you know, was very, very broad in application. And it's our perspective and understanding from hearing from the Attorney General and the Governor's Office who worked together to draft this bill that originally they may have cast the net a bit too wide, and they were contemplating restrictions for field trips, for example. And the, the original legislation cast the, the net far too wide to include perhaps even extra curricular activities beyond instructional time and beyond the school day. So that was one area where we worked together to refine that, to narrow that application period and allow for greater use in extracurricular activities and beyond instructional time. This was another area where Senator Lonowski's experience as a wrestling coach was very instructive and helpful as well, as he talked about some of the tools, tech-- technology, tools that they used on their wrestling team for bracketing and scheduling and otherwise to help the, the coach or the teachers manage a big team of kids and know where they were supposed to be at what times and when they were participating in their wrestling matches, and that some of those technologies were important and relied upon the students' individual personal devices. So that experience helped to inform the refinement of that policy definition and application. And I, I really appreciate the body's engagement on this issue and look forward to working with Senator DeBoer and others, if need be, to ensure any additional clarifications. Thank you, Mr. President.

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KELLY: Thank you, Senator Conrad. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Good morning colleagues. You know, I am generally in support of AM203 and LB140. I am perturbed at how things are going in this body. So I just filed my first three priority motions of the year on one of the bills that's on the agenda. And it's interesting to me that this particular bill right now that we have on the agenda had opposition, but did not have a fiscal note, but managed to get out of committee with, really, it seems like not much trouble and didn't have to be prioritized or pulled. But apparently you have to have a relationship with the chair of the committee in which they would allow the committee to exec on your bill. If your bill has the votes, but if the committee chair doesn't want to, then they don't have to. Even if your bill has the votes and has no opposition, zero, and no fiscal note, zero, but if the committee chair doesn't like you or like the policy, then they don't have to do anything. And you can file a pull motion, but the speaker doesn't have to take it up. That's where we're at. That's where we're at in this session. And I just love this for me, because every year there's a point, and I'm impressed we got to day 36, but there is a point where this body shows me that it doesn't matter what I do or how I act, you're going to screw over the poorest people in the state for just pettiness, pure and simple pettiness. And you're going to make those of us that are fighting for vulnerable, poor populations that need access to food and housing and health care, that are Republicans, you're going to make us fight and scrap every inch for that. And then when we finally get it passed, you're going to adopt it as your own. You're going to show it as a hallmark of strong public policy, and you're going to claim the credit for it. But first, you're going to make us fight like hell for it. So I'm going to make this body fight like hell for the things that don't benefit low income people. You're going to have to fight like hell for it. Not this bill. Even though it had some opposition. I'm not opposed to it. I have a pact with other parents at my school about when our children will even have cell phones. And it's not going to be when my kids want them, which is now. It's going to be several years from now. I like keeping an eye on my kids' technology and paying attention to what they're doing. My husband and I try to restrict their screen time as much as possible until we cave, because we can't handle the begging anymore, especially during snow days. But you know, I don't want them to have these things at school. I want them to be focused on learning. I'm not even that thrilled that they use tablets at school, but I understand technology is part of the modern world, so I'm not opposing this bill and I'm not

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opposing this amendment. But I did just want to make that shot across the bow since several grenades have been thrown already against vulnerable populations. Republicans who are poor in Nebraska, white people who are white Republicans who are poor in Nebraska. I just want to make sure that we all understand that I'm not just helping the DI liberal community. It's everybody. And the majority of Nebraskans are white and the majority of Nebraskans are Republicans. And we have a large population of people who are struggling to make ends meet and to feed their families. And that's who I'm fighting for. I don't know who you all are fighting for. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. And Senator Machaela Cavanaugh would like to introduce some guests in the north balcony, eighth graders from Saint Robert Bellarmine in Omaha, Nebraska. Please stand and be recognized by your Nebraska Legislature. Seeing no one else in the queue, Senator Murman, you're recognized to close on the amendment. And waive. Members, the question is the adoption of AM203. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 42 ayes, 0 nays, Mr. President, on adoption of the committee amendment.

KELLY: AM203 is adopted. Seeing no one else in the queue, Senator Sanders, you are recognized to close on LB140.

SANDERS: Thank you, Mr. President. Thank you, Senators, for all of your questions and comments and assistance to make LB140 a better bill. And I hope classrooms where they rely on their iWatch for their time, if I can recall, all classrooms had clocks, so maybe we get back to just using the clock. It's a positive bill making a positive impact to students, teachers and parents. Please vote green on LB140. Thank you, Mr. President.

KELLY: Thank you, Senator Sanders. Members, the question is the advancement of LB140 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record Mr. Clerk.

CLERK: 44 ayes, 0 nays, Mr. President, on advancement of the bill.

KELLY: LB140 is advanced to E&R Initial. Mr. Clerk.

CLERK: Mr. President, next bill. General File. LB144, introduced by Senator Rountree. It's a bill for an act relating to labor; amend sections 48-225, 48-226, 227, and 238; changes provisions relating to veteran preferences for public and private employers; repeals original

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section. The bills was read for the first time on January 13 of this year, and referred to the Business and Labor Committee. That committee placed the bill on General File with committee amendments, Mr. President.

KELLY: Thank you, Mr. Clerk. Senator Rountree, you're recognized to open.

ROUNTREE: Good morning, Mr. President, and good morning, colleagues and all those that are watching online this morning. Today I rise to introduce LB144, which would expand the current hiring preference for military veterans when applying for a job with the state of Nebraska. The state of Nebraska currently offers a hiring preference for veterans who are transitioning from their military service to civilian life. I have passed out a handout explaining how veterans preference is applied currently, and how it would be applied under LB144. When a veteran applies for a public job within the state government, if there is a tie between two equally qualified candidates for a position, the candidate with the military background is given a slight preference in the interviewing process. This preference is also given to spouses of 100% disabled veterans. This preference is currently only extended for initial employment or for the return to employment with the state, as long as there was no disciplinary reason for their departure. LB144 aims to grant this hiring preference to spouses of veterans who were killed in the line of duty, or died due to his or her service, and to spouses of service members on active duty or reservists. According to the 2021 Active Duty Spouses Survey, the military spouse unemployment rate is 21%. As families move across the country to support their service members, it can be difficult to acclimate to their new homes and find employment in the community. The bill also expands preference from only being applied to an initial employment or return to employment. Under LB144 as amended by the Committee amendment, if one candidate qualifies for veteran preference, then all qualified candidates will receive preference. This change is important because, as currently written, a veteran working for the state who has already been given preference, who has gained experience in their field and would be eligible for a role, could be denied that position if a similar candidate who has not worked for the state applies. These changes bring Nebraska veterans' hiring preference closer in line with federal veterans' hiring preference. I know that we all believe that our military preparedness as a state and as a country is extremely important. In order to be prepared on a national level, we need to be well situated at the local level. Ensuring that military families are financially secure helps our service members carry out their duties confidently without any additional stressors back home. LB144 came out

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of the Business and Labor Committee 7-0 with no opposition testimony and no fiscal impact. I appreciate your attention to this bill, and ask that you vote yes on LB144 and the Committee amendment.

KELLY: Thank you, Senator Rountree. As the clerk mentioned, there is a committee amendment. Senator Kauth, you're recognized to open.

KAUTH: Thank you, Mr. President. Sorry, I was outside in the rotunda. The committee amendment, Senator Rountree worked with a bunch of people on our committee and on the floor. We had concerns about the word promotion and using a benefit for promotions. So he was very, very good about making that amendment, and the amendment now says if two or more preference eligibles are being considered for the position, the veteran's preference shall be applied equally to all such preference eligibles, and it strikes the word promotion. That's all I have.

KELLY: Thank you, Senator Kauth. Mr. Clerk.

CLERK: Mr. President, Senator Rountree, I have AM103 with a note that you would withdraw.

KELLY: It is withdrawn. Senator Riepe, you're recognized to speak.

RIEPE: Thank you, Mr. President. I have a question for Senator Rountree if he will, please.

KELLY: Senator Rountree, would you yield to questions?

ROUNTREE: Yes, I'll yield to a question.

RIEPE: Thank you, Senator. In looking at the document that I have, it, it talks in there about not only the veterans but their spouses. Is that still in the bill?

ROUNTREE: Yes, sir, that is still in the bill.

RIEPE: OK. That, I have, I have a problem with that. I happen to be a veteran, I support veterans, but I think extending that to-- I also have a concern with numerous preferences given to various groups, and but-- particularly to spouses. I think that's a whole different category. But thank you for answering that. Thank you, Mr. President.

ROUNTREE: Yes, sir.

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KELLY: Thank you, Senator Riepe. Seeing no one else in the queue, Senator Kauth, you're recognized-- Seeing no one else in the queue, Senator Kauth, you're recognized to close on AM175, and waive. Members, the question is the adoption of AM175. All those in favor vote aye; all those opposed vote nay. Record. Mr. Clerk.

CLERK: 40 ayes, 1 nay, Mr. President, on adoption of the committee amendment.

KELLY: AM175 is adopted. Returning to the queue, Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Good morning. Colleagues. I wasn't planning to speak on this bill, but appreciate my friend Senator Rountree bringing this forward. And I really appreciate Senator Riepe addressing some of his concerns in terms of scope and application as to spouse, military members, families, and, and spouses. And I can tell you from having worked on LB16 in the prior biennium, which was a key workforce development measure meant to improve access to hiring for credentialed professionals who were coming into the state from other jurisdictions, that this issue arose quite frequently in those discussions about how we could remove barriers to occupational licensure, not only for people seeking second chance employment or who were starting out their careers, but particularly for military families as well. And of course, it's well established that with our connection to Offutt, and our strong public policies supporting our military families, both active and retired, our veterans and their families, one thing that we do know is that when we can provide access to good quality jobs for military members, spouses in particular, that that really helps us to retain top talent when those families may separate from the military. So by affording a preference during that, that period of deployment or active duty and extending that to the military members' spouses can really help to ground and to root that family to stay in Nebraska for the long haul. So I do think that there are important policy underpinnings to have a broader scope and application beyond just the military member or the veteran to include certain family members. I think it helps to address our unique connection to Offutt. I think that it helps to address key workforce development and population recruitment and retention components. But I'm glad that Senator Riepe did raise those questions, because that's exactly the point of debate and deliberation to lift up some of those concerns and to ensure that we can build a record, and, if need be, work either on General File or between different segments of debate to provide any additional clarification or amendments to further bolster consensus. So I thank Senator Rountree, for bringing this measure

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forward. I know it's very, very important to his district, and I know it's in line with a lot of different bills that we've taken up in recent years to, to advance our shared workforce goals and to do right by our military families and our veterans. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Seeing no one else in the queue, Senator Rountree, you are recognized to close on the bill.

ROUNTREE: Thank you, colleagues, and thank you very much for the discussion on this bill and all questions that have been asked. As I said before, I believe that LB144 will help ensure that military families are able to find employment in our state and also plant roots in our communities. This bill, as I said, was voted out of the Business and Labor Committee unanimously and I ask for your green vote, vote on LB144. Thank you, Mr. President.

KELLY: Thank you, Senator Rountree. Members, the question is the advancement of LB144 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 39 ayes, 0 nays, Mr. President, on advancement of the bill.

KELLY: LB144 is advanced to E&R Initial. Mr. Clerk.

CLERK: Mr. President, next bill. General File LB478. Introduced by the General Affairs Committee, It's a bill for an act relating to the Nebraska Liquor Control Act; it amends several section, sections of Chapter 53; provides for an auction permit for the sale of alcoholic liquor at auction and for a wholesalers shipping license as prescribed; changes provisions relating to licenses issued by the Nebraska Liquor Control Commission; the method of notice for local governing body hearings related to licenses issued by the Nebraska Liquor Control Commission; and obligations of the primary source of supply for alcoholic liquor; harmonize provisions; repeals the original sections. The bill was read to the first time on January 21 of this year, and referred to the General Affairs Committee. Mr. President, there's currently nothing on the bill.

KELLY: Senator Holdcroft, you're recognized to open.

HOLDCROFT: Thank you, Mr. President. General Affairs Committee brought forward LB478 on behalf of the Liquor Control Commission. The purpose of the Liquor Control Commission is to regulate and control the alcoholic beverage industry and beverages coming in and out of the state in an efficient, effective manner in order to promote public health, safety, and welfare. One of the duties assigned to the

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Nebraska Liquor Control Commission is to investigate the administration of laws related to the alcohol liquor and recommend changes to the Legislature. LB478 contains several of these recommendations. The first recommendation allows wholesalers to obtain shipping licenses. Currently out of state, wholesalers ship alcoholic products from their wholly owned entities to their licensed wholesale entities in Nebraska. These out of state wholesalers do not currently have the ability to obtain licenses. The commission would like these out of state wholesalers to obtain a shipping license, so the Commission would have the ability to know what alcoholic products are shipped between these wholesale entities and to ensure all taxes are being paid. The second recommendation updates the commission's brand registration system by exempting out-of-state retailers from brand registration and creates a renewal fee. This system requires all manufacturers, Nebraska craft breweries, microdistilleries, and farm wineries who hold a shipping license to reregister their brands. Nebraska law allows out-of-state retailers to ship to Nebraska residents. Because these products will often be in the marketplace already, the commission would like to exclude out-of-state retailers from having to register brands, as they are not the original importer nor shipper of domestically produced product. The commission is also requesting a renewal fee added to the brand registration system. In many states without a renewal procedure, products no longer available in the state remain in the database for years. The third recommendation is to give the commission statutory authority to permit auctions and auction companies, auction houses, to, to sell alcoholic beverages if they are part of the auction. The commission would create the rules and regulations for this permit process, and anticipates a nominal fee for this permit. The final recommendation from the commission provides various technical changes, driven by a newly implemented, agency-wide computer managed system to regulate the alcohol industry in Nebraska. The committee voted LB478 unanimously out of committee with an 8-0 vote. Thank you, Mr. President, and I encourage your green vote on LB478.

KELLY: Thank you, Senator Holdcroft. Seeing no one else in the queue, you're recognized to close, and waive closing. Members, the question is the advancement of LB478 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 36 ayes, 0 nays on advancement of the bill, Mr. President.

KELLY: LB478 advances to E&R Initial. Mr. Clerk.

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CLERK: Mr. President, next bill, General File. LB113 introduced by Senator Quick. It's a bill for an act relating to the Nebraska Liquor Control Act; amends sections 53-123.01, 123.14, 123.16, 129; changes provisions relating the rights of a manufacturer's, craft brewery, and microdistillery license; harmonize provisions; repeals the original section. The bill was read for the first time on January 10 of this year, and referred to the General Affairs Committee. That committee placed the bill on General File with committee amendments, Mr. President.

KELLY: Thank you, Mr. Clerk. Senator Quick, you are recognized to open.

QUICK: Thank you, Mr. President. And good morning, colleagues. Today I am asking for your support of LB 13, a bill related to craft beverages that advanced from the General Affairs Committee 8-0. I decided to introduce this bill for two reasons. First, this matters to my district. The current statutory limitation on brewery and distilleries locations has impacted Grand Island directly. Second, this bill is an important step in growing Nebraska's microdistillery and craft, craft beverage industry. The bill, as introduced, will allow craft, craft breweries and microdistilleries to expand their locations across the state from 5 to 10 locations and will increase self-distribution limits for microdistilleries from 500 gallon to 5,000 gallons of their own product per calendar year to retail licensees located in Nebraska. To put it in perspective, 5,000 gallons is less than 1.5% of 5 million gallons of spirits sold in, in the year-- in the state each year. There are only about a dozen active microdistilleries present-- presently operating in Nebraska. And this bill allows-- and this bill allows them for a better opportunity to establish a market for their products. As you will hear from Chairman Holdcroft, the committee unanimously voted out-- voted-- advanced the bill with a committee amendment. Although proponents brought forward a strong justification for, for the bill as introduced, the amendment was brought forward in the spirit of compromise to smooth the path forward out of committee for consideration of this bill on the floor. So, and eventually, Senator-- Next up will be Senator Holdcroft to bring the amendment. But this bill is an important step in growing Nebraska's microdistilleries and craft beverage industry. Local breweries and distilleries are using Nebraska grown ingredients to create quality-- high quality products that contribute to the state's economy. By allowing these businesses to expand, we are getting our statutes out of the way of small business growth, allowing local investment and job creation. LB113 is a common sense approach to modernizing Nebraska's liquor laws, while ensuring that our state's

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craft beverage producers can grow, thrive, and continue contributing to our communities. I would greatly appreciate your support and vote for LB113. Thank you, Mr. President.

KELLY: Thank you, Senator Quick. As the clerk stated, there is an-- a committee amendment. Senator Holdcroft, you're recognized to open.

HOLDCROFT: Thank you, Mr. President. The General Affairs Committee voted 8-0 to adopt AM232 to LB113. This committee amendment decreases the proposed increase in the number of allowed craft brewery and microdistillery retail locations from ten locations to eight locations. The amendment also decreases the proposed increase in the limit on the number of gallons. A microdistillery can annually self-distribute from 5,000 gallons to 3,500 gallons. The committee amendment responds to the concerns of opponents who favor the preservation of the current three-tier system of alcohol regulation. This amendment intends to strike a balance between the competing interests of adherence to the three-tier system, and stimulating economic opportunities for small businesses in Nebraska. Thank you, Mr. President, and I ask for your green vote on AM232 and the underlying bill.

KELLY: Thank you. Senator Holdcroft. Senator Raybould, you're recognized to speak.

RAYBOULD: Thank you, Mr. President. Good morning colleagues. Good morning, fellow Nebraskans. I stand in opposition to the amendment as well as to this piece of legislation. I believe that there are some constitutional issues involved with this piece of legislation. So back in February, on February 18, I had requested that the Attorney General provide an opinion. And in spec-- specifically, I asked him, does LB113 and the statutes it seeks to amend and expand provide differential treatment of in-state and out-of-state economic interests that benefits the former and burdens the las-- latter. And it raises concerns under the Dormant comment-- Commerce Clause that would require Nebraska to establish concrete evidence that the law is reasonably necessary to support public health or safety measures, or on some other legitimate non protectionist ground. And so I just heard from the Attorney General this morning that the opinion is not quite ready to be released. So until there is clarification there is a possibility that this could be unconstitutional. And for that reason, until we get further clarification, I can't be in support of this bill at this time. Thank you, Mr. President.

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KELLY: Thank you, Senator Raybould. Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. Good morning colleagues. Well, I support AM232 and LB113 and voted for them both out of committee. And I-- when we were in committee, I did raise my concerns about this. So LB113, I've been on general affairs for four years, and now I'm realizing I'll probably run out of time, so I'll push my light again. But-- so we've done this, every year there's been some bill about expanding these microdistillers, or microbrews, or farm wineries in terms of their ability to have tasting rooms or taprooms or whatever you want to call it and then their ability for self-distribution, which has been kind of the last couple of years. And in that time we've expanded the number, allowing tasting rooms up to five, and for both wi-- for both distilleries and microbreweries. And then we've allowed breweries for a limited self-distribution of I think it's 250 barrels. And I think it was last year, or maybe the year before, is when we allowed the distilleries to do-- engage in self-distribution up to 500 gallons. And one of the reasons we did that was we have what's called the three-tier system in Nebraska, which is you have wholesale, retail, and manufacturer are separate. And so you have manufacturers being somebody like a Budweiser or Jose Cuervo, I don't know what company makes them, but those type of things. Then they go to a warehouse, and then that warehouse delivers it to the bars and grocery stores. So we've divided up all those sorts of things. The-- what this bill and the previous bills have done is allow for basically one entity to own all three parts, three tiers. So it allows them to be both manufacturer, distributor, and retailer. And so that is a-- we've done it in a very limited way, because as Senator Raybould was just talking about, there's implicated constitutional federal issues about how we need to treat everyone the same. So you can't treat businesses outside of Nebraska differently than you treat businesses inside Nebraska. And so we have done it in a very limited way, and we've done it with a particular state interest of growing these domestic businesses. And so that's kind of the whole background of that is why we've done these things and where we are at. So the question that is LB113 is presenting as it pertains to the gallonage is we started a limited self-distribution of gallonage for distilled spirits, but it was essentially just not a high enough amount. So the distilleries, we gave them the ability to self-distribute, and they said it just doesn't make sense for us to do that. It costs too much to get-- hire somebody to do it, costs too much to get a truck to do the delivery. And so the original bill, they let them get to 500 gallons, just doesn't accomplish the stated goal of allowing these

Nebraska businesses to grow and to reach new customers. Because they're small enough that the current method of the three-tier system, the kind of bigger warehouse folks who do most of the wholesale distribution, are just not picking them up because they're not a popular enough product. It doesn't make sense for them economically. So the original allow-- allowing for self-distribution was specifically to address that issue and allow these distilleries to grow to a point that they would be on the radar of the bigger folks, and they could pick them up. And-- but the, again, the 500 was not enough that anybody was econom-- could make an economic case for their own business to engage in it. So that's why we're increasing the gallonage. The question that we had in committee, and I'll probably need to push my light, because I'm not going to be able to get into the detail of that, was about what is the right amount. Yeah, I'm going to run out of time. So, so I won't start down that path right now. But so I support the concept of this bill. It increases the number of tasting rooms from 5 to 3 for both beer and for liquor, and it increases the gallonage for liquor self-distribution, I believe it's to 3,500. And so there are other questions that people might have about that. But the concept I think is great. And, and I'll talk more in committee or what we talked about in committee on my next time. Thank you, Miss President.

KELLY: Thank you, Senator Cavanaugh. Senator Holdcroft, you're recognized to speak.

HOLDCROFT: Thank you, Mr. President. And I want to thank Senator Cavanaugh, John Cavanaugh, for those words. He kind of stole my thunder a little bit, but-- and I want to thank him for his support as the vice chair of the General Affairs Committee. He does a great job and I appreciate his support. Would Senator Raybould yield to some questions?

KELLY: Senator Raybould, would you yield to some questions?

RAYBOULD: Yes.

HOLDCROFT: OK, Senator Raybould, you said you filed a request for an opinion from the AG on February 18th. Did you approach the introducer of the bill to ask-- to, to express your concerns, or to let him know that you were doing that?

RAYBOULD: I did not at the time.

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HOLDCROFT: And did you-- you didn't-- I know you didn't approach me, and you did not appear at the hearing or express any opposition to the-- at the time of the hearing, is that, that's correct?

RAYBOULD: I wasn't at the hearing, no, but I believe it's not customary for senators to appear and give testimony.

HOLDCROFT: Well, they do, I mean, they do, but that's OK. I mean, it would, would have been nice just to-- You know, I'm here on the floor almost all the time. It would have been nice if you would have come over and just expressed that you had some, some concerns about this, this bill. Thank you very much, Senator Raybould.

RAYBOULD: You are welcome. Thank you.

HOLDCROFT: OK, back to Senator Cavanaugh. We're talking here about the Dormant Commerce Clause. This is in the U.S. Constitution, OK? There's nothing unconstitutional in the Nebraska Constitution about this. So we're really worried about the feds coming in and imposing this clause, which is, which-- essentially what it says is you cannot interfere with interstate commerce. And that was in back in the early days, that was to encourage the, the initially the colonies and then the states to, to not have any prohibitive laws against other states, so that you have a good flow of commerce across, across state lines. And, and the idea is, is not to interfere with the process. So the argument here is that we are giving a priority to in-state distilleries. And, and I think, as Senator Cavanaugh already pointed out, this is only 1.5% of the entire production of, of, of hard liquor, essentially, in the state of Nebraska. And the reason we are not concerned about the feds stepping in is because there are several other states who have done the same thing in much larger quantities. Kentucky permits craft breweries to self-distribute up to 5,000 gallons annually. Maryland, microdistilleries producing over 100,000 gallons annually can self-distribute up to 27,500 gallons per year. And New Jersey, everything's legal in New Jersey, craft breweries and distilleries can self-distribute up to 50% of their production with recent increases in distribution caps. So you see there are many other states have already done this, way beyond what we are doing, and the feds have not stepped in. So that's we are-- why we are not concerned about the injunction of the Dormant Commerce Clause. Thank you, Mr. President.

KELLY: Thank you, Senator Holdcroft. Senator Quick, you're recognized to speak.

QUICK: Thank you, Mr. President. And I'll just make one comment about, you know, Senator Raybould had, had not come and talked to me about seeking the Attorney General's opinion, and I had actually reached out to her after I'd introduced a bill and it was in committee, or it was still in committee, and I actually reached out to her to ask her if she had any concerns about the bill, and if she had any to please come to me with any of her questions or concerns. I give her additional information as well to try to help her maybe understand what we were trying to do with this bill. And so I was a little disappointed that she didn't actually come and speak with me about, about her concerns about the bill. This bill is really about entrepreneurship and how we're going to grow our, you know, our economy in Nebraska. It's about giving people the opportunity to, to have more than-- to grow their business, grow their business model. And what some of the distillers and the microdistillers are facing right now as they keep-- with that 500 gallon, they just keep bumping up against that limit where they can't get their product distributed out. A retailer or a liquor store said, you know, we like your product, but we can't actually make any money off your product unless you can give us so many gallons. And so, you know, they're small distillers, they're trying to do as much as they can, they self-distribute within their own locations, and some of them only have one location. Kinkaider's is probably one of the very few that has five locations. And right now I talked a little bit about what happened in Grand Island, Kinkaider's, they have left Grand Island, they're moving to Kearney and I'm-- and I understand why, Kearney is a college town. You know, they're, you know, out there by the interstate. That's a, that's a growing part of that community. And they're going to be able to expand their business out there. They did express interest in coming back to Grand Island if we can get more locations, and so that's one of the reasons I'm fighting for this bill. I think it's really important to show our local business people that, that they can grow their business in, in our state. And I don't know of any other business model where we tell, tell a, a retailer or whatever their business model is, you can only have so many locations in our state. We're not going to allow you to have more than, more than well, what they have now is five. And this isn't, this isn't a new bill. I mean, this is-- this bill has been brought several times, and it's not new to the country. There are several states that are, that are already giving more, more locations. I know that Cal-- well, California is probably a bad example, but they have eight locations, and Wisconsin, more a Midwestern state, has six locations. You look at some of the other examples of, of higher distribution limits, are Kentucky, Maryland and New Jersey, and I'm sure there's some other states that I, that I'm not aware of. And then I look at the amount

of, of spirits that are sold in Nebraska each year, 5 million gallons, and we're only asking for them to be able to self distribute up to 3,500 gallons. Not all of them are going to be able to, to do that amount. So I mean, this is just helping them grow their business model, and I think it's important for us in the Legislature to make sure we're promoting economic development in our state and providing an opportunity for our, our entre-- entrepreneurs in the state to actually grow their businesses. I did look up, even on the beer side, they're not-- they only can do 250 barrels, and they're not asking for more distribution on the barrel side. But in a barrel of beer, there's 31 gallons of beer. Out of that 31 gallons, there's 330 12 ounce bottles of beer. So if you figure that, and take that times 250, and you look at the amount of other mainstream bear distribution in the state. That is a pretty small amount according to that number. I think it's, like I say, I think that's an important, some important information for people to understand that these are our small distributors, thaey're small-- or not distributors, distillers and microbreweries, and, and they're just looking to grow their business model. With that, Senator, or with that, Mr. President, I'll yield the rest of my time.

KELLY: Thank you. Senator Quick. Senator Storer, you're recognized to speak.

STORER: Thank you, Mr. President. Good morning Nebraskans. I am pleased to stand in support of both LB113 and AM232. I think the amendment demonstrates a good compromise to address, you know, some of the, the concerns that were raised by, bye, by the retailers. We talk a lot about small business and entrepreneurship. As a conservative, we talk about the need to, to limit burdensome regulations. We also talk a lot about value added agriculture. And I think LB113 pulls all those things together in a beautiful way. It takes some, it takes two key components to distill a quality spirit. And generally that is quality grain and quality water. And what we have in Nebraska is both. We have both. And I've actually, I have a daughter that lives down in Tennessee, and it, it-- after spending some time down there, and of course, if you're going to go to Tennessee, you're going to tour some distilleries because that's just what you do. And as I listened and learned a little bit more about that industry, I had to start asking myself, why in the world don't we have a more robust industry here in Nebraska? Because we have all those components. So I represent District 43, 11 counties. It's an ag based economy. Kinkaider's, I am proud to say, originated and remains-- its, its home base is there in Broken Bow in District 43. And this, this is going to not just help one distillery, but others who are trying to get off the ground and to

expand that gallon, that self-distribution gallonage helps put them in a position to get their business to the size that they can then go to the next level. Any of us that have started a business or owned a business understand what growing pains really mean. And so I think this helps eliminate some of those growing pains and get, get our small distilleries into a more profitable position so that they can expand yet further down the road. With that, just a reminder, you know, for any of those concerns again, about the, about the, the Dormant Commerce Clause, I think it's already been said, but I just want to reiterate that other states have much higher thresholds than this, and those have not been challenged for their constitutionality. So with-- for those reasons, I don't have a lot of concern about that. And, and this, you know, we, we went down, the request was originally 5,000 gallons, that's in AM232, that brings it down to 3,500. That is far less than, than 1.5% of the total gallonage of spirits distributed in the state of Nebraska. So in support of value added agriculture and support of small business growth, again, I stand in support of LB113 and AM232 and encourage my colleagues to push the green button. I yield the rest of my time.

KELLY: Thank you, Senator Storer. Senator DeKay, you're recognized to speak.

DeKAY: Thank you, Mr. President. Unlike Senator Cavanaugh, this is my first year to serve on General Affairs Committee, and I was one of eight votes on our committee that supported a compromise amendment. Senator Cavanaugh and Senator Holdcroft talked about the nuances of the bill and the amendment, so I'm not going to dive into that. But I will say both craft breweries and craft distilleries are homegrown Nebraska businesses, and LB113, and the corresponding amendment will help them grow their businesses, businesses and communities. This is an economic development bill. These businesses are Nebraska products. Nebraska grains, Nebraska labor, and Nebraska facilities that create a pro-- the product. This bill allows these businesses to better market their products, and this is a tourism driver. Passport Nebraska uses breweries as stops on the passport program. And because of that, they know Nebraskans will support local businesses and enjoy visiting the communities where they are located. I support the committee amendment and the bill, and I will yield back the rest of my time. Thank you, Mr. President.

KELLY: Thank you, Senator DeKay. Senator Clements, you're recognized to speak.

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CLEMENTS: Thank you, Mr. President. Would Senator Quick yield to a question?

KELLY: Senator Quick, would you yield to some questions?

QUICK: Yes.

CLEMENTS: Senator Quick, the current distribution method guarantees that the liquor tax will be paid. How are you going to guarantee the tax will be paid with this increased volume?

QUICK: OK, yes. Thank you, Senator Clements, for the question. And the thing is, they already do that now, because they get to self-distribute up to 500 gallons of the distillers, and 250 barrels of beer, and they're already collecting those taxes and making sure they get to the state, and they have not violate-- they haven't had any violations on that.

CLEMENTS: All right. Thank you. The-- you were talking about the number of barrels of beer. I was calculating that out too. You said, I think, 330 beers out of a barrel. Was that right?

QUICK: Yes, Senator Clements, and actually, I had to Google that number because I don't know that off the top of my head, so I actually had to Google that. So I found out there was 31 gallons of beer in a, in a barrel. And then I, I looked it up and it said there were, what did I say, 330 12 ounce bottles of beer in a barrel.

CLEMENTS: And they have a 250 barrel limit currently?

QUICK: They do, 250 barrel limit of self-distribution.

CLEMENTS: All right. And so you take those two numbers times each other. That's 82,500 beers that they can self-distribute. And so this bill here with the amendment would have 3,500 gallons of hard liquor. How many drinks can you make with 3,500 gallons of whiskey?

QUICK: I did not look that one up, but I'm going to guess it's a few drinks.

CLEMENTS: I bet it's more than 82,000 beers. I hadn't got quite that far, but I think that's a real plenty. I think we're expanding this too fast, in my opinion, that it was a reasonable bill that we had, we passed two years ago. And so I'm not going to support the expansion of this amount. Thank you, Senator Quick. And so I, I would yield the rest of my time to Senator Jacobson.

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KELLY: Thank you, Senators Clements and Quick. Senator Jacobson, you have two minutes, 25 seconds.

JACOBSON: That should work. Thank you, Mr. President. Well, thank you, Senator Clements, for yielding the time. I was on further down the queue so I may get out. I just wanted to rise and, and show my opposition to this bill. I would agree with the last comments that Senator Clements just made. This bill, I was on General Affairs Committee when I first was appointed here. We had that discussion then in terms of increasing the volumes. I think we need to be careful about what we wish for here. OK? We're talking about going up by ten times. Ten times. So if you're a distiller, you're going from 500 gallons to 5,000 gallons, and-- that you can self distribute. At what point did the distributors lose interest in distributing your product? And now you're on your own to distribute from a distance. So I've got a distributor, I've got a, I've got a couple of, of processors in my district. I see one of them testified in a neutral capacity. The other one did not testify. But I do get concerned about being able to self-distribute in your local areas. Great. But you need to be able to use distributors to move product from a further distance. So I agree, I believe that at the 500 gallon limit, that gives those startups, plenty of, of, of room to be able to do what they need to do to get off the ground. And then ultimately they're going to want a distributor involved. So this seems to be only impacting one distributor at this point in time. I think it's time to pull the reins back, slow down, let's see where this-- where we go without this bill. So I'm going to be a no vote on A-- on, on AM232 and on LB113. Thank you, Mr. President.

KELLY: Thank you, Senator Jacobson and Clements. Senator Jacobson, you were next in the queue, and waive. Senator Andersen, you're recognized to speak.

ANDERSEN: Thank you, Mr. President. I rise in support of LB113 and AM232 and I would remind my esteemed colleague, Senator Jacobson, that the amendment takes the taprooms from five to eight, versus ten, and the distilled gallons from 500 to 3,500, as opposed to 5,000. I support both the, the bill and the amendment because I think it supports small business and promotes growth. It increases the number of taprooms, allowing small business to grow as they're able. And the same thing with the number of gallons, it allows the distillers to grow as they are able to in their small business. I think the, the government's role is primarily for safety and security, and besides that, we should probably get out of the way. AM232 is a good compromise from what was originally proposed. LB113 loosens

restrictions which are limiting small growth, especially some of the individual distillers. So with that, again I support LB113 and AM232, and I'll yield back the rest of my time.

KELLY: Thank you, Senator Andersen. Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. I didn't think I was going to get to talk again. So. All right. Well, where I left off was talking about the reasons behind this bill, which of course, is, as Senator Andersen said, was to help small businesses grow, essentially. And the bill allows for, specifically for Nebraska-based microdistillers to self-distribute up to 3,500 gallons. So the bill originally was proposed at 5,000 gallons. The amendment takes it down to 3,500, which is a smaller amount. And the number of taprooms was originally ten for both microdistillers and microbrewers, and the bill brings it down to eight. In the conversations in the committee, I obviously said that I support expanding both of these for the reasons I talked about earlier, which is that the 500 gallon gallonage limit is too little. It limits-- the-- doesn't serve the actual intention, which again, the intention was these microdistillers in Nebraska, in an attempt to expand their business, find a new market, and become attractive to the regular distribution stream, which-- should be able to engage in my-- in, in self-distribution. And 500 gallons was not enough for these microdistilleries to undertake the infrastructure necessary to start doing self-distribution. So we need to raise it to a number that is large enough that it makes sense for these businesses to actually do this, because it does no good to have this on the books if nobody's actually going to do it. A few places have done it, the 500 gallons, but I think that they would say that they it's-- they're doing it for, you know, spreading the word, I guess, as opposed to the economic incentive. So I do agree we need to increase it. And so I thought the 5,000 was too much. I actually still think 3,500 is, is too much. But I voted for this to make sure it gets on the floor and that we could to have the conversation about the bill. I don't know what the right amount is. Folks have talked about Nebraska-based wine has I think it's 30,000 if somebody-- but there's, and I think maybe Senator Clements was doing the math and what all that translates to. And then the beer has 250, which my understanding, 250 barrels of beer is equivalent to about 1,000 gallons of, of liquor. So that, you know, putting it on par, parity with beer would be at about that amount. But again, it would be doing it, just setting it at that limit might not be the right number because that might still not make economic sense. So the question is what's the right amount that allows these distilleries to engage in this limited self-distribution and have it

act-- have them actually do it, have it make sense for them to engage in self-distribution, but not so much that it becomes the only method of distribution that they engage in. We're not intending, when we passed these bills originally, the intention was not to create a different distribution method. It was to create an option, or make it available to these distillers to self distribute until they had a wide enough audience that they could be picked up by the distributors. And so that's the number we're looking for. I personally think 3,500 is higher than what that number is, but I don't know what the, the number really should be. So I, of course, would support the expansion. But if somebody had, you know, on the other side who doesn't support this bill had a suggestion about what is a reasonable amount that still serves the intention of the, the Legislature, previous Legislatures in, in adopting self-distribution, I think that would be a welcome part to this conversation. I know there's a lot of folks who are nervous about what self-distribution, increasing self-distribution means, you know, at, at large for the industry, and I think that is a valid conversation to have, and I would be interested in reading the Attorney General's opinion on that. I do have thoughts on the number of taprooms, and I definitely think I'm not going to get to talk again today. So I assume we'll be on this tomorrow, and I have other conversations. But I hope overnight, you know, when we take these bills and we start talking about them and people start articulating their positions, maybe between now and tomorrow we'll come back with something that is, you know, the people who have a problem with expanded distribution can suggest that will help alleviate their concerns. I'm happy to help with that conversation. So thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Mr. Clerk, for items.

CLERK: Thank you, Mr. President. Items for the record. Your Committee on Enrollment and Review reports, LB118, LB250, LB251, LB357 as correctly engrossed and placed on Final Reading. Notice of committee hearing from the Government, Military and Veterans Affairs Committee, as well as the Education Committee. Motions to be printed from Senator Machaela Cavanaugh to LB168. New LR, LR59, from Senator Brandt. That will be laid over. Name adds, Senator Andersen to LB144, Fredrickson to LB253, Dungan LB256, Andersen LB693. Finally, Mr. President, a priority motion. Senator Bosn would move to adjourn the body until Tuesday, March 4th at 9:00 am.

KELLY: Members, you've heard the motion to adjourn. All those in favor say aye. Those opposed say nay. The Legislature is adjourned.