

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 27, 2025

KELLY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the eighty-fifth day of the One Hundred Ninth Legislature, First Session. Our chaplain for today from Senator John Cavanaugh's district is the Reverend Debra McKnight, Urban Abbey, Omaha, Nebraska. Please rise.

DEBRA MCKNIGHT: As you feel comfortable, will you join me in prayer, meditation, and reflection? Loving God, living water, you call us to the poetry and presence and passion. You whisper in ancient words and modern connections. Grant us the courage in a world of uncertainty, ego, and anger to pause like the tree planted by streams of water that give life. The psalmist and the prophets alike speak of rootedness. Grant us the courage to sink our roots deep like the tree and the great grasses that hold the soil and reach deep enough to survive the scorching sun and dry days. The poets and the prophets alike speak of fruitfulness that comes in due season, reminding us that it may look like winter sometimes, but spring will come. They sing and pray and tell stories of pruning and preparation, sowing and tending that fruit may come, and leaves will shade the ground and branches will make a home for the smallest of birds. May we be rooted in the greater good, in the common hope, in your great divine love. May we bear the fruit of justice and compassion born of care and humility. May we be open to your presence that inspires our hearts to grow and our hands to serve the most vulnerable until there is no last and there is not least, until everyone goes to bed safe, beloved, and well-fed. May we flourish and give life abundant for all. May it be so.

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

KAUTH: 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: I call to order the eighty-fifth day of the One Hundred Ninth Legislature, First Session. Senators, please record your presence, roll call. Record, Mr. Clerk.

CLERK: There's a quorum, 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?

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CLERK: There are, Mr. President. Your Committee on Enrollment and Review reports LB150 and LB150A to Select File, LB150, having E&R amendments. Additionally, notice that the General Affairs Committee will have an exec session at 9:30 under the south balcony, General Affairs, south balcony, 9:30, exec session. That's all I have this time.

KELLY: Thank you. While the Legislature is in session, I propose to sign and do sign LR252, LR262, LR263, LR264, LR265, LR266, LR267, LR268, and LR269. Senator John Cavanaugh would like to recognize some guests under the south balcony. They are Lila Ramsey and the daughter of Pastor Ramsey in Omaha. Please stand and be recognized by the Nebraska Legislature. Mr. Clerk, please proceed with the first item on the agenda.

KELLY: Mr. President, Senator McKinney would move that LB287 become law, notwithstanding the objections of the governor, with MO281.

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

McKINNEY: Thank you, Mr. President, and thank you, colleagues. Good morning today. I rise to overture-- override the governor's veto of LB287. And the reason why I rise to override his veto is because LB287 and, and the subsequent bills within the package. Can I get a gavel? All right. So LB287 and the, and the bills within the package were brought by my committee and my office because for too long the issues of bed bugs and other related issues related to the Omaha Housing Authority have gone unchecked. Unchecked by HUD, unchecked by the City of Omaha, and unchecked this Legislature. And over the last couple years, we've been working to make sure that residents of public housing, especially in Omaha Housing Authority, are treated as humans. And we, we do things to ensure that their housing is safe. It isn't infested with bed bugs and other pests. Their maintenance is kept to the, to the best that they can be. And that's why I decided to bring this bill. That's why we decided to introduce it. Because these issues, if going unchecked, will continue to put residents, especially in, in, in Omaha Housing Authority, in my district, Senator Spivey's district, I believe in Senator Guereca's district, I believe in Senator Hunt's district. It, it puts residents in a-- in danger. And we can't go without trying to address that. I don't understand the governor's veto. Number one why I don't understand the veto, the bill is not a mandate. The package is not a mandate to the city of Omaha telling them that they have to do something. We amended the bill, in collaboration with the city to make it a may. They could pass an ordinance if they choose to. But we didn't mandate anything. And we

also, in the bill, all we're trying to ensure is that the Omaha Housing Authority does not rent a unit that they know is filled with the presence of bed bugs. They're not leasing units with bed bugs, and they're not-- and making sure that they're notifying their tenants of the presence of bed bugs. This issue has been going on for too long. They're under a class action lawsuit because of it. This is less about Senator McKinney and this is more about human dignity and making sure that Nebraskans can live in spaces where they don't have to worry about waking up with bed bug bites all over their body. Making sure that they can go visit family and not be treated other than because they live in a tower that is filled with bed bugs. It's about human dignity. It's about standing up for the values of the people we were sworn to represent. That's why this bill is important. It is frustrating that we're here today, but neither-- it-- whatever it is, whatever the case, we're here. But I would hope that you colleagues would override the governor's veto, not because I'm telling you to do so, not because I think it's right, but because we value all Nebraskans, no matter if they live in western Nebraska or north Omaha or south Omaha or midtown Omaha. No one should have to continue to live in these conditions that the Omaha Housing Authority has subjected its residents to. And, and even more so, I believe that since the city of Omaha appoints the board, the mayor selects the CEO, they are closer to the issue to address this problem. That's why we included this in this package. But, again, contrary to what was stated in the governor's letter about the veto, this is not a mandate. This is not telling the city they have to do something. It's saying, we're giving you additional powers to hold the Omaha Housing Authority accountable, because for the past few years, the city of Omaha has stated that they do not have the power to hold the Omaha Housing Authority accountable. So it's not a duplicative or redundant bill that's doing extra things that are already being done. Because if that was so, the city wouldn't have put out multiple statements over the past couple years saying they do not have the powers to hold the Omaha Housing Authority accountable. As for HUD, there's a lot of, there's a lot of things going on at the federal level. And prior to President Trump getting in office, President Biden in office, and then President Trump and so on and so on, we could keep going down the line of presidents, OHA has continued to have problems. I believe it's on us as a body to step in and utilize our authority to make sure these issues don't continue to persist. We have that power. This is not duplicating power. This is duplicating processes. This is holding people accountable, but also more importantly, living up to the values that we were sworn in to hold up. Being for the people. Uplifting legislation that deals with more than just us, but deals with

humanity. And, and that's why this bill is important. LB287 had one opponent at the hearing. It was a, it was a individual from the Omaha Housing Authority. Through the process, my office worked out an amendment that settled a lot of the issues that they had as far as processes. So that opposition was taken care of. LB514, we worked out amendment with the city. They do not have opposition of this bill. They don't even feel like we're overstepping. They are welcoming the bill because they understand that this issue needs to be addressed. So any cause of this being a mandate or we're, we're overstepping, we're not. If the city is welcoming this, there must be a reason. Again, I would tell you that the city, for multiple years, have said they did not have the power to hold OHA accountable. And even in this bill, if it passes, they have to take on the power. It's not forcing them to take it. That's why this bill is so important. And I hope that you all will see that this bill was bigger than all of us. It's, it's about just housing. It is about making sure people don't live in substandard housing without it being addressed. It's making sure Nebraskans, no matter where they live, feel like they have a home and they can feel dignified about living in that home. That they could feel comfortable inviting family over or feel comfortable going to family gatherings. Because a lot of residents have not been going to family gatherings and those type of things because they're living in the towers. And because of the issues of pests like bed bugs. That's why this bill is important. And if you have any questions, please feel free to ask me those questions. But this bill is about making sure we take care of people. And then on the conversation at LB321, I know people have questions. But I will repeat. There was no opposition at the hearing. And we just checked, and there was no online comments. So that's why it was included in the package. If it was controversial, I would assume people would have showed up to the hearing. People would have wrote online comments. And I'll just leave you with a quote from Huey P. Newton. Laws should be made to serve people. People should not be made to serve the laws. We're supposed to serve people and make sure that we take care of the people we were, we were selected to represent. And that's why I'm asking you to override the governor's veto, because if the shoe was on the other foot and you were te-- asking me to take care of the, the people in your districts, I would support you. And I would hope that I could get your support, not because I'm telling you to do it, because you're a human.

KELLY: That's your time.

McKINNEY: Thank you.

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

J. CAVANAUGH: Thank you, Mr. President. Well, I would just reiterate a lot of the things Senator McKinney just said. I support the override of the veto. I supported this bill to begin with. I supported the constituent parts of this bill because this bill has a couple of things in it. And he's spot on on the reason that this bill exists, which is there is a problem in the Omaha Housing Authority with infestations, and particularly of bed bugs. And there has been an ongoing fight. I've been on the General Affairs Committee now, I'm sorry, the Urban Affairs Committee now for three years. And the entire time I've have been there, there have been repeated attempts to address this issue. And the roadblock that people hit is that the city of Omaha has said they don't have the power or authority to do anything about it. But then when we bring a bill that would give power or authority to the city of Omaha, they say we don't need that because we already have the power and authority. And so the compromise that Senator McKinney worked out here is that created a permissive structure that said a city of the metropolitan class may exercise this power if they choose. So the real thing it does here is it doesn't create redundancy, it doesn't create any duplicative government oversight or action. It just says to the city of Omaha, they can no longer say they don't have the au-- the authority to do this. So people around here, of course, would say we don't need to legislate everything. There are other entities of government that are better situated. We don't unfunded mandates. We don't need directives from on high. That's-- This bill strikes that balance of all of those things. This bill just empowers the city of Omaha to take action to solve this problem. And this is a real problem. Anybody who sits on the Urban Affairs Committee could tell you the people who came testified, they brought pictures, they've brought stories about just the terrible conditions in these units. And as Senator McKinney pointed out, I don't know if he mentioned me, but I have a number of towers in my district as well that-- I know he mentioned Senator Hunt and Senator Spivey and Senator Guereca. But yeah, I have, I have at least three towers in my district. And the-- so these are people in our-- our constituents, they're Nebraskans, who deserve clean, safe housing. And all this bill does is say, one, that you can't rent a place that you know is infested, two, you have to clean it up, and three, it empowers the city of Omaha, if it chooses to exercise that power to go in and use its code enforcement authority to go into these units and make sure that they are clean and safe and habitable. That's it. Doesn't tell the city it has to do it, doesn't require that any action, it

says if they want to do that. And this is simply solving the problem where the city of Omaha has continued to say they, they, they're are not responsible for this problem because they don't have the power to do. If we're saying OK, we're giving you that power. We're saying if you exercise that power, you have it. So that's all this does. I don't understand. It doesn't make a lot of sense that it was vetoed. There is a portion in this bill about SIDs, and I'll try and get the case here. I got it the last time when we had this bill, I think on Select File actually it was. There's basically-- the Senator Sanders portion of this bill is, is a return to the state of law before the Nebraska Supreme Court had ruled and interpreted how SIDs assess against properties that benefit from the construction, the infrastructure projects the SID does, but are not within the SID. So that's Senator Sanders' portion of the bill. There was-- I don't believe anybody came and testified against that. I think it was just a couple of folks who develop SIDs came and testified and explained the reason that that was a, you know, a return to what the law had been forever and clarifying that that's the Legislature intended, that the law to be what it was before the Supreme Court changed that interpretation. So that's what Senator Sanders' bill does. This is a pretty small, you know, low, low, low-stakes bill, I guess. I mean, some of it's clean up, some of it's just empowering local entities to, to take up the power that they-- we need them to exercise so that we don't have to be involved. I can tell you a lot of people are sick of hearing about the Omaha Housing Authority in this Legislature and they're gonna keep hearing about it. Because we've tried to take action to help the people who live there, and now the governor has vetoed that and said that people-- we shouldn't be taking this action. Thank you, Mr. President.

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

SPIVEY: Thank you, Mr. President, and good morning colleagues, folks watching online in the Rotunda, on TV, and, and joining us. I stand up in support of MO281 to override the governor's veto. And I hope folks, as I know we're getting back into the swing of things for a Tuesday morning, really pay attention and dig into this conversation. So I actually have four towers, apartment towers, in my district, in District 13, that are managed by the Omaha Housing Authority. Every tower within Omaha has a bed bug infestation. And so when you think about all of the places where people are living, there is currently a bedbug fest-- fest-- infestations. And in my district, there are four towers that have that. Each tower has hundreds of people. Most of the folks that are living in those towers are elderly, have a varying ability status on fixed income, navigating different life

circumstances where they are needing support. And so a lot of folks that come and stay in the towers do not have other places to live. And what we are seeing is that it is not only impacting that individual, but their health and outcomes overall. It is changing their quality of life. And so this has been an ongoing issue. There is currently litigation against Omaha Housing Authority by some of the residents around their experience with bed bugs and how it's been managed. There have been talks with other elected officials in the area around like what can we do, because as Senator McKinney stated, it's around dignity of folks, and just like basic needs. Everyone deserves quality, affordable, safe housing that they can live in. We know that that is a bare necessity to be self-su-- self-sufficient and successful. And that is not being provided. And so this does not mandate anything, but really gives the opportunity for the city to have more oversight and management around the Omaha Housing Authority and the living conditions that it is providing for its residents. I don't know if folks actually looked this up before or had an opportunity, but the stories and the images that you see are devastating. There are folks that are in wheelchairs, and have mobility complications that are just riddled with bug bites across their body because of the infestation. And there's nothing that they can do. They have given grievances, they cannot move anywhere else, they cannot afford to because they are on a fixed income. And so again, I, I rise in support of this motion to override. This is a common-sense policy. The opposition that was there was addressed by the, by the committee and Senator McKinney. And I think this is going to make a difference for thousands of residents that are staying within the Omaha Housing Authority properties. You know, this weekend as I was preparing for today and, and trying to decompress from the session, I spend a lot of time with my kids. And my two-and-a-half-year-old is saying all the words and is like a mini adult and it's super cute. And he's at the stage now where he says, what are you doing and why? So, mommy, what are you doing? I'm driving in the car. Mommy what are you doing? And I say, I'm driving honey, we're going to the store. Why? Because we have to go get groceries. Why? Because we need food to eat. And so I've spent this whole weekend and just navigating his conversations and this place of inquiry. And so I'm really bringing that back to me as we are in our last full week of the session around how do we come from a place of enquiry and really challenge ourselves on the why. Like what are we doing here and why? Right now we have the opportunity to provide dignity and support, and much needed oversight and management to some of the most vulnerable community members among us. Why? Because that's our job. That's why we were sent here. We were sent here to ensure that we

represent all Nebraskans and those whose voices maybe get lost or pushed to the margins. And so I hope as folks are sitting here and having side conversations come from this place of inquiry of what are we doing here today, what is in front of us and the reason why. And I think it would allow for us to see that this is an important bill that is necessary and that we can sit in our power as a legislative body to override the governor's veto and ensure people have safe, affordable, quality housing that does not riddle and their health care because of bed bugs. Thank you, Mr. President.

KELLY: Thank you, Senator Spivey. Senator Guereca, you're recognized to speak.

GUERECA: Thank you, Mr. President. Good morning, colleagues. Hope everyone had a restful weekend. I rise in support of the motion to override the veto. LB287 is-- you know, we, we say common sense bill, but I mean this bill is literally about giving the city of Omaha a tool to help stop bed bugs. Bed bugs. On public property owned by we the people, there is a bed bug infestation. One of the primary duties we have is to be good steward of our taxpayers' dollars. Those dollars are being put to house some of the most vulnerable members of our society. We have deemed that this is a need. That elderly people who have no other place to go should have a home. That people struggling to make ends meet or have a mobility issue deserve a home. So we as a society have said, we are gonna develop an o-- a solution to that problem. We're gonna use our taxpayers' dollars to fix this problem. And in that solution, our solution, the solution of we the people, is inundated with bedbugs. Horror stories after horror stories after horror stories of the solution that we the people came up with is riddled in bedbugs. And all-- well, not just all this bill does. But what this bill does is help make sure that our partners in local government have an extra tool to make sure bed bugs are cleaned out. Period. If we're gonna be good stewards of our taxpayers' dollars, colleagues, let's give a local partner the tools to help get rid of bed bugs. It's not complicated, it's not controversial, it's just one more tool to help take care of some of the most vulnerable members of our society. And I hope that if one day you need help getting rid of bed bugs, you'll come to me. Because you know what? No one deserves to live with bedbugs, colleagues. So thank you, Mr. President.

KELLY: Thank you, Senator Guereca. Senator Clouse, you're recognized to speak.

CLOUSE: Thank you, Mr. President, you know I've spoken on committee with this bill and also on the floor. And I've gone different

directions on it because things changed in the last four or five months we've seen a lot of different changes that impact different decisions and which direction you need to go. In committee I voted no because I didn't think that that should be placed on the city. I felt that, you know, there's processes in place working with HUD, and it's their responsibility, and I didn't want to put that on the city to enforce that. Then what changed is we amended it and said, OK, they may if they want to. Now then, OK, I can live with that, because it gives the city the option to do that if they choose. Why they would ever do that, and I mentioned this earlier on the mic, I have no idea why you would take on that type of liability. So what's changed now? We have a whole new administration in Omaha. So I, I want to give that administration the opportunity to weigh in on it. The mayor appoints the Housing Authority, give them the opportunity to make some changes there and see what he can do with the Housing Authority under different administration and different leadership, keeping in mind that the last 12 years has been under a different, a different mayor and a different administration. So I think we need to give the new mayor and new administration an opportunity to take this and, and deal with it head on, and make the changes it feels important. With regards to the SIDs, I like that bill, I understand where the governor is coming from with taxing without representation. I also feel that there's some advantages to having the SID be able to share some of those costs with the [INAUDIBLE] test falls into that and play that with the SID. But I also understand that the taxation without representation. So what's changed is I have decided I'm not going to override the governor's veto, not because I'm afraid to, it's just because I think some things have changed. And I think we need to give the administration in the city of the Omaha the opportunity to deal with this. And as I hear from my colleagues from Omaha, I think that they have not heard the end of it, and I think the new administration will hear this. And I would give them the opportunity take care of that. Thank you.

CLOUSE: Thank you, Senator Clouse. Senator Dungan, you're recognized to speak.

DUNGAN: Thank you, Mr. President. Good morning, colleagues. I do rise today in favor of the motion to override for a couple of different reasons. First of all, I just want to reiterate what's already been said. This is permissive language. So the bill doesn't require the city to do anything. And in listening to folks who live in Omaha who have been dealing with this issue much longer than I have, it sounds like, again, the main problem is every time they try to address this, there's an argument being made that they can't. It's the Omaha Housing

Authority saying, we literally can't do this. We don't have the authority. We don't have the tools necessary. So what this bill does is it gives them the tools and it is permissive. They can do it if they want to. They don't have to do anything. Colleagues, we hear in this body quite a bit about the urgency of certain things, right? We hear about the urgency of property taxes. We hear the urgency of various decisions we have to make. We gotta do this now. We hear that all the time. There was one time earlier this year where we were debating whether or not something is constitutional, and there were legitimate arguments against something's constitutionality. And the argument that we heard in favor of the bill was, well, you know, we hear a bunch of lawyers in here bickering back and forth. Let's just pass it and see what happens because we got to do something now. But in this circumstance where there's literally people living with bedbugs, there's this argument that we should just kick it down the road a little bit further and see if the city does something without us acting. And I got to say, I think that's derelict in our duty. I think it belies a lot of the ignorance that folks have in here of what it feels like to live with bed bugs. I don't know if anybody in here has had bedbugs, but it's a nightmare. It's an absolute nightmare. I have friends who have dealt with it, I've worked with clients who have dealt with it, and the amount to which it takes over your entire life. Literally all of your clothes have to get bagged up. You sometimes have to hire professionals to come in and take care of the issue. It's expensive, it's costly, and it's emotionally wrought. You can't focus on pretty much anything else when you're dealing with bed bugs. And I don't want to presume what my colleagues have or have not gone through, but the lack of urgency on this bill indicates to me that there's a lot of folks in here who haven't personally had to deal with this problem and don't think it's a serious issue or don't think it is something they have to take care of right away. And I think that that's a little bit ignorant. And when I say ignorant I mean not malicious, it's not that people are trying to be harmful, but they, they don't know. And that's me giving my friends in here the benefit of the doubt, assuming you just don't know how bad this is. In addition to that, colleagues, I would argue that this bill was negotiated in good faith. I watched Senator McKinney work this bill incredibly hard. I know that there was an effort to include multiple senators' bills into this package, like Senator Sanders. There was no opposition. No one raised this issue at all when we were debating this bill. No one raise any of these concerns about the SIDs, at least that I can remember, when we're debating this bill. And in will, in his willingness to modify the language to may, Senator McKinney, I think, demonstrated an ability to negotiate and come to some good faith

compromise. If this veto stands, what incentive is there moving forward to continue to negotiate? Mr. President, can I get a gavel? Thank you. Colleagues, maybe you've already made your mind up about how you're gonna vote on this, but there's some important conversation that has to happen. So please pay attention. In addition to that, if you are going to change your vote, if you voted for this and now you are going to not override it, please get up on the mic and say why. Senator Clouse, I actually disagree with some of the things he said, but I really respect his willingness to get up and engage in this conversation. I appreciate him standing up for what he believes in. Colleagues, if you're not gonna vote for this override, but you voted for the bill, tell us why. Tell us why, or maybe we can start asking you questions about why you're gonna change your vote. Because it doesn't make sense. And so I would encourage you to please listen to the debate, please understand that this bill is permissive and this bill is simply giving a tool to individuals who have said they need this tool to do the work that we want them to do. We're just trying to help some people who are living in a, a state that is completely unacceptable. So with that, I would encourage your green vote on the motion to override the veto. Thank you, Mr. President.

KELLY: Thank you, Senator Dungan. Senator Juarez, you're recognized to speak.

JUAREZ: Good morning, colleagues. Good morning to everyone online and those watching on TV. I stand in support of Senator McKenney's attempt to override the governor's veto. I think that I understand Senator Clouse's point of the new mayor that we have proudly elected to serve in Omaha. And I think that the mayor will probably be more responsive to the needs of the community in his role, but I don't want there to be any type of obstacle at all for the city to be able to proceed. And that's why I am so in favor of overriding the veto and voting yes on this bill. I think it's very important that we not have any obstacles and that we assist the community in trying to, to deal with this problem. I feel that it's extremely unfortunate to even have to address this at our level, to be honest with you. Fortunately for me, I've never had the experience of dealing with bed bugs and so I really empathize with those who are struggling to try to combat this. And I, I actually hope that when our new mayor is in place that he's really going to take a look at the issue for all the towers, because I would imagine just from the scale of economy, that if we can get one business to help eradicate this issue in one tower, that we try to address all of them. That would be my hope, and that we have mechanisms in place so that we don't have to deal with this in the

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future. And I'd like to ask Senator McKinney to address some questions for me, please, if you would yield to some questions.

KELLY: Senator McKinney, would you yield?

McKINNEY: Yes.

JUAREZ: So could you tell me does each tower have a manager that's on staff in all of the buildings?

McKINNEY: I believe so. Yes, I'm almost 100% sure, yes. Somebody is working in the building.

JUAREZ: OK, so how have the managers tried to deal with this, or has it just been such a massive problem that that's why it's been difficult for them to deal with this for their building?

McKINNEY: Lately, probably over the last six to eight months, they've been trying to do better with dealing with the bed bug issue since the, the class action lawsuit and those type of things. I know they had started, when, when people move in, they have to put their, their belongings in like a, I forget what they call it, where they like heat it to make sure nothing's there and those type of things. And then if somebody does have bed bugs, I know they've been trying to like go in the apartment and take care of it some type of way, but that's about it that I know of.

JUAREZ: OK. Well obviously, you know, it's really a tougher issue than we-- than I realize and I'm glad at least that they're, you now, making an attempt. But obviously they need more assistance to try to help our citizens live a more comfortable lifestyle where they're at and everyone deserves to have a healthy lifestyle where their living. Thank you and I yield the rest of my time.

KELLY: Thank you, Senator Guereca. Excuse me. Thank you, Senator Juarez. Senator Hallstrom, you're recognized to speak.

HALLSTROM: Thank you, Mr. President, members. I rise to indicate that I will be voting to sustain the governor's veto. That is a change from what I had voted on in the bill, and I was in the queue, so I'm not taking Senator Dungan's bait to get up and explain myself, but I certainly appreciate the fact that he'll respect me equally with Senator Clouse for doing so. Last week, when we had another veto override situation arise, Senator Fredrickson rose and said, what's changed since the passage of the bill and today? And so I felt compelled to indicate that I'm not standing today to take exception

with Senator McKinney's portion of the bill, but rather Senator Sanders' bill, original LB321. And I have talked to Senator Sanders and let her know that this is the reason why I'm voting the way I am today. And I think everybody should take note, there's newly discovered evidence. And for the record, my wife had asked me if I wanted to go down and clean my law office up this weekend. And instead, I decided that I was going to review the committee hearing and the Select File debate on this particular bill and LB321 in particular. And in fact Senator Bosn and I remembered this, Senator Bosn did raise concerns about the taxing authority outside of the jurisdiction of the SID. Unfortunately, it didn't resonate with me at that time to the extent that I would change my vote on the bill. But I also looked at the THG, SID 596 case. And while Senator Cavanaugh suggests that it was a simple change to go back to the intent of the original law, I would suggest that the intent of the original law does not overcome constitutional infirmities. One of the things that I found from reviewing that case is that the attorneys for the individual who had been assessed outside of the jurisdiction had raised, in fact, a constitutional question. Unfortunately, there was a procedural snafu. They are required to file a notice with the Attorney General, file notice of the constitutional question, and do so with regard to the notice of constitutional question at the time that they filed their brief. They were one day late has the constitutionality of the issue, notwithstanding the legislative intent, that still is out there. And arguing constitutionality, as Senator Dungan noted, some people like to, to use that argument to prevent a bill from passage. Others say, go ahead and pass it and let them bring the lawsuit. In that respect, it's kind of like an Attorney General's opinion. If it's in your favor, you embrace it. If it's not, you just try to disregard it and throw dirt on it. But I think with regard to the issues, one is, and Senator Clouse mentioned this, taxation without representation. I think that's at the core of part of the issue of putting a, a tax on a special assessment on a property that may be, quote unquote, specially benefited. But most of the statutes and the Supreme Court upheld as well that that is confined to within the taxing jurisdiction. The other issue that I think it raises from a constitutionality standpoint has to do with our uniformity clause under Article VII-1 of the Nebraska State Constitution. And the issue there is, and there's case law with regard to learning communities and other taxing authorities that suggest that the levy must be uniform throughout the relevant taxing district. In this case, we have an SID that is attempting to tax outside of its relevant taxing district or authority, which gives rise to the constitu-- constitutional infirmities. And for those reasons, not the underlying LB287, but my

concerns over the addition. Sometimes we talk about unfriendly amendments, and I don't fault Senator McKinney in this case because nobody did come in and testify in opposition. There were some comments made in passing about the constitutionality, and at the same time I wouldn't respect-- expect the individual citizen to come in and raise constitutional claims on a bill, for they'd have no reason to know that that ought to be argued. My bad if I was asleep at the switch, but now I have this newly discovered evidence and therefore lies my explanation of vote. Thank you.

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

McKINNEY: Thank you, Mr. President. I'ma rise again to continue to encourage you all to override the governor's veto. My issue, even if there is an argument of newly discovered evidence, I believe we could say that about every bill that has passed. We could go back and say, oh, this change needs to happen. This change needs happen. And just fundamentally, if you voted yes on Final Reading, I don't know how-- what is this? I forget the-- May 14th to now. I'm kind of lost for words as far as, like, you voted yes. These issues, yes, Senator Bosn did say something. But there was no opposition at the hearing, literally. I don't even believe there were any online comments. And citizens post a lot of online comments even if they don't come to the hearing. And this also isn't foreign. There are other statutes that you could go look at. 31-2229, 31-2030, 31-514. These are similar. So the notion that Senator Sanders' bill is doing something out of the ordinary is, is wild to me. And I wish Senator Sanders would get up and speak about it and support the override. I think that would be the collegial thing to do, put your bill in the, in a package. And at the end of the day, what's more important is making sure that we take care of the people who are living in these conditions. I think that supersedes whatever opposition you may have about the portion that deals with Senator Sanders' bill. We could come back next session and deal with that. But the urgency of dealing with the bedbug issue needs to be addressed today. We-- these people don't want to wait. They can't wait. They're tired of waiting. They're, they're hoping that something changes. So they can stop waking up in these horrific conditions. And that's why I think you should support this, especially if you voted yes on Final Reading. This is a frustrating conversation, you know, because I feel like people are choosing to pick a technicality that wasn't completely-- it was by one senator that I know of, but the rest of you didn't. And the other issue I have with that is, for some of the people, I know you read bills. I know, you do. I know that you go through and look at all the bills. And I know

when it pertains to anything that deals with the Urban Affairs Committee or Senator McKinney, you're reading the bills. I know you meet and say vote for this today or don't vote for this today. So the notion that this, like it was overlooked, I'm, I'm having a hard time with. We had bill introduction, committee hearing time. We had three rounds of debate. I just think that honestly, overall, you should think about the people living in these conditions. That's what is most important, and that's what we need to address. Because if the shoe was on the other foot, I would support you even if I may have a question about something else. There's a lot of packages that pass that everybody has questions about, but they pass. But this bill deals with making sure there's accountability to the Omaha Housing Authority and also to ensure that the conditions of public housing is improved for the betterment of the people that reside in them. You should choose that over anything. So I'm hopeful once we get to a vote--

KELLY: That's your time.

McKINNEY: --some of your hearts change.

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

CONRAD: Thank you, Mr. President. Good morning, colleagues. I rise in support of the motion to override and to support the critical issues contained in the measure that the Urban Affairs Committee brought forward and to reaffirm our position as a separate, co-equal, and independent branch of government. Individual members of this Legislature exercised their discretion when deciding how to cast their vote on this measure over many rounds of debate. And this measure has been fully deliberated and should become law. We should stand by the decision that we made together to address this key issue in regards to housing in our state. And it, it, it does not appear to me, looking at the governor's veto message, that there is any new information, and I did not find it particularly persuasive. Before I jump into some of the specifics, I want to just put perhaps a general contextual piece in regards to this issue as well. So of course, we as state senators represent our district passionately. Each district has very diverse characteristics and demographics that we bring forward and give voice to in this Legislature. But we also serve as state senators and have to figure out how to do the most good for the most Nebraskans, even when that may not impact our district or when it perhaps extends beyond our district. So when rural colleagues come for-- forward and tell us about issues that are impacting the agricultural sector or the cattle industry. Think of the brand bill that's up this year. Those

measures do not impact my district, they do not impact Senator McKinney's district. However, we take our duty as state senators seriously to extend trust to our colleagues in rural Nebraska to hear and learn about their expertise and the voice they are giving to their constituents when this body is asked to resolve issues that primarily impact their district or area. The same principles extend to this debate. This body has appropriately extended trust to the expertise, to the experience, to the voice that senators in Senator McKinney's district and other districts are bringing forward about the horrific conditions that some tenants are living within in our public housing system. Landlords, including government landlords, have a duty to maintain safe housing. That includes addressing infestations. Tenants have been working diligently, exhausting administrative remedies, bringing forward litigation. This body passed strong reform legislation in regard to OH-- OHA collaboratively just in the last biennium. And we should continue to build upon this work with the full adoption of this measure. So, there's about 40 or 50,000 people in Nebraska that utilize subsidized housing. 73% of those are either seniors, children, or people living and working with disabilities. We have heard from senators across the state and across the political spectrum, whether that's my friend, Senator Dover, or Senator Hallstrom, talk about the need to increase access to safe and affordable housing. The same holds true in regards to this issue. This is an all-hands-on-deck moment. The Legislature should be working collaboratively to provide another permissive tool that is not a mandate to our partners in local government through the OHA, through the City Council, through the mayor, and through this body to address a key issue of human rights, of housing justice, of basic human dignity that thus far has evaded remedy and resolution. This is one way that we continue to-- can continue to advance that work together, and we've already done so over three rounds of debate and should continue to hold together today in regards to our judgment in addressing this key public policy issue. Thank you, Mr. President.

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

ROUNTREE: Good morning and thank you, Mr. President. Good morning, colleagues. Good morning to all of those who are watching online and by television this morning. I just rise also this morning in support of the veto override, supporting Senator McKinney and this bill, LB287, and the Urban Affairs Committee. This is a health and safety issue. It's a human rights issue. I thought about this when I saw the veto override come through on last week. And I looked around this Unicameral, and I said all of us are going to go home. And we're going

to go home to quarters and we don't have to deal with bed bugs. I had an opportunity to travel to North Carolina over the weekend to celebrate my mother's 88th birthday which is today. Happy birthday mama. But to see all of my sisters, brothers and all of their homes, the quarters that we live in, and didn't have worry about bed bugs. But I thought it was really ironic when I got back yesterday and I turned on the television. And one of those judicial judge shows on TV had an issue where two tenants came in and they were trying to break their lease because of, you guessed it, bed bugs. And I got ready to send a note out to all of my fellow senators and said, if you turn it on now, you can look at this issue dealing with bed bugs. But at any rate, this is a serious problem, it's a serious issue. And we talk about government overreach, I don't think it's overreach whatsoever. This issue has been here for a while and there's been ample opportunity to solve the issue. We also talk about shall versus may. We have passed so much legislation in this body this year where a lot has said shall, others said shall and we went back and changed it to may. And so what Senator McKinney is doing is giving opportunity, not a directive, but an opportunity, put in a tool and place to be used. And that too can be used to help to eradicate this bed bug issue. Our people who are dealing with these issues do deserve the basic rights of human dignity. They deserve to have an opportunity to lie down and not be concerned about bed bugs. Just like we have the right to breathe fresh air, to drink clean drinking water, to have safe food, we also have a right to have a safe place to lie down and rest at night. And so Senator McKinney, I stand with you on this veto override. We voted for this bill as a body, and I'm going to still stand as part of this body and vote for the override. Thank you, Mr. President, and I yield back the remainder of my time.

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

J. CAVANAUGH: Thank you, Mr. President. Well, I, again, rise in support of the motion to override the veto. I do appreciate the folks who are standing up and, and explaining why they're going to change their vote. And I was actually just rereading the governor's letter on the veto, and it really doesn't say anything. So for the folks who were persuaded by the, the one paragraph letter, I guess, you know, you appreciate an economy of words is probably what it is. But this bill is about making sure that people have a safe, clean living space. And it puts just some bare minimum requirements on what a housing authority, which is a government-run housing. So it is-- and it is, you know, a complicated situation, because the Housing Authority, and Omaha Housing Authority is the one we're specifically talking about,

cause it's the one in the city of metropolitan class, gets its money from the federal government and does not get any money from the state or get any money for the city. And it is the board is appointed by the mayor and confirmed by the city council but they don't really have much more oversight than that. And so we have a problem where the housing authority has-- there's essentially a conflict between the residents and the, the board and the executive director and the staff. And we have brought bills previously, which was a bill we passed last year that included adding more resident commissioners to the board, and then requiring notice of meetings and requiring that they actually talk with the, the tenants. So that was an attempt to require that the housing authorities actually engage with the people who live there so they can hear their concerns. And that, of course, has not resolved this problem. There's been at least one more lawsuit has been filed, federal class action lawsuit has been filed since then. I think that one's particularly about the bedbugs. There was a previous one about their evictions for minor infractions, like losing a key and things like that. So there is this ongoing conflict. And the city of Omaha has been, as the government entity that has some connection to the Omaha Housing Authority. And so this bill attempts to give them some more tools to address this problem. That's all it does. They have-- the city of Omaha has clear authority for code enforcement over things like the City View Apartments, which is a building in Omaha that has had a serious problem of late with a lot of these type habitability, safety, cleanliness. And they have not been able to exercise that authority successfully there, but when it comes to the housing authority, they have at times said when people came and said, well, we would like them to be on the rental registry, which is something the city of Omaha already does for rentals. Or we'd like more we'd like annual inspections, which are something the city can do. They have not done that because there's a gray area or a question of whether they have that authority. So what this bill does is clears up that gray area and says, yes, they do have that authority, if they choose to enact it by ordinance. That's it. That's all it does for that. It requires additionally that the housing authority not rent places that it knows has bed bugs; that it, that it brings in somebody to clean up, do, do remediation for infestations so that they have-- we've set a certain amount of time, and I believe the original number was five days and it might've been moved up to ten days. But as Senator McKinney said, we had somebody come testify against this bill, specifically to that portion, and we asked them, OK, what's the right number of days and they said they couldn't tell us because of the pending lawsuit So they were-- came to testify against this bill and couldn't give us any constructive criticisms of it because they are

being sued. This is a problem. And the governor's one sentence saying this is redundant does not answer that problem. This bill maybe doesn't solve the problem, but it is a step in the right direction, and it is a compromise like all legislation, and it is something to help these people who are living in these terrible conditions. We have an obligation to try to help these people. So I would encourage you, if you voted for this bill before, vote for it again. If you don't like the part about the SIDs, I'd say bring a bill next year to change that section of the law. But you already voted for it this time, so I, I understand that some people have buyer's remorse about those sorts of things. But this part of it is really important and consequential to these people.

KELLY: That's your time, Senator.

J. CAVANAUGH: Thank you, Mr. President.

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

DeBOER: Thank you, Mr. President. Good morning, colleagues, and good morning, Nebraska. So I stand in support of Senator McKinney's motion to override the governor's veto on this bill. There are a number of reasons, one of which is that I stand by the bill. What I'm hearing from folks as I talk to them, and this is dear Supreme Court, please pay attention, is that folks think that the authority already exists and that's why they don't think we need to pass this bill. So it is apparently the position of this Legislature that everybody thinks that Omaha would already have this authority. So do not read this as any sort of negative of that position. So that's my little letter to the Supreme Court is that this body's ov-- not overriding this veto is because, apparently, this body has become convinced in the last week that Omaha Housing Authority already has the power to do this. That being said, I don't think it's a problem to belt and suspenders it by adding this language. In fact, I think that's helpful. Since in the past, we have seen that the city of Omaha has been reticent to use its already existing power. Folks, if we do not override this veto, and if Omaha does not use their already existing power to address this situation, the members of the Judiciary Committee know that we will be the ones who see this next year. We will be seeing the issue of bed bugs next year and every year until it gets solved. And I know that because I know more about bed bugs than I ever wanted to know. Because I have heard these hearings in Judiciary, because this is a real problem. So the question is, are we going to handle it here through a bill that comes through the Judiciary Committee and looks at

landlord-tenant issues with respect to bed bugs, which I can tell you seems kind of complex. So are we gonna handle it here, or are we're going to have the local authority that is tasked specifically with housing and these kinds of housing issues? Friends, it's an easy answer to me that we should have these specific experts who work on landlord-tenant issues, who work on housing, deal with this issue of bed bugs. It's complicated. It turns out it's quite complicated. I have prioritized a bill this year that will not be seen because of time constraints that would deal with, amongst other things, the question of bed bugs in rental units. One of the things that it says is that landlords must provide notice. This is a Senator Hunt bill, a very good bill. And it says that landlords must provide notice to potential tenants of bed bug infestations. Folks, we don't even have that happening, that a potential tenant comes to you and you say, oh yeah, I'll len-- rent you this unit, you don't have to tell them that it is infested with bed bugs. Clearly, this is an issue. And if we want to deal with it on a larger scale than on a case-by-case, landlord-by landlord scale, then we need to override this veto to make absolutely certain not only that Omaha already has this power, but that we endorse that they should immediately do something about it. So we need to override this veto. I do not want to have to try and deal with this issue on a case-by-case, piece-by-piece basis next year where we're trying to-- we actually have diagrams I've seen about if a infestation is found in this apartment and this apartment doesn't have any but this one does, and this one doesn't, which one started it. It's complicated.

KELLY: That's your time, Senator.

DeBOER: I support this overwrite motion, thank you, Mr. President.

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

BOSN: Thank you, Mr. President, good morning colleagues. I rise in opposition of the motion to override consistent with my votes on this package of bills, for the-- mostly because of the portion of this that addresses taxing outside of the authority of the SID. And that, I understand, came from Senator Sanders' bill. But the language specifically says, may be paid from the collection of special assessments levied against all lots, parcels, or pieces of real property located outside of the corporate boundaries of the dist-- district to the extent of the special benefit conferred. Colleagues, we stand and talk about raising property taxes and the concerns that we have over raising property taxes. And I am shocked that we are not

just appalled that we would be conferring the ability to tax something outside of the Sanitary Improvement District. So in 2024, February of 2024, a court case came down in Omaha, and I know this has probably been talked about a little bit, but just so that everyone understands, where one of the SIDs was taxing property outside of their district. And the dis-- the property owner said, I'm not going to pay this added tax because I don't have the benefit of living in the SID. I'm not part of the SID. And it got to the court over what and how much and who could be taxed. And ultimately, the court ruled in February of 2023, no, SIDs do not have taxing authority outside of the SID. Colleagues, a sanitary improvement district, and they've been around for decades, are temporary financing mechanisms for public improvements needed to serve new developments. So they already-- they're able to issue tax-exempt bonds to fund their infrastructure in the new development. So they are receiving the benefit to incentivize them to come and build. They chose to do that, to come in and build, and we want-- don't get me wrong, we want to encourage development in areas where SIDs are coming. But now what we're saying is in addition to those tax-exempt bonds, we also think that because Senator Kauth's property is alongside my SID over here, she might enjoy this road that I've put in. Maybe. I don't know. But we're gonna tax her anyway. She doesn't live in the SID. She's my neighbor. But she is now going to be subject to the tax at the same value as everyone in the SID, and colleagues I just, I think that's wrong. It goes on to say or additionally, when an SID builds its infrastructure it is required by the adjacent city to put in arterial streets and traffic signals, and sometimes those border a neighboring property owner that is not in the SID. Right but they didn't ask you to do that. And because a new four-lane road dramatically increases the value of the adjoining property, it is industry practice that the adjoining property owner contributes to the cost of the street. Full stop. I don't know that the adjoining property owner actually sees that new four lane road as a dramatic increase to the value their property. I don't think I would. If I had a two-lane road that wasn't busy, I'm not so sure I'd think that a new four- lane road. With stop signs and lots of traffic would be such a great benefit. I don't know. I'm not in the SID, right? Why are we taxing someone outside of the SID? Colleagues, I ask you to join me in voting no on the motion to override the governor's veto. Thank you, Mr. President.

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

M. CAVANAUGH: Thank you, Mr. President. Good morning, colleagues. I rise in support of MO281, and I'm gonna yield the remainder of my time to Senator McKinney.

KELLY: Senator McKinney, four minutes, 49 seconds.

McKINNEY: Thank you, Mr. President, and thank you, Senator Machaela Cavanaugh. You know I was just sitting here thinking. The governor attempted to veto some items last week dealing with Lake McConaughey that was \$18 million; Supreme Court, \$4 million and \$7.8 million; Fire Marshal, \$512 thousand; and public health departments, \$1 million. And I bring this up because although the Governor's Office, for whatever reason, got the veto letter in late or whatever, there's still an attempt by the Governor Office and probably some members of this Legislature to make sure those vetoes come to fruition. So, why I bring this up is because there's going to come a point where Senator McKinney and Senator Rountree are not the only senators who had things vetoed. And where you stand on these issues tells me or reflects to me how I plan to vote. So-- and I'm just being frank about it. Because if these vetoes somehow are able to go through, you'll need me, you'll need Senator Rountree, and you'll need others. But also, there's other bills that still have to pass Final Reading. So it might be one of your bills. And you know why I would support you? If I-- especially if I voted for the bill to pass on Final Reading, is because we are an independent body. I've seen veto overrides since I've been in the Legislature. It is not foreign. It happened before Senator, I mean, Governor Pillen, and it should happen today. It should have happened with Senator Rountree's bill. We are an independent body. That means we have our own voice. It is a separation of powers. If you feel something is right, do the right thing. Then on this issue of taxes, and whether I agree with your arguments or not, here's, here's some points I think need to be made. Are taxes or taxing authorities or veto-- upholding the veto more important than people living in horrible living conditions? Is taxes more important than people being ate up by bed bugs? Are taxes more important than accountability for a public housing authority that has gone without accountability? Are taxes is more important than your fellow humans, your fellow Nebraskans? Are taxes more than that? At some point I would hope, I guess, I would hope some empathy and some humanity would come into this building. Because whether you make the argument that the taxing authority is doing this or doing that, I would assume, I would hope I could assume, that your empathy for people living in these conditions would override that opposition, and you would understand the urgency that is needed to make sure that this bill passes, to make that these things change, and that people don't live or continue to live in these

condition. Taxes should not outweigh that ever in life. It shouldn't. At no point. And lastly, before my time, and I'll come back sometime maybe, we are the Legislature. There is a separation of powers, and a veto override is not foreign. Use your power to do the right thing. Thank you.

KELLY: Thank you, Senator McKinney. Senator Machaela Cavanaugh would like to recognize guests under the north balcony. They are the parents of staffer Ethan Dunn, they are Richard and Dawn Dunn. Please stand and be recognized by the Nebraska Legislature. Senator Storer, you're recognized to speak.

STORER: Thank you, Mr. President, and good morning. I voted against LB287. I will maintain my position and be in opposition to the motion to override as well. But I want to give context as to that position. And actually, Senator Bosn did a great job of addressing the issue of the SIDs. So I'm not going to belabor that too much further. But as we all know in this body, but oftentimes our constituents are, are not, it can become very difficult to track some of these bills as they move through the process and keep track of what's amended in. And so when we're talking about LB287, and this is a combination of more than one, one bill. And I know most of the conversation and the media attention has all been on the issue of bed bugs. And I don't want to offer any insinuation that I am, that I am at all unsympathetic to that condition. You know, we can, we can talk about where the responsibility lies, and that's really what LB287 is aiming to address. But this bill also includes an amendment. It was amended, LB321 was amended by AM445, AM445, which Senator Bosn spoke to. And again, briefly the language, this is pretty clear provides for SIDs Sanitary Improvement Districts, provides for them to levy assessments on real property located outside of an SID. And it goes on with more detail, but, but the message is pretty clear in just that portion of the bill. We should be concerned with the ability of an elected board to levy a tax on individuals who don't get to vote on them. We should be concerned with that. And again, the court case that Senator Bosn spoke to certainly addressed that and agreed that that's a problem. And so this bill is attempting to make it constitu-- or put it in our state statute, that, that they can do that. That's a program. Back in the old days, we called that, I don't think-- you know, this still applies, taxation without representation. When, when somebody is being given the authority to tax me and I don't even have the opportunity to vote for them, we should be concerned with that. And so that is part of this entire package and I cannot support that, and again I will not support the motion to override. I yield the rest of my time, thank you.

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

CONRAD: Thank you, Mr. President, and good morning, colleagues. So, it is very interesting to me and indeed legitimate and important points of consideration in regards to the committee bill and particularly in regards to Senator Sanders' component therein in regards to SIDs and taxation issues and definitely worthy of debate and deliberation and I think members have made good points in regards to their position and thinking on that. But I do want to also note, in regards to LB287, I'd encourage all members or members of the public who are interested in this debate and who are listening to members' perspective to check the procedural history and the legislative history. No doubt, some members, including Senator Bosn, did raise concerns about Senator Sanders' component of the bill in prior rounds of debate, but you can also see that no member had the interest in filing a motion to strike that part. No member who's bringing up those sort of concerns today filed a division. They made some general comments, as is their prerogative, and voted according to the dictates of their head, heart, and conscience, but never utilized their autonomy to strike that section or to divide the question. And that record speaks for itself. The other thing that I think is important to note, and perhaps maybe-- I see Senator Sanders is back, so I'm hoping that she can punch in and maybe help to provide more information about her component of the legislation, which has drawn some concern from members. But I do want to also go back and reaffirm that we've been able to find a significant amount of consensus and collaboration on access to housing. We all recognize that workforce development and workforce issues are Nebraska's number one public policy issue, and the solutions attendant thereto: childcare, job training, healthcare, education, housing. Those are the ways that we have come together, historically and presently, to try and address those number one challenges. And that-- those, those public policy issues generally don't carry the kind of weight that many divisive social measures do. And so we've really been able to come together across the political spectrum, across the state, to figure out ways that we can have solutions to housing. We know that there is a persistent crisis in regards to affordable quality housing in Nebraska. We know that there is lower inventory than required to support and sustain a healthy, healthy housing market. And we know that anything that we can do to address existing housing inventory helps to address the housing issues and crisis that we have. So when we do remediation, or when we do weatherization, or when we do rehabilitation on existing housing stock, it contributes to our ability to dress-- address our housing

needs. Which we know are critical for quality of life, which we know are critical for workforce, which we know are critical for economic development and individual family health and economic self-sufficiency. So when we address housing, it's not always building new units. It must be and should be an everything, everything-- every kind of solution that comes to bear approach. And that includes remediating issues in existing housing stock as well. Because particularly for low-income members of the community in Omaha who are also disabled or seniors or who have little kids, it's not as if the members who are utilizing this housing option in Omaha can simply shift to a different location. That-- the mobility and flexibility issue does not come to bear as it does in other instances in regards to housing. And even if--

KELLY: That's your time, Senator.

CONRAD: --it did, it's not available. Thank you, Mr. President.

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

SPIVEY: Thank you, Mr. President. And again, good morning, colleagues and folks that are joining us. I, I guess my first kind of reaction, and I've been listening to debate and I appreciate people engaging in the conversation, is that I don't recall a lot of the feedback and concern about some of the packaging amendment happening at every other round of debate this bill passed. And so for this to be a reason now not to support the override is a bit concerning to me that, again, that there were ample opportunities. That's why we have the three rounds of debate. It's why we can divide the question or add amendments, and, and people can engage that that didn't happen in the same way as it is happening now. And that this will be as a consequence based on people's feedback in the debate that's happening for some of our most vulnerable Nebraskans. If folks are not familiar with public housing and what does that look like, if you've never known anyone to stay in public housing, if you don't have any in your districts, these are folks that are on fixed incomes, very low income, minimal wages. As I mentioned earlier, a lot of folks that are accessing public housing have varying ability statuses, health conditions, and they have nowhere else to go. This is their home. This is a place where they have tried to build a community. And so then to have your affordable housing be riddled with an infestation of bedbugs makes it literally uninhabitable, and you do not have a choice because you have nowhere else to go. You have no other safety net, you have no other lifeline. And so this, again, is allowing for local political

subdivisions to have more insight into how they can manage this. It doesn't mandate it, it does not say they have to. And that's the crux and the meat of the bill. There are a lot of packages that pass that have parts that are less sexy to people or that they don't like that they talk about, we'll continue to work on it and fix it next session, or we'll look at it over the interim. We are having those debates about other bills currently, and that continues to pass. And so the weight of not supporting the override is going to have ripples for some of the Nebraskans that depend on us and that we should really show up for. And so I hope as folks are thinking about the portion that was or is Senator Sanders' bill, again, can weigh that against the meat of the bill, what they actually voted for, and why this veto override is so important at this time. I've actually toured the towers that have the bedbug infestations. I know folks that live there. I have family members that live there. I have four in my district. And when I say that you would not want your worst enemy to be able to live in these types of conditions, that's what we are seeing. It is terrible. And so while you might not have the OHA or a similar public agency in your district, it's important to stand up for affordable, safe, quality housing. When we were discussing the veto override and what that looked like for Lake Mac, I was supportive of overriding what would be the governor's veto. And not because I have a Lake Mac in my district. It, it does not benefit me by any means to what-- vote for that. But I was going to. Because it's not just about my district, I represent all Nebraskans. I can see the value in every place across Nebraska really thriving, to have what they need. And this is about public health. So while Lake Mac was an amenity, I heard from my colleagues around the value add that it has from a revenue perspective, what it can do for tourism, what it adds to that region, and I got behind it because that's what I say I care about for economic development. So for the folks that, that say that they care about public health, affordable safe housing, even if it's not in your district, you should still stand in those values and support the veto override because of the meat of the bill. And if you're that passionate about Senator Sanders piece, then I would hope that you would come with a, a bill next year for next session to really address those concerns because they were not raised and that process did not happen through all of the rounds of debate when there was ample opportunity to do that. And I see Senator Sanders is not on the floor again because I had some questions but hopefully she will come back and I will get back on the mic so that she can speak to her portion and the importance of that as it relates to what is in front of us with LB 287. Thank you, Mr. President.

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KELLY: Thank you, Senator Spivey. Senator Hunt, you're recognized to speak.

HUNT: Thank you, Mr. President. Good morning, colleagues. I rise in support of this motion to override the veto proudly. I've introduced bills to address the bedbug crisis in public housing in Omaha almost every year that I've been here. I, I introduced one this year that Senator DeBoer talked about earlier that's part of her priority. And what I've learned in seven years of bedbug work is that this is not an issue that has anything to do with income or class or where you live. People who live in these public housing towers in Omaha, which I have a couple in my district as well, they face a bigger problem because those places are run by an authority that are not doing anything about the infestation. Bed bugs can happen to anybody, can happen to any of you, can happen in any part of the state. But we have a unique infestation issue in Omaha in the public housing tower that we've been trying to address for years, and LB287 is the only bill that's made it across the finish line. When you compare what bill was introduced with how LB287 is today, the amendment that was attached to the bill to change it to be better for the city, you know, I bet that if I got up any of the opponents on the mic right now and I said, what's the cost of LB287? Did LB287 have opponents? How is it paid for? I bet none of you would know the answer. I would actually bet, you know, \$100 on that, because I don't think you're listening. I think you have your mind made up. The public housing towers in my district that are affected by bed bugs heavily, one of them is just catty-corner from 49th and Underwood, which is where I lived for about 10 years until 2021 in an apartment there. And even today, if you drive by there, you see people picketing outside, holding up big signs, big banners, asking the city of Omaha to do something about the bed bug problem. There are active people picketing actively in front of these housing towers. And LB287, as to borrow a phrase made famous by Senator Conrad, is a modest but meaningful advancement in protections for those people. But I don't even think that it's really worth talking about the human rights aspect of LB287. Nobody deserves to live with bed bugs. You wouldn't wish this on your worst enemy. All this type of argument-- if this type of argument moved you, colleagues, we wouldn't be here right now. For me to talk about rights, quality of life, human dignity, none of that reaches you. It's never reached you. So there's nothing for me to say about that type of topic. But opponents, frankly, I don't believe you. I don't believe your reasoning. I don't think you're being honest when you stand up and talk about your opposition. There's a couple of people who stood up who said I was always opposed to this, I was opposed to the SID portion of it from

Senator Sanders, and I respect that. I respect the consistency. But for those of you who have changed your votes on the vote card, I simply don't believe you and I don't think you're being honest. Senators like Senator Hallstrom, Senator Bosn, who say that they were always against the SID portion of this bill, well why not divide the question then? Why didn't you fight that portion of the bill and try to get that out of the bill? And this is very cynical for me to say and believe, but this place has turned me into a deeply cynical person. It makes me wonder if folks are putting poison pills in bills introduced by progressives because they know it'll sink the whole thing. Is that what Senator Sanders intended to do? Well, where is she? She's not on the floor right now. The item of contention in this bill is ostensibly her portion of the bill, and it would be collegial of her to come in here and put on her light, as we've been talking about this for the last two hours, and defend her bill. She doesn't have to say anything about human rights or bedbugs. Senator Sanders, come in and put your light on and defend your bill in this package, or say, you know, I don't even care anymore, I support the veto. I'm not even going to stand behind the work I did. Which is it? I think the collegial and statesman-like thing to do would be to stand up for the work that you have done or explain why you no longer do.

HUNT: That's your time, Senator.

HUNT: Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Senator Juarez, you're recognized to speak.

JUAREZ: Thank you very much, and I will yield my time to Senator McKinney.

KELLY: Senator McKinney, you have four minutes, 49 seconds.

McKINNEY: Thank you. And I'll mention an article after this bill was passed, well after it was vetoed, of, residents at Omaha Housing Authority are voicing frus-- frustration over ongoing bed bug infestations. At Jackson Tower, frustrating-- frustration is mounting. One resident says she's had enough of bed bugs and she's not alone. This comes after Governor Pillen vetoed the bill that would hold OHA accountable and make sure they properly treat infestations. For months, tenants of Omaha Housing Authority towers have spoken out about the worsening bed bug problem. The lady in this article, she said, I've had to battle with bed bugs severely when I first moved in. She has lived in the Jackson Towers for six years. She says that the

be-- the bugs have left her with bites, ruined clothes, and infested furniture. She stated, I mean, this place should be torn down and rebuilt. That's what needs to be done, from the tip, from the very bottom, and just tear, tear from the ground and around it. She felt hopeful when LB287 passed that would have required OHA to be held more accountable, and also it gave the city optional power to hold OHA accountable. She stated it irritates her and it makes her feel as though the governor does not care and that we don't have enough money. You know, and I stated it, you know, I personally would always value safety, healthy, healthy living conditions, over an argument about a tax, which persisted prior to the ruling. So it wasn't that big of an issue prior to that ruling for people or else a bill would have been introduced to change it. Secondly, the bill had no opposition in the hearing, no online comment. And honestly speaking, the only one I think stood up was Senator Bosn when we was going through debate. So, this newfound opposition is perplexing to me. But even so, it is bigger than that issue. This bill is bigger than that issue we have people-- and it's bigger than just bed bugs too. The reason why OHA needs to be held accountable because it's multiple things. There are multiple class action lawsuits due to not notifying people of the eviction process properly, poor maintenance of their facilities. There's a multitude of issues with the Omaha Housing Authority. And this is public housing. If this was in your community, I would support you, especially because it's public housing. A lot of these people are elderly, lack family, disabled, can't go anywhere else, low income, on a fixed income. They're stuck. And all this bill is attempting to do is make sure that the living conditions in which they're living within improve, hopefully. That should outweigh this, this conversation about this tax thing. Because if it was-- honestly, if it were such a big issue, I don't think it would have got across the finish line. Nobody stood up. Let's just be real here. Especially a bill attached to my name miraculously having all this opposition. It wouldn't have made it across without getting struck out. But it was Senator Sanders' bill. So people stood down. And if you stood down then, stand down now, and let's move this forward, override the governor. That's what you should do. It's called doing the right thing. And you have an opportunity to do so today. And I'm hopeful some of your minds would change. Not for me, but for the people that are living in public housing that are hoping that the Legislature does the right thing today. Thank you.

KELLY: Thank you, Senator McKinney. Senator John Cavanaugh, you're recognized to speak. This is your third time on the motion.

J. CAVANAUGH: Thank you, Mr. President. Well, colleagues, I did-- I actually handed out that article that Senator McKinney was just

referencing. So it's from the Omaha World Herald, May 21, 2025. Omaha World Herald's, of course, a print newspaper out of the city of Omaha. They still print daily, I think. Governor Jim Pillen vetoes bill to hold Omaha Housing Authority accountable for poor conditions. I mean, just the headline alone, you probably should vote to override the veto. I suppose you're standing with allowing the Housing Authority to have no accountability on their poor conditions would be the way to read that. So Governor Jim Pillen vetoes a bill Tuesday that aims to improve accountability for poor conditions reported in the Omaha Housing Authority units, citing redundancy concerns. LB11-- or I'm sorry, LB287 passed the Nebraska Legislature this week in a vote of 34 to 15. It was a package bill prioritized by the Urban Affairs Committee that among other would give the city council the power of ordinance to regulate any housing authority, so give the city council power. It would also require the Housing Authority to conduct inspections, disclose infestation to propo-- prospective tenants, and promptly address reported bed bugs. All of that sounds really reasonable. Allows them, gives them the authority to conducting inspections, disclose, requires them to disclose infes-- infestations to people who might live there, and to address those bed bugs promptly. So, Governor Pillen argued the bill creates needed-- needless duplicative government mandates. Which one of those things is a mandate? That the Housing Authority report infestations to bed bugs, of bed bugs to prospective tenants, or to promptly address those concerns, or to address the infestations? Because obviously it's not happening. They're currently being sued over it. So I guess that's maybe not needless or redundant. I believe the local government should possess the authority to enforce basic sanitation and anti-infestation standards for dwellings within their jurisdiction, Pillen said. Great. Why did he veto this bill then? That's what this bill does. He just said exactly what this bill does he supports. And then he says Omaha already possesses this authority. So Omaha, maybe, would claim when we're trying to pass this bill that they have possessed this authority. But when somebody comes and asks them to actually do it, they say they don't have the authority. That's the reason for the bill, is that people are getting the runaround. So he further argues that Omaha Housing Authority receives 90% of its funds from the U.S. Department of Housing and Urban Development and doesn't receive any direct financial support from the state or Douglas County. He noted federal oversight already includes requirements about infestation and other safety issues. Again, they're not doing it. That's why we are here. LB287's introducer, Senator Terrell McKinney of Omaha, said he disagrees with Pillen's reasoning. Well, Senator McKinney has talked a lot. You can, you can listen to him yourself. And then there is

Sherman Wells, who has multiple relatives living in the OHA unit, claimed bed bugs have been an issue for the past two decades. Wells said he contacted city and HUD to try to fix the issue, but didn't receive adequate responses from either. He said he didn't get any response from city officials, and HUD officials claimed the department only funds OHA, but it doesn't have the ability to regulate them. All these people work together, Wells said. They're all political friends. The people who are affected by this are going to see this vote, particularly the people who switched their vote from in favor of this to oppose to it, as an inside job. They're going to this as politically powerful, using their power and influence to undermine protections for poor, marginalized people and who don't respect their basic dignity and rights to live in a place that is free from these sorts of infestations. And I handed out a black and white copy of this, but when you flip to the next page, you can see a picture of a pillow completely covered in, I think it's-- well, let's see, saturated with bed bug droppings in the Underwood Tower Apartments. So you can look it up on the website if you want. I didn't want to get a printed color copy of this. But so, yeah, this-- there are a lot of stuff and people talked about the other portions of the bill that they don't like. But again, Senator Bosn's the only one who raised that concern originally. And that the things haven't changed, things have not improved, that there's still a need for us to pass this bill. We have to act to improve the living situation for these folks. And that people are going to look at this and see the headline that people voted against accountability for poor conditions. That people voted against reasonable requirements of notice. People voted against reasonable requirements for cleanliness and for remediating infestation when it happens. That's what a vote against the override is here. So I encourage your green vote, it's my last time to talk, green vote on the motion override the, the veto, and to protect your--

KELLY: That's your time.

J. CAVANAUGH: --people living in our housing authority. Thank you, Mr. President.

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

CONRAD: Very good, thank you, Mr. President. So, colleagues, I want to add a few more statistics for your consideration and for the record. So one of my favorite publications that we get from legislative research is the continually updated districts at a glance brochure that comes and it has all different kinds of demographics and

interesting tidbits and statistics about every district in Nebraska, and then it, it ranks every district in Nebraska, legislative district on a host of different factors. So when you look at the percentage of renters in Nebraska, the overall average is about 34% of Nebraskans utilize renting options to meet their, their housing needs and their family's housing needs. But then when you start to really drill down and look at what it means for different districts, about half of the legislative districts in Nebraska that we represent see more renters than that statewide average, and about half are below that. My district and Senator McKinney's district are almost always number one and number two you in regards to percentage of units occupied by renters. So I'm looking at this version here and District 46 has 62% of residents that live in rental, rental units. District 4 has the lowest number with about 16%. And then you can go in and kind of see how your districts fare in this regard. But that's why housing justice issues, common sense updates to our landlord-tenant laws have always been particularly important to me and to my district. And I've tried to give voice to those concerns. So members will perhaps remember, those that are returning, that there was almost nothing that moved forward in the last biennium in regards to updating our landlord-tenant laws. Maybe just a few modest pieces. This year the same fate holds true. We continually see a lack of action in this body to provide common sense updates to the landlord-tenant code just to ensure a better balance. We know that over 50,000 Nebraskans are living in some sort of federal rental assistance housing, either with their vouchers or through actual public housing rental options. We know the vast majority are seniors, children, and people with disabilities. We also know that Nebraska, again, has a lack of inventory for accessible quality housing stock that exists. Which is why we need to do everything we can to help people stay in existing housing stock by addressing current issues therein, and we need to develop new housing stock to meet Nebraska's family needs, economic development needs, and workforce needs. The other piece that I want to make sure to inject into this conversation is a contributing factor to this housing crisis in Nebraska. So we know that rental costs have continued to rise in Nebraska. But we also know that many low-income Nebraska households pay more than half of their take-home income for rent, and forego things like food or medicine or transportation options or things that their kids might need. And we also know that wages have not kept pace with inflation. So when we undercut and arbitrarily cap and carve out minimum wage, it hurts our ability to ensure families have access to quality affordable housing. The, the two are intertwined. So what happens when wages don't keep pace, what

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happens when rents do rise, is that more Nebraskans are pushed to experiencing homelessness. In 2024--

KELLY: That's your time, Senator.

CONRAD: Thank you, Mr. President.

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

SANDERS: Thank you, Mr. President. The bill that I sponsored, LB321, was put in this package without my knowledge at the time. This package, LB287, certainly has brought a lot of attention and conversation. More work can be done on LB321. I'm OK with that. This package, LB287, is bigger than SID issues in LB321. And for that, I support the governor and willing to continue to work on LB321 at a later time. I yield the rest of my time. Thank you, Mr. President.

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

M. CAVANAUGH: Thank you, Mr. President. Would Senator Sanders yield to a question?

KELLY: Senator Sanders, would you yield to questions?

SANDERS: Yes.

M. CAVANAUGH: Senator Sanders, did you ever say previously in rounds of debate that this was in the package against your wishes?

SANDERS: I did say it was an unfriendly amendment, yes. And I went right over to Senator McKinney when I saw that it was in the package.

M. CAVANAUGH: Then why did you vote for it?

SANDERS: Well, the conversation is what we needed, right? The debate is what belongs on the floor.

M. CAVANAUGH: But you voted for the bill on Final Reading.

SANDERS: You know, that was something that I thought was negotiated. You know behind the scenes, we have a lot of negotiations. And I thought that was exactly what was going on. But when-- that day was a very busy day for all of us. So I knew I had Final Reading yet to get to. And, and so I voted yes at the time. Now we have more time to reconsider, and I am going to stand with the governor.

M. CAVANAUGH: Why did you introduce the bill if you feel so strongly against your own bill?

SANDERS: My own--I don't stand strongly against my bill. That bill at First Reading, my bill, brought a lot of attention, particularly from Senator Bosn. So that gave me time to work on it between Select and General.

M. CAVANAUGH: And why was it unfriendly to include your bill in the package?

SANDERS: Well, normally you're asked or you are told that your bill is in a package and I was not.

M. CAVANAUGH: OK. Thank you. Thanks for yielding to the questions. I mean, it's unfortunate that it was in the package because that seems to be what everybody is opposing is Senator Sanders' portion of the bill. But because it was included in the packet, we can't override Senator McKinney's bill without overriding the entire package. And because that's how it works, it's not line item unless it's the budget. So I guess it's too bad that that was included since we want to override the veto for the city of Omaha so that it is clear that they have the authority to make the housing authority do something about bed bugs. And Senator Dungan was talking about bedbugs and they are-- once you have bed bugs, it is very difficult to get rid of them. I remember my sister's apartment in New York had bedbugs and she had to like basically get bedbug insurance for the company that came and exterminated them. Then she had like to pay for like a five-year guarantee and they would come and treat her apartment every six months, and it was quite the ordeal for a long time. And then she had to put like special tape on the bottom of all of her furniture that would catch the bedbugs that were trying to climb up the furniture. And I once went and stayed with her, and the air mattress that I stayed on was completely surrounded by, by this tape so that the bedbugs wouldn't, like, break the barrier, so to speak, if there were any. So, it's, you know. And there were no children involved there, so that was good. But they are very terrible and shouldn't be in public housing. And if they are in public housing, then we should be doing something about it and not just kicking the can and saying that we are not responsible for it because we are. So you know, people talk about the victims and wanting to help children and Senator McKinney's bill does that and -- it's unfortunate that people are unwilling to stick by their votes on Final Reading. I would never vote for something and then not vote to override a veto. But that's just me. I stand by my votes, generally speaking. I-- yeah. So I was planning to talk about

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other stuff, but then Senator Sanders spoke right before me, and I was confused by what she was saying. So that kind of threw me off. So I might get back in the queue, I don't know yet. So thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Guereca would like to recognize guests in the north balcony. They are members from the Urban Abbey Youth Social Justice League in Omaha. Please stand and be recognized by the Nebraska Legislature. Senator Dungan, you're recognized to speak.

DUNGAN: Thank you, Mr. President. Colleagues, I rise again in favor of the motion to override. Shout out to Urban Abbey. Y'all do amazing work, happy you're here today. I just wanted to follow up with a couple of things that I, I didn't say before, because I ran out of time. And the main point that I wanted to make, that I didn't get to talk about earlier, is something I had a conversation about earlier this weekend, which essentially is that no matter where we live in the state, we are senators for the entire state. And maybe this was already mentioned on the mic earlier, I've been running around today, talking to a lot of other senators about different things, but I'm a Lincoln senator, right? I represent Northeast Lincoln, LD 26. It's primarily, it's entirely urban. It's almost all residential with some pockets of commercial. You know, I don't have any ag land. I don't have any rural land. Yet, I am called upon time and time again to make decisions about and debate about and ultimately vote on bills that affect rural areas. And I relish those opportunities because it gives me a chance to get to know my colleagues, it gives, gives me the chance to learn about different parts of the state, gives me an opportunity to dive into subject matters that I wasn't aware of ahead of time. And, and I take that job seriously. I think it's important for all of us to try to learn as much as we can about every issue that surrounds us, especially in our jurisdiction of our committees. And I have had to learn about a lot on the Banking, Commerce, and Insurance Committee that I didn't know about ahead of time. Obviously, I've had to learned a lot on Revenue, about ag, and about our rural areas and how taxation affects them. But it's an opportunity for us to learn more about other people in the Senate, or the Legislature and learn about other senators and figure out things that we didn't know before. So for all of my colleagues that don't live in the Omaha area, for all my colleagues who live outside of a city of the metropolitan class, like myself, I live outside a city of the metropolitan class, this bill provides for you an opportunity to learn. And I think in order to learn, you also generally have to listen. So I hope, colleagues, that you have taken this opportunity to listen about some of the issues. I

hope you've taken the opportunity to dive in a little bit more about housing authorities and what powers they do or don't have. Because frankly, the issues that are being encountered by these people who are living in these units are horrifying. And I don't know if you've ever woken up with bites, not knowing what they are. I don't know if you've ever had lice or fleas, but bed bugs are even worse. And if you go online and look at the submitted comments about some of the personal stories that people have had to deal with with regards to bed bugs, I would encourage you to do so if you haven't done that, because it is enlightening. So what Senator McKinney is trying to do with this bill is just to help some. And it's not even forcing anyone to do anything. It's literally just saying that the city of Omaha, or a city of the metropolitan class could, if they so choose, take some action. Which, by the way, they've said in the past is their problem. There's a lot of what we do in this Legislature, colleagues, that doesn't have a tangible impact on people's lives. People can't see the benefit of what we are doing for them. This bill, LB287, is an opportunity for us to take a vote on a bill that actually will, if the city of Omaha tries to do something about it, actually will have an impact on people's lives. And, you know, just looking again at the headline of this article that Senator John Cavanaugh handed out, Governor Jim Pillen vetoes bill to hold Omaha Housing Authority accountable for poor conditions. That's not a sensationalist headline, it's exactly what this bill does. And to veto a bill that holds an entity accountable that's not doing their job is problematic. And colleagues, we owe it to the people of Omaha who are living in these units to do something about this. So if you're not from a city of the metropolitan class, if you don't have experience in this area, this is your chance to listen. And not just vote because your friends are voting a certain way. And not just vote because of what name is attached to a bill, but to actually take a vote that's going to have an impact on people's everyday lives. So colleagues, I would encourage you to vote green on the motion to override. If you voted yes on the bill, you should vote yes on the override. Step into our power, colleagues. We are the Legislature for the state of Nebraska. It's time that we act like it. Thank you, Mr. President.

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

ANDERSEN: Question. Call the House.

KELLY: There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote

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aye; all those in favor-- all those opposed vote nay. Record, Mr. Clerk.

CLERK: 24 ayes, 0 nays to place the house under call.

KELLY: The house is under call. Senators, please record your presence. All unexcused members outside the chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house under call. Senator Conrad, please state your point of order.

CONRAD: Thank you, Mr. President. Did the presiding officer make a ruling as to whether or not there was free full debate?

KELLY: There is no ruling of the chair. It's only if five members raise their hand, Senator.

CONRAD: OK, I--

KELLY: Which was not, which was not done. The call of the house is the only thing that we have. And then I'll ask if I see five hands.

CONRAD: Very good. OK. Very good. Thank you so much. I, I was just-- I didn't hear the, the other piece read into the record and wanted to ensure that there was a, a ruling on that, but the sequencing makes sense. Thank for the explanation. Appreciate it.

KELLY: All unexcused members are present. And the question was, previously made, shall debate cease? Do I see five hands? I do. Senator-- the question is, shall debate cease. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 32 ayes, 10 nays, to cease debate.

KELLY: Debate does cease. Senator McKinney, you're recognized to close on the motion.

McKINNEY: Thank you, Mr. President. First, I want to rebut what Senator Sanders said. Her office was fully aware that this bill was in the package. I have emails, and I've talked to my staff that have multiple phone calls with your staff about the bill. And you, and you're, and you all referred them over to a lobbyist. You voted for the bill, for the AM, on March 20th. And not one time did you ever tell me It was an unfriendly amendment. But neither here or there, were here. And my request to you is, or not my request, my question would be, do we care about all Nebraskans? Do we care about the well-being of all Nebraskans? If the answer in your head is yes, then

you vote to override the governor's veto. This is about public health, human dignity, and making sure when somebody goes to sleep at night, they're not getting ate up by bed bugs. It's making sure that a housing authority that has lacked accountability for decades, honestly, is held accountable. Especially for the most vulnerable pop-- people in our populations. A lot of people in towers are elderly. They're somebody's grandma, somebody's uncle, that may be disabled or fell on hard times and has low income. And they're virtually kind of stuck in that situation. And all this bill is asking is for you. To see that they're human and to see that the conditions that they are living in should not be. That's what this bill is asking you, that's why this override is asking you. I believe the governor is 100% wrong for vetoing this bill, and I'll be quite-- I'll be frank about it. That-- this is a horrible veto. It is. Because what it signals is that not all Nebraskans are important. And it also signals that people care more about taxes and taxing authority than the well-being of people. That's what that signals. We could fix the tax, tax issue later. But the issue of bed bugs is present today. These people need change today. They can't wait another session for me to come back and introduce another bill. They're living in these horrible conditions today. We could come back and fix the tax issue. But these, but these conditions in which people are living need to be addressed as soon as possible. How would you feel if your grandpa, your grandma, your family member was living in a tower that is infestated-- infested with bed bugs and other, other pests, and the housing authority isn't doing anything to address it adequately? You have a city council that on repeated occasion stated they do not have the power to do anything. This bill will give them that option. Don't think about me, think about the people. Think about the people who clearly are hoping for your vote to override the governor. It's-- I, I mean, I've said it multiple times, the state of the Legislature is in a sad condition. And if this override doesn't happen, that will continue that. And I, I can't say anything else about that. But I thought, and I would hope, a lot of y'all were human. A lot of you all cared about all people. But your reflection with this vote will show who you care about and who you don't care about and what you value and what don't value. Valuing taxing authority over basic human living conditions. This is sad. It's sad that I got to stand up and talk about this. It's sad Senator Andersen called the question. It's sad Senator Sanders acted as if my office had not communicated with her office. It's just a sad day. But you can do right today and vote to override the governor, because there is a separation of powers and I've seen people override governor's vetoes while I've been in the Legislature. So don't think you can't. You'll live to fight another day. Thank you.

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KELLY: Thank you, Senator McKinney. Members, the question is the, the question is the adoption of the motion to override. There's been a request for a roll call vote. Mr. Clerk.

CLERK: Senator Andersen voting no. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting no. Senator Bosn voting no. Senator Bostar voting yes. Senator Brandt voting yes. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Clouse voting no. Senator Conrad voting yes, Senator DeBoer voting yes. Senor DeKay voting no. Senator Dorn voting no, Senator Dover voting yes. Senator Dungan voting yes. Senator Fredrickson voting yes, Senator Guereca voting yes. Senator Hallstrom voting no. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting yes. Senator Hughes not voting. Senator Hunt voting yes. Senator Ibach voting no. Senator Jacobson voting no. Senator Juarez voting yes. Senator Kauth voting no. Senator Lippincott voting no. Senator Lonowski voting no. Senator McKeon voting no. Senator McKinney voting yes. Senator Meyer voting no. Senator Moser voting no. Senator Murman voting no. Senator Prokop voting yes. Senator Quick voting yes. Senator Raybould voting yes. Senator Riepe voting no. Senator Rountree voting yes. Senator Sanders voting no. Senator Sorrentino voting no. Senator Spivey voting yes. Senator Storer voting no. Senator Storm voting no. Senator Strommen voting yes. Senator von Gillern voting yes. Senator Wordekemper voting yes. Vote is 24 ayes, 24 nays, Mr. President, to-- on the motion.

KELLY: The motion is unsuccessful. I raise the call. Mr. Clerk for items.

CLERK: Thank you, Mr. President. Communication from the, from the governor. Engrossed LB260E, LB262E, LB263E, LB534E were received in my Office on May 15, 2025 and signed on May 21, 2025. These bills were delivered to the Secretary of State on May 21, 2025. Signed sincerely Jim Pillen, governor. Additionally, amendments to be printed from Senator Hughes to LB303, Senator Raybould to LB415, Senator Arch to LB298. A report from the General Affairs Committee concerning two gubernatorial appointments to the Nebraska Medical Cannabis Commission. That's all I have this time.

ARCH: Mr. Clerk, next item.

CLERK: Mr. President, Select File LB707. First of all, Senator, there are E&R amendments.

ARCH: Senator Guereca for a motion.

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GUERECA: Mr., Mr. President, I move that the E&R amendments to LB707 be adopted.

ARCH: All those in favor say aye. Opposed, nay. They are adopted.

CLERK: Mr. President, Senator von Gillern would move to amend with AM1560.

ARCH: Senator von Gillern, you're recognized to open on your amendment.

von GILLERN: Thank you, Mr. President. Good morning, colleagues. Good morning Nebraskans. I rise this morning in support of LB707 and the white copy amendment AM1560. There'll be another-- a number of other amendments coming up this morning. Unless there's a surprise, I believe all of them are going to be friendly amendments. But right now I'll talk about AM1560. AM1560 replaces language that was heard on General File on May 7th and reflects a number of resolutions arrived at through a lengthy process of negotiations between good life applicants, municipalities, the Department of Revenue, PRO, the Attorney General, and other substantial stakeholders. Since the debate over LB707 on General File, there have been dozens of meetings, calls, discussions, and email chains that have given rise to meaningful and productive compromises which I feel effectively balances the interest of developers, cities, and the state, and will ensure that tax dollars invested in these transformational projects will be well spent. In fact, I dropped two FAs this-- first this morning that addressed three more concerns raised by the most vocal opponent of LB707, who's pulling people out in the lobby today to talk about the project. AM1560 is, in my opinion, the best possible outcome for this time for all parties. Our intent with LB707 and AM1560 is to ensure that Good Life Districts actually achieve their intended purpose, to foster transformational economic developments that will be a boon to the state in the form of increased sales tax revenue. Prior to LB707, there were serious concerns from multiple parties that the Good Life District program was simply handing a blank check to development groups with little to no assurance that the state would reap a fair return on its investment. Without the compromises that have taken shape in LB707, the negative financial impact to the state will have been difficult to quantify and possibly devastating. This is a fiscally responsible action that maintains partnership between the state, municipalities, and developers. As a quick reminder, Good Life Districts were created by LB727 in 2023 and modified last year by LB1317. The idea was for the state to invest in transformational developments all across the state with the idea that the return on

investment in later years through increased sales tax revenue would be a multiple of that investment. Legislation limited Nebraska to five Good Life Districts. Districts have already been approved in Gretna, Bellevue, West Omaha, and Grand Island. Kearney and Papillion have pending applications with the Department of Economic Development, only one of which can be approved due to the five-district limit. Good Life Districts are by statute create-- to create, and I quote from the statute and from the original bill, transformational retail developments of varying sizes depending on their location. That was true when they were created, and current statute makes it clear that that's true today. If you have any questions about this, I have the statute here at my-- with me at the podium and those words are highlighted. Most of you were contacted recently by one of the developers who's claiming that residential, medical, non-profit, and relocations of existing businesses in proximity to their developments are acceptable in Good Life Districts. While those uses may be acceptable inside of a Good Life District, they do not generate sales tax revenue, which was the whole idea behind Good Life districts, and therefore taxpayer dollars should not be expended to deepen the profits of these developments. The statute is clear about the requirement for new-to-market retail, and a great deal of time was spent in discussion over how to clarify what exactly new-to-market retail means. What the AM says is that new-to-market means a store does not already exist within 40 miles. We started with a 100 mile limitation and compromised on 40. The previous amendment did not allow for any existing retail, which we eventually determined was not reasonable, so exceptions were made for that also. I believe firmly that great things will come to communities where Good Life Districts exist over the coming decades. That being said, cracks were left in the program as originally conceived, which would allow applicants to take advantage of the program in ways that would have been detrimental to the state, and I'm pleased to say that we work hard to identify those loopholes and close them. For example, it's not right that a Good Life District applicant would gain benefit from an online consumer purchase made by a resident living within a district. We fixed that. It's not right for developers to benefit financially due to a car purchased by a resident who happens to live in a good life district, purchased from an existing dealership outside of the Good Life District. We finish-- we fixed that. Their developers felt that it was a good use of state tax dollars if they collect half of the sales on a bag of dog food you bought from Amazon and had delivered to your front door. We disagreed, and fixed that. It's not right that existing sales tax revenue from Village Pointe Shopping Center be allocated to a development that's not even connected and being built

nearly a mil-- nearly, nearly a mile away. It's not right that Menard's in Elkhorn a mile west and north of that development, again, been there for over 20 years, half of their sales tax revenue may have been captured by a development had we not fixed these things in the amendment. It's not right that a developer could have relocated a substantial ongoing business. I had a couple examples, I'm not going to name the examples, to capture half of the sales tax revenues. Just imagine some of the biggest businesses in Omaha moving. The state would have given up half of their sales tax revenue. It also would have put the state in competition with other commercial developers, tilting the scales in favor of a Good Life applicant. The amendment today fixes those issues, in addition to accomplishing several other important things. The AM changes language in order that Nebraska maintains compliance in good standing with Streamlined sales tax agreement. I'll explain that later if anybody wants further notation on Streamlined. It places limitations on sales tax collected from existing retail that's not new to market. It clarifies how Good Life District benefits coordinate with other local incentive programs already in place, in particular, the Omaha Project, which has an enhanced employment agreement, which allows it to charge a premium sales tax on goods sold in that area. It further clarifies what qualifies as new-to-market retail, recognizing the possibility that not all retail will be new-to-market. For example, a new-to-market store could be built and a Starbucks built next to it. If there are 17 Starbucks in Omaha and this is number 18, then it counts. If one of the pre-existing Omaha stores closes within the next 10 years, then the Good Life District store will be considered a relocation, and therefore not new-to-market. The AM recognizes that residential build-out is likely to occur within a Good Life district, but since residential does not generate sales tax, it is not considered as something we'd financially want to support as taxpayers. The amendment considers that purchases could be made online, and those purchases, as I mentioned before, along with other purchases such as autos, boats, et cetera, could have been considered for benefit of the reduced sales tax rate. AM1560 also clarifies what constitutes as controlling property rights, which protects other adjacent landowners and developers. The AM better defines project areas, which are developments within a Good Life District, which may be owned by another developer. I recognize that this is quite a bit to share, and I want to sincerely thank those who've worked productively with me and others here at the Capitol to reach this point. I want to strongly emphasize against what some have falsely claimed. AM1560 is not a bid to kill any project. On the contrary, I've been in the development world all of my life, and I understand better than most the return on

investment of good development. And again, the reflection you'll see, I think there are four amendments coming up behind this amendment, all of which have been negotiated in the most recent 24 to 48 hours and reflect additional compromises. AM1560 does represent an effort to strongly check aspects of projects that threaten to take advantage of Nebraska taxpayers. It's critically important that we advance LB707 with AM1560. Without this bill, the financial impact to the state is immeasurable. By the way, the fiscal note shows a positive to the bottom line of about \$3.6 million after the expenses. I'm sure many of you will have questions about the bill, and I'm happy to answer any of those as we move forward in our discussion this morning. Thank you, Mr. President.

KELLY: Mr. Clerk.

CLERK: Mr. President, Senator Holdcroft would move to amend with AM1599.

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

HOLDCROFT: Thank you, Mr. President. Good morning colleagues. I rise in support of LB707 and AM1560. I am bringing AM1599 on behalf of the City of Bellevue. They are appreciative of much of the amendment AM1560. However, there is one concern that remains for them. Specifically, AM1560 continues to require the establishment of a Good Life District economic development program through a public election before the tax commissioner may allow state sales tax revenue to the city. I am offering AM1599 as an amendment to make sure there is not a negative impact on the, on the Bellevue Good Life Project. Bellevue has already invested more than \$40 million into its Good Life District project and has complied with all existing statutory and regulatory requirements under the Good Life District Act and development of economic development guidance. Requiring the city to a public election to access state funds introduces unnecessary cost, uncertainty, and risk of project delay or cancelation. AM1599 cleans up this language for the Bellevue Project to ensure that the project moves forward is not negatively impacted by the provisions of AM1560. It would exempt the city from the requirement to go back and hold an election after already investing \$40 million. Were it left in place, it could be interpreted that the city be required to pause, hold an election, wait for the results of that election, and potentially have to stop the project. I do not believe this is the intent of this legislation, and thus I am offering AM1599 for your consideration and asking for its adoption. Thank you.

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ARCH: Returning to the queue, Senator De Boer, you're recognized to speak.

DeBOER: Thank you, Mr. President. Good morning, colleagues. I was wondering if Senator von Gillern would answer some questions?

ARCH: Senator von Gillern, will you yield?

von GILLERN: Yes.

DeBOER: Thank you, Senator von Gillern. I know we were talking about this before. And for the record, I don't know where I'm at on all of this. So to be honest, I'm trying to flush it all out and kind of figure out how everything should fall. So on the one hand, I really appreciate your comments that we don't want like a car purchased by someone who happens to live in a good life district to be considered sales tax for the purposes of that Good Life District, or an Amazon package, or anything like that. That all makes very good sense to me. The, the one thing that I am trying to kind of figure out is the Good Life District in Omaha, that the rules that we are creating under LB707 are not the rules which were being used by the department when it granted the Good life District to the Omaha folks, the developer. And that's, that's really the concern I have, is that they have a contract that was under one set of rules, which I actually like your rules better, but they have this contract under one set of rules. And if there's some way we could figure out how to work with them. And I know you've been working on this for a long time, and I'm just coming in at the end of the story, but the problem is I have to vote at the, the end the story. So I'm trying to figure out what to do here. So could you please speak to me about the fact that they already have a contract based on what the department's reading of the, the original statute was?

von GILLERN: Yes, they do. That's my understanding. I'd want to steal just one moment from you and just say that Senator Holdcroft's amendment AM1599 is a friendly amendment. To your point, the, the, the rules have not changed. We've just added additional clarity to what those rules meant. The original statute, which you and I looked at, I haven't got the original statute here, I've got the original bill, LB727, both of which say transformational, new to market, retail, dining, and entertainment to attract visitors. It, it defines how many visitors it should be. I think it's 1,000, 1,000 visi-- no, 1,000 employees and then thousands of visitors, a certain ratio of which should be out of state. All of that is defined in there. But what I--

DeBOER: So that I think is the same-- Sorry to interrupt you, but I, I know how little time we have. So my concern is that the state has given them, based on their specs and all the things, said you're good to go, and that would have counted the residential towards that ultimate threshold of they have to have \$1 billion of development.

von GILLERN: Residential was never anticipated in the original bill.

DeBOER: The problem is that the department went ahead and granted them one anyway, knowing what their, their plan was.

von GILLERN: That application is confidential. I've never seen their application. I don't know what it shows. I've not-- again, it, it's been confidential. And to the credit of DED, they've not shared that with me or any of the other parties involved. We actually asked the developer that you're, that you're speaking about to share that development plan. We asked for that multiple, multiple times. And that information was not shared. The most, the most that I know about the deve-- the development is what was shared, or what was printed in the World-Herald. There was an article from 2019 that shows a rendering with, with a lot of residential. And then there was a-- there was an article a week or two ago that showed multiple-- excuse me, it wasn't an article, it was a paid advertisement that the developer took out that showed renderings of multiple of, of residential and then the mixed use development, which is retail on the lower level and residential up above. So that's as much as I know about what's going on in the project.

DeBOER: That's a really helpful point, that they have not shared that and you've asked for that. Because you can see where my concern is, is that the department has granted them, and let's assume that they have disclosed their residential was part of it and the department granted it. Do you see why I might have a concern about now changing and saying the part-- that that can't be part of it. Because in the original statute, of course, it does imagine these new retailers, but it doesn't say that those are exclusive within the \$1 billion-- you know, it has to be exclusively that within the \$1 billion makeup. That's the part that you're trying to clarify now. I understand that. But clearly the, the department, if we believe that they had rendered their plans the way they said they did, then clearly the department would have granted them the Good Life District, even though it envisioned counting some of those other things to that \$1 billion threshold.

von GILLERN: Yes, and I'm not aware--

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KELLY: That's time, Senators.

von GILLERN: Thank you. Thank you--

DeBOER: Thank you.

KELLY: --Senator DeBoer and von Gillern. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President, and good morning colleagues. I'm trying to get up to speed on my friend Senator Holdcroft's amendment that's filed to this measure, and like other members have been reading the corresponding points of view and perspective from different stakeholders involved in this measure and had a chance to touch base with Senator von Gillern in regards to his leadership on this measure, which I appreciate. And while we're kind of sorting through these different amendments here, one thing that is striking to me based upon our most recently concluded debate on the veto override measure and where we are on this next measure on the agenda. So herein, you see a measure that will benefit some communities and also give significant benefits to private developers. And you see member after member jumping up and talking about drawing down these kinds of funds to their district. And you see all kinds of senators jumping up to figure out, you know how to curry favor and lift favor for wealthy developers in their districts. And it stands in sharp contrast to the debate we just had on the veto override wherein, you know, Senator Andersen couldn't even be bothered to debate a veto override on a critical issue impacting thousands of Omaha residents for. Even a couple of hours, and multiple members flip-flopped their vote in regards to that measure. And so today, again, on full display in this Legislature, which has been pattern and practice for the entire session, is the Nebraska Legislature figuring out how to use their power to aid the powerful, and the Nebraska Legislature punching down on the working poor and the vulnerable. So whether it was giving special benefits under law to big companies like Uber and Lyft and punching down on drivers where we started, whether it was punching down consumers harmed by data breaches when corporations act negligently and giving them special protections, whether it's undercutting the will of the voters in regards to medical cannabis, minimum wage and sick leave, whether it's stealing money from North Omaha development, whether it's flip-flops on votes in Senator Rountree's measure in regards to SNAP updates, whether it's flip-flops on vote in regards to Senator McKinney's measure in regards to housing justice in his district, whether it hostile amendments to Senator Quick's measure to update and strengthen our SNAP program, whether it's clawbacks and incentives

that help consumers access clean water while also adding new incentives and giveaways for big business on top of existing business incentives, whether it's protecting tax cuts that benefit the rich and the biggest corporation while increasing regressive taxes, while increasing fees on everyday Nebraskans from garbage, to game and park entries, to tuition. Here we are again, once again on full display, the powerful using their power to assist the powerful, and punching down on the working poor at every turn. It's on full display again today. And as predicted, Senator Raybould and her allies will stop at nothing to attack the will of the voters, to undercut working families' ability to access food or housing, or have their wages keep pace with inflation. It's OK to give judges who are already making over \$200,000 a year another big boost, but we gotta punch down on minimum wage workers. It's OK to try and update your own salary in this body, but you gotta punch down on minimum-wage workers. You're fighting for major increases for your buddies in the executive branch, but you're punching down on minimum wage workers. Today, the first two items on the agenda repeat the common refrain of the 2025 legislative session, use your power to help the powerful and punch down on the poor and punch down on voters. And it's on display again. It's the only message Nebraskans are taking out of the 2025 legislative session, and it's an easy lesson to see and to learn because you repeat it every day with your words and your actions and it's shameful.

KELLY: That's your time, Senator.

CONRAD: Thank you, Mr. President.

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

SANDERS: Thank you, Mr. President. Good morning Nebraska. I rise today in support of AM1599 and LB707. Thank you ,Senators Holdcroft and von-Gillern for their support and partnership. While Bellevue supports much of AM1560, one critical issue remains that must be addressed to protect an important local investment. Bellevue took all the proper steps to establish its good life district. In December 2023, the city applied for the district and engaged Creighton economist Dr. Ernie Goss to conduct the required economic impact analysis. His findings confirmed the project would generate positive state revenue as it would not offset existing state sales tax. After extensive collaboration with the Nebraska Department of Economic Development, Bellevue received tentative approval in April 2024 and full approval by July 2024. Since then, the city has invested over \$40 million in

infrastructure. Planning and construction fully comply with the statutory requirements of the Good Life District Act and related guidance. These investments rely on existing framework, including the anticipation allocation of 50% of the sales tax revenues. This funding is essential to keep Bellevue's Good Life District competitive. It enables repayment of bonds on the core Bellevue Bay indoor water park project and supports critical infrastructure. AM1560, however, introduces a new requirement that Bellevue must establish a Good Life District economic development program via public elections before sales tax revenues can be allocated. This language, found on page 31, line 14, could be interpreted to require Bellevue to pause its project, hold an election, and await results, introducing unnecessary costs, delays, and significant risk to the project's viability. Given the city's \$40 million investment and the projected, projected \$125 million in benefits over 25 years, this uncertainty threatens to derail a project designed to enhance Nebraska's quality of life and expand its retail tax base. AM1599 clarifies the language to exempt Bellevue from this new election requirement, ensuring the project can continue without disruption while protecting taxpayers' interests. For these reasons, I urge your support of AM1599 to safeguard Bellevue's Good Life project and its substantial investment in our state's future. Thank you, Mr. President.

KELLY: Thank you, Senator Sanders. Senator Clouse, you're recognized to speak.

CLOUSE: Thank you ,Mr. Speaker. I rise in support of the amendments as brought forth by Senator von Gillern. And I had a handout that made the, the circuit here, and on the back page of that handout is a, a map or a-- actually it's a Good Life District map that if you look at the date it was July in, in 2024. City of Kearney has, has submitted this. They've asked ev-- answered every question. And I talked about this earlier on the mic. Everything that's been asked, they've done this. And the, the whole premise behind the Good Life District is to increase sales tax, so it, you know, it's the growth of our state through sales tax. And this shows you that Kearney is shovel ready. And we keep delaying things. And I tell people, I said, you know, if the city of Kearney, which is my city that been in there for a long time, if we moved at the speed of the state, the fifth largest city in this state would still be a village. And I quite frankly am, am getting frustrated that it takes so long to make these decisions, which seemed to me to be a no-brainer. So I stand in support of moving LB707 forward, and whether Kearney is selected or not. Of course, obviously, I'm, I'm partial and biased. I think that we can make it work and we will generate revenue for the state in the manner that

it's supposed to be generated, and that's through sales tax. And then we will also create property tax for the local entities. All these good life districts are sound projects, and they meet the intended purpose, so I think we need to be moving forward. And so with that, I offer my support, and if anyone has any questions, please feel free to ask. Thank you.

KELLY: Thank you, Senator Clouse. Senator Jacobson, you're recognized to speak.

JACOBSON: Thank you, Mr. President. I would second what Senator Clouse just mentioned about Kearney. That project is probably the epitome of what Good Life Districts were envisioned to be. And you look at the fact that they're bringing in all retail. They're not blurring the lines by going into areas and grabbing existing retail. They're not using the project to build residential or churches which aren't paying taxes. This designed to create sales tax revenue from national retailers that are, that are new to the market. That's what the Good Life Districts were designed for. That's what they should be doing. The bill probably had many loopholes available, and I can tell you people have been going through those loopholes. So I really want to really acknowledge all the work that Senator von Gillern's done to try to close the loopholes, to try to make this more of, of a bill what it was designed to be. You're always going to have developers complaining about something. But you know what? Every one of them that are involved are going to make a lot of money in this program. And so it's time to move forward, close the loopholes, be able to make this do what it was supposed to do. And that's what the fiscal note suggests that it would be when you look at LB707. So with that, I'm going to yield any remaining time to Senator von Gillern.

KELLY: Thank you, Senator Jacobson. Senator von Gillern, three minutes, 28 seconds.

VON GILLERN: Thank you, Mr. President. Thank you, Senator Jacobson. Just real quickly, I'll just take a few moments. I appreciate both Senator Jacobson and Senator Clouse's comments about the, the projects that are upcoming. And it would not be appropriate for me to lobby Kearney over the other applicant in Papillion. That isn't the point. But I do want to apologize for the delay, for the long time that it has taken to go through this process. And that is 100% reflective of the, the fact that we have four current districts that are underway. So that's four developers, that's four municipalities. And then some of these have multiple developers in them. So actually it's more like six developers and four municipalities. And then you have two more

municipalities that have applications in. So it's a lot of moving parts, and we've really done our best to, to gather consensus from all of those folks to try and pull together as good of a, a bill and amendment as we can. To answer Senator DeBoer's question that you asked me earlier about reaching the \$1 billion minimum. I've not seen the math and I don't know, because I've seen the application, I don't know that DED has seen the actual math about how that developer had planned on reaching that \$1 billion threshold, so DED very well may have signed off on a map and uses, but not seen the actual math about how that was going to be arrived at. And then lastly, again, I do stand in favor of Senator Holdcroft's AM1599. And as he and Senator Sanders both mentioned, that is-- Bellevue is a little bit unique in the fact that they are a municipality that's doing the development. So we just had a slight change that was needed there. So I'll yield back the remainder of my time. Thank you, Mr. President.

KELLY: Thank you, Senator von Gillern. Senator Dorn, you're recognized to speak.

DORN: Thank you, Mr. President. I am for AM1599, AM1560, and LB707. Last year I got up quite often and talked about, I call it the green sheet, where we're at, what's happened with it. I think most people will know that after the budget we had, as the, the green sheet currently stands this morning here, we have about \$2.653 million, I call it extra, or what is in the General Fund is above and beyond the bare minimum of reserve I think what people also need to be aware of, and I talked quite a bit about this last year, was on the far right side of that column is a negative \$113 million. And that is for the two-year out budget. That's not the two year budget that we just passed, that's for the two year out budget Those are projection numbers. If our revenue is where the Forecasting Board projects the revenue at, if our spending in the two-year budget currently today, the two year budget we just passed, if that all happens exactly as is proposed in the budget, that is a negative \$113 million that theoretically you would be facing out there in two years. But also on the back page of the green sheet is, I call it, what could happen or would happen if certain bills are on Final Reading or Select reading, what each of their fiscal note shows how it would affect the budget. So as we talk about different things, including this bill and other bills, this is part of what we'll have to take into account yet in the last six days we have. I want to thank Senator von Gillern and others for working on this bill, LB707. Will make this comment, I, I agree wholeheartedly with, I call it the incentive, I call it part of this. But what we find out as a Legislature and what really happens quite often is we pass a bill, we pass certain guidelines, certain things in

it, and then we find out a year or two later, oh, here is how certain departments, whoever, interprets that. And this is now wasn't exactly the thought process or the concept behind the original bill that we had. I think the Good Life Districts here is a very classic example of that. There were things in the original bill as many people have said that I call it allowed developers, allowed certain cities to, I call it, maybe go outside the scope of what the bill was going to be. Very much in support of the bill and the concept behind it that we allow that develop-- that Good Life District to collect, I call it forward going, the part of the sales tax to help pay for that project. It not only increa-- increases economic development, it increases jobs, it increase the, the economic activity for that city, a lot of really good things that go on with it. However, as we're hearing things and particularly what we've heard this year and some started last year, there are many aspects of this bill or many aspects of the Good Life District proposal that now kind of, I call it have grown into a larger concept that for the state of Nebraska and as we look at our revenue on this green sheet for the State of Nebraska, wasn't quite intended to be that way. And so part of our job as a legislative body up here is making sure that as we look back at these projects or after bills are passed, that they're doing what is intended to be done, and that the scope now does not, I call it, morph into something bigger. So we have to be very careful of that, very thoughtful of that. And we, as we go through the budget, through the budget process, we look at the green sheet. As we have bills here on Final Reading, we also need to take into account all of those bills and how they affect our budget. Because another two years from now we will be back here, or I won't be, a lot of this body will be, they will be here developing another two-year budget. Next year we will make adjustments to the budget. So all of that's going on. We, the state of Nebraska, have to make sure that we do the best job of being financially responsible. Thank you.

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

CLERK: Mr. President, communication to the Secretary of State concerning the Legislature's veto override of LB287. Additionally an amendment to be printed from Senator Kauth to LB316. And a motion to recess from Senator Raybould to recess the body until 1:00 p.m.

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

[RECESS]

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KELLY: Good afternoon, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber. The afternoon session is about to reconvene. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

KELLY: Do you have any items for the record?

CLERK: I have no items at this time, sir.

KELLY: Please proceed to the agenda.

CLERK: Mr. President, Select File, LB707. When Legislature left, the bill pending was the bill itself. The E&R amendments had been adopted. Pending was an amendment from Senator von Gillern, AM1560, as well as an amendment from Senator Holdcroft, AM1599.

KELLY: Returning to the queue, Senator Riepe, you're recognized to speak.

RIEPE: Thank you, Mr. President. I, I am a proud Omaha representative in this great legislative body. Omaha is the major economic driver statewide, and so we play a very critical role. Omaha also has a very important Good Life District project, and it amounts to \$1 billion potential. And so with that, I have a question I'd like to direct to Sister-- or Senator Von Gillern. I'm used to working with Catholic nuns, so you'll have to forgive me.

KELLY: Senator von Gillern, will you yield to a question?

von GILLERN: Regardless, yes, I will.

RIEPE: Sisters, Catholic sisters are very powerful. So that's really a very compli-- good compliment.

von GILLERN: Thank you.

RIEPE: My ask, Senator von Gillern, is to help me understand how this bill, LB707, helps us maintain our integrity and honor with the past legislation that we had two years ago, so that we-- people that acted on that particular piece of legislation, and we now maybe have some exposure there. And I'm-- I just, I need clarity on that, please.

von GILLERN: Sure. Thank you, Senator Riepe. Appreciate it.

RIEPE: Father. You can call me Father.

von GILLERN: Father. Father Riepe. Appreciate the question. And, and you used the word clarity, and that's the word that I continue to use, and that is that, that LB707 and AM1560 add additional clarity to what the original bill said. There's nothing that we're doing in this amendment or this bill that, that takes a hard right or a hard left turn from what LB727 did in 2023. LB727 said that this-- these are supposed to be transformational, new-to-market retail developments that attract retail entertainment and dining, that they grow the employment base, and that they grow tourism. Everything that I'm doing in my bill is consistent with that and, and it does not divert from that. Again, we've-- there were-- because the original bill was not possibly as clear as it should been, there are some loopholes that some, some folks have tried to take advantage of, and we're closing those loopholes. And I gave a bunch of examples of that, you know, different things like whether it's car taxes or purchasing something online. It was never the intention of LB727 that a benefit for those kinds of purchases would be granted to the development, because it does nothing to grow the development. One of the big issues that the Omaha development is having is, is with regard to residential, and as I mentioned the-- I, I did not know until recently exactly that there was even an intent to build residential and or non-profits. In that development there's two churches, there's about a thousand apartments right now, and there are plans to build multi-million-dollar homes, and, and many more multi-family dwellings. So clearly that was never the intention of the original LB727. So I feel strongly that what I'm doing in LB707 is consistent with that and does not divert from that mission.

RIEPE: Thank you, Senator von Gillern. I would yield the balance of my time.

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

DeBOER: Apologies. Thank you, Mr. President. So, Senator von Gillern, I was wondering if you would ask-- answer a question.

KELLY: Senator von Gillern, will you yield?

von GILLERN: Yes.

DeBOER: Thank you. So I just want to clarify one thing as well, and I'm not entirely sure if the exchange with Senator Riepe did or didn't clarify that. I'm sorry, I could only hear part of it. A number of things were going on. So my question is whether a development,

probably Omaha we're talking about, that has already received a contract, a contract with the state will be affected by the bill as we're passing today. So the question is, if a-- if an, an entity has a contract with the state that does not envision these particular provisions, if their contract will be affected by what we're doing today.

von GILLERN: Yeah, great question. And I should, I should have shared this earlier with the body because I know one of the concerns that everyone in the room has is, what is the exposure of the state in-- if we advance this bill? Our, our conversations from the very beginning, discussions on this, have been centered around how do we do the right thing for taxpayers and how do we minimize the exposure of the state. And because of that, the Attorney General was involved in many of these conversations. And the, the, the, you know, it's-- I'm not calling out something that hasn't been already called out, the, the, the challenging project in this discussion today is the West Omaha Project. And the Attorney General had direct conversations with their counsel last weekend and they went, they went back and forth on a number of different issues that were of concern to their counsel, and the Attorney General drafted an amendment. Those changes have been incorporated in this amendment. So we, we didn't just say that, you know, tough luck, we're not gonna do anything that you need. The AG listened, he came up with the changes, and drafted them, and they, they have been incorporated into, into this language. So I'm not an attorney. I don't, I don't really have, have a way to responding to your question other than to say that the Attorney General feels confident that the exposure of the state of Nebraska is minimal at best.

DeBOER: So do you think that any legal obligations which the state has already signed will be impaired by this legislation?

von GILLERN: Again, I'm not an attorney, but if that were the case, I don't believe that the AG would feel that our risk was minimal. And again, he, he feels that there's, there's minimal to no risk exposure to the state right now.

DeBOER: OK. Let me ask it in a non-attorney way.

von GILLERN: Thank you.

DeBOER: Do you feel this bill applies to modify agreements which already exist at this time?

von GILLERN: Well, what I-- as I said earlier, this adds additional clarity. So clarity and modification could be seen as synonyms. So I would have to say yes, it probably modifies different aspects of the bill. But again, the mission of LB727 that we passed two years ago was extremely clear. And there's nothing in my LB707 that diverts from that.

DeBOER: OK. So if it were found to be the case that there was a conflict between a contract between the state and, and another entity, and what this bill does, how would that be resolved?

von GILLERN: Well, the best way to resolve it, I mean the worst way to resolve it would be through a lawsuit. The best way to solve it is, is to address it during the interim. We're back here six months from now. Good news, bad news, folks. We're here again in six months. If there's something that needs additional clarity, that needs to be addressed, we do that all the time. I mean, how many bills do we listen to in hearings where people come in and say, this is a little cleanup to fix something from last year. If we, we find something that need to be addressed, then, then we talk about it. But, but this is likely going to advance today and then the odds of modifying things become very minimal.

DeBOER: OK, so I guess I, I didn't ask it properly. If there is something already in a contract that conflicts with this, will it be resolved by amending the contract or will it resolved by sort of grandfathering in?

von GILLERN: That will fall to a different branch. That won't be our responsibility at that point. We're going to pass the best bill we can. That's going to go to the AG or the executive branch and some-- or the Department of Revenue. They're going have to figure it out from here.

DeBOER: OK.

von GILLERN: If there's something that they can't arrive at, then it'll land back in our laps in January. But hopefully we, we don't, we don't see that happen.

DeBOER: OK, thank you.

von GILLERN: Yeah, thank you.

DeBOER: Thank you, Mr. President.

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

BRANDT: Thank you, Mr. President. Would Senator von Gillern yield to a question?

KELLY: Senator von Gillern, will you yield?

von GILLERN: Yes.

BRANDT: My concern is about accountability, much as Senator DeBoer. So what is the safeguard in this bill? I guess the first question is, anybody that creates a Good Life District is-- should be audited by our Auditor at any time, is that correct?

von GILLERN: I agree.

BRANDT: So then what are the consequences of that? So let's say Auditor Foley goes in and, and he finds something out of the ordinary. What's the enforcement mechanism to cure-- what's the remedy?

von GILLERN: Yeah, great question. The original bill anticipated that, and there are check-in points every three years, and then again on the 10th year. So at thr-- at the third year, each developer has to provide all of their data, all their numbers, which then can be audited. Then at the sixth year and the ninth year, and then at the 10 year, if they've not met their threshold, then they can be removed from the Good Life District incentives. All of the dollars flow through the Department of Revenue. So the revenue comes in and then is refunded back by the Department of Revenue to the-- to each development group or to each municipality and then to the development group. And of course the Department Revenue is subject to state audit. So there, there's kind of a, a belt and suspenders approach to, to making sure that the numbers are right.

BRANDT: So I guess the last question would be, if they would discover some gross negligence, would that company have to refund the money to the state of Nebraska?

von GILLERN: We, we had a clawback provision in at one time, and I think for a number of different reasons, we modified that. There's, there's a, there is mild clawback revision, but it would only apply to, if I-- and I'm going off memory here, forgive me, I think it only applies to the time of the, of the in-- occurrence forward. And so the development, whatever development has occurred up to that time would not be subject to that clawback is my, is my memory.

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BRANDT: All right. Thank you, Senator von Gillern.

von GILLERN: Thank you.

BRANDT: I stand in support of both amendments and LB707. I yield my time back to the chair. Thank you

KELLY: Thank you, Senators. Seeing no one else in the queue, Senator Holdcroft, you're recognized to close, and waive. Members, the question is the adoption of AM1599. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 40 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM1599 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator von Gillern would move to amend with FA286.

KELLY: Senator von Gillern, you're recognized to open on the floor amendment FA286.

von GILLERN: Thank you, Mr. President. FA286 is a simple language clean-up amendment. I mentioned that conversations were continuing on with each development group, and FA286 were, were some small changes in language that were brought by the Omaha developer this past weekend. They were in conversations with the PRO office, met with them early this morning, and, and we agreed that these were reasonable changes to, to include. So I support and ask for your green vote on FA286.

KELLY: Thank you, Senator von Gillern. Seeing no one else in the queue, you're recognized to close on FA286, and waive. Members, the question is the adoption of FA286. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 38 ayes, 0 nays on adoption of the floor amendment, Mr. President.

KELLY: FA286 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Quick would move to amend with AM1581.

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

QUICK: Thank you, Mr. President, and good afternoon, colleagues. First, I rise in support of LB707 and AM1560. And I want to thank

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Senator von Gillern for all of his work on, on LB707. AM1581 is an amendment that is specific to the Grand Island Good Life District. The original law cut the state sales tax on a local level so that the city and the Good Life District could make that difference up with an occupation tax to fund the development of the district. For multiple reasons, we are changing the law to take that sales tax back to a full level and cause the state to rebate that same level of funding. In order to allow for the city and the retail-- its retailers in the district to adjust for the change from occupation tax to sales tax with a rebate, we are proposing this amendment to delay the implementation of this tax, tax change in Grand Island only. The amendment pushes the change in Grand Island to start-- to the start of fourth of October-- the fourth quarter, October 1 of this year. Senator von Gillern and the Governor's Office have signaled their support for this change, and I've recently-- I just talked to Senator von Gillern this morning and he's supportive of this. So i ask for your green vote on AM1581

KELLY: Thank you, Senator Quick. Seeing no one else in the queue, Senator Quick, you're recognized to close, and waive. Members, the question is the adoption of AM1581. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 40 ayes, 0 nays, on adoption of the amendment, Mr. President.

KELLY: AM 1581 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator von Gillern would move to amend with FA287.

KELLY: Senator Van Gillen, you're recognized to open.

von GILLERN: Thank you, Mr. President. Again, and my apologies to the colleagues for the number of floor amendments. There's been a lot of activity and a lot conversation today, as you're all aware of. So some of these have been some moving parts. So FA287 kind of took form as the morning went on this morning and just addressed a couple of slight concerns that were raised, both by the, the Omaha developer and also by the, the group in Gretna. It has to do with, again, changing the date, as Senator Quick had mentioned, the collection date from July 1 to October 1, because July 1 is too quick of a date to, to make those changes from the municipality. So we changed that date and then we had to clarify some language on the refund language if at the end of the Good Life District term there was a flaw found that, that needed to be fixed so it's just some simple language it does not change anything in

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substance so i would ask for your green vote on FA287. Thank you, Mr. President.

KELLY: Thank you, Senator von Gillern. Seeing no one else in the queue, you're recognized to close. Waive. Members, the question is the adoption of FA287. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 39 ayes, 0 nays, and adoption of the amendment, Mr. President.

KELLY: FA287 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Bostar would move to amend with AM1573.

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

BOSTAR: Thank you, Mr. President, and good afternoon, colleagues. AM1573 makes a simple change to the underlying amendment AM1560. Currently, in the law and, and statute as proposed, the Good Life Districts may expand or contract. This amendment would simply prohibit Good Life Districts from expanding. They could still shrink if, if that was decided for them. But it would remove the, the ability for these areas to grow without, frankly, input from the state enacting legislation. It would allow for project areas from within a good life district to grow, but they could not grow outside of the district boundaries. With that, I think that this is a simple measure that puts some guardrails in place to ensure that we are being responsible stewards of public funds, and I would request your green vote on AM1573.

KELLY: Thank you, Senator Bostar. Senator von Gillern, you're recognized to speak.

VON GILLERN: Thank you, Mr. President. Senator Bostar approached me. We'd visited about this this morning. This is a little bit of a walk before you run concept, if I'm understanding what he wants to do. The-- I suppose future Legislatures could add this language back in, but, but for now, and I went to great lengths in AM1562 trying to quantify what would-- how expansions could occur in all of the qualifications that it would take. And it was, it was, it was fairly laborious, and, and Senator Bostar may have come up with a much more direct and clean way to approach that. So I would, I would encourage a green vote on AM1573. And thank you, Mr. President.

KELLY: Thank you, Senator Van Gillern. Seeing no one else in the queue, Senator Bostar waives closing. Members, the question is the

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adoption of AM1573. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 36 ayes, 1 nay on adoption of the amendment, Mr. President.

KELLY: AM1573 is adopted, Mr. Clerk.

CLERK: I have nothing further this time, Mr. President.

KELLY: Senator von Gillern, you're recognized to close on the amendment.

von GILLERN: Thank you, Mr. President. I'll just take a moment. I want to thank everyone for listening to these laborious descriptions and for working through all this. It's been very complicated but I appreciate everyone's support and especially coming and talking to me to get additional clarity on, on exactly what the bill and the amendment would accomplish. So I think this is a good example of how to get good things done here. So, I would appreciate your green vote on 1560 and LB 707. Thank you, Mr. President.

KELLY: Thank you, Senator von Gillern. Members, the question is the adoption of AM1560. All those in favor vote aye. All those opposed vote nay. Record, Mr. Clerk.

CLERK: 37 ayes, 0 nays on adoption of the amen-- amendment, Mr. President.

KELLY: AM1560 is adopted.

CLERK: Nothing further on the bill, Senator [SIC].

KELLY: Senator von Gillern, you're recognized to close, and waive closing. Senator Guereca, you're recognized for a motion.

GUERECA: Mr. President, I move that LB770 be advanced to E&R for grossing.

KELLY: Members, you've heard the motion. All those in favor say aye. Those opposed, nay. LB707 is advanced for E&R engrossing. Mr. Clerk.

CLERK: Mr. President, Select File LB707A. Senator von Gillern would move to amend with AM1510.

KELLY: Senator Van Gillen, you're recognized to open on the amendment.

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VON GILLERN: Thank you, Mr. President. Again, just a small clarification to the, to the A bill, to clean up some language, to put it in alignment with some of the previous amendments that we did. So I would appreciate your green vote on AM1510 and LB707A.

KELLY: Seeing no one else in the queue, you're recognized to close, and waive closing. Members, the question is the adoption of AM1510. All those in favor vote aye. All those opposed vote nay. Record, Mr. Clerk.

CLERK: 38 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM1510 is adop-- is adopted.

CLERK: I have nothing further on the bill, Senator.

KELLY: Senator von Gillern, you're recognized to close, and waive. Excuse me. Senator Guereca, you are recognized for a motion.

GUERECA: Mr. President, I move that LB707A be advanced at E&R for engrossing.

KELLY: Members, you've heard the motion. All those in favor say aye. Those opposed, say nay. LB707A is advanced to E&R engrossing. Mr. Clerk.

CLERK: Mr. President, Select File LB316. First of all, Senator, there are E&R amendments.

KELLY: Senator Guereca, you're recognized for a motion.

GUERECA: President, I move that the E&R embedments to LB316 be adopted.

KELLY: Members, you've heard the motion. All those in favor say aye. Those opposed, nay. The E&R amendments are adopted.

CLERK: Mr. President, LB316, Select File. Senator John Cavanaugh would move to withdraw FA31 and substitute AM1521.

KELLY: Without objection, so ordered. Senator Kauth, you're recognized. Senator John Cavanaugh, you're recognized to open.

J. CAVANAUGH: Thank you, Mr. President. I was just waiting for it to get up on the board there. So it's going to read AM1521. It's going to be the first amendment on the Board here. So what AM1521 is is a compromise proposal put together by some of the folks that are

affected or who are in this industry. And so contemplates some parts of original LB316, but also has a regulatory structure that are parts of my original bill, LB16. So we had the first round of debate of all of this and there was a lot of conversation and I always said people talking like ships passing in the night. And I actually think I would start just with Senator Kauth handed out this about synthetic cannabinoids. So I appreciate this. Thank you, Senator Kauth for handing this out. This is a great place for everybody to understand where we are. This bill does not ban synthetic cannabinoids. Synthetic cannabinoids are cannabinoids that are derived from something other than a plant. So they are not based from some natural occurring cannabinoids in hemp. What this bill addresses is hemp-derived cannabinoids or THC or CBD. Things like that. So that's what we're talking about. And what this bill bans is those things that are legal under the federal farm bill that are hemp-derived THC. That is a different thing than synthetic. So, that is a very important distinction for people to understand. Synthetic are things that start with some sort of chemical and then use that and, and manipulate it until it mimics the effect of cannabinoids. That's exactly what Senator Kauth's handout here is, that it is something that is then used to mimic the effect of natural or hemp-derived cannabinoids. I appreciate Senator, I believe Clouse handed out a handout last time around that very clearly put the distinction in it, and if I have it here maybe I'll recirculate it, but it distinguishes between synthetic and hemp-derived. So that is where we're at. So if your goal is to ban synthetic cannabinoids, the Legislature already did that. The Legislature did that years ago. It is now in statute under Section 28-405(c)(14) and 28-405(c)(27). So where we ban things like K2 or Spice, which are the things that this CDC article is talking about are as defined as synthetic. So if that's your concern, synthetic, job done. Congratulations. What we're talking about now is hemp-derived THC, CBD, which is-- was legalized under the federal farm bill in 2008, and then by the state of Nebraska after that, in our-- where our law went to mimic that exception. And what the exception is, for anything that has more than 0.3% THC that is not Delta 9. So Delta 9 is the type of THC that most people, you know, when you're talking about recreational marijuana, you're talking about Delta 9 THC. It's a psychoactive component. And so what the farm bill said was if you have hemp that is less than 0.3% Delta 9, then it is OK under that. And then our state law mimicked that. And so there are a number of products that meet that requirement on our shelves today. There are, I think, hundreds of stores employing thousands of Nebraskans and paying millions of dollars in sales tax, income tax, property tax, right now that are operating in that legal market. There are a numbers of stores

that are acting in good faith, that are putting age restrictions on, they're ensuring the quality of the products, they are putting packaging that is tamper-proof and child-resistant. So they're doing a lot of those sorts of things. There are a lot folks who raised those specific concerns that the-- not everyone is doing that. So that's why I had LB16, which created a very robust regulatory structure that required stores to get licensed the same way you would under the Liquor Control Act, that stores would have to check IDs, we'd put an age limit on the sale, we'd put restrictions on packaging, we'd put restrictions on testing for health and safety. LB16 meets all of the arguments that folks raised as to why we need to do something about this marketplace. So that portion of that is part of LB 1521. But what else LB1521 does is it does still ban some of the products that people raise concerns about. So products that have Delta-8 THC would be banned under LB-- or under AM1521. There's a handout that I think some folks have, so-- and maybe I'll make a copy of this, because the one I have is not very nice, but I'll-- it goes through, it says all cannabinoids prohibited, and then under AM944, as adopted in General File, yes. Under AM1521, no. Synthetic cannabinoid prohibited, yes. And then under AM1521, yes, including all synthetic Delta products, synthetic THC-- D-- Delta 8, synthetic Delta 10, synthetic Delta 7, synthetic Delta 6, synthetic THCP, and goes on. Hemp-derived cannabinoids prohibited under AM944, yes, including lotions and consumable CBD products. Under AM1521, no. So, hemp-derive cannabinoids not prohibited. And then under naturally occurring cannabinoids prohibited, under AM944, yes, under AM1521, no. So, and this is the distinction because the definition of all products manufactured through or a conver-- a conversion process. So that's what prohibits all of these products under the bill as currently drafted, or under AM944. But under A-- AM1521, it does not, because sci-- it is scientifically separated from other cannabinoids through synthetic canna-- synthetic cannabinoids definition, I guess you have to see above. So I'll hand this out for you. But-- So there's a distinction. People have raised concerns about synthetic cannabinoids. Those are banned already. And people have raised concern about labeling, packaging, health and safety. Those are addressed through a regulatory structure of AM1521. People raise concerns about things, other specific Delta products. Some--those are banned under 1521. So this is a compromise that allows people, good actors, to continue to act and sell their product in the state of Nebraska, to collect taxes, collect revenue, create jobs, all of those sorts of things. But it-- the most important part is it creates a regulatory structure that keeps people safe. So that when they go to the stores, they know what they're getting. When they buy something, they know that it has been

approved and tested, and it is what it says it is. Which is the same thing when you go and you buy a beer, because of our liquor control system, you know that it is what it says it is, because we have a robust system. We can put the same system in place here. That's what AM1521 does. But it, it also ensures that we have age verification, that we collect revenue, and it doesn't, it doesn't ban the things that people don't want to ban. I don't know how many people stood up and said they wanted to ban synthetics. This ba-- this bans synthetics. Synthetics are already banned. So if that's your concern, vote for AM1521. It creates the regulatory structure. It does the things that you want us to do. It doesn't unduly burden or close down businesses that are acting in good faith, and it drives the businesses that are maybe at the margins, either out of business or into the legitimate system and making sure that they are following the system. So that's, that's what this bill does. I know there's a whole lot of people are in the queue here, we'll have a conversation. But this bill is a true compromise. The businesses are going to have to take some products off their shelves, and they're going to guarantee that the other products are safe, that they are compliant, they are what they say they are, they're sa-- they're healthy. Or, well, they are what they say they are. That they're not going to cause you problems. So, I hope that people engage legitimately in the conversation. I hope that there's not a lot of scare tactics about synthetics. Synthetic has a specific terminology and a specific meaning, and it means things that are not derived from the plant. It means that when you originate with a chemical, not something distilled from a plant. There is a distinction between those two things. So if you want to ban synthetics, those are banned. If you want to regulate, create a safe marketplace that, that makes sure that only adults can use this, that's what AM1521 does. So I would encourage your green vote on AM1521. I probably won't get to talk for a while, but I appreciate the conversation. Thank you, Mr. President.

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

CLERK: Mr. President, Senator John Cavanaugh would move to amend with FA263.

KELLY: Senator John Cavanaugh, you're recognized to open.

J. CAVANAUGH: Thank you, Mr. President. I forgot I had the next amendment up. So, well, I guess you do get to hear from me some more. The next thing I did want to talk about, I was going to read this particular section of the law. So if you'll bear with me just a moment while I pull up this section. So it is 28, what did I say? 28 dash,

well where did I put my-- There it is. I know, this is really good television right now. 28-405. There we go, 28-405. And then I said, 28-405(c)(14). So if you go to 28-405, it is controlled substances; schedules; enumerated. The following are the schedule of controlled substances referred to in the Uniform Controlled Substance Act, unless specifically contained on this list, exempted products of the Drug Enforcement Administration of the United States Department of Justice as listed on January 31, 2022. So it's Schedule I. And then you got (a), and it lists off a bunch of stuff. And then we go to, go down to, there we go, (c), any material, component, mixture, or preparation which contains any quantity of the following hallucinogenic substances, their salts, isomers, salts of isomeres, unless specifically excepted, when-- whenever the existence of such salts, isomers, or salts of isomers is possible within the specific chemical designation and for the purpose of this subdivision, only isomers shall include the optical position in geometric isomers. So that's section (c), and then we go down to, as I said, (14), tetrahydrocannabinols, including but not limited to, synthetic equivalents of the substance contained in the plant or on the resinous extractiveness [SIC] of cannabis. And then it says sp. or synthetic substances, derivatives, or their isomers, with similar chemical structures and pharma-- pharmacological activity, such as the following: Delta 1 cis tetrahydrocannabinol, or their optical isomers, excluding-- So I can go through and read a bunch of these things because there's a lot of words in here that are very hard to pronounce. But basically, so sec-- that section, (c)(14), and then it's section (c)(27) [SIC], any material, compound or mixture containing any quantity of synthetic produced cannabinoids as listed in subdivision (A) through (L) of this subdivision. And then it goes through a bunch-- (A) through (L) lists off a bunch of these things. So these are the places where these synthetics are already banned. So those were the Legislature has taken that action previously to ban synthetics. And as you can see from this CDC handout that Senator Kauth handed out, it says that there are hundreds of different synthetic cannabinoid chemicals are manufactured and sold. New ones with unknown health risks become available each year. Synthetic cannabinoids are popular because users often believe they're legal and relatively safe. So there was a point in time before these were made illegal. And they are called cannabinoids because they act on the brain the same, the same brain cell receptors as tetrahydrocannabinol, THC, the main active ingredient in marijuana. However, the hundreds of known synthetic cannabinoid chemicals in THC are different chemicals. In fact, synthetic cannabinoids may affect the brain in different and unpredictable ways compared to marijuana. So what it's saying here in

the CDC handout is that there's a distinction between hemp-derived THC and synthetic cannabinoids. That's the important thing I think, I hope, that people take away is that if your goal is to ban and you look at research and you're talking about all these things and you're saying, these are dangerous because they are synthetic. This research, when it talks about synthetic is talking about these things that are not derived from a plant. They are a different chemical but it is a chemical that is made to mimic THC. That's the point. So I know a lot of people are concerned about that portion of it, so I just hope, I don't know I've been-- I feel like I've been belaboring that point at the moment, but I do think it's important to drive home the fact that we're talking about here under LB316, under AM1524, and then FA263 is-- FA263-- is the dis-- there's a distinction between synthetic and, and plant-derived. So I hope people have gotten that now. I've talked about it probably for now over the last 15 minutes. So I hope people understand that, or at least it's sort of sinking in. There's a distinction between synthetic and plant-derived, what the conversation under LB316 is, what is currently legal in Nebraska is plant-derived THC. It is a-- it is something that is grown and then distilled to get more of it than is occurring in a-- in the density that you want. So it's a distillation process, not a synthesis process. And so I think that's an important distinction to talk about. And what we're running up against here is, there's a lot of people who will probably follow up and talk about the people we're criminalizing. We're-- So I think Senator DeBoer coined the phrase felony factory. This is a potential, this is one conveyor belt in the felony factory where we are going to create felons out of law-abiding citizens by passing LB316 as is. Because this bans things like those CBD ointments that people use for back pain and things like that, joint pain, because it bans things that use this extractive process. So it doesn't just ban the things that have already been banned, the K2s and the spices, already banned, already illegal. But it bans all THC and cannabinoids that are derived through a distillation process, where it is increasing the concentration. And so that's where you get into creating criminals out of people who don't think they're doing anything wrong. There's some conversation I know people are having about exceptions or things they're asking for in this bill. Things like a affirmative defense, we'll say, is one of the things I've heard people talk about. And I know a lot of people think an affirmative defense is sort of a get-out-of-jail-free card for lack of a better word. But get-out-of-jail-free card for us to say, well, it's a catch-all that protects the people we're not intending to hurt. But what it really is, a affirmative defense is something that a defendant has to assert when they are at trial or have been charged with a crime. So under

this scenario, we say we're creating an affirmative defense where if you purchased this before and you held onto the receipt and you have all these things and you're a little old lady with, you know, a thing of ointment that she uses for her joint pain. And then for her to assert that affirmative defense, she has to be arrested, cited, charges filed, has to go to court, has to get a lawyer, and then has to, at that time, assert the affirmative defense and then prove that she's entitled to that, meaning that she did keep those records of the thing that you're saying that she should have been able to keep. So it puts a huge burden on somebody to prove that they are still in compliance with the law or that they were in compliance the law at the time that they took the conduct. So that's a real problem. It doesn't actually help anybody. It creates-- puts people at legal jeopardy for something that is currently legal conduct, and does not protect them from prosecution. It is just something that they can assert when we get to that point. So I would, I would just put that on your radar as the conversation progresses. How much time do I have left, Mr. President?

KELLY: A minute, 25.

J. CAVANAUGH: A minute, 25. All right. Good, I'm going to wrap up on this. So just to circle back so that everybody-- synthetics are not plant-derived. That's one thing. What we're talking about here is plant-derived THC. That's what we're-- what LB316 is attempting to ban and create criminals out of people who currently legally possess it. It is legal under the federal farm bill. What we should do is regulate it through a robust regulatory structure like AM1521 does. So that's my proposal to you, is that we ban some of these things, the ones that people are most concerned about, and we regulate the rest. That's the suggestion. We ensure that only adults, responsible adults, can make these decisions for themselves, they can go into store, they can purchase it, they can put it in packaging that makes sure that it is kept away from kids. And that it is what it says it is. We have a regulatory structure where it has to be checked, tested, approved, verified, do all those things. And then of course the stores have to have licenses. They have to go through the regulatory system, get approved by their local city council or county board, and then go to the commission, get a license before they can start selling these things. So everybody has to be monitored, overseen, it's regulated, and that we are keeping it safe for people, and that they know what they're getting. Thank you, Mr. President.

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

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STORER: Thank you, Mr. President. I would yield my time to Senator Kauth.

KELLY: Senator Kauth, you have four minutes and 55 seconds.

KAUTH: Thank you, Mr. President. Thank you, Senator Storer. So, well first, Senator John Cavanaugh's AM1521 is a very hostile amendment. His synthetic definition would allow the dangerous synthetic cannabinoids as long as they use CBD. That actually allows Delta-8 and the other intoxicating cannabinoids as well as all of the other byproducts that are created. There's no way for a consumer to know what is actually in these products. I'm going to give you some context about the debate today. The lobbyists for the synthetic marijuana industry have been aggressively working against this bill. You see them out in the lobby. They've been pulling everybody off. Why? Because their clients make millions selling untested, unregulated, dangerous products to unsuspecting consumers who believe that if they can buy a product in a store, the government's done its due diligence with consumer protection. Senator Cavanaugh has filed an extreme number of motions and floor amendments against this bill in an effort to white-copy it with the bill of the lobbyist's choosing. That is not acceptable. I urge you to vote no on his floor amendments. They're all hostile. I have, however, filed floor amendments on Senator Cavanaugh's floor amendment, AM1574. That's an amendment that I would like to get onto this bill because I worked with several of our senators on the floor to create some clarifying language, and I can go over that with you at any point in time. We're going to be making a concerted effort to get this floor amendment quickly. My-- I have FA149, which is way down in the queue, so we're going try to get to it fast. The amendment that I want, AM1574, discusses the fact that LB316 and the ballot language that were passed are two totally separate issues, So this has nothing to do with the medical marijuana. We made an amendment for packaging tinctures after speaking with several distributors and several people who, who make these good, healthy CBD products that help people. We wanted to make sure that they are able to have packaging that works for them. So we have an amendment for the tinctures. And regarding the consumer safe harbor, if for some reason they still have the product after the safe harbor period is over, as long as they purchased it beforehand they're, they're fine. We want to make sure that people, if they're using these products, I hope they're not because they're-- it's like playing Russian roulette with what's actually in the products. As a reminder, LB316 addresses the sale of uncontrolled and untested substances that are derived from the hemp plant. These cannabinoids have been tied to significant health risks and are considered dangerous. Creating the synthetics involves

creating substances that mimic the effects of marijuana but can be much more dangerous and often contain harmful chemicals. Chemists have noted more than 35 chemicals that are considered toxic and carcinogenic, and they've noticed the creation of completely unidentifiable chemicals. And again, we've had several bills this year that deal with very toxic things. We're talking about trying to keep our, our populace healthy. And if you're going into a store and buying something that you're told is going to help you maintain your health, but it is loaded with mercury or lead or any other number of toxic chemicals, that's not doing the trick. We banned fake meat because of the toxic chemicals that it uses. Senator Wordekemper has a bill for firefighters because of toxic chemicals that they have to soak their uniforms in. These are toxic chemicals that are used to create a synthetic drug that gets people high, makes them feel better, maybe, or puts them in the hospital. Again, I spoke with a mom who picked up her 38-year-old son after a three-day coma because he bought a Delta product in the store and assumed it was OK. Here's what our bill does not do. It does not ban CBD products. It does ban hemp farming. We want our farmers who have invested in hemp farming to be able to continue under the USDA licensing program that Senator Ibach got passed last year. It does not affect those transporting products through the state with the appropriate documentation. It does limit the amount of THC to 0.3% total weight basis, or 10 milligrams per package, unless it's in a tincture. And it eliminates the synthetic chemical-created drugs. There's a three-step process to answer all of-- to figure out if this qualifies. Is the product cannabidiol? Is it free of any synthetic or modified can-- cannabinoids? And does it comply with the THC limits provided? If you can answer yes to all of those, then your product is good to go. And we do hope that those continue. I've spoken to several people who own these shops, one of whom said, you know, that's all we used to sell. But then all of these Delta 8 stores popped up and all of a sudden we were being put out of business because of the competition from those products. We had to start selling them to--

KELLY: That's your time, Senator.

KAUTH: --remain competitive. Thank you, Mr. President.

KELLY: Thank you, Senator Kauth. Senator Dungan, you're recognized to speak.

DUNGAN: Thank you, Mr. President. Colleagues, I rise today in favor of AM1521, and generally in objection to LB316 unless it is amended with AM1521 for a couple of different reasons. First of all, I want to take

a moment to reiterate a little bit of what's already been talked about here. There is a conflation going on about synthetic marijuana and hemp-derived THC. And I talked about this a little bit during the last round of debate and I think it falls on deaf ears because it is complicated. And I'm sorry that I sound technical or that I'm getting into the weeds, but that matters when we're talking about technical bills that have to do with banning certain substances. First of all, I got a comment on the first round of the debate from a friend who was watching that we probably shouldn't be banning substances and legislating about things that we can't even pronounce. I think that's maybe a worthy comment. I certainly struggle to pronounce some of these things. I know it's really complicated. But the underlying point is if we are creating legislation based on science and based on the chemicals and chemical processes, which we don't even fully understand ourselves, we're probably making decisions that are a little bit rash. And what I talked about in the last round of debate with this was the difference between synthetic, quote-unquote, synthetic marijuana, like Spice, K2, which has been banned, and then what Senator John Cavanaugh was talking about in his opening, which is the hemp-derived THC. The difference being one of those is a lab-created chemical combination of things that has a vast number of negative side effects that has been banned. You can no longer go to the gas station and buy a little baggie of something that says potpourri or Spice or K2. That's been banned because it has the negative consequences and side effects we're talking about. So when you hear these stories about people taking, quote-unquote, synthetic marijuana and having, like, essentially psychotic breaks where they go and they do things that are dangerous or they hurt people, what you're talking about are things that have already been banned. What we're talking about with a lot of these hemp-derived THCs is you take CBD, which is the cannabidiol that is the naturally occurring cannabidiol in hemp. And then from that, it goes through a process called isomerization, where using different scientific processes, you essentially rearrange the molecules that already exist in that CBD to get a rearranged chemical structure, which could be Delta 8 or Delta 10, things like that. And the reason for that is, again, the, the molecules that go into it are the same. It's just structured differently. So by going through this isomerization, you move them around to enhance-- that's the distillation process that Senator John Cavanaugh's talking about. You enhance or you bring out more of this Delta 8 instead of the CBD. And in doing so, you've distilled what is a naturally occurring substance. Delta 8 is-- occurs in the plant. In lower levels than Delta 9, but it is a naturally occurring substance. And in order to efficiently distill that, the process that we're talking about is it goes through

and then you extrapolate that using this isomerization. Now then there has to be a filtration process, right, to ensure that the ultimate result that you end up with is the Delta 8 and not the mixture of the other things. But that's exactly why we need a regulatory structure. Regulatory structures permit us to ensure that the substance that we are ultimately left with is safe, or at least you know what's in it, the same way that alcohol is regulated, or tobacco is regulated, or food is regulated. Part of the problem that we're running into, colleagues, is there is a lack of regulatory structure, which means we cannot necessarily know or see what's in these substances. And so I just want to highlight that. But that's what we're talking about here. I see my yellow lights on, so I have one minute. I want to talk about one other thing briefly. And I'm curious if any of my friends on the Appropriations Committee could respond to this. On our green sheet, LB316 is predicted to be \$1.1 million in lost revenue in the next year, followed by \$1.7 million, followed by \$1.8 million, followed 1.9 million. Exponential growth of lost revenue, meaning this is going to cost us upwards of \$2 million in a very conservative estimate. Others estimate it's closer to \$7 million to \$8 million to \$9 million annually. I would be curious how you plan on making that up with regards to a budget in a year where we already have been nickel and diming agencies. So for both the financial reasons, but primarily because I believe we need a regulatory structure and not a ban, I would encourage my colleagues to vote yes on AM1521. It is the responsible path towards ensuring that this market is well regulated and well controlled so we know what people are buying, not simply returning to a time of prohibition because we're scared of something we don't understand. Thank you, Mr. President.

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

ANDERSEN: Question.

KELLY: The question's been called.

ANDERSEN: Call the house.

KELLY: Do I see five hands? I do. There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 27 ayes, no nays on-- to place the house under call.

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KELLY: The House is under call. Senators, please record your presence. All unexcused members outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Guereca and Hunt, please return to the Chamber and record your presence. The house is under call. Senator Andersen, Senator Guereca, and Senator Hunt are missing. How do you wish to proceed? We'll proceed to a vote. Members, the question is the adoption of FA-- The question is, shall debate cease? All those in favor vote aye. There's been a request for a roll call vote. Mr. Clerk.

CLERK: Senator Andersen voting yes. Senator Arch. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Bosn voting yes. Senator Bostar not voting. Senator Brandt voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Clouse voting yes. Senator Conrad. Senator DeBoer voting no. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting no. Senator Fredrickson voting no. Senator Guereca voting no. Senator Hallstrom voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Mr Hughes voting yes. Senator Hunt. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Juarez. Senator Juarez? Voting no. Senator Kauth voting yes. Senator Lippincott voting yes. Senator Lonowski voting yes. Senator McKeon voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Prokop voting no. Senator Quick voting no. Senator Raybould voting no. Senator Riepe voting yes. Senator Rountree voting no. Senator Sanders voting yes. Senator Sorrentino voting yes. Senator Spivey voting no. Senator Storer voting yes. Senator Storm voting yes. Senator Strommen, voting yes. Senator von Gillern voting yes. Senator Wordekemper voting yes. The vote is 32 ayes, 12 nays to cease debate, Mr. President.

KELLY: Debate does cease. Senator John Cavanaugh, you're recognized to close.

J. CAVANAUGH: Thank you, Mr. President. Well, good afternoon, colleagues. I thought I would-- I know-- it looks like everybody got this letter, so I just thought it might be helpful to read from a Sweetwater Hemp Company. It says, dear Senator, my name is Brett Mayo and I'm one of the owners of Sweetwater Hemp Company. First off, I appreciate Senator Kauth and what she's trying to accomplish with LB316. She has visited my facility and I feel she was impressed with what we were doing and has no intention of shutting down our business. I've also hosted Senator Ibach, Clouse, McKeon, among many other state

employees. We've invested over \$5 million in our facility, and we have tried to do our best to provide safe CBD products for our customers across the country. We're a fully licensed, vertically integrated, fully solvent-less CBD farmer, processor, manufacturer, and retailer. We use no harsh solvents and use no synthetic cannabinoids in any of our products. All of our products are less than 0.3 percent total THC and are federally legal to sell in all 50 states under the 2018 farm bill. We are registered with the FDA, GMP, certified kosher, certified OTC registered, and USDA licensed. We are completely transparent and have an open door policy. Anyone can tour our facility at any time. I know we all had the opportunity to go, I think, when it was during the Fledge Council. I've spoken to many people in the Capitol in the prior week, and all of them have said they don't want to shut down what we have built, and I believe every single one of them. The intention of this bill are to cut out the people and businesses that are selling products that aren't-- that aren't meant to help consumers with real ailments and could potentially be unsafe. Unfortunately, the bill would greatly affect our retail and shut down our extraction, which would directly end the sale of our concentrates in the U.S. and potentially globally. We would no longer need our growing license and would almost immediately shut our doors. LB316 will shut down our business and leave us to pick up the pieces. I agree with Senator Kauuth-- with what Senator Kauth is trying to accomplish, but this bill-- but the way this bill is written has a much bigger impact than what I believe is intended. I kindly ask you to vote no on LB316 and allow me to collaborate with senators to write a bill next session and put a stop to businesses selling untested products in our state. These are-- There are many people in the state that are trying to help consumers get safe and legit products. I encourage you to look at the bigger picture before shutting down my company. Let's push this bill into the next session and write a bill that does exactly what needs to be done without unintentionally shutting down hundreds of small businesses in our state. So then he adds, if you have any questions, give them a call. So, you know, a lot of people, again, are talking about synthetics. There's a distinction between synthetic and plant-derived. Synthetic is something that's made not from something that occurs in the plant. So it is a different thing. AM1521, again, creates a regulatory structure that does a lot of the things that Brett is talking about here. So it, it has oversight of the products to make sure that they are being tested and, and are what they say they are, make sure that people get licensed, and make sure that things are clean and safe, and that's what people want. Tho-- those are achievable goals, and making clean products that when somebody buys it, they get what they say that they're buying. That is a good

goal. I agree with that. And that is the role of regulation, not banning it. So, that's why I brought LB16, that why I brought AM1521, which is a combination of making sure that we're banning the true synthetics, things that are not derived from a plant. That's what synthetic means. So AM1521 does that. It bans the synthetic Delta 8. It bans-- and I actually have a handout here that I will circulate. It bans synthetic Delta 8, synthetic Delta 9, synthetic Delta 7, synthetic Delta 6, and then a bunch of synthetic THC's and CBD's. So that's what AM1521 does. That's what people say they want. They want regulation, they want stores to be guaranteeing that they're selling what they're saying they're telling, they want testing, and they want to ban the true synth-- synthetics. That's we're doing here. Synthetic, not plant derived. That's the distinction. So LB316 bans all THC products, including CBD products. AM1521 bans synthetics. There's the distinction there. So I'm gonna, Mr. President, I'm going to withdraw FA263.

KELLY: So ordered. Mr. Clerk. I raise the call.

CLERK: Mr. President, Senator John Cavanaugh would move to amend with FA264.

KELLY: Senator John Cavanaugh, you're recognized to open.

J. CAVANAUGH: Thank you, Mr. President. Well, you guys are going to get sick of hearing from me, I guess. We could, you know, well, we could do this lots of ways. So-- I'm gonna p-- I'm going to circulate this handout so I'm not just keep reading it to myself. But, so, OK, the manufacturing process for consumable hemp products includes several steps. And I'm gonna hand this over to the page here to circulate. The manufacturing process for hemp products includes several steps. Step one, extraction of biomass with solvents or gas, water, ethanol, isopropanol, carbon dioxide, hydrocarbons. This step often includes a winterization that removes all the plant waxes and lipids which change the chemical makeup of the plant extract. Two, step two, "evaporization" of the solvent, water, of ethanol, iso-propylol. This requires a very controlled process of applying heat or vacuum or both. This process concentrates all the cannabinoids, including Delta 9 THC, and creates a full spectrum distillate that may contain more than 0.3 Delta 9 THC. This process may also involve the conversion of CBDA to CBD's, THCA to THC, or other acids to neutral compounds. The manufacturing process could be considered a chemical modification, also known as decarboxylation. Step three, crystallization of CBD with a solvent such as hexene. This step is only applicable if CBD isolate is prepared. This removes all the

cannabinoids from CBD and crystallizes CBD. The remaining liquid is called the mother liquid-- liquor, and may contain more than 0.3% Delta 9 THC. The isolation of CBD from a full spectrum oil into a crystallized isolate CBD uses solvents that physically modify the full-spectrum oil oxaidistillate [PHONETIC] into a solid crystal. The scientific opinion of Dr. Holmes [PHONETIC] is that the amendment language would prohibit the manufacture of nearly all consumable hemp. So this is what it's saying is that, OK, the above process of chemical conversion modifies or synthesizes but does not mean these products are synthetic or harmful. So what that-- going through there is that's the process by which you distill these things out of the plant and that includes CBD. So I know a lot of folks saying that they don't want to ban CBD. They're not intending to ban CBD. They're only going after synthetic THC's. And again synthetic is not plant-derived. Plant-derived is distilled from the plant to get higher concentrations or, or other types of, of THC. So this bill, as amended, would ban things like CBD. So that's why AM1521 is important, because it creates a regulatory structure, and it only bans the true synthetics, non-plant-derived synthetics. So it answers, I think, all of the questions people have raised. And I would go back again to the argument that I think we're going to hear some more about is that if somebody buys something now and there's a, a safe harbor period, and if they still have it afterwards, they wouldn't be criminalized, they wouldn't be punished. And that is simply not true. Because even if you have an affirmative defense under an amendment to this bill, that affirmative defense only gets raised if someone has been arrested, charged, arraigned, brought to trial, so goes through the whole legal process, has a lawyer, goes to trial, and then at trial they assert the affirmative defense. And so again, what this bill does is it potentially charges somebody with a felony, a little old lady who's gotten some cream for her joints and didn't save the receipt, doesn't have proof that she bought it before and put it on the shelf, doesn't have any other things, that lady can be charged, taken to trial, and then she would have to assert in an affirmative defense at trial that she had it before when it was legal and was not running afoul of the law at that point in time and stuck it in, in-- on the self. And so a bill that makes somebody go through all of that for something that everybody here says that we shouldn't be criminalizing, that is a mistake. So I think that people can have an opinion about whether this product has value for some people. I think people can have difference of opinion about whether people should be able to recreationally enjoy these things. But I think the same thing is true for a lot of other products, specifically alcohol, which is a regulated industry in the state that some people have a problem with, some people misuse, abuse,

some people use it responsibly. But we let people make those decisions for themselves, and the thing the government does is ensures that when you go and buy it, first, you're over 21; second, that what you buy is what it says it is, that it has the correct amount of alcohol by volume that the label says it has. It ensures that the store, if they aren't checking IDs, that they are held accountable for that. It's ensuring that people who have liquor licenses to sell alcohol have ba-- have background checks, have been, you know, gone through their city council. They are-- when you have a storefront, that it has been approved by the Liquor Commission and the city council, so there's a whole regulatory structure on all that. And then there's a tax that's assessed against those things that helps pay for property taxes but pays for the cost of the oversight. So a regulatory system like that works. It's been proven to work for about 100 years at this point and I think everybody has confidence in it. I-- Obviously, there are, you know, one-off situations and things where things didn't go exactly right. But the complaints that are levied against the hemp-derived THC and CBD industry are levied against it because it is not regulated. They're not levied against a regulated industry. Most of the criticisms are raised saying, we should be regulating this. And that's exactly what AM1521 does. It creates a regulatory structure that ensures that people have to get a license, that they have to pay taxes, that they-- that the products are tested and approved. If people wanna have a real conversation about what mechanism by which we should test and how we should oversee that part, I think that's a fair conversation. What is, is the, the best practices to ensure that they are what they say they are? And, and I think there's legitimate concern or about the cleanliness of the product. Of course you want clean products. But again, same thing, regulatory process ensures the cleanness of the product. So we have that power to regulate this industry for food quality, for the-- for things that are going to be consumed to make sure that they are, that the process is clean, that it is safe, that any chemicals are taken out of it, and that the product tests appropriately, that it has, you know, whatever level of THC or CBD that it, it's labeled with, make sure that it's in compliance with that. So all of those sorts of things are within our power, and it's a much more reasonable way to approach this. And, by the way, it accomplishes the goal that everyone says that they want. So, a regulation that bans true synthetics and not plant derived is what's proposed under AM1521. So I could keep talking about this, but I know other people have things to say. So I-- how much time do I have, Mr. President?

KELLY: A minute, 18.

J. CAVANAUGH: A minute 18. I'm so good. I'm getting so close to the end. So all right. Well, I would suggest you take a look at the email from Brett from Sweetwater. I think that's a really-- he makes some really good points. But again, if you want to regulate this, if want to do something about this industry, AM1521 is the way to go. Thank you, Mr. President.

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

KAUTH: Thank you, Mr. President. I'm-- I will say I disagree with Senator Cavanaugh's assessment that AM1521 is the way to go. It does allow those Delta products back in. That's what we're trying to get rid of. I spent a great deal of time with Mr. Mayo at Sweetwater Hemp. I did tour his, his property. It's done very well. And he says it in his letter. He does not use synthetics. He doesn't use solvents. He uses water and ice to get the THC content out. That is great! That's fantastic. So his business is not going to be impacted the way the lobbyists are trying to convince him that it will be. I want to talk a little bit about what other states are doing. Last week, Texas banned all THC, anything, gone, done. There are 22 states that have banned the synthetic drugs that we are talking about here. Alaska, Colorado, Delaware, Massachusetts, Missouri, Montana, Nevada, New York, Oregon, Vermont, Virginia, Washington, Arkansas, Hawaii, Iowa, Mississippi, North Dakota, South Dakota, Idaho, Kansas, Wyoming. And I believe Alabama was just added the week before. All of those states have looked at this and said, these are dangerous products. And I want to point your attention to Colorado essentially allows any drugs. They're fine with it. They think this stuff is too dangerous. Oregon literally had a law legislating that any hard drugs were legal. They were fine with it. But this stuff is too dangerous. When those states that think drugs are hunky-dory and fine are saying, whoa, whoa, whoa. But this product, this is dangerous, it's because of the synthetic toxic chemicals that are used to create this drug, and that is what we are banning. These are untested, unregulated, and created with toxic chemicals. We are essentially allowing consumers to play Russian roulette every time they go into a store. And they can buy a product off the shelves, they're assuming that it is legal. They're assuming we've already done our job. It's our responsibility to protect them from these bad products. That's what government is supposed to do, put up those guardrails. I would urge everyone to vote against all the floor amendments, vote against AM1521. These are not the way to do it. Again, 22 other states, and some of the most liberal states out there, have said that this stuff is bad and we need to get rid of it. I think we need be doing the same. And if you talk about border bleed, every

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state surrounding Nebraska already bans these products. We're a doughnut hole in the middle. So I yield my time.

KELLY: Thank you, Senator Kauth. Senator Jacobson, you're recognized to speak.

JACOBSON: Question.

KELLY: The question's been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 9 ayes, 20 nays to place house under call.

KELLY: The motion fails. There was a vote open on the motion to-- for debate to cease. There's been a request for a roll call vote on the question of ceasing debate. Mr. Clerk.

CLERK: Senator Andersen voting yes. Senator Arch not voting. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Bosn voting yes. Senator Bostar not voting. Senator Brandt. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Clouse voting yes. Senator Conrad voting no. Senator DeBoer voting no. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting no. Senator Fredrickson. Senator Guereca voting no. Senator Hallstrom voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes. Senator Hughes voting yes, Senator Hunt. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Juarez voting no. Senator Kauth voting yes. Senator Lippincott voting yes. Senator Lonowski voting yes. Senator McKeon voting yes. Senator McKinney. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Prokop voting no. Senator Quick voting no. Senator Raybould voting no. Senator Riepe voting yes. Senator Rountree voting no. Senator Sanders voting yes. Senator Sorrentino voting yes. Senator Spivey voting no. Senator Storer voting yes. Senator Storm voting yes. Senator Strommen voting yes. Senator von Gillern voting yes. Senator Wordekemper voting yes. The vote is 31 ayes, 12 nays to cease debate, Mr. President.

KELLY: Debate does cease. Senator John Cavanaugh, you're recognized to close.

J. CAVANAUGH: Thank you, Mr. President. You guys just like hearing my voice because you call the question in between each person who talks so you can hear from me again. All right, so, well back to what we were talking about. And I would just point out for folks who were thinking that somebody who doesn't use some of these other processes, who only use water, water is a solvent So that's-- it's just true, I guess. So you're, you're missing some of the point, I think, if you're saying that somebody who only uses water is not using solvents. And if you banning solvents, then you're not banning somebody who uses water. So I just would put you on notice that that's not the case. So I did hand out the flyers. You can see the side by sides of where we're at. And so, you know, the first one is all cannabinoids prohibited. And you go across and it says, definition, all products manufactured through conversion or processing either direct or in-- directly or indirectly by extraction from substances of natural origin independently by means of chemical synthesis or by a combination of extraction and chemical synthesis and includes any packaging or repackaging of the substance or labeling or relabeling of its container. So under AM944. As adopted yes it bans all those things under AM1521 doesn't ban all of those things. So those are things that we're concerned about would potentially ban, you know, extraction through things even through using water, water and ice. Synthetic cannabinoids prohibited. Synthetic cannabinoids means a cannabinoids synthesized using non plant-derived chemicals as starting material. Under AM944, yes. Under AM1521, yes. And then it lists off including these other products that I've listed. And then the next is hemp-derived cannabinoids prohibited, cannabinoid derived from hemp plant through C-- through CBD. Under AM944, yes, including lotions, consumable CBD products. Under AM1521, no. So lotions are safe, quote. And then naturally occurring can-- cannabinolids prohibited, cannabiniolids naturally occurring in a hemp plant. Under AM944, yes, because of the definition of all products manufactured through conversion, see above, which is that definition I read you about the distillation process. Under AM1521, no, because scientifically separated from cannabinoids from synthetic cannabinoids. So basically if we're only banning synthetics, which is what people say they're concerned about, it's not the process that we need to ban, it is the original item or thing that it comes from. So that's the distinction that AM1521 makes. So LB316 is just a carpet or carte blanche, whatever, ban of all THC and CBD if it is-- has to be some process to get it in the final form. That's the ban that it, that it creates. AM1521 takes a more nuanced approach where it bans only the things that are synthetic, meaning they did not start from a plant, from a hemp plant. That's the distinction. So AM1521 also adds a regulatory

structure for the businesses that can still operate. So if the pro-- if your only products you sell are synthetics, you'll have to either get different products or you'll have to stop operating. But AM1521 additionally puts a regulatory requirement on these shops that will keep operating. So it allows these businesses, good, good faith actors, to continue acting. It puts additional barriers or boundaries or guardrails around it. I'm going to be out of time, but believe it or not, I'll be able to talk again. Mr. President, I would withdraw this amendment.

KELLY: Without objection so ordered. Mr. Clerk.

ASSISTANT CLERK: Mr. President, Senator John Cavanaugh would move to amend with floor amendment FA265.

KELLY: Senator John Cavanaugh, you're recognized to open.

J. CAVANAUGH: Thank you, Mr. President. I know you guys are probably sick of hearing from me, so I'm going to yield my opening to Senator Dungan.

KELLY: Senator Duggan, nine minutes and 52 seconds.

DUNGAN: Thank you, Mr. President. Thank you, Senator John Cavanaugh. You've spoken quite a bit here, so I wanted to offer to take the reins here just a little bit and speak in a little bit more detail about what's already been talked about. I would encourage your green vote of AM1521 if for no other reason, colleagues, than it really truly is regulation. And if what we're talking about here and what people say they care about is keeping consumers safe and ensuring that we have safe products on the shelves and for purchase here in Nebraska, AM1521 is the way that you do that. LB316, absent AM1521's adoption, creates a black market. And it puts us back into an era of prohibition that is going to see an astronomical increase in the amount of black market sales and, frankly, is going to be adding fuel to the flames for other illicit drug dealing. And so LB316 is not the answer. LB316 is a bill that is going to make people feel like they've done something when in reality they're going to be banning a number of products that the people in this body say are helpful and beneficial, and it's going to put people out of business. So, colleagues, if you care about small businesses here in Nebraska, whether you want to buy those products or not, believe it or not there's plenty small businesses here in Nebraska that I don't frequent, but many that I do. And so if you care about the small businesses that contribute to our economic structure and frankly to our tax base, you should be in support of AM1521. You

should be in support of the businesses that have popped up from western Nebraska all the way to Omaha, because across the entire board, they are a part of our economic fabric. Now, like any business, there are some good actors and there are, are some bad actors. And if you have taken even a few minutes to talk to the people that have come down to the Capitol countless times to meet with us and to talk about their businesses and talk about their practices, you will know that there is a difference between the people who are doing it right and the people who are doing wrong. And the people that have taken the time to come down here, not paid lobbyists, but folks who literally started these businesses from the ground up who are taking time out of their day and out of their job to come talk to us, you'll know that they are the good actors who are contributing to the larger economic structure of Nebraska and they're trying to do things the right way. Earlier, we spoke briefly about a company that had emailed us, and Senator John Cavanaugh had read the email out loud from Mr. Brett Mayo, who is the chief marketing and extraction officer from Sweetwater Hemp Company in Pleasanton, Nebraska. The concerns that he raised, obviously, were that, you know, the process with which they utilize all of their, their extractions, it sounds like it's done with cold water extraction and things like that. But there's a concern, a valid one, I believe, that LB316 would still shut down their company. Now, Senator Kauth got up and said, oh, don't worry about it. You know, they use all natural, I guess, ingredients with regards to their extraction. They use water, they don't use chemicals. Well, water is a solvent. In fact, water's kind of the universal solvent. And I think people see the word chemicals and they get all freaked out, and they think to themselves, oh my goodness, this is all scary stuff. Chemical reactions and chemical conversions, colleagues, means adding heat. That's a chemical reaction. When you put your toast in the toaster in the morning and you add heat, and it makes the glucose in there a little bit sweeter and you add that heat, that's what makes toast taste differently, that's a chemical reaction. That's a chemical conversion. When you add things like heat and water to a substance and you change the chemical makeup, that the isomerization I was talking about before. That's a chemical reaction. So what Senator John Cavanaugh's been trying to drill into people's brains and I really appreciate it because it does take repeating I think for people to listen and for people to understand, is even if you're Sweetwater Hemp, and even if you're using a process that has been outlined where you're using this, this cold water extraction, that's a chemical conversion. And so, colleagues, if you look at LB316, on page 1, page 1, line 19, subsection (c), does not contain any cannabinoids that are created through chemical conversion, modification, or synthesis,

including, but not limited to. So what that means is any chemical reaction to increase the amount of CBD, to, to get the CBD out of the plant, even in the first place. Because, OK, break it down again. You have hemp. You have the actual plant, plant that you grow out of the ground. Then you do something to that plant in order to get CBD. The do something? That's the chemical conversion. Adding heat, or decarbonization, like anything you do to get the actual CBD from the plant that grew out of the ground runs afoul of this law. So when people say don't worry, LB316 is just trying to go after the bad actors, don't worry LB316 is simply banning Delta 8 or Delta 10, it's not going to affect CBD. I disagree. And that's not an opinion I've actually gone out and spoken with the people who have taken time out of their day to come and talk to you all, to tell you what this bill does. And this is not some left or right issue, colleagues. These are small business owners who are Republicans, who are Democrats, who are nonpartisan, who don't care about politics, frankly. But they're here to tell you that if you pass LB316, it is going to take Nebraska and it's going to make us an outlier. And not an outlier in a good way. It's gonna make us an outliers when it comes to things like CBD, which is a product or a chemical that at least when I've spoken to people in here, folks say that is not their goal to ban that. CBD, CBG, those kind of lotions, they reduce inflammation. And the amount of people who are arthritic, for example, who utilize creams or salves in order to reduce the pain that they feel in their knees or in their joints or in their back is, is multitudinous. I know a lot of people in here have this perception of CBD or Delta 8 or THC where it's, you know, a classic sort of reefer madness idea that it's a bunch of hippies sitting out on the hill smoking joints. But really what we're talking about are little old ladies putting cream on their joints. That's actually what most of the products that we're talking about are. Right? It's people who are working in construction sites day in and day out, who have been unable to address the pain that they have from the hard work that they've done, who are getting some cream to actually alleviate that pain so they can keep doing their job. Right? It's professionals, it's people in our job, too, who utilize these products simply to make it through the day because they don't want to use chemicals. They don't want to use the, the medication that are prescribed to them. One of the big debates we had, you know, so much on medical cannabis the other day is how there is a desire amongst people to not be over-medicated, right? And to take it to an extreme, which is a valid extreme, it's not hyperbolic, we're talking about making a decision to not utilize things like opioids. Because pain, chronic pain that comes from things like surgery or from overuse of joints or limbs causes people a huge problem. So doctors, for years,

have been prescribing opioids. And everyone in here says they want to make sure we use less of those. But then you talk about things that are non-psychoactive. CBD doesn't get you high, colleagues. CBD is an anti-inflammatory, essentially. It doesn't bind to the receptors in your brain the same way to actually cause a "psychoeffective," a psychoactive effect. But the definitions that are contained in LB316 that I-- people continue to sort of just skate by says that any product in the state of Nebraska would be banned if it contains cannabinoids created through chemical conversion, modification, or synthesis. And then it has an including, but not limited to. And what that means is that it is non-exhaustive. So if the Attorney General, or if any other regulatory body, decides that the cannabinoid we're talking about falls under the definition of subparagraph 2(c) with regards to the conversion or the modification of the synthesis, then it doesn't qualify as the hemp that we're talking about. Cannabidiol product means a finished hemp consumer product that doesn't contain cannabinoids created through conversion. So, colleagues, if you have questions, don't ask me. I'm not the expert, but I'm listening to experts. They're out in the Rotunda right now. These aren't lobbyists. I know Senator Kauth was talking about getting pulled out by the lobby. And yes, there are some contract lobbyists who are working on this, as they do every issue. But the people out there that keep desperately trying to talk to you are the people who own these companies. These are family-owned entrepreneurial companies who are trying to make sure that you, colleagues, don't ban their products that they sell, that don't get people high, that are federally legal, and simply try to make people's lives a little bit better. So please dive into the definition of LB316. Know that when we talk about solvents and chemical processes, we can be talking about things like adding water or adding heat, because that is a chemical process. So, please, I encourage you, regulate this industry. They're asking for it. Vote yes on AM1521. Thank you, Mr. President.

KELLY: Thank you, Senator Dungan. Senator Hardin, you're recognized to speak.

HARDIN: Question.

KELLY: The question's been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. There's been a request for a roll call vote. Mr. Clerk.

CLERK: Senator Andersen voting yes. Senator Arch. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Bosn voting yes.

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Senator Bostar. Senator Brandt voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Clouse voting yes. Senator Conrad. Senator DeBoer not voting. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover. Senator Dungan voting no. Senator Fredrickson voting no. Senator Guereca voting no. Senator Hallstrom voting yes Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt voting no. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Juarez voting no. Senator Kauth voting yes. Senator Lippincott voting no. Senator Lonowski voting yes. Senator McKeon voting, yes. Sen. McKinney. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Prokop voting no. Senator Quick voting no. Senator Raybould voting no. Senator Riepe voting yes. Senator Rountree voting no. Senator Sanders voting yes. Senator Sorrentino voting yes. Senator Spivey voting no. Senator Storer voting yes. Senator Storm voting yes. Senator Strommen voting yes. Senator von Gillern voting yes. Senator Wordekemper voting yes. The vote is 31 ayes, 12 nays to cease debate, Mr. President.

KELLY: Debate does cease. Senator John Cavanaugh, you're recognized to close.

J. CAVANAUGH: Thank you, Mr. President. Well, you guys, I gave you a break, I let you listen to Senator Dungan. So we're back to me on FA265 to AM1521 and LB316. So, you know, there's a lot of times where I put up motions and amendments and things, and people say, you know, whatever, it's, it is, as Senator Kauth said, it admittedly is hostile. It's a hostile amendment. I wouldn't say extremely hostile, though. I take issue with the extremely. But it is hostile because I am replacing Senator Kauth's bill with my own idea about how to do this, which is what I put up when I put up LB16 on General File as well. But this is more of a step toward Senator Kauth than my original proposal. It includes banning those true synthetics that everybody has talked about wanting to ban. So it does that, what's AM1521 does. But it also puts in place the robust regulatory structure that I proposed under LB16 and under my amendment on General File. So that it, it doesn't ban the entire industry. It does ban some of the things that people are concerned about. The, the synthetic Delta 8. That's one thing a lot of people talked about on General File. They're concerned about synthetic Delta 8. This bans synthetic Delta 8. So it does a lot those things. It doesn't ban things based off of the manufacturing process. Which is an important distinction. And we talked on General File a lot about this process by which these hemp-derived THCs and CBDs are made. And they are made in a similar way to vitamins and

cereal. I talked about riboflavin on things like Rice-- or not Rice Krispies, but maybe that has a bit-- raisin bran. You know, cereals that we fortify our cereals with more vitamins because people need to get more vitamins and we don't get them the, you know, natural way anymore because of our diets. So we use these processes to get vitamins that then we put into food that people eat every day and nobody is concerned about. And people aren't concerned about it because we have a process to make sure that it's regulated. We make sure the food is clean and safe. And you know, you always hear about food recalls if something gets missed. And so there is, you know, a process in place to ensure that if we choose to do it, which is what AM1521 does. It creates a robust regulatory structure that requires stores to ensure that the products they're buying are tested and safe. And it doesn't ban products like those from Sweetwater Hemp because they are manufactured by a solvent, water. So it, it takes into consideration the concerns people have raised, and it additionally puts-- it, it does not inadvertently or over broadly ban an entire industry that people in Nebraska are standing up and investing in. So, you know, I, I know several of you did get a chance to tour the Sweetwater. I was-- I'm regretful that I didn't get an opportunity to because it was that when we went for the Fledge Council in Kearney and there was that bad weather and people, we had to get out of there quickly if we wanted to get back to Omaha before the storm set in, so we didn't an opportunity go visit. So I hope to get an, an opportunity to go and see the production facility and the, and the grow operation. I hope that we don't ban this business. But this AM1521 creates that regulatory structure, but doesn't ban good actors like Brett, doesn't ban good actors who are willing to check IDs and put in packaging, meet packaging requirements, and sell products that have been tested and proven safe. So, I'm going to run out of time here, so I'm, I'm gonna withdraw this amendment, Mr. President.

KELLY: Without objection, so ordered. Mr. Clerk.

CLERK: I have nothing further at this time, Mr. President.

KELLY: Returning to the queue, Senator Moser, you're recognized to speak.

MOSER: Question.

KELLY: The question's been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Record Mr. Clerk.

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CLERK: 28 ayes, 5 nays to cease debate, Mr. President.

KELLY: Debate does cease. Senat-- Senator John Cavanaugh, you're recognized to close.

J. CAVANAUGH: Thank you, Mr. President, good afternoon, colleagues. It does feel like evening, I wanna say evening, but it's just because of the shade overshadowing. OK, so we're finally on the vote on AM1521. We've talked about it a lot. I know people, I appreciate people listening. And this is a really complicated thing. It includes regulation, but it also includes chemistry. The conversation on this bill and this whole thing, has-- you have to have some basic understanding of chemistry. And so there, there's a difference in how things are produced. And that's the most important part of this, that people who have spoken against the industry, which is these shops that people sell these things. And the manufacturers like Sweetwater, they have spoken against synthetics. And synthetics are not plant-derived. Synthetic means you had to synthesize something that didn't start with it in nature. And so these are chemicals that are put together to create something that is similar in effect to what was originally, or it mimics some other naturally occurring thing. So that's what we're talking about is a synthetic. LB316 bans things that are hemp-derived or plant-derived, so not synthetic. So I-- everybody said they wanted to ban synthetics. AM1521 bans all the synthetics. It regulates everything else. So people said that they're concerned about kids getting it. AM1561 has requirements for checking IDs, has requirements for making sure that there's packaging, labeling, things like that. So that's what happens. That, that's what 1521 does. It answers those concerns. It has testing requirements. It makes sure that the products are what they say they are. So it bans the bad stuff. And then it requires stores to get licensed, to get approved, to make sure that they are following the law. So it checks that box, too. And then additionally, it does raise tax revenue. So these stores are already paying sales, income, property tax, but it includes an excise tax on top of that for the products that remain legal. So it does bring in some money to the state. I know people that's not the reason you want to vote for this but I'm just telling you that so you have all the information. So AM1521 answers all of the concerns people have raised, and it doesn't overly br-- it's not overly broad, it doesn't overly burden the industry. So that's what AM1521 does. So I would encourage your green vote on AM1521 if you really care about these things. Additionally, LB316 creates new felonies, the felony factory. I'm not sure if this was the bill that-- where Senator DeBoer coined the phrase felony factory, but it potentially cre-- creates felons out of grannies, right? Out of older ladies with, with CBD for their joints.

And the protections that have been suggested or recommended for safe harbor exceptions and for affirmative defenses? Those are not gonna be good enough. You are still turning those folks into criminals. Because if they don't get rid of it before the end of the, the safe harbor, they are going to have-- they're gonna be potentially charged with a felony and then they could raise that affirmative defense only after they've been charged, once it goes to court. So I'm gonna be out of time here. AM1521 is a compromise. It's not necessarily the one the advocates for this bill want. It's the one that people who were opposed to this bill want. It is a true middle of the road compromise. Folks will have to take things off their shelves. People will have pay more. So there is a new burden on both sides. But it legitimizes the industry. It makes sure that when you buy something, you know what you're getting, and that it is what it says it is, it is safe, and there is-- and that there is a regulatory process in place. So it is a good middle-of-the-road compromise that will put new regulations in place, will take things that people have raised concerns about, synthetics, true, true synthetics, off the shelf. So I encourage your green vote on AM1521, and I would ask for a roll call vote, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Members, the question is the adoption of AM1521. There's been a request for a roll call vote. Mr. Clerk.

CLERK: Senator Andersen voting no. Senator Arch not voting. Senator Armendariz voting no. Senator Ballard voting no. Senator Bosn voting no. Senator Bostar. Senator Brandt voting yes. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Clouse voting yes. Senator Conrad voting yes. Senator DeBoer voting yes. Senator DeKay voting no. Senator Dorn voting no. Senator Dover. Senator Dover voting yes. Senator Dungan voting yes. Senator Fredrickson voting yes. Senator Guereca voting yes. Senator Hallstrom not voting. Senator Hansen. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt voting yes. Senator Ibach voting no. Senator Jacobson voting no. Senator Juarez voting yes. Senator Kauth voting no. Senator Lippincott voting no. Senator Lonowski voting no. Senator McKeon voting no. Senator McKinney. Senator Meyer voting no. Senator Moser voting no. Senator Murman voting no. Senator Prokop voting yes. Senator Quick voting yes. Senator Raybould voting yes. Senator Riepe not voting. Senator Rountree voting yes. Senator Sanders voting no. Senator Sorrentino voting no. Senator Spivey voting yes. Senator Storer voting no. Senator Storm voting no. Senator Strommen voting no.

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Senator von Gillern voting no Senator Wordekemper voting no. Senator Dover voting no. The vote is 16 ayes, 27 nays, Mr. President.

KELLY: AM 1521 is not adopted. Senator Machaela Cavanaugh for what purpose do your eyes?

M. CAVANAUGH: I would like to talk about the fact that the question has been called four times in a row and the presiding officer has not made a ruling on full and fair debate. There have been three people who have spoken in a full queue of people and we have been on this bill for an hour and 30 minutes and three people have spoken besides the person who's speaking on the amendments. And if you add him in, and Senator Dungan as well, five people have spoken.

KELLY: Senator Machaela Cavanaugh approach

M. CAVANAUGH: So it doesn't speak to this in our rules, so I went to Mason's manual because when it doesn't speak to it in our rule, we go to Mason manual, and on section 126, complaints against the presiding officer. I am complaining about the conduct of the presiding officer who is not using the authority that we have bestowed upon him to make a ruling of full and fair debate.

KELLY: Yeah, Senator Machaela Cavanaugh, your point of order is not well taken. The presiding officer only rules if the presiding officer forms an opinion that debate should not cease.

M. CAVANAUGH: And have you formed an opinion that debate should cease?

KELLY: And the presiding officer does not have to state that by implication, by asking to see five hands, the question has been answered.

M. CAVANAUGH: The question has been answered by the body, but not by the presiding officer. And this is specific to the conduct of the presiding officer. You have the authority to make the decision as to whether or not there has been full and fair debate. And no one has spoken on any of the amendments for the last two rounds. How is that full and fair debate? How are you deciding to put it to the body and not rule as the chair? You're in the chair for a reason.

KELLY: Senator, the default is to give the question to the body.

M. CAVANAUGH: That is not the default, that has become your default.

KELLY: The presiding officer has implicitly ruled. That debate can cease and that there's been adequate debate.

M. CAVANAUGH: The presiding officer is subject to the same rules regarding disorderly words as members. And you are supposed to conduct yourself as though you were a member of this body. And Section 130 of Mason's Manual in Chapter 12, equality of members in debate, the rights and duties of members of a legislative body are derived from and founded upon the absolute equality of the members. Every member has the same right as any other member to present proposals for the consideration of the house and has the same right to be heard. You have a duty as the presiding officer to make sure that the other members are heard and we are not being heard when the question is called when no one has spoken and you are putting it to the body for a vote. I believe that you are not fulfilling your obligation.

KELLY: 25 members voted that debate shall cease in this matter.

M. CAVANAUGH: I understand that I am.

KELLY: Your point of order is not well taken.

M. CAVANAUGH: It's not well taken, I understand that, but it is still a point of order. Thank you.

KELLY: Mr. Clerk.

CLERK: Thank you, Mr. President. Senator John Cavanaugh, I have FA32 with a note that you'd withdraw.

KELLY: So ordered.

CLERK: In that case, Mr. President, Senator John Cavanaugh would move to amend with AM628.

KELLY: Senator John Cavanaugh, you're recognized to open.

J. CAVANAUGH: Thank you, Mr. President. AM628. This is my original LB16. So LB16 was a bill I brought, had a hearing in judiciary. It was actually the hearing that was right after LB316, I think. Yeah, that's right. Similar people testified-- that testified opposed to LB316 testified in favor of LB16. So they are conveniently sort of mirror image bills of each other. So what LB16 does is very similar to AM1521. I did file this before I filed AM1521, as you can tell by the number. So 628 is a lower number than 1521. AM1521 is-- this was filed before I think we even got to Select File. So 1521 was more of a

compromise amendment than this because it had that additional language that took into consideration things that people had raised on General File. But I would point out, since folks didn't want to adopt AM1521 for whichever reason, I think it was, it was too reasonable, though, as Senator Kauth pointed out, hostile. And I would, and I would point out again, hostile in the sense that it is adverse to Senator Kauth's position, but not hostile in a sense that-- not intending to be, you know, ho-- hostile and that sort colloquial sense of, sense of hostile. But-- So AM628 is the way that I think we should approach this industry in this state. It creates an incredibly robust regulatory system where it puts in place requirements that these shops can continue to sell, but only if they get licensed first and they go through a licensing process that's similar to the Liquor Control Commission. So I'll tell you kind of how I came to be involved in this issue. I was, like many of us, when you're campaigning, you're out kind of, you know, going around your district a lot. And while I was going around my district, I started noticing a lot of the neon green signs and things, places, and I thought, how are there so many of these shops popping up? How is this possible? So I start talking to people and I ask some questions, and I found out that there was no regulation for this industry. So anybody can open a shop, they can buy product, and they can start selling. And I think that that is a legitimate concern. I think the people who raise that type of concern are right to raise that concern. And that-- so I started talking to people about what would be a good regulatory system. And coming from the General Affairs Committee, I, of course, think that I've had a good amount of experience with the Liquor Control Commission. And the regulations that they-- oversight that they engage in over businesses that sell recreational alcohol, of course, get a liquor license. In, in my first year here, there was a push after COVID for making permanent takeaway cocktails. So where a bar, restaurant can sell alcohol that you can take with you when you go and creating packaging requirements for that and that sort of oversight. And I engaged in that conversation with, at the time, I think it was Senator Geist was, I think, the carrier of that bill, and Senator Lowe, who was on the committee, and Sen. Briese, who was the chair of the committee. So I got right out of the gate, got involved in that conversion. And the reason I got involved was people in my district were very interested in ensuring that they had an opportunity to comment. So when somebody applies for a liquor license, they fill out a form and then it gets posted and certain, you know, within a certain distance of the store and people get notice and you get an opportunity to comment at the city council. And so people in my district do that. They engage, the active citizenry and they engage. And sometimes in those

conversations, there are concessions that are made for a shop or a liquor store or a gas station or somebody maybe won't sell Shooters or something like that. And so people say, well, we don't want them selling Shooters in this neighborhood. And, and so with the takeaway cocktails, there was a push to just make it a new part of the restaurant license that you could just, if you have a restaurant license, you could sell takeaway cocktails. And so we engaged in that conversation and came to a place, essentially, where restaurants could-- add, that it was an add-on to their license, but they had to check a box and ask for it. Say, going forward, we want to sell takeaway cocktails, and we have to check that box. So it wasn't just an add on to, to a restaurant license, you had to check a boxes, which gave people an opportunity to object to that going forward. So that whole process, you know, allows for citizen engagement, allows for the city council to take it into consideration, then it goes to the Liquor Control Commission, and they approve or deny licenses for. You know, whether they're appropriate in the location, whether the types of things they're selling are appropriate, whether the people who are getting the license meet the legal requirements. And so all of that is in place for those things. So we have kind of already a system in place. So that type of thing is what we need here. So that somebody, if they want to open a shop to sell hemp-derived THC or CBD, that they would have to go get a license. They'd have to go to the city council or county board or whichever, village council or whatever your community has, and go through that process. Have a public meeting, comment. They'd have to be a certain distance away from schools. And that they, you know, they have to have background checks and be in compliance with the law. And, of course, there'd be law enforcement compliance checks as well as part of this. So all of that was in my LB16, which is now an-- as part AM628. There's additionally requirements that there's testing and, and making sure that the products are what they say they are, which, again, is an issue that has been raised by a number of people. So that's, that's in AM628, as well as original LB316. So then there is taxation. This is the one downside, I think, of LB628 is that the excise tax in LB628 is, I think, 3%. In that AM1521 you just voted down, I believe was 20%. And I probably should have looked this up, but I-- if I recall right, the, the theoretical amount of money that LB16 would have raised, let's just take a look here. I know, and everybody said on the first round of debate that they didn't care about how much money raised, but we did just try to raise taxes on food and on small businesses, and we've done a lot of other taxation things. So if, if money is that important, I would say it's a good idea to not shut down businesses that currently exist, but we should, we should tax them for what

they're willing. OK, so here we go, a fiscal note for LB16 was something like it would bring in about \$4 million, 4, \$4.7 million, but have about a \$7 million-- \$700,000 cost. So \$4 million at about 3% excise tax if I remember right, which means on AM1521 with a 20% excise tax you could probably say it would have raised \$25 million, I guess, a little bit more than that or around there. So that's what we're talking about in that regulatory structure that would have checked all the boxes that everybody wanted was a regulatory structure banning, banning true synthetics, oversight, and all of those things and then bring in \$20 million to the state. So that's what we're talking about. That was what we were talking about under AM1521. Under AM628 it's a little less than that, although I'm certainly, you know, I'm open to amending AM628 to be more reflective of AM1521 if people have a, you now, change of heart, think differently about it. So that's, I, I think that's a totally legitimate conversation to have around AM628. I know we've got some time left on this bill, and hopefully some people will talk, because I know you guys are probably sick of hearing from me. But you can call the question as much as you want. I'm pretty sure the math works out that you would just have to listen to me the whole time. So if you want to have a real conversation, we can do that. OK, so back to AM628, where we were. So it creates this regulatory structure, has-- you have to-- it increases or puts in place an age limit. So right now, no age limit. So the only people, I'm going to run out of time, believe it or not. The only people, people are checking ID or have an age restriction on their sales, that's voluntary at the moment. There's no law in place that says you can't sell to young people. So, AM628 includes a requirement for age limit of 21, you can't sell to anybody under age 21, have to check IDs and all those sorts of things. Has packaging requirements. So requires, you know, safe packaging, has labeling requirements. It has things-- testing requirements. So it has all of these things that people have talked about that they want. AM628 has those. AM1521 had those, but had them with more of a ban and had a higher tax. So admittedly, AM1521 was the better suggestion. But again, I'm happy to make changes to AM628 to get it back to where AM1521 was if that's what people want to do. But I think we should do some sort of regulation. Thank you, Mr. President.

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

IBACH: Question.

KELLY: The question's been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; all

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those opposed vote nay. Senator John Cavanaugh, you're recognized for a point of order.

J. CAVANAUGH: Well, I had another amendment and a motion that should have been read across here.

KELLY: Mr. Clerk.

CLERK: Mr. President, Senator John Cavanaugh would move to amend with AM-- FA146.

KELLY: We'll leave Senator Ibach in the queue, and we'll go to John Cavanaugh to open on FA146.

J. CAVANAUGH: Thank you, Mr. President. I would yield my opening to Senator Dungan.

KELLY: Senator Dungan, you have 9 minutes, 58 seconds.

DUNGAN: Thank you, Mr. President. Thank you Senator John Cavanaugh. Oh, that's riveting to wonder what Senator Ibach is going to say when it's her time up on the mic. Colleagues, we're going to keep talking on this. There's no point in calling the question. I genuinely don't understand the strategy there. To some extent, I mean, I think I see what people are doing, but the math doesn't work out. So you're going hear from Senator John Cavanaugh, and perhaps myself, and maybe some others, as we continue to talk about this. So just keep that in mind as you strategize for the remainder of this afternoon. But colleagues, I would encourage you to vote green on AM628 for a number of different reasons. First of all, again, Senator John Cavanaugh's been very clear. This creates a regulatory structure that allows us to have true consumer protection. And what's interesting is that throughout this entire legislative session we've heard a lot about consumer protection. And we heard it from individuals who were talking about social media, we've heard it from individuals who were talking about banning the so-called fake meat or whatever. And we continue to hear about this desire to create a regulatory structure within which we can operate. Now, what Senator John Cavanaugh was working on with regards to AM628, which is representative of his underlying LB16, that is a true regulatory structure. And what I've told a lot of people, friends of mine on the outside who watch what we're doing here, whenever you have an industry that is a, a part of the conversation with regards to regulation, it generally is a good thing, right? I mean, if the people who are asking for regulation, or rather the people that you're seeking to regulate are asking for regulation, they come to the table

and that's how you end up with legislation that actually creates a regulatory structure that is beneficial for the state of Nebraska, that results in true consumer protection, but also then seeks to protect the various industries to a certain extent to not drive them out. A good example of this is you know, Senator Jacobson's crypto mining bill that we had earlier this year. The initial piece of legislation, which I opposed in its first iteration, was essentially specifically targeted to drive out and ban any future crypto mining. And I understand some of the negatives and some of positives that go into that, but what I said then holds true now, which is that I think it's generally, not always, but generally problematic, when the state seeks to use its power in order to pick a particular industry, and then completely stifle it, completely destroy that industry by virtue of an overly burdensome regulation. And that is, I think, what LB316, the underlying bill here, seeks to do. Now I'm going to assume the best. I'm gonna assume the best, that Senator Kauth is intending to not drive all of these businesses out of business. Certainly I think that LB316 is going to have that effect. And in talking with the people who are directly affected by this, the small business owners, I will tell you, colleagues, that they've raised these concerns, not just once or twice, but many, many, many times, and they have fallen on seemingly deaf ears. So again, I'm going to assume that LB316 not malicious, but certainly looking at the evidence, I think others could draw a different conclusion with regards to the intent behind LB16. And so if we assume it's not malicious, we have to assume that it is then misguided or uninformed. Because the definitions, the very clear definitions laid out in the bill, which were adopted as a part of AM944, the committee amendment, I believe, on General File, bans any cannabinoid, or bans any finished hemp consumer product that has any cannabinoid created through chemical conversion, modification, or synthesis. So that effectively bans any and all CBD that may be made in the state of Nebraska. And in the event that that is the goal, I think that's problematic for a number of different reasons, but let's assume it's not the goal. Let's assume that it's a mistake. There are other states that have included in their legislation various caveats or carve-outs. And when you see those caveats or carve-outs, it'll say things like tinctures, or lotions, or salves, or topical application, things like that. Because they know that those serve legitimate purposes and they have attempted to not ban them. In the vast majority of other states that have enacted legislation like LB316, these caveats have been included, because people from the industry were listened to. So we have to ask ourselves why the people from the industry, who are the folks that this is going to most affect, have been talked to but not listened to. And I don't have an answer for

that. And I'm, I'm curious if maybe down the line sometime, maybe Senator Kauth can explain to us those conversations or how they went or what the back and forths were like. Because I, I'm genuinely just trying to understand how come the concerns that have been raised genuinely by the people this is going to affect are not included in the legislation. If the intent is not to ban any and all CBD products, then there are changes that can be made that have been proposed that have been ignored. And I think that that shows us what the underlying intent of LB316 likely is. So Senator John Cavanaugh's AM represents a interim's worth of work where he met with the individuals that are affected by this kind of ban. He met with the folks who would be doing the regulation. He met with the people who would in charge of a lot of these decisions, and created a structure wherein that regulation can take place. Where we say if you are selling products that are harmful, if you are selling products that are dangerous, then you, you-- we're going to stop you. You can't do that. But if you are selling products that have at least some benefits or worth to the consumer, and those are regulated and tested in such a way that we make sure they don't have any other chemicals or dangerous things in them, then we're going to let you do that. And we're gonna make sure that you pay your fair share as a distributor of those products. Sales tax, perhaps excise tax. But it creates a structure to regulate and to ultimately monitor the kind of products that are being sold. So whenever you ask people why they're for LB316, why they want to ban all of these products, they have these horror stories they share with you. And I'm not saying that they're all false, right? Some of these are probably really tragic situations that have happened. But the answer is more regulation, not a hammer approach to completely ban an entire industry of legitimate products like CBD lotions and salves and other things like that in an effort to address a very small number of issues. There are any number of products colleagues that you currently can have access to that could kill you. Liquor, beer, cigarettes, bleach, cleaning supplies, any of those that you can go down to Walgreens and buy right now. So when we do the pearl clutching about the dangers of some of these products without fully diving into what they do or don't do and how they actually work, I would just encourage my colleagues to be a little more curious and to understand that we live in a world where adults can make decisions. It doesn't mean you have to like all those decisions. It doesn't mean you have to encourage people to do it. But if you truly want to make sure that we live in a safer state and a safer society, the way to do that is to create and then promulgate and ultimately enforce different rules and regulations in a way to make that you don't have kids accessing these things. To make sure that when you sell something in the state of Nebraska, you can

look at the back of the bottle and understand what exactly is in it. And to make sure that people know when they are buying a product, they're being protected from any potential contaminants that may or may not be in there. So if you support your small businesses, colleagues, it makes the most sense to me to create a regulatory structure, not simply to ban an entire industry that we know is bringing positive impact to the state simply because there's a couple of bad actors. I talked about this earlier on the mic, but if you've had time to meet with some of the folks out in the Rotunda, they will tell you about the self-imposed regulations that they've put in place, like age bans on people coming in the store, bags that are child-proof, other various things that they've chosen to do to ensure the safety of customers, and they came to the table, and they're asking for those kind of regulations to be put in places. But what they're not asking for, colleagues, is to be run out of business. So again, if you support small business, if you support the regulation, if you support consumer protection, the answer is a structure like AM628. The answer is not to ban an entire burgeoning industry and to put Nebraska in the past. So again, colleagues, if you have questions, there's folks out in the rotunda, there's in the lobby who I'm sure would love to talk to you about it. I would encourage your green vote on AM 628. If AM628 is not adopted, I would encourage your red vote on LB316. One of these days, I'm sure that I'll get a chance to talk a little bit more about the felonies this creates--

KELLY: That's your time, Senator.

DUNGAN: --and I look forward to that conversation as well. Thank you, Mr. President.

KELLY: Thank you, Senator Dungan, Mr. Clerk for a priority motion.

CLERK: Mr. President, Senator John Cavanaugh would move to bracket the bill with MO210.

KELLY: Senator John Cavanaugh, you are recognized to open.

J. CAVANAUGH: Thank you, Mr. President. I just point out that everybody's voice sounds a little ragged this week. Not to call out the clerk, but it sounds like he maybe needs a little bit of R and R. We're in day 86? Is today-- day 85. Day 85, and so there's five days left in this session, and we have a time crunch, of course, left. But yes, definitely people showing their wear, I would say, in this session. And-- but I appreciate everybody continuing to show up and do their job even when I'm on the opposite side of you. I disagree with a

lot of people here, but I respect people doing what they think is the right thing and-- Well first I support the bracket motion, bracket until 6-9. So bracket means, for those of you who are just tuning in or maybe don't really know what a lot the procedural motions are, a bracket is where we basically say we're not gonna take this up until a date certain. And this is a thing I learned when I actually attempted to bracket something for real once, which I believe was during the special session this last summer, that the date that you bracket to is the day after which you can take it up. So if you bracket it to June 9, then it won't come up until next year. Doesn't mean it would come up on June 9. So that's what the board says. And so during the special session, I think it was Senator Wayne's amendment that-- and there was some kind of, a lot of things happening quickly, and we were here on a Saturday. And it-- we needed to reconsider the vote because there weren't enough people here essentially to vote for it because it was Saturday. And so then I moved to bracket it to, you know, August 24 and our last day was August 24 or 25, and it wasn't until after that that I realized that it wasn't bracketing it to take up on August 24 that it would be taken up the next day which then the clerk educated me about, that I was, whatever day I bracketed to basically meant that it was done. So when-- if you are purposefully bracketing something to be taken up again, you need to give it-- you know, make sure that it's bracketed to the day before the day you want it to be eligible to be taken up. So that's a good procedural lesson. So where are we at? Does feel like there's ni-- a bit of a reset at this point. We voted on AM1521, which was my compromise amendment that the folks, the good actors in this industry worked to offer up this compromise to limit products that could be sold, but also subject themselves to a higher tax, subject them to more regulation and oversight, which are all good things, right? As we're having, you know, conversations about the potential of future budget shortfalls, and we just passed the budget, but we are all, of course, concerned about a number of places where there's going to be need for additional revenue, this is an opportunity to get some more revenue and regulate the industry. Those are the things that I think would be good. But while we're at least kind of resetting the conversation, I did want to point out to folks, I know it feels repetitive, you're in here, you don't want to really listen, take the opportunity to go out in the lobby. I stopped out there just a minute ago. Sorry, Senator Dungan, when you took over the intro, I went and just kind of talked to a few folks out there. But there are a number of shop owners who are here who are saying please regulate us, don't, don't regulate us out of business don't shut us down, we are-- we want to be good actors we are doing all of these things that you're talking about already and we are willing to comply

with those things and so this is-- it's a rare occurrence where you have an industry that is interested in being subjected to more regulation and is will-- is subjected to more taxation. So that's, that's what we're talking about here under AM628, and that's what we're talkin' about under AM1521, was taking some of the products off the shelf, regulating packaging, regulating age for purchase, regulating where the shops can go, making sure that there aren't just shops on every corner because they have to go through a licensing process. So all of those sorts of things are really a good step in the right direction. But one of the things I did want to talk about on this bill is the medical cannabis part. I know I talked about it a lot last week, but we had those town halls. We had three town halls. One in La Vista at the Carpenter's Hall, one at Omaha at the UNO Alumni House, and one in Lincoln at Southeast Community College, and we had about 300 people between the three town halls. We had about 100 people come and testify. And, you know, there's a lot of people who had stories about things that they have taken that are cannabinoids that have helped them. And people have taken maybe in other states where there's medicinal is legal already and available, where-- or where there is recreational, and they've gone there and got those things. And they, and they told us stories about the positive effect those things have had on them. And-- but there are a number of people who have gone to these shops in Nebraska already. And there are things that help people that are from these shops that are not under the medicinal cannabis industry or under the medical cannabis label or umbrella. They are under this hemp-derived THC, and Delta , or and, and-- sorry, and CBD. So, and there were people who came and told us stories about how much of a difference these things are making in their lives. So it's really important that while we're still standing up our medical cannabis system here, we're going to have a conversation probably fairly soon about the governor's appointees, and we can talk about those at that point in time. But there's a need for those regulations, you know, and you know my thoughts on this. I supported LB677, I supported Senator Hansen's regulatory structure bill there. I tried to bring the protections just for the medical professionals that don't touch the, the ballot language at all, but just ensure that doctors operating in compliance with their conscience, their training, and the law would be able to make these recommendations. So there is still things the Legislature's going to have to do to make that work. But in the meantime, in the best case scenario, the commission will start granting-- taking licenses, applications on July 1, start issuing licenses, start issuing regulatory advisements. And as that's all going, before people can get the, the shops or the dispensaries stood up and start producing

product, and before people can, you know, doctors feel comfortable with that system, start making recommendations, some people are going to need to continue to get the products from these shops, the ones, the, the CBD ointments that people use, like I've talked about for their joints. Some of the other products that people use for, you know, whatever their particular ailment is that it helps them with. And-- But that does mean-- make a huge difference for people's lives and it's important that we not cut that off for people when they-- we are not yet stood up the other aspect of it. I think it's important that we don't shut down this industry overall, but I think is really important right now, the, the role that the-- these shops fill for a number of these people. We had somebody come and, and testify and said that the number of people come into the shop and crying on their shoulder about how much of a difference this makes for their daily life, livability. So I think that's a really important thing to think about and to consider when we're talking about this. But again, I-- at this point, I mean, I would support if, if people want to make some kind of compromise where we create a regulatory structure, where we, we put in place-- we ban the true synthetics, we put in place a excise tax and raise some revenue off of this regulated industry. I'm of course open to that. I proposed that under AM1521, I proposed it under AM628. But in absence of that, I support the bracket motion. I support not taking up this outright ban bill at this time. I think that there is a much more nuanced approach needed for addressing this industry. But again, I would encourage you, as you're sitting here killing time and sick of listening to me, take the opportunity to go out into the lobby, talk to the folks that are out there. I think that Brett from Sweetwater, I think he's out there. I'm sure he'd be happy to talk to anybody about his business, what he does, what standard he holds himself to. How he could comply with the regulatory structure to make sure that everybody in Nebraska is in the sim-- similar compliance and ha-- holds himself to the same high standard that he holds himself too. So I'm gonna encourage you to get out there in the next, I think we've got about two hours left on this bill, talk to those folks, listen to them, hear what they do and hear how that alleviates some of the fears that people have about this business. I think that this can be a-- we can create a model in Nebraska for how this business should be run and make sure that people, when they buy something, it is safe, it's, it is what it says it is, that we limit-- we put limits on ages, we put packaging requirements, I know-- well, I'm out of time. Thank you Mr. President.

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

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IBACH: Big surprise, John. Question.

KELLY: The question's been called. Do I see five hands? I do. The question is shall debate cease? All those in favor vote aye; all those opposed vote nay Record, Mr. Clerk.

CLERK: 27 ayes, 6 nays to cease debate.

KELLY: Debate does cease. Senator John Cavanaugh, you're recognized to close on the bracket motion.

J. CAVANAUGH: Thank you, Mr. President. OK, so we're back on the bracket. I know there's a few folks here. So again, 6-9, I think, is a great day to-- after which we could take this bill up. What that means is it wouldn't come up again until the next session, which starts next January in 2026. That would be a great opportunity. We can sort of see how things go. I-- but I again advocate that rather than delay, we just-- we adopt some robust regulatory structure. So AM1521, the one everybody voted against, at least 25 of you voted against. I didn't call the house on that because it had 25 votes against it, so it didn't really make a difference. But anyway, so AM1521, didn't adopt it, but it had regulatory structure, it had age limits, it had labeling limits, it had testing requirements, it had taxation, excise tax that would raise somewhere in the-- over \$20 million, it had a requirement that shops get licensed and go through a licensing process similar to the one the Liquor Control Commission does to make sure that they, you know, have background checks, make sure they're not too close to a school, make sure the community is not wildly opposed to stores being where they are being placed. And that alone, I think, would probably decrease some people's concerns. Because as I said when I started this out, how I came to be involved in this issue was by seeing just how many shops I was noticing popping up, and I thought there has to be some regulation on this. And so that's how I come to propose some regulation, is to say, I don't think it's the role for government to tell adults what they can and can't do for themselves. If they can-- adults can choose to consume recreationally these hemp-derived THC's and CBD's. And the role for the government is not to tell them, no, they can't do that. The role for government is to make sure that when they buy it, that, that it is what it says it is. That if it says it's got two milligrams of THC in it, then it has actually two milligrams of the THC. It doesn't have three or four or something like that. That if it, you know, says its percentage of Delta 9 is .03 and that it has other, you know, deltas that it actually does have those things. So that's, that's what we're talking about. That's the role of government. That's what AM628 does. That's

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AM1521 does. It puts restrictions for age in there. Again, a, a place for the government to put an age restriction and say, this is for adults, it's not for children. That's what AM628 does, that's that AM1521 did. The role for government is to ensure that, you know, the shops have some sort of standard distance from schools, things like that. Advertising. I know that's what I was going to talk about last time, is that people on the first round of debate raised concerns about advertising. We can put restrictions on advertising. What types of things for advertising, who they're appealing to, things like that. We could, we could do that on these regulated shops. But in absence of that, I don't think we can do that. And there'll still be folks advertising from maybe neighboring states about these things. So there is a role for government here. And it is not to tell adults what conduct they should engage in. The role is to make sure that they know what the conduct is, meaning that stores aren't selling things that are different, are more dangerous, or unclear. And a lot of the concerns that have been raised about these products have to do with those concerns, that there are impurities left in the product. We can regulate that and ensure that if somebody is selling something that it is tested to ensure it doesn't have those impurities or those residual, you know, manufacturing processes. But we can put those kind of constraints in place. We can make sure that it is appropriately labeled and that it is what it says it is. So I'm gonna run out of time here, but I encourage your green vote on the bracket, I appreciate folks listening again, and Mr. President, I'd ask for a call of the house.

KELLY: Thank you, Senator John Cavanaugh. Members, there's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. There's been a request for a roll call vote on the question of whether debate shall-- on the call of the house. Mr. Clerk.

CLERK: Senator Andersen voting no. Senator Arch. Senator Armendariz voting no. Senator Ballard not voting, Senator Bosn voting no. Senator Bostar. Senator Brandt voting no. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Clouse voting no. Senator Conrad voting yes. Senator DeBoer voting, yes. Senator DeKay voting no. Senator Dorn voting no. Senator Dover. Senator Dungan voting yes. Senator Fredrickson voting yes. Senator Guereca voting yes. Senator Hallstrom voting no. Senator Hansen. Senator Hardin voting no. Senator Holdcroft not voting. Senator Hughes. Senator Hun. Voting yes, Senator Ibach voting no, Senator Jacobson voting no, Senator Juarez voting yes, Senator Kauth voting no. Senator Lippincott voting no. Senator Lonowski voting yes'

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Senator McKeon voting no. Senator McKinney. Senator Meyer voting no. Senator Moser voting no. Senator Murman voting no. Senator Prokop voting yes. Senator Quick voting yes. Senator Raybould voting yes. Senator Riepe voting no. Senator Rountree voting yes. Senator Sanders voting no. Senator Sorrentino voting no. Senator Spivey. Senator Storer voting no. Senator Storm voting no. Senator Strommen voting no. Senator von Gillern voting no. Senator Wordekemper voting no. The vote is 13 ayes, 27 nays to place the house under call.

KELLY: The motion to place house under call fails. The motion before the body is the bracket motion. All those in favor vote aye. There's been a request for a roll call vote. Mr. Clerk.

CLERK: Senator Andersen voting no. Senator Arch. Senator Armendariz voting no. Senator Ballard voting no. Senator Bosn voting no. Senator Bostar. Senator Brandt voting no. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh not voting. Senator Clements voting no. Senator Clouse voting no. Senator Conrad voting yes. Senator DeBoer voting yes. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator Dungan not voting. Senator Fredrickson voting yes. Senator Guereca voting yes. Senator Hallstrom voting no. Senator Hansen. Senator Hardin voting no. Senator Holdcroft voting yes. Senator Hughes. Senator Hunt voting yes. Senator Ibach voting no. Senator Jacobson voting no. Senator Juarez voting yes. Senator Kauth voting no. Senator Lippincott voting no. Senator Lonowski voting no. Senator McKeon voting no. Senator McKinney, Senator Meyer voting no. Senator Moser voting no. Senator Murman voting no. Senator Prokop. voting yes. Senator Quick voting yes. Senator Raybould voting yes. Senator Riepe voting no. Senator Rountree voting no. Senator Sanders voting no. Senator Sorrentino voting no. Senator Spivey. Senator Storer voting no. Senator Storm voting no. Senator Strommen voting no. Senator von Gillern voting no. Senator Wordekemper voting no. 11 ayes, 30 nays to bracket the bill.

KELLY: The bracket motion fails. Mr. Clerk.

CLERK: Mr. President, Senator Dungan would move to reconsider the vote just taken.

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

DUNGAN: Thank you, Mr. President, colleagues. I would encourage you to vote green on this motion to reconsider the vote that was just taken for a couple of reasons. One, yet again, I think it's always good to have an opportunity to reconsider our votes on these particular

procedural issues. I think that it's helpful for folks to understand the debate only because I think people were confused about this last line of, of voting. You know, it's, it's rare that we see a call of the house get voted down. I think the roll call vote might have thrown people off because normally they just vote yes for call of house. And so, perhaps the, the roll call vote was confusing for some folks. So with that, colleagues, I'd like to talk a little bit more about LB316 and some of the problems that are there. One of them is, getting away from some of the definitions that we've talked about already of synthetic and what is and isn't hemp-derived THC. There's all of those concerns. There's monetary concerns, there's revenue concerns, there's concerns about small business. But the one that I want to focus on a little because I've been trying to get to it for a little while is the increased amount of felonies that we continue to pass in this Legislature. Make no dou-- No doubt about it, colleagues. If LB 316 passes, it creates a new felony for the possession of things that are currently allowed. And I'm gonna go through a little bit of the flowchart here, but just big picture, zooming out and looking at this, we continue as a Legislature to pass various bills that are increasing not just the penalties, but the kinds of things that actually are felonies. And why is that problematic? Well, it's problematic because we are not addressing any of the underlying problems that are leading people to potentially committing crimes in general. We're not addressing substance use disorder, we're not addressing mental health concerns, we are not addressing housing, all things that we know demonstrably reduce criminal activity and recidivism. The budget that we just passed earlier this year, colleagues, continues to reduce the amount of money that we as a state are spending on things like mental health resources and behavioral health resources, substance use disorder treatment. Look no further than the regions, which are the system through which we often distribute our finances for mental health and substance use treatment. Region 5, which is our region here in Nebraska, has seen a systemic reduction in its budget by millions of dollars over the last couple of years. And that's problematic, not just because of the people it impacts, but it's problematic because when we're having these larger debates about drugs and things being illegal versus legal and what is or isn't going to be used as a, as a substance. It seems like we're talking out of both sides of our mouth. On one hand, we are saying we want to create a safer state, which is something I think we all agree on in here. We all want less crime, less recidivism. But we refuse as a Legislature to address the underlying problems that lead to those things and instead seek to increase the amount of things that are crimes, seek to increase the amount of penalties for those crimes, and we do it in a way that

oftentimes, colleagues, it doesn't feel like we're giving it much thought. If our actual goal is to make our state safer, which again I think we all agree it is, then we should be addressing those upstream problems and not simply creating more penalties. We keep joking about the felony factory. Senator, Senator John Cavanaugh brought that up a couple times, coined by Senator DeBoer, which I really appreciate. But it's true. The decisions that we're making in this legislative body in this year in particular is flying in the face of not just what we've done for the last five to ten years as a Legislature to try to be smart with regards to criminal justice, but it flies in the phase of the data and the information that third party nonpartisan objective folks have come in here to our, our Legislature over the last decade and said these are changes you should make in order to reduce prison overcrowding, to save money from the tax do-- taxpayer dollars that you're spending right now, and to generally reduce recidivism and to create less crime across the board. But yet this year, I, I've lost count, I had a little tally going for a while, but I think the bills that are currently on their way through the Legislature, we're looking at creating 13, maybe 14 new felonies. I'm getting a nod from over under the balcony. I think that's about what we're looking at right now. And, you know, we can debate whether or not individual penalties should be enhanced or what the consequences are, but taken as a whole, we have seen a slow march back into a punitive mindset, as opposed to one that seeks to be smart about a lot of these issues. So how does that apply here? Well, currently, under our laws, there is a definition, sort of a difference between what is marijuana and what is a controlled substance. So we have a crime here in Nebraska called possession of a controlled substance. PCS is what I'm going to shorten it to, because that's what a lot of us in the courts world call it. It's a PCS, right? And a PCs is a Class IV felony. Now, there are certain considerations that can change whether or not it is a Class IV felony or something higher. But generally speaking, if I'm just going to talk in broad strokes, a possession of a controlled substance charge is a Class IV felony, which means it carries up to two years of imprisonment as a possible maximum penalty, up to a \$10,000 fine, some combination of those things, or potentially probation, depending on the circumstances. In addition to that, if you're convicted of a Class IV felony, you're looking at up to 12 months or a year of post-release supervision, PRS. PCS, PRS, it gets kind of confusing. But post-release supervision, which was enacted, I think, about 10 years ago by LB650, I'm pretty sure, was intended to be essentially reintegration back into society. It was sort of like probation after you've served your sentence. What it's turned into is a relatively punitive sort of extra sentence that people have to serve as they get

out of custody, but that's a debate for a different day. So possession of a controlled substance can be charged for any amount of that controlled substance and I talked about this on the mic a little bit ago and I don't know how many people were paying attention the other day when I brought this up, but any amount, no matter how small, of a controlled substance can result in a felony charge. And why that matters, the reason I highlight any amount, is you start to talk about things like one Xanax pill. Or the other one that I find even more concerning is residue. What's residue? Residue literally means an amount so small that it's not measurable. So for example, if you were to take a, a test strip and rub it against something and it comes back positive, but you can't even actually see the thing that you're, you're rubbing it against, that could be charged as a Class IV felony under the residue. Which means you're looking at felonies for a nonmeasurable amount of something. So the reason I highlight this sort of interesting aspect of it is it doesn't have to do with the amount. There is no weight that you have to have in order to qualify for a felony. It could be half a pill, an iota of a pill, whatever, one eighth of a bar of Xanax, what have you. That's different than what our statutes currently are for marijuana. So marijuana is defined in our statutes. And marijuana specifically is actually differentiated with regards to the different weights, right? So marijuana less than an ounce is an infraction. An infraction means you're not punishable with any kind of jail time, it's just a fine for that first offense. And then a larger amount of marijuana, I think it's over an ounce under a pound, is a Class III misdemeanor. Which puts you in a situation where you're looking at up to 90 days in jail or a \$500 fine. And then once you get over a pound of marijuana, that's when you're looking at the more serious penalties. But these two things are differentiated. And when we're talking about hemp versus marijuana, you have to get really specific in the definitions. This bill, LB316, on page 9, says in here, page 9, line 4, marijuana includes hemp, except for hemp possessed in compliance with the Nebraska Hemp Farming Act. Hemp, though, is specifically defined as well. And hemp is defined, if you go all the way back up here, I think it's on page 2, hemp has to be, for processed hemp, not more than a total THC concentration of 0.3% on a total weight basis, or 10 milligrams of total THC per package. We can get to the package distinction here in a minute. That means that if there's more than 0.3% of THC by weight, could be Delta 8, could be Delta 9, could be Delta 10, 0.4%, 0.35%, it's not hemp. If it's not hemp, it's not marijuana under that definition. So, what is it? There's a specific provision in here that repeals the part that says hemp cannot be a controlled substance. By repealing that, that means that if you're in possession of Delta 8, .035%--

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KELLY: That's your time, Senator.

DUNGAN: --it's a controlled and a felony. Thank you, Mr. President.

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

CLEMENTS: Question.

KELLY: The question's been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor? There's been a request to place the house under call. Everyone-- Let's see. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 11 ayes, 22 nays on the call of the house, Mr President.

KELLY: The motion to place the house under call fails. The question is, shall debates cease on the motion to reconsider? All those in favor vote aye; all those opposed vote nay. There's been a request for a roll call. Mr. Clerk.

CLERK: Senator Andersen voting yes. Senator Arch. Senator Armendariz. Senator Ballard voting yes. Senator Bosn voting yes, Senator Bostar voting no. Senator Brandt voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Clouse voting yes. Senator Conrad voting no. Senator DeBoer voting no. Senator DeKay voting yes. Senator Dorn voting yes, Senator Dover. Senator Dungan voting no. Senator Fredrickson voting no. Senator Guereca. Senator Hallstrom voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes, Senator Hunt. Senator Ibach voting yes Senator Jacobson voting yes. Senator Juarez voting no. Senator Kauth voting yes. Senator Lippincott voting yes. Senator Lonowski voting yes. Senator McKeon voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Prokop voting no Senator Quick voting no. Senator Raybould voting no. Senator Riepe voting yes. Senator Rountree voting no. Senator Sanders voting yes. Senator Sorrentino voting yes. Senator Spivey. Senator Storer voting, voting yes. Senator Storm voting yes. Senator Strommen voting yes. Mr. von Gillern? Senator Wordekemper voting yes. The vote is 29 ayes, 13 ayes to cease debate, Mr. President.

KELLY: Debate does cease. Senator Dungan, you're recognized to close.

DUNGAN: Thank you, Mr. President. So, colleagues, don't go too far. You'll get to vote on this here in a minute, even without the call of the house. But to pick up on what I was saying, colleagues< this creates a felony for possession of CBD, delta 8, those kind of things, specifically Delta 8, Delta 9. What I'm looking at here, for those who weren't paying attention, page , line 18 strikes a section that says, hemp shall be considered an agricultural commodity. Notwithstanding any other provision of law, hemp shall not be considered a controlled substance under the Uniform Controlled Substance Act. So the courts are really clear. The courts assume the Legislature knows what it's doing. It's quite the assumption sometimes. But they assume the Legislature knows what it's doing, and in doing that strike, in removing that portion, what we are doing is effectively saying that anything that runs afoul of this law is a controlled substance. Now, if that's not the case, if anybody wants to say that I'm wrong, then tell me you'll bring an amendment and change this and specify that. Clarify that it will not be a felony for possession of these things. Because what we're talking about here, again, is we're talk about a lotion or a salve that somebody has for their sore knee that perhaps they bought and then put it in their bathroom and then forgot about. And then let's pretend LB316 passes, even with a safe harbor, harbor provision. That, that's not how these things work. Three years from now, gets found for some reason, person gets charged. This has been said before, it bears repeating, an affirmative defense is not immunity. An affirmative defense contemplates police investigation, police citation, initial appearance, attorney either having to be hired by that individual or if they're unable to afford one, an attorney being appointed on a felony case, which is taxpayer dollars, multiple docket calls, jury docket call, and then ultimately a trial. Because at this point for an affirmative defense to work, you have to literally argue it at a trial, it is not a dismissal that you file for. It is not an immunity. It's saying that you are in front of either a judge or if you opt for it and you have a right to a jury trial with 12 members of the community, and the county attorney is arguing against your affirmative defense. And it is incumbent upon you then to put up some evidence to argue that you bought it during a safe harbor provision. People don't keep receipts like that. That's not real. This doesn't work. I don't understand what evidence you could put up other than somebody getting on the stand and saying when they bought it, which, of course, at that point if you're at a jury trial it's going to be argued against by the county attorney who's actually trying to convict you of this in the first place. So this is not some sort of protection. This is not actually solving the problem. What we are doing, colleagues, is we are taking a substance that literally you

can currently purchase, and then you pass LB316, and it becomes a felony to possess it, a more serious crime than it would be to possess, likely, the same amount of marijuana. I don't know if that's what we intend to do, but that's this does. And if you follow the flowchart of the definitions, it's very clear that at best we are creating a gray zone and one that I think is definitionally inadequate to address. It's the striking of this provision saying that it isn't-- hemp shall not be a controlled substance that starts the problem. But you follow that flow chart to a definition of marijuana, and it says marijuana includes hemp. Then you follow that flow chart the word hemp, and hemp is things with less than 0.3% by weight THC. So if you have 0.31% of Delta 8, Delta 10, something you bought legally that maybe you didn't realize had that much, because we don't have a regulatory structure, because we keep voting against it. But 0.31% and suddenly it's a controlled substance, boom, that's a felony. So colleagues, we need to be careful when we do this. This is not some hyperbolic situation. This is no some extrapolation on a what if. This is the very, very clear result of our decisions being made here today. And it would be helpful to hear some of the debate as to why people are supportive of LB316, but again, we have not been able to hear anybody, really I think except for maybe at the very beginning Senator Kauth had an intro from Senator Storer, but beyond that we've been arguing for a little over two hours, and I've not heard any of the proponents talk about why this is good. I would appreciate if somebody would involve themselves in that debate, but I encourage your green vote on the motion to reconsider, and a green--

KELLY: That's your time, Senator.

DUNGAN: --vote if that's successful on the underlying motion. Thank you, Mr. President.

KELLY: Thank you, Senator Dungan. Members, the question is the motion to reconsider. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 10 ayes, 28 nays to reconsider, Mr President.

KELLY: The motion to reconsider fails. Mr. Clerk.

CLERK: Mr. President, Senator John Cavanaugh would move to recommit the bill to the Judiciary Committee.

KELLY: Senator John Cavanaugh, you're recognized to open.

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J. CAVANAUGH: Thank you, Mr. President. I would yield my time to Senator Conrad if she would like it.

KELLY: Senator Conrad, 9 minutes 54 seconds.

CONRAD: Thank you, Mr. President, good afternoon, colleagues. Thank you to my friend, Senator John Cavanaugh, for sharing some time. As is apparent to all, we have a very, very full queue here this afternoon. And so I'm not sure if I'll have an opportunity to speak, especially with how the queue is being managed by proponents of this measure this afternoon prior to cloture. So I appreciate having the opportunity to use this time and to lift up a few additional points for your consideration. So, in addition to targeting hundreds of primarily small businesses across the state that are engaged in legal activity under both federal and state law. And colleagues, let's also be clear. Again, this is much like the medical marijuana debate and deliberation we've had. Much of the discussion has been rooted in anecdote and divorced from reality. To hear proponents talk, they would act like there's some sort of fiery hellscape in regards to CBD use all across Nebraska. I don't pretend to know what's going on in each individual's district, but I can tell you north Lincoln is a lovely place to live and work. And we have a variety of these small businesses in north Lincoln, and adults who choose to utilize these products for pain relief or recreation or otherwise use these products as they see fit, as adults in a free society. The reputable business owners who have come to the table and said, we're happy to codify the best practices that we're already utilizing to keep this stuff out of the hands of kids, to make sure that we have safety protocols in place. They've even offered to subject themselves to higher taxation than what they're, they're currently paying. And it also bears repeating, as I mentioned on General File, that at the request of the governor, this Legislature, a scant 200 days ago, did not take a ban and prohibition approach to these issues, but during the special session took a taxation approach without even the additional regulatory aspects that have been a part of the discussion this session or even this afternoon. So to act like, number one, there is a huge scourge that is somehow or another unaddressed is, is just divorced from reality. To hear proponents of this measure talk about the fact that people who have taken the time to petition their government, legitimate business owners, legitimate manufacturers, legitimate farmers, who have taken time to petition their government, taken time off of work to be here, shared emails, shared perspective, to hear the arrogance of proponents of this measure say, oh that citizen who's on the front line of this issue and whose livelihood is on the line, that farmer doesn't understand his business nor the bill. Are you kidding me? That's the

level of arrogance that this Legislature has sunk to? And the fact that they're here on Select File is plenty of time. We have three rounds of debate for a reason. As the only deliberative body in the state, we have a public hearing. We have General File, we have Select File. We have reflection with gravity on Final Reading before we cast our vote, which becomes law in the state of Nebraska and is a grave and important honor and responsibility and obligation that we have. But they're here. They're here now before we take those final votes saying this measure as written has far broader consequences than proponents are letting on. This will drive me and my legitimate business, which is a key piece of the ag industry, out. And it's not just me, the farmer, and it's not just me, the CBD shop. These products are being utilized by chiropractors. These products are being sold in little pharmacies across the state. There's even a report that some florists in Nebraska make these CBD creams and other sort of products available for their clientele. The fact that there's hundreds of businesses shows that there is consumer demand, and that should be recognized. But instead of taking a responsible approach to have a regulatory framework, a taxation framework, we're churning up the felony factory to drive hundreds of small businesses and also farmers out of business, remove revenue from the books, insert nanny state politics in the decision of adults to decide whether or not to utilize these products if they're right for them, enhance criminal penalties, which foster mass incarceration, tell those on the front lines who have been kind enough to invite each of us out to tour their business, and have been extending those invitations since legislative council months and months ago that they don't understand their business nor this bill. Nebraskans feel like they're being gaslit by this Legislature. And that's because they are. This is politics at its worst. People are not listening to feedback from those on the front lines saying, I have legal policy and practical concerns about this measure. They're not listening to the components that opponents have brought up, saying, we hear you, we're with you, we stand by Nebraska's ban in regards to K2 or whatever the other syn products might-- synthetic products might be that we've already taken a clear line and stance on. If you're concerned about creams, if you're concerned about edible products, if you're concerned about CBD infused seltzer waters, which are sold at most major retailers right now, again clearly a market for that, use a regulatory approach, not a prohibitionist big government nanny state ban. And you know what? If the bill's not ready for prime time, it's not ready for prime time. It will carry over till next year. Senator Kauth can and should work with senators who are concerned about the measure. When you pass the bill to Final Reading, when you vote for cloture, that's a vote for the

bill. That's a vote to put these small businesses out of business. That's a vote to put these farmers' business on ice. Period. Period. It absolutely is. That component should not be divorced from reality. And when Senator Kauth and others lift up all kinds of examples about our sister states that have moved forward, that have moved forward with different approaches to their public policy on this issue, she forgets to mention a few other important facts for context. Number one, many of the states that she points to have robust medical and recreational marijuana access available. And the reason that many states have moved to limit this particular market is to protect the business interests, economic impacts, and taxation surrounding medical cannabis and recreational cannabis that exists in those states. That context is not present in Nebraska, and in fact, what we know about Senator Kauth, Attorney General Hilgers, and proponents of this measure, they're using LB316 as a front door and a back door ban on the citizen initiative in regards to medical marijuana as well. The other piece that Senator Kauth doesn't lift up is the fact that other states that have moved forward with a prohibition or a ban approach are not a blanket ban, are not identical or analogous to LB316. They have all kinds of exceptions for different sort of products, and that needs to come to bear as well. It's fine to make your arguments, but it's important to tell the whole truth. Those are the pieces that Nebraskans are, are depending upon us to bring forward in this debate. And the fact that common sense is not being taken into account, honest politics are not coming into play, shows you that this is politics at its worst, and it should be shelved and continued to work on through the interim period. Thank you, Mr. President.

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

STORM: Question.

KELLY: The question's been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. There's been a request for a roll call vote. Mr. Clerk.

CLERK: Senator Andersen voting yes. Senator Arch. Senator Armendariz. Senator Ballard voting yes, Senator Bosn voting yes. Senator Bostar voting no. Senator Brandt. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh. Senator Clements voting yes. Senator Clouse voting yes. Senator Conrad voting no. Senator DeBoer voting no. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting no. Senator Fredrickson. Senator Guereca. Senator

Hallstrom voting yes. Senator Hansen voting yes. Senator Hardin voting, yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt. Senator Ibach. Senator Jacobson voting yes. Senator Juarez, voting no. Senator Kauth voting yes. Senator Lippincott voting yes. Senator Lonowski voting yes. Senator McKeon voting yes. Senator McKinney. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting no. Senator Prokop voting no. Senator Quick voting no. Senator Raybould voting no. Mr Riepe voting yes. Senator Rountree voting no. Senator Sanders voting yes. Senator Sorrentino voting yes. Senator Spivey. Senator Storer voting yes. Senator Storm voting yes. Senator Strommen voting yes. Senator von Gillern. Senator Wordekemper voting yes. the vote is 28 ayes, 10 nays to cease debate.

KELLY: Debate does cease, Senator John Cavanaugh, you're recognized to close on the recommit.

J. CAVANAUGH: Thank you, Mr. President. Good afternoon still, I suppose? I don't know if the evening begin after five? Is that what it is? So I encourage your green vote on the recommit. I know that there's been a lot of conversation about this bill, and I know people have talked to businesses in their districts and told them-- the businesses have shared their concerns with you, and you have told them that you understand those concerns and would like to see changes to the bill. A recommit to committee is a great opportunity to have the committee maybe come up with a new committee amendment that would address those concerns and take into consideration, maybe have a hearing, another hearing where people are really engaged in those specific concerns. So this is an opportunity to vote for the recommit to committee, it would go back to the judiciary committee and they could dispose of it how they see fit, meaning they could hold it till next year, kick it back out next year with maybe a different amendment or not kick it out at all. The Judiciary Committee could kick out LB16 with a committee amendment that's some sort of compromise like AM1521 was. So there's lots of options. I think we have about an hour left on this bill. We can keep talking about all of the different specific nuances and can talk about all of the addressing the concerns people have raised about this industry. And again. I agree that there needs to be regulation. AM628 creates a robust regulatory structure, just like AM1521 did, just like LB16 did. So if you have these-- if you share my legitimate concerns, then you should have voted for AM1521. If you share, share the legitimate concerns you should vote for AM628. If you share legitimate concerns, you should vote for LB16. But closing down an entire industry, preventing people from legitimate business, protecting our constituents from mislabeled or unlabeled, or untested products, that's not the answer. So an outright ban is not

the answers to this. It is taking a sledgehammer where a scalpel is needed. This is an incredibly complicated, nuanced industry. It is new, because it came into being as a result of the 2018 federal farm bill and then Nebraska's adoption of the definition under the federal farm bill that allowed for hemp to be treated differently than other, what do you call it, cannabis plants. So based off of the amount of Delta 9 THC, that's the, you know, federal definition has to do with the total amount of Delta 9 THC, not the other Deltas that are in this. But LB-- or I'm sorry, AM1521 did ban those other true synthetics, so things that are not plant-derived, the synthetic Delta 8, the things people have raised as concerns. I heard-- I appreciated what Senator Conrad was talking about, as all of the, the other businesses that folks are not really thinking about when they're just in this rush to ban something. So the fact that there are florists and chiropractors and other types of medical professionals who are using a lot of these things to a great effect, that is a concern that I don't think people are taking into consideration here. I think too many people are looking at this as-- that it's just something that they don't think people should be doing. And that is a problem for me and one of the reasons I chose when I, I was trying to address this to go through a regulatory system and not a ban. Because even if you don't like it, it doesn't mean adults, in their own judgment, shouldn't be able to do it. So it should be regulated, should be over-- have oversight, should have testing, should have labeling, should have ID requirements, should have packaging requirements. All of those things are true. And that is something that we put into AM1521, AM628, LB16, all of these places where we have proposed these legitimate, robust considerations. So I encourage your green vote on the motion to recommit. I encourage you to, again, go out in the lobby, talk to the business owners who are out here who LB 316 would shut down. Talk to them about what they do, what-- how they guarantee their products. And if you have thoughts--

KELLY: That's your time, Senator.

J. CAVANAUGH: --we can address them. Thank you, Mr. President. Roll call vote.

KELLY: Thank you, Senator Cavanaugh. There's been a request for a roll call vote on the question of the motion to recommit. Mr. Clerk.

CLERK: Senator Andersen voting no. Senator Arch voting no. Senator Armendariz voting no. Senator Ballard voting no. Senator Bosn voting no. Senator Bostar not voting. Senator Brandt voting no. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh not voting. Senator

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Clements voting no. Senator Clouse voting no. Senator Conrad voting yes. Senator DeBoer voting yes. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator Dungan not voting. Senator Fredrickson voting yes. Senator Guereca voting yes. Senator Hallstrom voting no. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft. voting no. Senator Hughes voting no. Senator Hunt. Senator Ibach voting no. Senator Jacobson voting no. Senator Juarez voting yes. Senator Kauth voting no. Senator Lippincott voting NO to Senator Lanusky. Voting NOS to Senator McEwen. Senator McKinney. Voting Yes to Senator Meyer. Voting no. Senator Moser voting no. Senator Murman voting no. Senator Prokop voting yes. Senator Quick voting yes. Senator Raybould voting yes. Senator Riepe voting no. Senator Rountree voting yes. Senator Sanders voting no. Senator Sorrentino voting no. Senator Spivey. Senator Storer voting no. Senator Storm voting no. Senator Strommen. Senator Strommen, I'm sorry voting no. Senator bon Gillern. Senator Wordekemper voting no. Vote is 11 aye, 31 nays to recommit the bill, Mr. President.

KELLY: Motion to recommit fails. Mr. Clerk.

CLERK: Mr. President, Senator Dungan would move to reconsider the motion with MO292.

KELLY: Senator Dungan, you're recognized to open on the motion.

DUNGAN: Thank you, Mr. President, colleagues. Once again, I would encourage your green vote on MO292, which allows us to reconsider the vote to recommit to committee. I appreciate what Senator John Cavanaugh said about the recommit, because I really do think the concerns that have been raised about this bill are legitimate. There are actual answers, I think, to some of these questions. And so In a world where sometimes these motions are, you know, kind of looked over, I think in this circumstance an opportunity to return this bill to committee, permitting the committee to take action to make certain modifications and certain changes, I actually think makes a lot of sense. So I would encourage a green vote on the motion to reconsider so we can have a chance to have the committee re-address and look at some of these questions. That actually gets to a little bit of what I was going to talk about again. My-- One of my main concerns remains the creation of an additional felony. And the idea that we are making it a felony to possess items that are currently legal in the state of Nebraska, albeit unregulated, which is what AM628's trying to do, is regulate it, they are currently legal, these lotions, these salves, these tinctures. And because of the language contained in LB316 both insofar as what is protected CBD and what's not, along with the

elimination of the portion saying that hemp is not a controlled substance, I have grave concerns, colleagues, that we are creating an entirely new class of felonies which are not narrow, but in fact is a very broad spectrum of felonies that ultimately you're gonna end up with folks getting charged for this, not because they're drug dealers or not because they are people that maybe folks in here might imagine as drug users, but they're people who are going to the store and purchasing these things legally to utilize and then it gets found down the road or later. And so by virtue of that, I was wondering, speaking to the committee, if Senator DeBoer would answer just a couple of questions about the committee process on this bill.

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

DeBOER: Yes.

DUNGAN: Thank you, Senator DeBoer. So you're on the Judiciary Committee, correct?

DeBOER: I'm even vice chair of it.

DUNGAN: You are the vice chair. That's right. And this bill came through your committee, is that right?

DeBOER: Yes.

DUNGAN: And so in the conversations that you had, can you just illuminate a little bit more what your discussions were around the creation of a felony for the possession of these hemp or CBDs that fall outside of the definition?

DeBOER: Yes. So actually, I'll take you back to the committee hearing in January, I think it was late January, and the Attorney General came to speak in favor of this bill. And I asked him, my colleagues would say at length, but I asked him about whether or not this created the felony. At the time, he said he would get back to me. And I said that my concern was that we are making a felony out of any amount of possession of this substance, which at this time is being legally bought, he would argue perhaps that there's some nuance to that, but federally is legal, and is being bought by people in regular stores. And my concern was that we are going to make people into felons that have no idea. And so that is something that I brought up. And then I checked back with him and his office a number of times. And when I saw him in the hall, every time I saw, how are we doing on that? What's the-- We're working on it, We're working. I kept getting told, we're working on it, we're working on it, we're working on it. You know, I'm

sure they were, because the safe harbor thing came up. I said, that doesn't in any way address the concern. And he said, oh, I know, I know. So like this keeps being a concern of mine. It has been for, what are we on, like four or five months now. I keep talking about the fact that we are making a minuscule amount of this substance into a felony, whereas the actual marijuana is an infraction. And in our committee exec, which was at that table right there, I said this is taking these products, Delta 8 products, and making them into a felony, which marijuana itself is an infraction. I said that's much, much more illegal. And I remember this so well because I was called to question about whether it was much, much more illegal. And I said, yes, I think a felony versus an infraction is a significant difference. And you could speak to those differences, but I actually prosecuted the misdemeanor docket in 1999, 1998, somewhere in there, in Lancaster County. And I was charging misdemeanor, so it was actually an infraction, so misdemeanor on down. I was charging the possession of marijuana cases less than an ounce. It's a \$100 fine back in the day. I don't know if that's changed. I don't think they're even prosecuting them anymore. And this would go to a felony. Now, it seems to me that any felony, even a poor man's felony, which is a Class IV if I'm wrong. And any felony seems to be significantly more than a \$100 fine, and here we are and we have a felony. The fact that there is an amendment somewhere, somewhere that they worked on with Senator Brandt that says they contemplate an affirmative defense says to me they in-- intend to prosecute folks under this law for felony possession because you don't create an affirmative defense to an infraction. So they are planning to prosecute these as felonies. And I have been raising the flag about this for a long time. What they could do is they could come in here, they could have done this in January and say, this bill will not make it a felony. Delta 8 will be the same as marijuana. There's a special exception for marijuana.

DUNGAN: And to this point, have any of the amendments that you've seen on the board or have been adopted address your concerns?

DeBOER: No, and I'm sorry I'm taking all your time.

DUNGAN: No, that's fine.

DeBOER: But--

DUNGAN: I'm sure people are sick of hearing from me anyways.

DeBOER: But no, there hasn't been anything to even remotely address it. And it's clear by the fact that they won't address it that this is

what they intend to do. And this, I mean, this is, this is a significant thing I think we should all be aware of. And I'm sorry my voice is getting higher because I'm passionate about this. Like, we are going to make a felony out of Delta 8, which in the same concentration with marijuana is much less harmful than marijuana. And here's the kicker. If marijuana, actual marijuana, which, by the way, is not your father's ditch weed, right? It's like much more intense now, the stuff that you get on the street. That's what the advocates against marijuana tell me. If that is being incentivized by our making-- it's an infraction, and we're making Delta 8 into a felony, folks who would use Delta 8 are now seeing all the billboards all over Omaha that say, come down to Rockport and get the real thing. Right? And now they say, I can go to Rockport, get the real thing, come back here, and get an infraction, or I can use this other stuff and get a felony. They're gonna be pushed to use marijuana. This is not good policy making. So that's my concern.

DUNGAN: Thank you Vice Chair DeBoer. I really appreciate that answer because it gives us an insight into the process of how we got here. Colleagues, this is not something that I'm bringing up to throw spaghetti at the wall to deter this bill from passing. This is a legitimate concern that was brought up months ago in the hearing by the vice chair of the committee who I know has been diligent in trying to understand the ins and the outs of what actually has happened with this bill. And there's not been an answer that's been given that I think addresses the concern sufficiently. So colleagues, this bill is problematic for a number of reasons. It does, I think, harm local business. It does put us in a standpoint with regards to other states and how they handle these things. But at the end of the day, I think that it puts us in position where you're going to see people charged. Potentially with very serious crimes. I would disagree with Senator DeBoer's idea that a Class IV felony is a poor man's felony. A Class IV felony is still a very serious offense that carries with it multiple years in prison as a potential offense and up to a \$10,000 fine. So the fact that there is this ambiguity at best, and I think at worst, a clear through line being drawn between a possession of Delta 8 and a felony, this puts us in a very tricky and sticky predicament. And I would encourage my colleagues to think long and hard about whether or not this is something that can be remedied. And if you think it can be remedied down the line, I would encourage you to recommit this to committee because the time to fix this is not between Select and Final. The time to fix it would have been before these concerns had been raised by multiple people--

KELLY: That's your time, Senator.

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DUNGAN: Thank you, Mr. President.

KELLY: Thank you, Senator Dungan. Senator Couse, you're recognized to speak.

CLOUSE: Question.

KELLY: The question's been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. There's been a request for a roll call vote. Mr. Clerk.

CLERK: Senator Andersoen voting yes. Senator Arch not voting. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Bosn voting yes. Senator Bostar not voting. Senator Brandt voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Clouse voting yes. Senator Conrad voting no. Senator DeBoer voting no. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting no. Senator Fredrickson voting no. Senator Guereca voting no. Senator Hallstrom voting yes. Senator Hansen voting yes, Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Juarez voting no. Senator Kauth voting yes. Senator Lippincott voting yes. Senator Lonowski voting yes. Senator McKeon voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Prokop voting no. Senator Quick. Senator Raybould voting no. Senator Riepe not voting. Senator Rountree voting no. Senator Sanders voting yes. Senator Sorrentino voting yes. Senator Spivey. Senator Stor-- Senator Spivey voting no. Senator Storer voting yes. Senator Storm voting yes. Senator Strommen voting yes. Voting Senator von Gillern voting yes. Senator Wordekemper voting yes. The vote is 31 ayes, 13 nays to cease debate.

KELLY: Debate does cease. Senator Duggan, you're recognized to close on MO292.

DUNGAN: Thank you, Mr. President. Colleagues, I appreciate those who are listening to the debate and those who were listening to the back and forth. I understand that there's people who disagree about some of the ins and outs of this bill. The reality is, though, there has been, I think, a sentiment among supporters of the bill, certainly, I think, proponents have said, oh, why, why didn't you bring this to us earlier? Why wasn't this brought up at an earlier date? We, we don't have time to fix it now. Or, you know, oh, we'll fix this moving

forward. The reality is these concerns were raised when the bill was introduced. You can go back and look at the transcript of the hearing and you can go and look back at the written comments with regards to LB316 and you can see, I think, the very valid issues that were brought up. It's not for lack of trying. It's for lack for an effort to educate on behalf of the individuals who actually are experts in this subject. But it has, for whatever reason, fallen on deaf ears. And the recommit to committee gives us a chance to have the concerns, not just heard again, but actually addressed. So the people who actually this affects can come in and they can share ways to make this better, ways to fix it. There's a number of people who are affected by LB316 who have been working very hard to try to come up with a compromise amendment that addresses a lot of the concerns that have been brought up, still ban a number of products, but not drive their industry into the ground. But colleagues, we voted that down earlier. That was one of the first amendments that was offered. It was an actual compromise amendment that really, truly did ban a numbers of substances that colleagues, I think, you wanted banned. And so if you're under the impression that your concerns can be addressed between Select Final-- File and Final Reading, I would encourage you to think about the fact that it's very difficult when a bill is this far down the line to make the technical changes that need to be made in a thoughtful manner. And I would remind you that we have seen other bills sort of Frankenstein their way through the process. And think about that the impact it had. I won't raise the specter of the special session too much with regards to LB34 and the very clear unintended consequences that came out of a number of actions and choices that were made by this body in a quick manner. But look no further than some of those outcomes, unintended though they may be, when you see what possible negative impacts it has when we cobble a bill together from each round of debate. I understand. We can make amendments. We can change. I do that. Other people do that. But at this juncture, LB316 is so fundamentally flawed in the definitions that are being used to define what is and what isn't a controlled substance, that I do not believe amendments between now and Final Reading can address those concerns in a way that truly does make whole or fix the concerns being brought to us by the experts, the people who this affects. I think that there's been some argument made that these concerns should have been brought earlier, not just by us, but by the individuals in the industry. And colleagues, we were all invited to go do this tour of Sweetwater back in January. There's-- you, you have the emails in your inbox. And at that tour, I unfortunately couldn't make it myself, but at that tour and with all of the conversations that have been happening, these concerns have been raised every step of the way. And

so to just be intentionally obtuse and to say that the concerns were not raised early enough, I think is a false flag. And certainly now is the time that we can actually take action and make a decision that's going to help those affected by the decisions in LB316. I will continue to echo the sentiment that others have echoed. The folks that are the small business owners that are harmed by LB316 want to talk to you. If you have questions, they can talk to your about their industry. But when you're making a decision, colleagues, about LB316, and whether or not you want to vote for cloture on LB316, think about the unintended consequences. Think about the felonies that it creates. Think about the tax dollars implicated in this, both from lost revenue and from the amount of prosecution that's going to have to go up because of prosecution of this. And think about the fact that small businesses are asking you to be a supporter of them, to support small business and to vote against LB316. So you have a chance with this motion to reconsider, to take another vote on this recommit to committee, to allow the committee to answer the questions that Vice Chair DeBoer brought up--

KELLY: That's your time, Senator.

DUNGAN: --and have them answered for all of us. Thank you, Mr. President.

KELLY: Thank you, Senator Dungan. Members, the question is the motion to reconsider. All those in favor vote aye; all those opposed vote nay. Record Mr. Clerk.

CLERK: 12 ayes, 30 nays to reconsider the vote.

KELLY: The motion to reconsider fails. Mr. Clerk.

CLERK: I have nothing further at this time.

KELLY: Continuing debate on FA143, Senator Hansen, you're recognized to speak.

HANSEN: Thank you, Mr. President. Colleagues, I just have a couple of clarifying questions for Senator Kauth's amendment, AM944, coming up, hopefully here soon, that do pertain to ballot measures 437 and 438. So would Senator Kauth yield to a few questions, please?

KELLY: Senator Kauth, will you yield?

KAUTH: Yes.

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HANSEN: All right, and to clarify for the record, LB316 is not intended to impact anything established by ballot measures 437 and 438, which legalized medical cannabis use for Nebraskans. Correct?

KAUTH: That is correct and that's part of the amendment that we're trying to get on this bill so that we make sure that that's in statute.

HANSEN: And AM944 is likewise not intended to affect either of those measures as well, correct?

KAUTH: Correct.

HANSEN: OK. All right. And if a conflict were to arise in the future between LB316, either the Nebraska Medical Cannabis Patient Protection Act or the Nebraska Medical Cannabis Regulation Act, this amendment would ensure that those acts take precedent, right?

KAUTH: Yes, absolutely.

HANSEN: All right. And last one here. Additionally, we've worked with the Attorney General's office in drafting this language, and they have assured us that it will prevent any unintended impact on the existing Chapter 71 statutes regarding medical cannabis, which are outside the scope of the Uniform Controlled Substance Act and the Nebraska Hemp Farming Act. Is that correct?

KAUTH: That is correct. And I thank you for working with us on it.

HANSEN: Yeah, likewise. I, I appreciate that.

KAUTH: Absolutely.

HANSEN: Thank you, Senator Kauth. Colleagues, I do remain committed to the will of the people and res-- and is respected and the patients have meaningful access to medical cannabis in Nebraska. I appreciate Senator Kauth's willingness to collaborate on this amendment and I encourage my colleagues to support it. This is a small but important step towards clarifying any potential confusion between hemp law and cannabis law and ultimately protecting patient access. Thank you Mr. President.

KELLY: Thanks, Senator Hansen. Senator Bosn, you're rec-- recognized to speak.

BOSN: Question.

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KELLY: The question's been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. The question is, shall debate cease? All those in favor, vote aye. All those opposed, vote nay. Record, Mr. Clerk.

CLERK: 28 ayes, 9 nays to cease debate.

KELLY: Debate does cease. Senator John Cavanaugh, you're recognized to close.

J. CAVANAUGH: Thank you, Mr. President. Moving right along. So all right, we can go back to AM628, we can talk about some of these things. You know, there's a lot of people who want to address what's going on here. And if you're watching at home, which I-- you know, people always want to explain to folks what's going on watching at home. So you might be watching this and say, there's a few people who are talking a lot, and then everybody else just gets up and says question. And so I, I understand wanting to move things along and get that. I mean I've been there where you want to get to an amendment or something like that. But the folks who are in favor of LB316, I don't know in an hour and 30 minutes or so that we've talked about this bill have gotten up and defended it in any way or argued in favor of it, of why we need to adopt 316 and they certainly haven't answered that the criticisms that have been raised of LB316. So on the first round of debate, there was a whole lot of paper that was handed out and a lot of conversation about how important it is we ban synthetics. And at the very beginning of this debate, there was a handout about the danger of synthetics. And I started out this conversation pointing out that there's a difference between synthetics and plant-derived. And so the folks who wanna advocate or vote for LB316 because they really need to ban synthetics, synthetics are already banned. They were banned by this Legislature more than a decade ago. And this bill bans plant-derived, which is not what synthetic means. Plant derived in the handouts that were handed out on General File on this bill are considered natural in the, the academic paperwork, academic studies that were handed out, it says synthetics are bad, natural, which is distinguished from synthetic as plant-derived, is OK, and they should be distinguished that way. So it was the proponents of this bill's own papers that they handed out. And today there's a handout that says synthetic is bad, and synthetic includes K2 and Spice, which are the things Nebraska banned more than a decade ago. So we're here and the, and the great evil that this bill seeks to ban was banned more than a decade ago. So what is this bill really about? It's about banning something else that people, specifically the Attorney General and those in this body who listen to the Attorney General, that they don't

think people should be using. And so that's what this is about. It's not about a concern for health and safety because the concerns that have been raised have been answered. And many of them answered a decade ago. But this bill is about shutting down an industry, legitimate businesses that are doing it right and want to be regulated and taxed, because people don't agree that adults should be able to make their own decisions about their lives. And I appreciate Senator Hansen's questions on this. But there are a couple of things about that. One, the Attorney General is not an honest broker when it comes to the protections of medical cannabis. I'm sorry. He has filed lawsuits against the people who brought it. He's threatened lawsuits against that the commission if they start issuing licenses. The Attorney General has given opinions to members of this Legislature, unofficially or officially, advocating against the passage of a regulatory structure that would make it actually accessible and safe. So I do-- I, I don't think anyone who is in favor of medical cannabis should put stock in the Attorney General's interpretation of what LB316 does. But LB316 wants to destroy businesses, farmers, small businesses, in communities across this state. And it does it out of a puritanical desire to not have people do things that people dis-- the Attorney General disagrees with. So I encourage your green vote on AM628, you can vote for FA143 as well. But I would encourage you to vote against LB316 unless it is substantially changed to not go after these businesses who, who are just asking for regulation, who are asking for the government to do what the government should do, regulate, not ban. So I, I'm going to be out of time here in a second, but, I am sure I will get another opportunity to talk, I bet. But I would encourage your green vote on FA143.

KELLY: That's your time, Senator.

J. CAVANAUGH: Can I get a call of the house, Mr. President?

KELLY: There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 18 ayes, 21 nays to place the house under call.

KELLY: The motion fails. The question is the adoption of FA143. All those in-- All those in favor vote aye; all those opposed vote nay. Request for a roll call vote. Mr. Clerk.

CLERK: Senator Andersen voting no. Senator Arch voting no. Senator Armendariz voting no. Senator Ballard voting no. Senator Bosn voting

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no. Senator Bostar voting yes. Senator Brandt. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh not voting .Senator Clements voting no. Senator Clouse voting no. Senator Conrad voting yes. Senator DeBoer. Senator Boer voting yes. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator Dungan not voting. Senator Fredrickson voting yes. Senator Guereca voting no. Senator Hallstrom voting no. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt. Senator Ibach voting no. Senator Jacobson voting no. Senator Juarez voting yes. Senator Kauth voting no. Senator Lippincott voting no. Senator Lonowski voting no. Senator McKeon voting no. Senator McKinney voting yes. Senator Meyer voting no. Senator Moser voting no. Senator Murman voting no. Senator Prokop voting yes. Senator Quick voting yes. Senator Raybould voting yes. Senator Riepe voting no. Senator Rountree voting yes. Senator Sanders voting no. Senator Sorrentino voting no. Senator Spivey voting yes. Senator Storer voting no. Senator Storm voting no. Senator Strommen voting no. Senator von Gillern voting no. Senator Wordekemper voting no. The vote is 13 ayes, 32 nays on the amendment, Mr President.

KELLY: The motion to adopt FA143 fails. Mr. Clerk.

CLERK: Mr. President, Senator Dungan would move to reconsider the vote on FA143.

KELLY: Senator Dungan, you're recognized to close. Or open on the motion.

DUNGAN: Thank you, Mr. President. I probably will get a chance to close, but I will start with my opening. Colleagues, I do, again, encourage your green vote on MO301 to reconsider. There's a couple of points that I want to respond to just briefly before we continue to talk about some of the underlying bill. To Senator Hansen's concerns about the effect that LB316 has on the medical cannabis ballot initiatives and the potential rules that we could or couldn't maybe see coming, I, I want to speak to that. So both the, the language of the amendments contain this very strange phraseology. And when I say it's strange phraseology, what I mean is this is not how laws are written. In the event of a conflict between the Nebraska Hemp Farming Act and the Nebraska, Nebraska Medical Cannabis Patient Protection Act, the latter shall control. Or in the event a conflict the Nebraska Hemp Farming Act and Nebraska Medical cannabis Regulation Act, the latter shell control. So there's this sort of weird passive language being contemplated by these amendments. But that's not how we do things with the law. So, generally speaking, if there is a direct

conflict between the language of something that's being passed and an old piece of legislation, the conflict is resolved by striking certain portions or by redefining things. For example, section 28-401 of Nebraska Revised Statute, subsection (14)(c) defines marijuana and it explicitly says marijuana does not include hemp. Now, that is an example of how when the Nebraska Hemp Act passed, there were all these questions. Well, what do we do with, you know, marijuana? Because marijuana is illegal, but now hemp is allowed. How do we, how do we square that conflict? And what happened is a lot of time was taken because it's very complicated, and there's different sections of law that deal with the criminal penalties as they pertain to marijuana or other controlled substances, and the bill was modified to define what does and does not create a conflict. And it's done that way because when somebody is ultimately charged with a criminal penalty, you want to be able to go back in the statutes and you want to see what exactly the letter of the law is because that is what the courts have to look at in making determinations. If a judge or if the ultimate arbiter of a law can't look at the actual statute and dictate what the law is, it is potentially and very likely unconstitutionally vague because it denies due process to know what the actual elements of or the ultimate process of a crime is. And so to have a vague outline of what is and what is not part of the criminal process here is incredibly problematic. The language that we see proposed in these potential amendments with regards to, in the event of a conflict, the latter shall control, is much more akin to, I guess, maybe the constitutional language that see when there's two ballot initiatives that are opposed to one another, which is completely different than what we're talking about here. So colleagues, I will tell you, this is not the way that we write law. In addition to that, to Senator Hansen's concerns, and, and I would probably chat with him more about this off the mic, the only reason you would need this exception is if there are going to be conflicts. You don't need this section unless LB316 contemplates conflict between the way that this is written and being able to enact and follow the Cannabis Commission's rules and regulations. And I understand that maybe this is, you know, intended to resolve those conflicts, but what this flowery sort of intent language does is it tells us that there will be conflicts without actually solving the problem. It doesn't actually create any kind of exemption or putting the weight on one over the other. In addition to that, even if we assume that this language works, which I'm going to be frank with you colleagues, I don't think it does, but even if assume that language works. It only works in the event of conflict, which means there has to be a determination that the two bills conflict with one another. Who makes that determination? It sounds like, based on the

conversations I've had, that it might be the Attorney General's office or maybe the prosecutor, the county attorney, maybe a judge. I'm not entirely sure. But in order for the Medical-- Nebraska Medical Cannabis Patient Protection Act or the Nebraska Medical Cannabis Regulation Act to actually control, if we assume this language works, is if you determine there is a conflict. So in the event that the intent is to have something banned that is otherwise permitted by the Cannabis Commission, that's not a conflict. If the ultimate arbiter of what is and what isn't legal, if the chief elected law enforcement officer, as we continue to hear, determines there is no conflict, then there is not controlling of one over the other. So I would encourage my colleagues who are interested in ensuring access to medical cannabis, or my colleagues who are interested in, as Senator Hansen I think rightly put it, following the will of the people to be very wary about this language. It is not a catch-all. It is not a fix. What it shows is an understanding that LB316 likely will have a conflict with the will of the people. And it shows that LB316 in all likelihood is going to create additional bans that are going to prohibit actual access from the, from the people who voted for this to medical cannabis. And so it admits on one hand there's going to be a problem, and then on the other hand does not create a real solution. And again, I-- these are very contemplated, or contemp-- I keep saying that, complicated laws to write. And if we wanted an actual fix with LB316 to ensure that it did not violate the cannabis laws that were just passed as part of the ballot initiative, that should have been written into the statute in the first place. Think about all of the different areas of law that would need to be cross-referenced, that would need to be adjusted, definitions referencing back to the medical cannabis laws that are now in place. The reason that that didn't happen is because it's not the intent of the introducer or the supporters of LB316 to exempt medical cannabis. The folks who were generally supportive of LB316 have been very clear on the record that they are also opposed to medical cannabis. And so if you're looking for an exception in the law that is going to ultimately allow medical cannabis to proceed in whatever way the commission now promulgates rules for, I don't think you're going to find in these AMs. You're going to find a couple of paragraphs that pro-- provide us some generally, I think, flowery intent language. But when you're a judge trying to determine what is or what isn't the law, or when you are a law enforcement official, or if you are the county attorney in a various-- in a certain jurisdiction, it's going to be very complicated to understand what this means. Because again, one of two things are true. Either one, it only controls when there's conflict, and that means there has to be conflict determined. Or two, you're seeing that

there's going to be an actual problem here as laid out by the two paragraphs. And they're determining, they're saying by having these paragraphs in the amendments that there will be conflict between the various laws. So colleagues, if, if LB316, if your number one concern is ensuring that it doesn't infringe upon the access of medical cannabis to the people, I would encourage you to be very hesitant. In supporting LB 316 with cloture, because these are complicated things to figure out how to cross-reference, and the idea that we can tack on an amendment that essentially just says, don't worry about it. I think that that doesn't really address the problem in a way that is, I guess, worthy of the weight of the Legislature. And so, you know, again, I've said this before, amendments do happen. We obviously have to tweak things as they go along, but LB316 is fundamentally flawed. LB316 is seeking to at best unintentionally ban an entire industry of entrepreneurs in the state of Nebraska and at worst seek to criminalize citizens who are simply buying products that are currently legal and resulting in a litany of felonies ultimately being charged. The very existence of a safe harbor provision being worked into this is because of the criminalization that is going to be the result of the bill. If criminalization was not the result of the bill. If it wasn't actually contemplating making it a controlled substance, there would not be a section crossing out that hemp is not a controlled substance, and there would be a not a section about the safe harbor laws allowing those people who are in possession of these products for personal use, I'll remind you, to not be charged with felonies. So, the entire structure of LB316 is indicative of its intent, and I would encourage my colleagues to vote green on the motion to reconsider--

KELLY: That's your time, Senator.

DUNGAN: --and ultimately red on LB316. Thank you, Mr. President.

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

HUGHES: Question.

KELLY: The question's been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Request for a roll call vote, reverse order. Mr. Clerk.

CLERK: Senator Wordekemper voting yes. Senator von Gillern voting yes. Senator Strommen voting yes. Senator Storm voting yes. Senator Storer voting yes. Senator Spivey voting no. Senator Sorrentino voting yes.

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Senator Sanders voting yes. Senator Rountree voting no. Senator Riepe. Senator Raybould voting no. Senator Quick voting no. Senator Prokop voting no. Senator Murman voting yes. Senator Moser voting yes. Senator Meyer voting yes. Senator McKinney voting no. Senator McKeon voting yes. Senator Lonowski voting yes. Senator Lippincott voting yes. Senator Kauth voting yes. Senator Juarez voting no. Senator Jacobson voting yes. Senator Ibach. Senator Ibach voting yes. Senator Hunt. Senator Hughes voting yes. Senator Holdcroft voting yes. Senator Hardin voting yes. Senator Hansen voting yes. Senator Hallstrom voting yes. Senator Guereca voting no. Senator Fredrickson voting no. Senator Dungan voting no. Senator Dover voting yes. Senator Dorn voting yes. Senator DeKay voting yes. Senator DeBoer. Senator DeBoer voting no. Senator Conrad voting no. Senator Clouse voting yes. Senator Clements voting yes. Senator Machaela Cavanaugh voting no. Senator John Cavanaugh voting no. Senator Brandt voting yes. Senator Bostar voting no. Senator Bosn voting yes. Senator Ballard voting yes. Senator Armendariz. Senator Arch not voting. Senator Andersen voting yes. Vote is 30 ayes, 15 nays, Mr. President.

KELLY: Debate does cease. Senator Dungan, you're recognized to close.

DUNGAN: Thank you, Mr. President. See? I said I would get a chance to close, and here we are. So, colleagues, please, again, I'm asking you to be thoughtful about the decisions that we're making today. I understand that there is this general desire to ban products that are harmful to kids and to adults. But I'm telling you what LB316 as a whole accomplishes is instead of banning just those products, many of which are already banned. It essentially gets rid of an entire industry. And it essentially is telling local businesses from each and every one of your districts that they are not able to do their job anymore, and it's gonna result in them shutting down. If, in fact, the language of LB316 that currently is before us is what's passed. I genuinely believe that it's going to result in the banning of almost every single CBD product in the state of Nebraska, thereby resulting in almost every single product being sold by any of those businesses or by any other business to be pulled off the shelves. And if what you're concerned about is people's safety, if what you're concerned about is ensuring that people get quality care and that we make sure that people aren't consuming anything that's dangerous to them, regulation is the way to go. I always like talking about bottled in bond whiskey whenever we talk about this, and I'm sure that some of my friends who are watching have heard me talk about it multiple times. But the whole point-- the first federal law really that actually governed food safety was about bourbon. And it was because you had people selling liquid that had things like ether and food coloring and

God knows what mixed in, and they were calling it bourbon. And so they passed the Bottled in Bond Act in order to ensure regulation, in order to make sure the product being consumed by adults who choose to do so is not going to make them go blind. And that has been the general model for what we do with these kind of products when they do serve a benefit. And what we know is that CBD serves a great benefit to a number of people. I actually stopped into a, a shop in my district the other day as I was walking by just to talk to the people who worked there. And I was asking questions about LB316 because they had a big sign out front telling their, their, their customers to reach out to us and to call legislators about LB316. And I asked the gentleman behind the counter, I said, what is, you know, your day-to-day like with regards to who you're selling to, what you're selling, and we had a really nice back and forth conversation. But the part that struck me is he said that I would not believe the amount of people that he ends up hugging who are crying because they're appreciative of the relief and the care that they're actually able to get thanks to some of these products. And during the entirety of the conversation that we had last week about medical cannabis, there were all of those folks that were here showing up for-- they're, they're doing their job as citizens to hold us accountable, showing up to tell us their stories. And as Senator John Cavanaugh said, they came to the town halls, they brought their children who are oftentimes the ones that they're arguing for this on behalf of, and they told us their stories. And I'm not trying to do a whole sob story thing where I make people feel bad or try to convince you to vote for something because, you know, you feel like you're a bad person if you don't. I'm saying this because I think there is a vast and consistent misconception over what these industries do and over what we're actually talking about. If you're talking about synthetic marijuana, it's illegal. Spice, K2, potpourri, jewelry cleaner, whatever thing it was called in the little packages that you buy at the gas station, that's banned. We took care of that. But if you're talking about hemp-derived THC, naturally occurring substances, often extracted through organic processes, isomerizations like using cold water or heat. That's what we're talking about here. So if your concern is the banning of dangerous substances, we can do that, we can accomplish that, but we can it with a regulation on AM628. We don't need to say to the industry, you're done, and shutter their doors. And make no mistake about it, colleagues, a vote for LB 316 is a vote against the small businesses in your district, and it's a vote FOR increasing the amount of felonies that everyday Nebraskans are going to be facing just because they bought a product--

KELLY: That's your time, Senator.

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DUNGAN: --when it was legal and then we banned it. Thank you, Mr. President.

KELLY: Thank you, Senator Dungan. Members, the question is the motion to reconsider. All those in favor vote aye. All those opposed vote nay. Record, Mr. Clerk.

CLERK: 12 ayes, 29 nays to reconsider, Mr. President.

KELLY: The motion fails. Mr. Clerk.

CLERK: Mr. President, Senator John Cavanaugh would move to amend with FA146.

KELLY: Senator John Cavanaugh, you're recognized to open.

J. CAVANAUGH: Thank you, Mr. President. So there's been a lot of good points raised. And I, I understand that people are, I don't know, maybe tired of this topic because of last week we had a long conversation, and we've had this conversation on this bill. There's been lot of other things. So people are tired of talking about this. But it is a big issue facing us right now. Part of it is because the, the ballot initiative that was passed by the voters last year. Part of it is the continued litigation brought on by the Attorney General. Part of it is the governor's disrespectful approach to the board. And part of it as this Legislature's desire to ignore what the people of Nebraska really want. So, you know, we did have those town halls Senator Dungan was just talking about. And in those town halls, again, it was three town halls, over 300 people, almost 100 people talked. Of those 100 people, a number of them brought up this bill. The town hall invite said LB677. Tow-- you know the, the press covering it was talking about LB677 and the medical cannabis bill. But the people who came and were concerned about access to medical cannabis that they voted for were concerned that this bill is going to cause a problem for them. They're concerned that the Legislature is not respecting their will by putting in place regulations that will make cannabis, medical cannabis, accessible, available and safe. And they're also concerned that LB316 is going to pass and it's going to take away some of the things that are currently accessible. And it's not going to continue to make them safe and accessible and available. So this is what people-- these are the things that our constituents, our fellow Nebraskans, are nervous about, they're worried about, and what they would like us to do. They want us to ensure that they can go and get access to this, but they want it to be safe. They want it be tested. They want it to be, you know, confirm what it is. And they want to

make sure that it's only in the hands of the people who want it or need it. And one of the things that stuck with me from those-- those town halls was the number of people who said things like, I don't want this. I want-- I'd rather not have the ailment, I'd rather not have, you know, epilepsy, or I'd rather not have, you know, chronic pain. I'd rather not have those things and not need this than to use it. But they can't make that choice. They don't get to decide not to have these ailments. But we can decide whether or not we are making it available to them, whether or not we're facilitating the will of the voters and of the people. These-- the stores that are selling this are asking us for regulation, not to shut them down. And so LB316 is government overreach, inserting itself into small business, inserting into agriculture again, and is big government crushing small businesses. I know a lot of you, I've heard a lot you say, I'm a small, small business or I'm a small government guy. I'm a small government capitalist, think we should keep the government out of business. This is the type of thing people are talking about. When you said, you ran for office and you said, I want to cut government red tape, this is government red tape. So you're creating an environment where you're going to shut down businesses rather than to help them do it right. So I know Senator Rountree would like an opportunity to speak, so I, I, I will yield the remainder of my time to Senator Rountree if he would like it, Mr. President.

KELLY: Senator Rountree, six minutes.

ROUNTREE: Thank you so much, Mr. President, and thank you so much, Senator Cavanaugh, for the time. Good afternoon, colleagues, those who are still with us out in the lobbies, those that are here inside of the Unicameral, those that are watching online, and those that are on TV. I just rise, I wanted to just share some of the communication that I have from one of our shop owners back in my district down in Bellevue. I met Mr. Jeff Queen, he owns the American Shaman down in Bellevue, but I met him out on the campaign trail and we had a great discussion before we got into this-- the election and coming to this place today. But as we had gone through the General File on this particular bill, he had an opportunity to reach out to myself and to Senator Kauth and talk about some of the things that he would like to see in this bill. He understands, what I appreciate from him, he understands what we're trying to do in the bill, but also he has some very good ideas. So I'll start by reading just an email that he sent out back on May 22, just recently, but it said, hello Senator Kauth. I just wanted to share this with you. So this is a lab report from one of our popular CBD products that would be taken away with the current language of LB316. It is non-intoxicating and is used to help with

pain and to help with immune support. I highlighted the THC content. He did have a testing attached with that to show why having a total package limit of 10 milligrams will inadvertently ban some CBD products. The current limit for the TH C is 0.3%. This product contains 0.072%. Which is four times under the legal limit, but it contains 20 milligrams per bottle. Each bottle has 60 servings, and each serving has about one-third milligram of THC. The main active cannabinoids are CBD, CBDA, CBG, and CBGA, which total about 4% and each serving has 20 milligrams of CBD/CBG. This is one of the reasons why I previously asked you to reconsider the total package limits and make them total serving limits. This product is not for getting high. It does not produce intoxicating effects. It is a health and wellness product. Please consider amending LB316 to have serving limits instead of packaging limits. If you were to change this one thing it would greatly help preserve businesses like mine as this is just one example of a product out of many that will be banned by this bill that shouldn't be. Again I fully understand your intent with this bill and the products you want to get out of the market, but this is not one of them and it will go away. And he thanks her for her consideration and attaches also the certificate of analysis for that particular product that shows the content in that. Earlier in the month of May, back on February the 2, [INAUDIBLE] May2, Mr. Queen had reached out again. I had talked to Senator Kauth, I said, I have a member in the district that would like to discuss it with you. So she was generous and gracious, and he started to communicate. So he just said back there that I'm writing you to share my thoughts and ideas on LB316 and the current state of the hemp industry in Nebraska. So he told a little bit about himself, you know, he's a lifelong resident of Nebraska, currently own and operate four CBD American Shaman franchise location in Omaha metro area, opened his first store back in 2018 when [INAUDIBLE] only low THC/CBD dominant products. He's a top performer within the franchise and have been part of the American Shaman Franchisee Association as a regional director helping to mentor store owners across the western U.S. He goes on to talk about the emergence of Delta 8 in early 2021, what he started to see. And how he also started to deal with one of the products that American Shaman soon launched as a brand Zen Master, which would be their line of adult use hemp products. So the majority of the Zen Master product line is a two to one CBD to THC ratio, meaning it has twice as much CBD as it does THC to keep in line with their health and wellness model and still be able to offer additional options for customers who prefer THC. He carries some Delta 8 products. The vast majority of the THC products they offer are not actually Delta 8 THC, but instead they are naturally occurring Delta 9 THC products that are all under 0.3%

federal and state limits. He goes on and talks about some of the issues with labeling and potency issues as he is still advocating for health and wellness, but he is saying, as we've heard on some of the other testimonies that high-potency poorly labeled Delta 8 and other products have been deeply frustrating. He goes on with that. But he talks about the raid that we all knew about over in Omaha some weeks ago and some of the things that they cut out of there. He also goes on to talk greatly about how tight they are with underage access and ensuring that no one under 21 is having access. And even if it's your own grandmother that comes to the shop every day, you shop-- you go ahead and check ID every time. See my time is about to run out, but I want to say why this matters. Why does it matters to him? He said, first, it was my mother-in-law who suffered from severe arthritis and had an amputated leg from diabetic complications. She is the reason I got into the hemp industry. She lived in Kansas and called my wife crying that because of her arthritis she was not able to attach her prosthetic leg to get up and use the bathroom and was having frequent accidents. I had heard about CBD and bought some cream for her figuring it can't hurt to try. To all of our amazement it worked great. Later she tried some cream that had a bit more THC and it seemed to work even better. Unfortunately, she is no longer with us--

KELLY: That's your time, Senator.

ROUNTREE: --but I know that my products helped her live a better life.

KELLY: Thank you, Senator Rountree.

ROUNTREE: Thank you so much, Mr. President.

KELLY: Senator Murman, you're recognized to speak.

MURMAN: Question.

KELLY: The question's been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; those opposed vote nay. Record, Mr. Clerk.

CLERK: 28 ayes, 8 nays to cease debate.

KELLY: Debate does cease. Senator John Cavanaugh, you're recognized to close.

J. CAVANAUGH: Thank you, Mr. President. Thank you Senator Rountree for sharing the stories from your constituents. I think we are getting to the end here. I don't know if I'll talk again or not. But I'm sure you

guys will all be sad when it's over. And as they say, don't be sad it's over, just be happy that it happened at all. So I, I know a lot of people didn't talk here, but I think a lot people were listening. And I think that the highlights, the things I'd like to lift up, as people say, are that the first round of debate, people articulated their problems with this-- these stores that sell these Delta 8 and Delta, Delta whatever, other ones, and CBDs, was the synthetics. Everybody said, we've got to get rid of synthetics. Well, we've addressed that. That one, synthetics were banned more than a decade ago. I brought an amendment that I think got 16 votes, had 17, but those people voted differently after, but that would have banned any remaining synthetics. A synthetic is something that is not derived from a plant. So that's a distinction that people throw around words sometimes and they're not, you know, sometimes we get them in our head and we just say the same thing over and over again. But synthetic has a specific definition and it means not derived from naturally occurring or plant occurring. It means it's some sort of chemical process that creates it and then there are other problems with that because it is not naturally occurring. And so then folks talked about they don't like the process by which the dis-- distilled hemp-derived CBD and THC is made. And then we heard about Sweetwater Hemp who does this through water alone. Water is a solvent. So under LB316 banning any process by which this is distilled in a solvent would ban that process. So that is something I think people should take into consideration. People have a problem with the packaging and the labeling. We brought bills and amendments to address those things. AM1521 addressed packaging and labeling, it addressed location of stores, it addressed licensing of stores, it addressed taxation, it addressed age restrictions. It addressed all of the issues people have raised. We've answered all of those questions. I know today there have been a lot of questions. People have said "question" a lot. And we've read between the lines and answered your questions. And if you have concerns about this industry, we should regulate it. The concerns that everybody has raised are addressable and are addressed by both AM628, but they were addressed better in AM1521 that people refused to vote on or voted against. And so that at this point, when we get to cloture, I would encourage your red vote on cloture. And let me tell you what that means. Red vote on cloture means that we are not going to continue on this bill at this time. It doesn't kill this bill. It just keeps this bill where it is until it gets another opportunity, meaning next year this bill could be brought back up when there is more time, we're not in a rush, a crunch. Today's day 85. Not a lot of time for any of these fixes that people are asking for. I know several senators have gotten assurances off, off the mic and maybe some on

that their concerns will be addressed on Final Reading. Final Reading is not the time to address concerns, especially when there's only five days left. Because if it gets screwed up, there is no time to fix it at that point. And we should not pass a bill that shuts down an entire industry, agricultural, retail, small business in the state without due consideration and addressing all of those issues. So I encourage your red vote on cloture. I would encourage your green vote on AM628 and FA146, but I would encourage you to vote red on LB316 as well, unless we adopt AM628. But at this point, the right vote is no on cloture. We should not take this up this year. We should not continue down this path. Take the interim, learn some more, go visit with these folks, come back with your questions answered. Then we can address a robust regulatory system that does answer all of these questions, all of these concerns. It's the right thing to do for the people of Nebraska.

KELLY: That's your time.

J. CAVANAUGH: Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Members, the question is the adoption of FA146. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 11 ayes, 30 nays on the adoption of the amendment, Mr. President.

KELLY: The floor amendment fails. Mr. Clerk.

CLERK: Mr. President, Senator Dungan would move to reconsider the vote just taken.

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

DUNGAN: Thank you, Mr. President. Colleagues, here we are at the end of a very long day. I know it's been a long legislative session. As Senator John Cavanaugh just indicated, we're on day 85. We are running out of time to get things done. And I understand that that is somewhat frustrating to some folks, but I think it's important that we keep in mind the bigger picture. And the bigger pictures, as I see it, this entire legislative session has been a continued effort, I think, to walk back the voice of the people. We've heard that said a lot. But bills like LB316, I think, are adjacent to that. It's not separate and apart or removed. LB316 is part of a larger effort to prevent the people of Nebraska from having access to hemp or THC related products. And the people have been very clear. The people of the Nebraska have

spoken. They voted at 67% to one and 71% the other to ensure that they had not just the legal ability to possess, but also the access to medical cannabis. And rather than take action on that this year, our legislative body has, I think to a certain extent, abdicated its duty to actually ensure the vote of the people and the will of the people by permitting them to actually access those things. And then with LB316, we see an additional, not just hoop to jump through, but I think step back. When you talk to the people in some of the areas about LB316 it's interesting the different reasons there are to oppose it. There's the medical cannabis folks that I just spoke about, and in talking with Senator Hansen in the past, I, I want to reiterate my concerns that I really, truly believe this bill continues to walk back what that access looks like. There would be no need for this flowery provision if it didn't have direct conflict with that in certain circumstances or at least seek to have conflict. It continues the march towards creating more felonies. We consider-- we continue to see time after time a lack of investment in the actual issues that lead to crime or recidivism, recidivism and instead we see bills like this, creating new felonies. And we see, I think, genuinely an assault on local businesses who are just trying to exist, local businesses that make money not just for their communities, but for the state as a whole. And in a time where we are continuing to nickel and dime various agencies and proverbially shake out all the change from the couch cushions, we then are willing to turn around and at best give up \$1.5 million, and then an increasing amount annually for this, and again colleagues that's a very conservative estimate. I think it's closer to \$7 million to \$8 million annually that we're gonna see as a loss if LB316 passes. There are things that we can ban. There are substances that I do think are dangerous as many colleagues have talked about. But the stories that people share and the things that they about with regards to these dangerous substances are already illegal. K2, Spice, whatever, those are already banned. LB 316, rather than using a scalpel to address a very nuanced issue, uses a hammer to entirely crush an industry that's going to result in lost jobs, lost revenue, and putting the entire state in a position to step backwards. And so, colleagues, I just-- I want you to be very thoughtful. I think Senator John Cavanaugh said it exactly right. A red vote on cloture does not kill this bill. It preserves it to move forward, to continue to have the conversation, to discuss changes that could or couldn't be made, and to really address some of the issues that are happening here. Is this creating a felony? Is this going to make it illegal for some, you know, somebody's mom who went and bought the cream to put on their knee because it was hurting because of their arthritis? Is this actually going to ban CBD? Which, colleagues, I don't think any of you

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want to ban, I mean maybe you do want to ban CBD but that's wild because that is completely legal across the entire country in various forms and it is a, a known beneficial substance. It has no psychoactive properties, and yet LB316 seeks to regulate it in the same way that it regulates all of the other substances that are contained in the bill. And it creates yet another felony that I think puts us in a very bad position, not addressing underlying issues. So hopefully today, colleagues, you've listened. I hope that you've engaged in the debate, even if not on the mic. I hope you've paid attention to some of the conversations that we've had. And I really do hope that you've taken the time to go out in the Rotunda and talk to these folks who came up to the Capitol today, because when I go talk to groups of people, colleagues, they ask what's the best way to make my voice heard? And I tell them a phone call is great, an email's fine, right? A text is OK. But if you can come in person to talk to your senator or talk to any senator, it has a huge impact. And I'm very appreciative of the people who came up here today to talk about their livelihood, to talk their jobs, to talk the business that we see in our communities that we know this is going to have an impact. And if you didn't get a chance to speak to them, we're going to break for dinner here in just a few minutes, I'm guessing, pop into the Rotunda. Talk to them about the impact of LB316. And if they ask you a question about the bill, please answer it. And if they ask you a question and you don't know the answer, don't just say, I'll get back to you, and then ignore them, because that's what's been happening. These folks have questions about their businesses and their livelihood that are simply not being answered. So colleagues, I would encourage you to vote red today when we get to it on cloture. Give us a chance to continue to work on this bill. Give us a chance to actually make sure we're regulating this in a way that makes sense but isn't telling small businesses in Nebraska that they don't belong here. Thank you, Mr. President.

KELLY: Thank you, Senator Dungan. Mr. Clerk, you have a motion on your desk.

CLERK: I do, Mr. President. Senator Kauth would to movement vote cloture pursuant to Rule 7, Section 10.

KELLY: Senator Kauth, for what purpose do you rise?

KAUTH: Cloture, reverse order, roll call, and call of the house.

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KELLY: There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 33 ayes, 1 nay to place the house under call.

KELLY: The house is under call. Senators, please record your presence. Those senators outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house is under call. All unexcused members are present. Members, the first vote is on the motion to invoke cloture. All those in favor, vote aye-- There's been a request for a roll call vote, reverse order. Mr. Clerk.

CLERK: Senator Wordekemper voting yes. Senator von Gillern, voting yes. Senator Strommen voting yes. Senator Storm voting yes. Senator Storer voting yes. Senator Spivey voting no. Senator Sorrentino voting yes. Senator Sanders voting yes. Senator Rountree voting no. Senator Riepe voting yes. Senator Raybould voting no. Senator Quick voting no, Senator Prokop voting no. Senator Murman voting yes. Senator Moser voting yes. Senator Meyer voting yes. Senator McKinney voting no. Senator McKeon voting yes. Senator Lonowski voting yes. Senator Lippincott voting yes. Senator Kauth voting yes. Senator Juarez voting no. Senator Jacobson voting yes. Senator Ibach voting yes. Senator Hunt. Senator Hughes voting yes. Senator Holdcroft voting yes. Senator Hardin voting yes. Senator Hansen voting yes. Senator Hallstrom voting yes. Senator Guereca voting no. Senator Fredrickson voting no. Senator Dungan voting no. Senator Dover voting yes. Senator Dorn voting yes. Senator DeKay voting yes. Senator DeBoer voting no. Senator Conrad voting no. Senator Clouse voting yes. Senator Clements voting yes. Senator Machaela Cavanaugh voting no. Senator John Cavanaugh voting no. Senator Brandt voting yes. Senator Bostar voting no. Senator Bosn voting yes. Senator Ballard voting yes. Senator Armendariz voting yes. Senator Arch voting yes. Senator Andersen voting yes. The vote is 33 ayes, 15 nays to invoke cloture, Mr President.

KELLY: Closure is invoked. The next vote is on the motion to reconsider. There's been a request for roll call vote. Mr. Clerk.

CLERK: Senator Andersen voting no. Senator Arch voting no. Senator Armendariz voting no. Senator Ballard voting no. Senator Bosn voting no. Senator Bostar voting yes. Senator Brandt voting no. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Clouse voting no. Senator Conrad voting yes. Senator DeBoer voting yes. Senator DeKay voting no. Senator Dorn

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voting no. Senator Dover voting no. Senator Dungan voting yes. Senator Fredrickson voting yes. Senator Guereca voting yes. Senator Hallstrom voting no. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt. Senator Ibach voting no. Senator Jacobson voting no. Senator Juarez voting yes. Senator Kauth voting no. Senator Lippincott voting no. Senator Lonowski voting no. Senator McKeon voting no. Senator McKinney voting yes. Senator Meyer voting no. Senator Moser voting no. Senator Murman voting no. Senator Prokop voting yes. Senator Quick voting yes. Senator Raybould voting yes. Senator Riepe voting no. Senator Rountree voting yes. Senator Sanders voting no. Senator Sorrentino voting no. Senator Spivey voting yes. Senator Storer voting no. Senator Storm voting no. Senator Strommen voting no. Senator von Gillern voting no. Senator Wordekemper voting no. The vote is 15 ayes, 33 nays to reconsider.

KELLY: The motion to reconsider is not adopted. The next vote is on the adoption of AM628. All those in favor vote aye; all those opposed vote nay. There's a request for a roll call vote. Mr. Clerk.

CLERK: Senator Andersen voting no. Senator Arch voting no. Senator Armendariz voting no. Senator Ballard voting no. Senator Bosn voting no. Senator Bostar voting yes. Senator Brandt voting no. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Clouse voting no. Senator Conrad voting yes. Senator DeBoer voting yes. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator Dungan voting yes. Senator Fredrickson voting yes. Senator Guereca voting yes. Senator Hallstrom voting no. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt. Senator Ibach voting no. Senator Jacobson voting no. Senator Juarez voting yes. Senator Kauth voting no. Senator Lippincott voting no. Senator Lonowski. Voting no. Senator McKeon voting no. Senator McKinney voting yes. Senator Meyer voting no. Senator Moser voting no. Senator Murman voting no. Senator Prokop voting yes. Senator Quick voting yes. Senator Raybould voting yes. Senator Riepe voting no. Senator Rountree voting yes. Senator Sanders voting no. Senator Sorrentino voting no. Senator Spivey voting yes. Senator Storer voting no. Senator Storm voting no. Senator Strommen voting no. Senator von Gillern voting no. Senator Wordekemper voting no. The vote is 15 ayes, 33 nays on adoption of the amendment, Mr. President.

KELLY: AM628 is not adopted. Senator Guereca, you're recognized for a motion.

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GUERECA: Mr. President, I move that LB316 advance to E&R for engrossing.

DeBOER: Roll call.

KELLY: There's been a request for a roll call vote on the motion to advance. Mr. Clerk.

CLERK: Senator Andersen voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Bosn voting yes. Senator Bostar voting no. Senator Brandt voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Clouse voting yes. Senator Conrad voting no. Senator DeBoer voting no. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting no. Senator Fredrickson voting no. Senator Guereca voting no. Senator Hallstrom voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Juarez voting no. Senator Kauth voting yes. Senator Lippincott voting yes. Senator Lonowski voting yes. Senator McKeon not voting. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Prokop voting no. Senator Quick voting no. Senator Raybould voting no. Senator Riepe voting yes. Senator Rountree voting no. Senator Sanders voting yes. Senator Sorrentino voting yes. Senator Spivey voting no. Senator Storer voting yes. Senator Storm voting yes. Senator Strommen voting yes. Senator von Gillern voting yes. Senator Wordekemper voting yes. The vote is 32 ayes, 15 nays on advancement of the bill, Mr. President.

ARCH: LB316 does advance. Mr. Clerk, for items.

CLERK: Mr. President, communication from the governor. LB261E and LB264E were delivered to my office on May 15, 2025. These bills, which contained my line item vetoes, were signed and returned to the Secretary of State's office on May 21, 2025. With minor modifications, the Legislature's budget bills are consistent with my originally introduced budget recommendations. For this reason, I am withdrawing my line items vetoes and refiling the bills with the Secretary of the State's Office, signed sincerely Jim Pillen, governor. Your Committee on Enrollment and Review reports LB77, LB77A, LB217, LB376, LB391, LB391A, LB454, LB530, LB530A, LB646 as correctly engrossed and placed on Final Reading. Additionally, motions have been printed from Senator Machaela Cavanagh to LB398, LB647, LB150, LB346. Amendments to be printed from Senator Hallstrom to LB303. Your Committee on Enrollment

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and Review, Mr. President, reports LB298 to Select File, LB298A, LB303, some having E&R amendments. Amendments to be printed from Senator Andersen to LB303, Senator John Cavanaugh to LB316. That's all I have at this time.

ARCH: The Legislature will stand at ease until 6:30.

[EASE]

SERGEANT AT ARMS: Attention Senators, the Legislature will resume in five minutes.

KELLY: Mr. Clerk, please proceed to the next item on the agenda.

CLERK: Mr. President, Select File LB316A. There are no E&R amendments. Senator Machaela Cavanaugh will move to amend with FA288.

KELLY: Senator Machaela Cavanaugh, you're recognized open on FA288.

M. CAVANAUGH: Thank you, Mr. President. So what this amendment does is strikes the amount in-- I'm actually going to grab my green sheet here. So if you look on the back side of the green sheet, it has LB316 under the Select File E&R and it has the fiscal impact. So \$441,686 in FY '25-26 and then \$84,798 in the following years. And so it strikes the \$441,686 and inserts the 84, so that's \$84,798 every year. So that what the amendment does. And I just figured that we could just take some more time on this. And I, I didn't actually get a chance to talk on the last round, so, of LB316. I was in the queue, I got in the queue, like, maybe 10 seconds after the bill was read across. And I was so far down the line that I did not get a chance to talk at all. And I was really confused, because the entire Legislature, it appeared, and it actually counts maybe there were a few people. But it appeared like the entire Legislature was in the queue, but the first, I don't know, 10 or 15 colleagues in the queue just decided that none of us were going to get to talk unless we had an amendment or a motion because they kept calling the question. And the presiding officer didn't do his job and say there hadn't been full and fair debate because in reality, there hadn't been any debate. The only actual debate that happened, well, four individuals got to speak in regular debate speaking order. There were two before the first question was called, one before the second question was called, and then about three and a half hours in, Senator Hansen used his time to ask Senator Kauth questions. And that was it, other than the openings and closings for the amendments and motions. And then there was the whole calling the house and voting that down. And I remember, it was either last

year or in 2023, when there was a calling the question or call of the house that I did, and it failed. And so then I didn't do call the house anymore. And I think I could be wrong, but I think it was Senator Holdcroft who had an amendment or maybe a motion and it failed because there weren't 25 people here to vote. So that's when I say that it's like really the most uncollegial thing you can do is to not call the house, especially if you're ceasing debate. That's really-- like that's when you call the house because that's when people say, hey, if you need me, do a call of the house. Like, you need my vote, do a call the house, and so when you vote against that, you're signaling that you don't think your colleagues deserve to be notified when a vote is happening. And that's what's, you know, not kind. And you're also saying that you don't care about your colleague who has an amendment or a motion up on the board. You're calling the question, forcing the vote to come, yet not helping get your colleagues back into the chamber. Not cool. It's really not cool. I will admit, I voted against calling of the house when we got to cloture out of pure frustration. I never vote against call of the house, ever, because it's not nice. It's not good practice. It's poor gamesmanship. It's poor losers, winners actually, it's poor winners when you don't honor that tradition. It really, really stinks. So you know, just remember at some point you are going to have a call of the house and you're going to need people to vote for it because you need the votes. So maybe be a little less terrible to your Democratic colleagues. I know that's hard for most of you. You know, I'm more disappointed in my colleagues that I've served with for several years that they kept voting against the call of the house and that they keep voting to call the question when nobody had spoken. So, I mean, I was paying very close attention and I don't have a lot of time left here, but I have enough time that you will once again need me to help you with something. And I will not forget that you obstructed debate. And you were rude-- a rude colleague multiple times. So, and I still have time this year. Still have four days? Four days. I can do a lot in four days. I am accepting that challenge, including taking 30 minutes on this. Because it's an A bill, and I can take 30 minutes on an A Bill. So I will. And I'll take 30 on the next A bill, and the next one, and the next one. And I will take four hours on all the Select File bills, and I'll take two hours on the Final Reading bills, and I will three hours and six minutes on the LB306 because incidentally, that's exactly how much time is left on that one. That's kind of fun. But yeah, I mean, let's do this. Let's pass as few things as possible over the next several days. Because for me, there's pretty much nothing that we could pass at this juncture that would be worth it. All the terrible things that are pending, it's not really worth it. I means,

we could literally sine die right now and I would be cool with that. The budget is passed. The governor has, you know, acquiesced that he didn't actually veto anything. And we should just go home early, because we'll be back here in July or August for a special session, so let's just end this. Let's just end it. Last week, I put up a motion to adjourn. I was very tempted to do a motion to adjourn sine die, but I was like, no, I'll just do a motion to adjourn. Maybe I should have done a motion to sine die. But then we wouldn't have had the budget. Then the governor would have actually vetoed things if we voted to sine die that day, because he then would have, according to the constitution, been rightful in, in taking it to the Secretary of State's office instead of to us, which the constitution very clearly states. So I look forward to the interim discussion on how to address all of that. The options would be follow the constitution, or option B, I guess, would be to introduce a constitutional amendment. Put it on the ballot, and then have the people vote to change how the budget is delivered. So I'm going to go with option A. It's cleaner, it's quicker, it's been working for quite some time. So let's just follow the constitution. I know that's something that is hard for us to conceptualize here, since the budget itself is unconstitutional and takes money from funds that are protected in the constitution, and we're going to get sued over that. But that's OK, because we have tons of money, except for we don't. And the federal government is going to be making significant changes that are going to absolutely land us back here in a few months or weeks. Probably not days. We'll probably make it to July 1 without being back here. But we'll be back soon enough. So in the meantime, you get to hear me talking a lot. And if you have a problem with me talking, I suggest you take it up with me, because I'm in charge of me. And my Democratic colleagues are not in charge of me. So I already know that you're going to screw us over on anything that we might possibly sort of even tangentially care about that's left on the worksheet order. I already know that. Some of my Democratic colleagues might still have hope.

KELLY: That's your time, Senator, but you're next in the queue.

M. CAVANAUGH: Thank you, Mr. President. My colleagues might still have hope that you all actually have a soul and care about the work that you were sent here by your constituents to do. I, however, don't believe that for a minute. I know that you don't care about the work that your constituents sent you here to do because I've seen it time and time and again. I have seen you put forward your own self-interest or the governor's. Time and time and again, and I've seen you be the poorest losers I have ever borne witness to. You win everything, we don't have the votes, and you're just really, really, really not nice

people about it. Really not nice people. We started this morning out with ten people changing their vote on McKinney's bill that was vetoed. Ten people. People ask, do people normally peel off? One or two people might peel off on a veto override. But generally speaking, when you have a filibuster-proof vote of 34 on final reading, you're not really worried about overturning a veto. So I hope none of you piss off the governor for a second time, those that were supposed to be taught a lesson by the budget. I hope that you're not go against the grain again because then the governor will veto your stuff. And you cannot count on your Republican colleagues to help you. You need Democrats. When the governor vetoes your things, you need Democrats to help. And I for one am not super inclined to help people who change their votes or who get on the mic and lie to my face. I'm not super into that. So, we're not going to be friends. I really, like-- honesty is very important to me. And if you get up and make a public record that is completely patently false, and I ask you follow up clarifying questions, and you just double down on it, I'm not cool with you. I'm, not. That's not going to be. We're not doing that. I think I get one more time in the queue. So I'm going to hop in there, see if it's working. So, OK, so I get two times in the queue, and then we'll go to a vote on this FA. There's somebody else in the que. Maybe they're going to call the question. I don't know. I can't see who it is. Oh, no. I don't think-- well, maybe she is. I don't know. You never know with her, Senator Conrad. Yeah, and if I need to, I can reconsider the vote on FA288, and we can take this for 30 minutes that it so wonderfully needs. 'Cause time is all I have. And if there's one punishment I know this body hates more than anything, it's when we talk in debate. So you all have been very unpleasant, unkind people today who lack generosity of spirit, who are doing a disservice to the people of Nebraska, and I am just here to execute the punishment of irritating you by talking and taking time. And you can call the question, but I can file more things. That is where we are at on that. I'm looking at what else is on the agenda. So we had LB316A, and well, we did already pass LB707A. I do very much regret not taking LB707 to cloture today after witnessing the behavior of my colleagues on LB316. And I would, for the record, Nebraska, like to say if I pulled the shenanigans that they pulled today, we would have had a suspension of the rules to change the rules in the middle of session to punish me like we did in 2023. But since I wasn't the one who did it, the presiding officer and the Speaker of the Legislature basically rubber-stamped that really terrible behavior. So we're doing great. Everything's fine. Don't look behind the curtain. It's on fire, but everything's fine, just stick your head in that pile of sand over there and we will get through this. It's day 85. Five more days. How

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much damage can we possibly do in five more days? I don't know. I'm going to try and mitigate it by talking a lot. I think I'm just about out of time. I'm back in the queue. We'll see what Senator Conrad has to say. Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. Good evening, colleagues. I wanted to-- I haven't had a chance to review my friend Senator Machaela Cavanaugh's floor amendment just yet, but I am glad that she did put some items on LB316A, because I do think it provides a couple of key points for us to add to the debate in regards to this specific measure and the bill that this A bill relates thereto. So, I happened to see my friend Senator Kauth in the hallway over the dinner break and I said, congratulations. Disagree, but respect. That is how the process works. I didn't cry about it, I didn't file a motion to reconsider, I didn't flip through the rule book and run around in little packs day after day after day after day, after I lost, fair and square from my perspective. So FYI. Anyway, I do want to note, in regards to LB316A, a couple of things. So generally speaking, the budget only had a wiggle room of about \$1 million left for the floor and legislative priorities, generally speaking. When you look at the fiscal note on LB316A, and I believe this is incredibly conservative, if not completely undervalued, if you look at the fiscal note on LB316A, there is a loss in General Funds of over \$1.1 million in this biennium and then more in the next. So just wanted to lift that up because it really puts us generally in a very precarious position. We also know from the special session, which again was just 200 days ago, where the governor was pushing to tax CBD at a higher rate, the estimates therein were much, much higher than we see reflected on the fiscal note with LB316A reflecting a total ban or near total ban. So I do just want to tie that into the budgetary picture and make sure those points are clear in regards to LB316A. A couple of other points. You know this is such a surreal experience and borderlines on the theater of the absurd, and there's always a little political theater involved in, in this work. But the rejection of conventions including, including collegiality where you extend a supportive vote to a call of the house. We saw that on display here. You reject logical dialog. You see a feature of nonsense and you see a detachment from reality. And one of the clear through lines that we hear from proponents trying to gut medical cannabis at every turn, trying to ban CBD at every turn, is that we have to take our orders from Attorney General Hilgers and now US Senator Pete Ricketts, to somehow wall off Nebraska to be this island that stands in sharp contrast to where our sister states are in

having taken a more sensible approach to marijuana and to medical marijuana, and wherein the skies have not fallen. Again, this is an issue wherein the people are way out in front of the politicians of this state, as reflected through their wide support of a robust medical cannabis law that now the powers that be are trying to thwart implementation thereof at every angle. But here's the, the actual reality of the situation. I know you're trying to encourage people to not vote or make them think their vote doesn't matter, but it does. And the more you quash medical marijuana and the more you shut down CBD, you light a fire under the citizenry for full recreational, and to place it in the constitution beyond your meddling reach. So as you try to construct a wall with these nonsensical arguments and policy positions, you're actually pushing the people towards what you don't want. And I thank you for that, because I'll be happy to pick up those petitions and carry them on behalf of my fellow citizens so that we can have a thoughtful approach to these--

KELLY: That's your time, Senator.

CONRAD: --issues because clearly the--

KELLY: Senator.

CONRAD: --Legislature and political--

Thank you. Senator Conrad.

CONRAD: --leadership will not.

KELLY: Senator Machaela Cavanaugh, you're recognized to speak and this is your final time before your close.

M. CAVANAUGH: Thank you, Mr. President. I-- not really sure what I want to say now. So, well, to Senator Conrad's question about what FA288 does, it strikes the fiscal note for '24-25-- or 2'5-26 and aligns it with the out years. It's like \$441,000 for this fiscal, this upcoming fiscal year, and then it drops down to \$84,000 in the out year. So, it just strikes that and makes it the same every year. I didn't actually look at the fiscal note itself to see-- well I did. I should rephrase that. I did look at fiscal note. I didn't read it. I was like, oh, those are different numbers, great. I'll change that. That can be the emotion for me changing. But what I didn't do was read why it was gonna cost that. And so to be clear, this is what it's going to cost the state in expenses. That has nothing to do with the additional cost of revenue. So to Senator Conrad's point in question about the cost and what money we have on the floor left, this bill

that you all just gleefully cut off debate constantly for and then moved along costs like over \$2 million in revenue. So your spitefulness is awesome. Yeah, you are shutting down small businesses in your districts. The same small businesses that you apparently care so much about that you have to screw over the ballot initiative on sick leave, so you're going to screw them over on-- you got to screw over the voters on sick-leave to save these small businesses, that you are then also voting to put out of business or risk being prosecuted by the Attorney General. So that's, that's fun dichotomy. It's cool. As the kids say. I don't think kids say, cool, actually. That reminds me, I almost sent this to Senator Spivey and Senator Guereca this weekend. There was a speech of a teacher at a high school who did the entire speech in like, I don't know what those are called, but acronyms? Is it an acronym, IRL? Yeah, it was phenomenal. And he had the students just rolling in the aisles at the start. But then as he went on, they really started to listen. Something that would be nice if my colleagues did as well from time to time. Maybe listen when people are talking on the floor. There's an idea. Anyways, the students started to listen because they have more of an attention span and they just care about human beings, I guess, more than my colleagues do. So. As it went on, his speech that was in all these like slang and acronyms evolved into him speaking to them in their language about language and showing them how they have their own language. They already know another language other than the one that I'm speaking right now. They have an entire subculture language and it's how they connect with one another. It was really fascinating and I probably should have sent it to Senator Spivey and Senator Guereca. I say them specifically because they have some, is it fair to say, disputes over acronyms and what is or isn't a real acronym. I, however, am not hip enough to know most of the acronyms. I'm very impressed that I know IRL and LOL. And my older sister, for a long time, thought LOL was lots of love. So she's like, wow, people have really lots of love, like every five seconds. It's laughing out loud, just to be clear. Or lots of love. I guess it just depends on what school you subscribe to. So I am just about out of time, so I'll go to Senator Conrad, and then I don't know if I close or not. Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. Thank you colleagues. I wanted to add a few other specific points in regards to, like I said, I'm still reviewing FA288 and appreciate the explanation. And generally, do believe we have a tradition here, and maybe I'm the only one who

adheres to these, but that we generally do vote for the A bill even if we disagree with the underlying measure that it relates thereto. So. Unless there's really extraordinary reasons not to. So I'm taking that component of our practice into my mind when deciding how to vote on LB316A. But I, I do just want to lift up another couple points because with how the queue was strategically managed, we didn't have a, a chance to get all of these pieces out on LB316A and it will impact enforcement, which this A bill is related thereto. But it's so interesting that proponents of LB316 noted, oh, this doesn't impact the citizen initiative on medical cannabis. Well, then why were they scurrying to try and get amendments up to reaffirm that? They wouldn't need those amendments or that scripted little dialog in regards to legislative history if in fact it did not impact the citizen initiative on medical cannabis, which we heard at the town halls from countless business owners and countless citizens that they believed that it did, and that it would work as both a front door and a back door ban in conjunction with the political leadership of the state thwarting the will of the people in regards to access to medical cannabis and CBD products cooperatively, how these, these measures work. And just so you know, colleagues, you voted to reaffirm the citizen initiative on medical marijuana overwhelmingly. I think only Senator McKinney was gone on Final Reading in regards to LB1 which reaffirmed the existing definitions under both federal and state law that provide for legal space for these CBD stores to operate within. Additionally, the citizen initiatives themselves also carefully preserved the legal framework under both federal and State law for these businesses, for these products to remain legal. And if you didn't think that LB316 created new penalties, you wouldn't have offered a safe harbor from prosecution provision. Again, another admission. And to the Attorney General's claim that it's already a felony to possess, to possess Delta-8 or CBD under current law, it's not. When pushed on this by Senator Wayne in prior committee hearings, the Attorney General basically stuttered around. And his track record is clear. If in fact he felt that it was already illegal, he would have a raft of criminal prosecutions filed and processed. He does not. He has had press releases, he has had press conferences, he sent out a bunch of scary letters, and I think thus far he has a settlement maybe with one or two shops for a few hundred dollars where they voluntarily removed certain products from the shelves. So again, your rhetoric does not match the reality wherein Nebraskans are living and working. And if this is confusing and frustrating for colleagues in this Chamber, including myself and citizens at home, I share your frustration and confusion. Because, again, this is part of political theater. This is politics at its worst, where we reject the will of

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the voters, we reject feedback from constituents in our district running legitimate businesses, and we put our heads down and we vote the way the text thread says. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Seeing no one else in the queue, Senator Machaela Cavanaugh, you're recognized to close on the floor amendment.

M. CAVANAUGH: Well, thank you, Mr. President. I thought that we would go to a cloture vote, but I guess not. Maybe we don't do cloture votes on A bills? Anyways, this floor amendment strikes the \$441,000 for FY '25-26, and puts it in the same as the out years. And also, just to note that LB316 cuts over \$2 million in annual revenue. So there's that, but I guess we're fine with putting small businesses out of business. As long as we also care deeply about protecting small businesses that can't afford sick leave. You know what they really can't afford? They really can afford it being illegal to have their business exist. They can't afford that. Your Nebraska Legislature doesn't care. We care if you can afford sick leave for your employees. We don't care if you can afford to run your business without running your business. Makes perfect sense. We are going to move on with this. We'll vote on this. And then we'll go to the next thing, LB306. And I mean, there's lots of stuff filed on LB306 from lots of people, because that was a real kerfuffle on the first five hours of General File. It's still on General File. Oh my gosh. So we'll just see how things go, how they evolve. Then, does LB306 have an A bill? It does have an A bill. Fantastic. Senator Juarez says yes. So then we'll go to LB306 and then we will go to the LB306A. And then I don't know if we start on LB150 or not. So as I said when I started, if you have a problem with me taking time, I suggest you talk to me about it. If you have problem with me taking time and talk to my democratic colleagues about it, that is not going to move me. You need to talk to me. I'm sorry, but you do. If you want me to not take time, you're going to have to talk to me. I know it's painful, but trust me, I'm a delight. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Members, the question is the adoption of FA288. All those in favor vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 2 ayes, 29 nays on ado-- on adoption of the amendment, Mr. President.

KELLY: FA288 fails. Mr. Clerk. Mr. Clerk, you have a motion on your desk.

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CLERK: I do, Mr. President. Senator Kauth would move to in-- invoke cloture pursuant to Rule 7, Section 10.

KELLY: Senator Kauth, for what purpose do you rise?

KAUTH: Cloture, roll call, vote, call of the house.

KELLY: There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 32 ayes, 0 nays to place the house under call.

KELLY: The house is under call. All senators, please record your presence. All unexcused members outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house under call. All unexcused members are present. There's been a request for a roll call vote. The question is the adoption of M0308. Mr. Clerk.

CLERK: Senator Andersen voting yes. Senator Arch voting yes. Senator Armendariz. Senator Ballard voting yes. Senator Bosn voting yes. Senator Bostar voting yes. Senator Brandt voting yes. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Clouse voting yes. Senator Conrad voting yes. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting yes. Senator Fredrickson voting yes. Senator Guereca voting yes. Senator Hallstrom voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting no. Senator voting yes. Senator Hunt. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Juarez voting yes. Senor Kauth voting yes. Senator Lippincott voting yes. Senate Lonowski voting yes. Senator McKeon voting yes. Senator McKinney voting no. Senator Meyer voting yes, Senator Moser voting yes. Senator Murman voting yes. Senator Prokop. Senator Quick voting yes. Senator Raybould voting yes. Senator Riepe voting yes. Senator Rountree voting yes. Senator Sanders voting yes. Senator Sorrentino voting yes. Senator Spivey not voting. Senator Storer voting yes. Senator Storm voting yes. Senator Strommen voting yes. Senator von Gillern voting yes. Senator Wordekemper. The vote is 43 ayes, two nays to invoke closure, Mr. President.

KELLY: Cloture is invoked. Senator Guereca, you're recognized for a motion.

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GUERECA: Mr. President, I move that LB316A be advanced to E&R for engrossing.

KELLY: Members, you've heard the motion. All those in favor say aye; those opposed, nay. LB316A is advanced to E&R Engrossing. I raise the call. Mr. Clerk.

CLERK: Mr. President, some items for the record, if I could. Senator Kauth, amendments to be printed to LB316. As it concerns the agenda, Mr. President, General File LB306, introduced by the Education Committee. It's a bill for an act relating to post-secondary education; amends sections 85-304, 85-1402, 85-3003, 85-3004, 85-3006, 85-3202, and sections 13-518; redefines a term relating to the budget limitation for community colleges; changes provisions relating to powers and duties of the Board of Trustees of the Nebraska State Colleges; redefines terms under the Coordinating Commission for Post-Secondary Education Act; change provisions relating to scholarships to a state college, private college, or the University of Nebraska under the Nebraska Career Scholarship Act; redefines terms under the Door to College Scholarship Act; harmonize provisions; repeals the original section. The bill was read for the first time on January 15 of this year and referred to the Education Committee. That committee placed the bill on General File with committee amendments. When the Legislature left the bill, Mr. President, pending was-- the committee amendments themselves had been failed to be adopted. Senator Hallstrom had AM1241 pending.

KELLY: Senator Murman, you're recognized for a one-minute refresh.

MURMAN: Thank you, Mr. Lieutenant Governor. When we first began debate last Thursday, it was clear there were many parts of the original amendment on LB306 that had a good bit of support and parts that had a good bit of opposition. While we had tried to negotiate an agreement to leave everyone mostly happy, that did begin to fall apart. Per the Speaker's thought process, rather than having one big committee amendment, we can take amendments one at a time and take a quick vote on each of them, and that is what we hope to do tonight. Thank you.

KELLY: Senator Murman. Senator Hallstrom, you're recognized for a one-minute refresh on AM1241.

HALLSTROM: Is this a refresh or an opening? I don't think I've done any.

KELLY: Your opening.

HALLSTROM: Thank you, Mr. President.

KELLY: It's-- Senator, you've opened so it's your refresh

HALLSTROM: OK. Thank you. AM1241 was before the body last Thursday. You might recall that this is more of a procedural aspect. The floor amendment that I had earlier, FA268, was adopted 27-5. It had to do with retaining the integrity of the use of the ACT test for career scholarships and not allowing for use of the CLT. Because the committee amendment was defeated, we're back to the green copy. The green copy has the same language in it that we had changed with my FA268. And, lo and behold, it's like Groundhog Day. Senator Murman has an amendment to come up after this amendment that will attempt to do away with the green copy and reinsert the language that I've tried to amend once successfully and now a second time. So we may be back to visit you again. Thank you.

KELLY: Thank you, Senator Hallstrom. Senator Murman, you're recognized to speak.

MURMAN: Thank you, Mr. Lieutenant Governor. I respectfully oppose AM1241. The Education Committee held a study on the CLT this interim, as well as a hearing on LB306. In both of these hearings, we heard from those who represented the test, homeschooling associations, a priest who oversees education at our Nebraska Catholic schools, and even Chancellor Turman of the State College System spoke in support of this addition. Furthermore, at both of these hearings, there was no opposition. The only people who have talked to me or my staff in opposition are paid lobbyists representing the ACT. In other words, the ACT sells a product and they are trying to protect their monopoly on that product. So when the ACT lobbyists come here and say it's unsecure, I have as much stock in that as, as saying McDonald's saying that Burger King has bad beef. Furthermore, I could talk about how the CLT utilizes a lockdown browser, records, records every keystroke and mouse movement, and uses machine learning to monitor test results to look for any red flags. But let's make the conversation simple. If the CLT was so unsecure, why would over 300 colleges use it? Right now, the CLT is being accepted at schools like Florida, Florida State, New Mexico, Hillsdale, and starting next year, will be accepted at Arkansas. But most notably, the CLT is already being used in Nebraska schools right now. Currently Concordia University accepts the CLT for admissions tests. So when my colleagues might say something about protecting the ACT, it's too late for that because it's already in use in a Nebraska university today. What I hope, hope for is to allow those students right now applying for school in Nebraska to also be

able to use that same test for career scholarships. A yes vote on this amendment means students at Concordia are punished by being left out of scholarship eligibility. A no vote on this amendment means more students who attend a-- have a chance for a scholarship today. I ask for your red vote on AM1241.

KELLY: Thank you, Senator Murman. Senator Hallstrom, you're recognized to speak.

HALLSTROM: Thank you, Mr. President. I would just point counterpoint with Senator Murman. I think there's a lot of concern that's been expressed. For the record, I have approached Senator Murman over the weekend and again today on multiple occasions, suggesting that the quickest way to resolve this issue is to go back and preserve what the body has already done in terms of adopting my floor amendment, FA268, last week, and then accepting an amendment that would take the objectionable language out of his amendment that is yet to come. I even suggested an alternative to make sure that we formally recognize the SAT. So if he's concerned about whoever has a paid lobbyist outside the glass, I am willing to recognize both of the standard tests, the ACT and the SAT, and that was not acceptable to Senator Murman either. So he wants to roll the dice on this one, and that's fine. He's, he's entitled to his position on it. And I would just like to see a green vote, as we had last Thursday on this. I have handed out a document that says why the CLT falls short for high-stakes testing. Rather than reading through the entirety of that document, even though I probably have time to do so, I think what we're looking at is what is the most reliable test to ensure both from the perspective of having live site proctoring as opposed to remote proctoring, what is the best test that ensures that our students are best equipped to move on to the college level and not short change them in terms of, of providing a, a test that is not as reliable to test all of the things that they need to be adequately prepared, whether it's for admission to college or for the entitlement to a scholarship. But basically the document goes through and indicates that there's no valid concordance with the ACT-SAT. You can read for yourself what the concerns are in regard to that. Lack of validity evidence, no demonstrated alignment to state standards, security and administrative gaps, limited accommodation for students with disabilities, which is a major issue from my perspective, questionable scoring and scaling, and state-sponsored studies that underscore those concerns. I will read that last paragraph before I close here. An independent review by the Iowa Board of Regents published in April of 2024 confirmed these concerns, the ones that I just outlined regarding CLT rejecting it for use in its admission policy. In May of 2025, the

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Florida Department of Education acknowledged that the graduation cut scores implemented in 2023 from CLT's purported concordance with ACT-SAT were significantly inflated. This mal-- miscalculation has skewed graduation and accountability ratings for two years and still impacts state scholarship awards and admission policies, highlighting the danger of using unproven tests. and invalid score comparisons for high-stake decisions and state policies. And based on those reasons, again, one other thing that I've offered to Senator Murman, I'm, I'm not guaranteeing that anything would happen between General File and Select File, but I have certainly extended an olive branch to continue discussions. I think the best thing is to take us back where we were last Thursday, which at this is going to involve adoption of this amendment. And then I will probably submit another amendment to strip out what Senator Murman's trying to do to take us back to the green copy language for yet a third go-around on this. But I've off-- I've made those offers to him. He's not interested. Fair enough, but I would ask for your green vote on this particular amendment.

KELLY: Thank you, Senator Hallstrom. Seeing no one else in the queue, you're recognized to close on the amendment, and waive. Members, the question is the adoption of AM1241. All those in favor vote aye; all those opposed vote nay. There's been a request to place the house under call. The question is, shall the house be placed under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 33 ayes, 1 nay to place the house under call.

KELLY: The house is under call. Senators, please record your presence. All senators outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator John Cavanaugh, please return to the Chamber and record your presence. The house is under call. Senator Hallstrom, we are lacking Senator John Cavanaugh. How do you wish to proceed? All unexcused members are now present. Members, the question is the adoption of AM1241. The vote was open. Senator Hallstrom, will you accept call-ins? Mr. Clerk.

CLERK: Senator DeKay voting yes. Senator Hardin voting no. Senator John Cavanaugh voting yes.

KELLY: There's a request for a roll call vote. Mr. Clerk.

CLERK: Senator Andersen voting no. Senator Arch voting yes. Senator Armendariz. Senator Ballard not voting. Senator Bosn voting yes.

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Senator Bostar voting yes. Senator Brandt voting yes. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh not voting. Senator Clements voting no. Senator Clouse voting yes. Senator Conrad not voting. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover not voting. Senator Dungan voting yes. Senator Fredrickson voting yes. Senator Guereca voting yes. Senator Hallstrom voting yes. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes not voting. Senator Hunt. Senator Ibach not voting. Senator Jacobson not voting. Senator Juarez voting yes. Senator Couth not voting. Senator Lippincott voting no. Senator Lonowski not voting. Senate McKeon voting no. Senator McKinney not voting. Senator Meyer voting no. Senator Moser voting no. Senator Murman voting no. Senator Prokop voting yes. Senator Quick voting yes. Senator Raybould voting yes. Senator Riepe voting yes. Senator Rountree not voting. Senator Sanders voting no. Senator Sorrentino not voting. Senator Spivey not voting. Senate Storer not voting. Senator Storm voting no. Senator Strommen not voting. Senator von Gillern voting yes. Senator Wordekemper not voting. Senator Hallstrom not voting. 18 ayes, 12 nays, Mr. President, on adoption of the amendment.

KELLY: The amendment is not adopted. Mr. Clerk.

CLERK: Mr President, priority motion Senator Michaela Cavanaugh moved to reconsider the vote just taken on AM1241.

KELLY: I raise the call and Senator Machaela Kavanaugh, you're recognized to open.

M. CAVANAUGH: Well, well, well. Isn't this a pickle we're in. I do appreciate you guys, gals and guys, guys and dolls. You voted for a call of the house, and your colleague needed people here to vote. That was fun. See, that's like when you're going to vote on something and somebody says, call the house. That was a perfect example of why you don't need to be a rude colleague. I would yield the remainder of my opening to Senator Hallstrom, seeing as he was about to do the reconsideration motion, if he would like it.

KELLY: Senator Hallstrom, 9 minutes, 15 seconds.

HALLSTROM: Thank you, Senator Cavanaugh. I guess I'm a little bit concerned and confused. Maybe this bill has trouble floating anyway. We had 27 votes, and I guess, I'll, I'll use some of the comments that were used earlier as what the heck happened between Thursday and now to make you change your mind. But again, I think the indication that

we've had is that there's not sufficient data to show that the CLT should be utilized or trusted if what we're really after is to have the opportunity to have best testing methodology, the most safe and secured, that which is proctored on site, be the way that we go, whether it's for college admissions or for the, the scholarships that we're talking about. Again. As I've indicated, I've extended as many olive branches as I can to try and get this moved back to where we were last Thursday. And because of a procedural snafu, which certainly was appropriate, I guess, at that time not to accept the committee amendment, Senator Murman, even in a little stroke of unusual gamesmanship, voted no on adoption of the committee amendment. I'm almost sure that it wasn't just to get the green copy of this language back in play, but nonetheless, that is one thing that has happened as a result of that vote. So what I am interested in is moving forward, perhaps more slowly than we had originally intended. I don't particularly like the bill. I don't particularly like the fact that the bill has come up for a second bite at the apple after it was seemingly rejected and allowed to be recreated out of whole cloth. But that's another issue for another day. So I would just be interested in considering, reconsidering the issue and thank Senator Cavanaugh for beating me to the punch to file the reconsideration motion. And again, as I look at the document that I have provided for your review, in the interest of time, I didn't want to read it last time, but here goes. Competition in the testing market should lead to higher standards for the benefit of all stakeholders. Actually, I'm not going to read the whole thing. I think in, in recognition of the interest of moving forward, I would simply ask that you provide your green vote to put us back to the spot where we were. There are a number of people that had told me they were going to support this. I would hope that you'd stand by your word and get this moved over. Again, I have pledged, and I think you can trust me to work with Senator Murman if there's any way possible to look at something, if it's not between General and Select File, for next year if we get more data that proves up to the standards that, that our children need and our kids need that are entering college, either from an admissions perspective or scholarship perspective. And I would simply ask you to vote green on the reconsideration motion, and we can take things home from there. Thank you.

KELLY: Thank you, Senator Hallstrom. Senator Murman, you're recognized to speak.

MURMAN: So yes, first of all I'd like to say that the reason we are considering this again is because the speaker asked us to come back with a, a clean slate and vote again on each amendment that we did

consider last week. And the CLT test, by the way, is a very secure test. It can be done online or proctored by a, a, I guess, watchdog, you could say, like the ACT. But even when it is done online, it is very secure. There are many other types of tests that are done online and they are, are considered secure, especially if they have all of the safeguards that the CLT does have in it. And I did pass out a sheet telling about the security of the CLT and how it is proctored online. I talked about that last week. Before even starting the test you have to move your camera all around the room. You can never take your eyes off the screen once the test starts. You have to show, first of all, that the room is clear of other people. Also, you can never talk to anyone while you're taking the test, or take your eyes off the screen to look at anything else in the room, which has already been observed. So, I think the difference is that the body has talked to others besides the paid lobbyists with the ACT, talked to the Catholic Conference, the Nebraska Family Alliance realized that the colleges in Nebraska favor the bill. It was brought to us by the state college's Chancellor Turman. So the test is secure. It's used in prestigious colleges such as the Florida College System, one of the most prestigious college systems in the nation. It's expanding now to others. I did mention that it's in-- accepted in three hundred other colleges all around the nation. I mentioned several others. University of New Mexico, it will be accepted in Arkansas next year. So the Arkansas College system, many others. In Nebraska right now, it's accepted at Concordia. So it's being accepted more and more. And it's a highly regarded test, just like the-- very similar to the SAT and the ACT. And by the way, there's never been a perfect score on the CLT test. So that's the difference between this ACT, the SAT, and the CLT. Let me repeat, the CLT has never had a perfect score. So it is a rigorous test, it is a good test of achievement, and is being more widely accepted all across the nation and continues to be more widely accepted. Thank you, Mr. President.

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

McKINNEY: Thank you, Mr. President. Rise in support of the reconsider, I guess. Would Senator Murman ans-- yield to a question or two?

KELLY: Senator Murman, would you yield to questions?

MURMAN: Yes.

McKINNEY: Thank you, Senator Murman. I have a couple questions. My first question is, are you aware of any type of reports or data that

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compares the CLT, like students that take the CLT to get in school versus students that take SAT or ACT in their success rates?

MURMAN: I know there has been attempts at that-- attempting that kind of information, but I don't have that right in front of me.

McKINNEY: How long has the COT [SIC] been around?

MURMAN: I could get back to you on that. I'm not sure.

McKINNEY: OK, and what is usually the demographic of student that takes the CLT versus ACT or SAT?

MURMAN: Well, typically the student that takes it-- that takes the CLT quite often does take the ACT or the SAT, but not always. Typically they're not the traditional public school student, although they could be. It's more typical that they would be a home school student or a private school student.

McKINNEY: OK. So I guess I'm trying to understand. Is your attempt with this is to essentially provide another option for students to get into college?

MURMAN: Well, the actual language in the bill is so that the-- a similar test-- I don't-- let's see, I could give you the exact language, but other tests that are comparable to the ACT could be used for career scholarships.

McKINNEY: OK. Are you also aware that there's a lot of schools across the country that are doing away with, well not doing away with but basically saying like we really don't care if you took the ACT, we don't really care if we took the SAT, and they probably say we really don't that you took the COT [SIC], because although somebody could get a perfect score on one these tests potentially, that does not mean they'll be successful in school. It's a good indicator, but it doesn't-- it's not definitive as far as like students who get high scores versus a student that gets a lower score as far as success rate and those type of things. And there's a lot of schools now that are saying, you know, forget the standardized test.

MURMAN: Yes, this is not the only-- any test is not the only indicator of how well a student will do in higher education, but it is one indicator. And by the way, the language in the bill says, any college admission test equivalent to a standard college admission, admission test. So in other words, equivalent to the ACT. Because that's the one that's used for career scholarships right now and, and the colleges in

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Nebraska are trying to expand that possibility so we'll have more competition or free market you could say and not just rely on one test to monopolize the predictability of how well the student will do in college.

McKINNEY: Should-- Just-- Should we get rid of standardized tests? Because they have been shown to be biased. They've also been shown to like depending on your environment, it, it's not-- I don't know, it, it's hard to actually compare students when you break down the context and where they're coming from and all that and all of that. So do you think we should just, you know, evaluate students just on who they are?

MURMAN: And I could answer that, yes, since you brought up the environment with the CLT, since it is possible to te-- take the test at home on the computer, well proctored by the, the persons administrating the test on the computer. If you don't do well in a test in a big testing environment, this could be another possibility to predict how well you'll do in college.

McKINNEY: OK. Thank you, Senator Murman.

MURMAN: Thank you.

KELLY: That's time, Senators, thank you. There's been a request to place the house under call. All those in favor of placing the House under call vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 28 ayes, 5 days to place the house under call.

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return and record your presence. Those unauthorized personnel, please leave the floor. The house under call. All unexcused senators are present. Members, the question is the-- Senator Machaela Cavanaugh, you're recognized to close on the motion.

M. CAVANAUGH: Thank you, Mr. President. Well, colleagues, to answer Senator Hallstrom's question about what happened from last week to now on the votes, I think you can see this morning's vote, and that's what happened. I've spent this entire session watching Republicans scurry around teaching Democrats lessons because you're poor winners. You get whatever you want. You do things the wrong way, because you're lazy about getting whatever you want and you don't want to go through the process that's going to end up with the same outcome of you getting whatever you want. But you skirt corners and cheat process and you're

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unnecessarily cruel by IPPing bills just because you don't like the introducer, voting against amendments because you I don't like the introducer. Not even considering what is in front of you, just voting because of the name that's there. Which is why I'm concerned about MO309, because it's my name, and you all love to vote against me. So I will withdraw my motion. Thank you, Mr. President.

KELLY: Without objection, it is withdrawn. I raise the call. Mr. Clerk.

CLERK: Mr. President, Senator Andersen would move to amend with AM1532. Senator Andersen, you're recognized to open.

ANDERSEN: Thank you, Mr. President. Good evening, colleagues. I rise today to request your support to amend my AM1532 to LB306. I want to extend my appreciation to the University of Nebraska system, Dr. Jeffrey Gold and Mr. Matt Blomstedt for working closely with my office to refine this legislation into a practical consensus-driven policy you see before you today. At its core, AM1532 is about transparency. It requires public and private two- and four-year institutions in Nebraska to report twice a year on certain funding they receive from foreign adversarial sources, whether through contracts, gifts, grants, or donations. These reports will be submitted to the Coordinating, Coordinating Commission and made available to the public on its website. Importantly, the bill explicitly exclu-- excludes tuition payments from individual students and respects confidentiality protections under existing federal and state law. Originally, the University of Nebraska system estimated a cost of nearly \$195,000 a year. We listened to their concerns and made significant adjustments, reducing the reporting frequency, limiting the scope to adversarial sources as defined by the federal regulation, and routing reports through the Coordinating Commission instead of the Attorney General. With these changes, the university of Nebraska has indicated they no longer anticipate any fiscal impact under the current language. Colleagues, in a time when transparency and vigilance is more critical than ever, AM1532 offers us a prudent, principled path forward to full transparency. It does not disrupt the educational mission of our institutions, nor does it impose unnecessary costs or bureaucracy. What it does is reaffirm our responsibility to taxpayers, to students, and to our state and national interests to ensure foreign adversarial influence is not quietly shaping our academic landscape. I request your green vote on AM1532 and LB306. Thank you, Mr. President.

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

JUAREZ: Senator Andersen, would you yield to a question, please?

KELLY: Senator Andersen will you yield to questions?

ANDERSEN: Yes.

JUAREZ: So what do you think is going to be done with the data? I mean, what do hope to see as an end result, you know, when you have information about foreign sources? I don't understand what the goal of your bill is.

ANDERSEN: So the goal of the bill is to simply bring transparency and bring awareness to foreign countries that are trying to influence or that are sending money to our ed-- higher educational systems.

JUAREZ: So if they do, if they are sending money to the higher educational systems, then what?

ANDERSEN: Then I guess we'll figure out what they're doing with it, who it comes from. It doesn't include every country. There's a federal list of adversarial countries and it's only those countries such as China, Russia, North Korea, Venezuela, Cuba, those that have animosity against the United States that want to influence the thoughts and minds of, of our young people. So simply seeing what they are sending into our country so that we can track and, and raise awareness to it.

JUAREZ: So I guess you'll wait and see how much money we get and then go from there is basically what your thought is?

ANDERSEN: Yes, the first step is always awareness, is transparency, is understanding when money is coming into our country from foreign countries.

JUAREZ: OK, thank you.

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

CONRAD: Thank you, Mr. President. Good evening, colleagues. I rise in opposition to my friend Senator Andersen's amendment. I appreciate his laudable goals of increased transparency. However, I'm not fully convinced, even though I know he has worked hard with the university to make a bad bill better, that this fully vitiates my concerns regarding the Exxon precedent. Additionally, what perhaps Senator Andersen failed to mention, but we learned at the education committee level, is there is already a federal law on the books that requires

this kind of reporting for institutions of higher education. So at best, this is a redundant measure that adds little, if any, in way of additional transparency for any and all stakeholders. Additionally, this is not a measure that was being championed by a host of different Nebraskans. I did appreciate seeing our friends from Nebraskan's Taxpayers for Freedom who had a chance to come in. But the primary proponents of this bill were again a group called State Shield that has been here on numerous measures that my friend Senator Andersen has brought forward and testified in support of Senator Bostar's measures as well. If you go look at-- if you go and look at their website, they have a very interesting list of public policy concerns. They're primarily concerned with Bill Gates, with monkeypox, with the World Health Organization, with China, and they lift up various and sundry RFK conspiracy theories. So that's who's pushing these measures. The record is clear on the education committee statement. I did want to make sure that that was a part of the official transcript that has been a part of our conversation at the committee level. If people are wondering why I was listed as absent on the committee statement, it is due to the fact that this committee primarily had-- has and holds its executive sessions in the middle of floor debate almost exclusively, which I think you know goes without saying that I'm usually pretty engaged in for a variety of good reasons. So I appreciate the goals that Senator Andersen is trying to effectuate, but L-- AM1532 is unnecessary and redundant. And if you want to get any information about finances and finances at institutions of-- public institutions of higher education, they, they publish their budgetary information. There's tons of information out there about their revenue streams. If what you can find online is not sufficient, you can also file a public records request, which public institutions are subject to. So there's no reason to have an additional state level reporting requirement on what's already being reported under federal law and which is already generally available through good principles of transparency and, if not readily accessible, a simple public records request. And again, this measure is performative at best for a sha-- shadowy out-of-state group that's scared of Bill Gates and monkeypox, and has somehow or another convinced members of this Legislature to move forward multiple pieces of legislation in their legislative agenda. And that fact speaks for itself. Thank you, Mr. President.

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

McKINNEY: Thank you, Mr. President. Would Senator Andersen yield to some questions?

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KELLY: Senator Andersen, would you yield to questions?

ANDERSEN: Sure.

McKINNEY: Thank you. Senator Anderson, how does someone or how does a country end up on this list?

ANDERSEN: How do they end up what?

McKINNEY: How do they end up on the foreign adversary list?

ANDERSEN: It's by the federal government. CFR 791.4.

McKINNEY: How do they make the determination to put somebody on a list?

ANDERSEN: I'd refer you to the federal regulators, they're the ones that decide.

McKINNEY: Senator Conrad mentioned something interesting. Is there already federal law that oversees this type of stuff?

ANDERSEN: Yes, there is.

McKINNEY: So would, wouldn't this be duplicative?

ANDERSEN: No, it's not.

CONRAD: Why not?

ANDERSEN: At the federal level, they have to report anything that's \$250,000 and above. And what the University of Nebraska system has decided on their own is that they will report everything as low as we want, down to \$10. Their, their, their message to me was that they already record all this to go figure. They have an accounting department that accounts for all the money coming into the university, so it's already in their database. So them to push that back out is no inconvenience for them.

McKINNEY: So who's going to track this?

ANDERSEN: The, the Coordinating Commission. And that was one of the concerns was by having it through the Attorney General that caused some concerns and so it's was going to the Coordinating Commission.

McKINNEY: What Coordinating Commission?

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ANDERSEN: Yeah, I'll have to get you more information on that one. I'll get back to you on that one.

McKINNEY: All right. Are you not concerned that this could potentially-- let's say they are tracking as low as down to like \$1, \$10, that this could, this could become cost prohibitive and become an unfunded mandate to the Coordinating Commission or wherever else?

ANDERSEN: Am I concerned about it? No, I'm taking the University of Nebraska system at their word. When Dr. Gold says they already track this information, they have no problem providing the reports, I take him at his word.

McKINNEY: OK. So I know you mentioned what those advers-- foreign, people on this list, China, North Korea, Iran, Cuba, Venezuela, what they might be doing in, in our country. But if we're concerned about foreign adversaries having some monetary influence in, in, in the states, are we concerned about the investments of the university that might be going into some of these governments?

ANDERSEN: The investments by the university into what?

McKINNEY: That potentially could be going to some of these governments.

ANDERSEN: That's a great idea. I'm gonna bring that next year. Maybe we can team on it, Senator McKinney.

McKINNEY: I'm not concerned about it though. I was just asking. But, but thank you, Senator Andersen.

ANDERSEN: Absolutely.

McKINNEY: But more so than anything, my, my issue with the AM is that this list could change tomorrow. And I think when we put this-- something like this in the state statute, that's something we should think about, that tomorrow somebody new could end up on this list just by disagreeing with the current administration. So that's my biggest concern is that retaliatory actions might take place and some nations that shouldn't be on this list might end up in this list. For, for example, it was these reports that South African farmers were being attacked or whatever, which wasn't true, and the photos that President Trump was showing in the White House was actually photos from the Congo. But, you know, they were-- his administration himself was hostile to the South African prime minister. And, you know, he tried to hold his own, but what if tomorrow South Af-- South Africa is on

this list by way of false information? Just something to think about. That's all I'm saying. And I could go on all about that. So that's my concern is that we currently have an administration that definitely is exhausting all power. And that's the concern. Thank you.

KELLY: Thank you, Senator McKinney and Andersen. Senator Jacobson, you're recognized to speak.

JACOBSON: Thank you, Mr. President. I rise in support of AM1532. Maybe add a little color to some of the discussions that have been had. Let me drill down to what banking institutions are required to do in this country. If we have someone on the OFAC list, we're required, required to report that information. But we have a lot of other peop-- folks that we have to report. If they show up on certain lists, we have to report banking activity with them. So, Big Brother government is watching already, and if you want to stay in business, you will report that. So Senator Andersen's bill, with the university's acquiescence, is they have the information, they drill down a lot deeper than what the foreign government ask-- what the federal government asked for. They're going down as far as \$10. And they make the list and provide it to the Coordinating Commission. It doesn't get easier than that. If you have to go out on your own and research that information, now you've got a fiscal note. Now you've got a big cost. This is ensuring that that's going to be voluntarily reported. And it's information that's far less intrusive than what banks are required to do today. So keep that in perspective when we talk about fiscal notes or find reasons to be opposed to the bill. And anybody that's ever checking, you know, I would be concerned, I understand that Harvard University, which isn't the conservative capital of the United States, but they found out, it was discovered that the premier of China's daughter attended Harvard under an assumed name a few years ago. It would be kind of nice to know that information, not that it would matter at Harvard. But this is a concern that's out there with public universities that we want to keep track of what kind of foreign influences are coming into this country. So it was a thoughtful bill by Senator Andersen. I support his efforts, but I thought I'd just add a little color. Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. Again, good evening, colleagues. And let me be clear about some additional context here. The University of Nebraska isn't part of a deep state conspiracy. It's not. And to bring forward shady dispersions [SIC] and accusations that they're somehow

engaged in nefarious activities on behalf of foreign adversaries is ridiculous. It's ridiculous. The University of Nebraska is a beloved and well-established and well known institution. And to curry political favor for shady out-of-state groups that are concerned about monkeypox and Bill Gates and have pictures of Dr. Anthony Fauci in a jail uniform on their website. We're using the power and prestige of our body to attack our own institution at the behest of a shady outside group that we don't know what their motives are? We haven't asked who their funders are? We're allowing ourselves to be manipulated in the political moment against the University of Nebraska? That's what you stand for? Why? Because it's fun at this political moment to attack institutions of higher education that, you know, believe in research and science and knowledge? And I get it. It's fun to dunk on lobbyists who have a First Amendment right, just like this shady, out-of-state group to petition their government for change. But I'm not saying that they shouldn't have the right. I'm using the appropriate remedy. I'm using speech to meet speech I disagree with. I am drawing a line in the sand when one needs to be drawn. Instead of acquiescing and nodding to shady outside groups that have ridiculous websites and no ties to Nebraska, you're allowing Senator Andersen and this group to cast suspicion and dispersion [SIC] on the University of Nebraska that most of us went to, that most our kids go to, that most of our districts go to, that are critical, that is absolutely critical to our workforce, that educates most of our farmers and business peoples and lawyers and doctors? And you're painting with a broad brush that says the University of Nebraska is somehow under suspicion with foreign adversaries? Are you kidding? This isn't playing government. This is real. These words and these actions matter. And when you put your head down and you reluctantly press green because of the social pressure or the political pressure of this moment, because you don't want to be mean or see-- be seen as rude to our good friend Senator Andersen, who is our friend. But debate and dialog can and should be robust and friendships unaffected. To put your head in the sand and push green and pass a state law that casts one of our proudest institutions as a tool of foreign adversaries is ridiculous. What are you doing? Is that why you came to the Legislature? You haven't attacked the university enough with your tenure bans and your DEI bans and your tuition increases? Now you gotta pile on with this nonsense? And if you don't know about it, ask Senator Andersen. Look up their website. Talk to the university. Thank you, Madam-- Mr. President.

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

ANDERSEN: Well, thank you, Mr. President. This is certainly not the way I saw this conversation going. I didn't expect to have the conspiracy theorists coming out and talking about deep states here, here in Nebraska. And the implications by Senator Conrad that University of Nebraska being potentially part of the deep state. And the accusation, I think, is shameful. What this bill does is it shines the light a day. What it does is it gets the awareness and the transparency of outside money coming into the United States. I have been in complete communication with the president of the University of Nebraska system personally, as well as his government affairs people. So when somebody wants to make the blatantly false accusation that, that there's some disparaging against the University Nebraska, no, this is a team effort. This is teaming with the University of Nebraska system. Senator McKinney talked about the list, the adversarial list. Yeah, it's 15 CFR 791.4. And the whole reason we reference that is so we don't have to go back and keep updating it from here. The people in the best state or place to determine who the adversarial countries are is the federal state. So that's why we referenced to that. The "adversarialists," yeah. When you talk about the federal-- the, the redundancy-- I had it written down here. Senator Conrad talked about redundancy and reporting and all that stuff. No, this isn't redundant at all. It's, it's additive and to a certain extent, it'll make the federal reporting easier for the university system. And it's, it's ludicrous, it's laughable to say that you're going to make a public request, records request to all the universities and colleges in this state of Nebraska. Really? You want to a fiscal note? That would be a fiscal note? This is actually-- they are saying that they will voluntarily report it. And one of the two wanted to know what the, the website, it's the Nebraska Coordinating Commission for Post-Secondary Education. I can give you the URL if you'd like. And actually, on the website, it says they already partner with Nebraska legislators. So never expected the conspiracy theorists to come out. This is all about transparency and openness, sharing. We're teaming with the university system. So any accusations to the contrary are, are blatantly false. Thank you, Mr. President.

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

JACOBSON: Thank you, Mr. President. I'll try not to scream in the microphone and disparage all my colleagues in these comments, but I do feel that I need to respond to the ridiculous floor speech by Senator Conrad. At some point, let's move forward from the political rhetoric and the campaigning in this body and work to truly help Nebraskans. Because frankly, I'm fed up. I'm tired of hearing disparaging the

governor, disparaging the Attorney General, disparaging all the colleagues here. This is a serious bill. If there's no foreign money from an adversarial nation coming into the university, then there's nothing to report. Done. Nobody's accusing the university of bad acts. Nobody. Senator Andersen's not. I'm certainly not. Banks across the state end up with foreign money that may come into our bank. We're reporting it. That's our obligation. Senator Andersen said it best, we're partnering with the university. They're partnering with us to provide good information to have available. They may not know themselves whether there's accounts there and where it's coming from and how they could aggregate it. So I'm not going to get up here, and I hope others don't either, to shout on the mic and suggest that we're all a bunch of conspiracy theorists on anything here. This is a serious bill. We deal with every day with the banks. Someone opens a new account, we have to run them on the OFAC list to see if they're on some kind of list. This happens all the time. You got to get into the real world. Just simply working as a, as an attorney in an office, you need to get in the business world sometime and understand how the world really works. I would highly recommend that. So before you start throwing stones and laughing and suggesting that we're crazy, you might understand what you're talking about. Thank you, Mr. President.

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

STORER: Thank you, Mr. President. I don't really have much more to add to that. I appreciate those comments, Senator Jacobson. I I, too, in listening to my good friend Senator Conrad's comments was a little bit dumbfounded. I, I have worked with Senator Conrad on some regulatory reform things. I think, you know, we do agree on some of those things, and along with regulatory reform comes transparency. So I am a little bit confused why there's this, this floor speech that we're all conspiracy theorists because we want transparency from the university who receives about 20% of their budget from state tax dollars. They're, they're a partially state-funded agency, and certainly no one has accused them of doing anything nefarious. But then you do start to scratch your head and wonder why such an uproar when we simply are asking for transparency. And yes, just to reaffirm what Senator Andersen said, foreign adversary is something defined by US code. And I appreciate the fact that that is how he has drafted this bill because that list can change. And no, Senator McKinney, it's not a list of people that made the administration mad. I don't think that's how they come up with the list of foreign adversaries. It's defined as any foreign government or foreign non-government person engaging in long-term pattern or serious instances of conduct significantly

adverse to the national security of the United States or the security and the safety of U.S. persons. Sometimes I am amazed that, that people want to believe that we don't have enemies, that we're living in "Pleasantville" and anybody that suggests that there's anybody in any country or any other foreign adversary that might have nefarious intentions towards the United States, it's easy to slap the theory conspiracy theorist on them. That'll tamp them down. We do have foreign enemies. That is a reality that has existed since the beginning of time, quite frankly. And so I, too, appreciate Senator Andersen's efforts to bring more transparency, which I have never thought was a bad thing, and support AM1532. I yield the rest of my time.

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

DUNGAN: Thank you, Mr. President. Colleagues, I do rise opposed to this AM. I, I wanted to respond to just a couple of the things that have been said so far. You know, part of the reason I think that you see skepticism when we're talking about bills or proposals like AM1532 is not that there's a debate about whether or not there are, in fact, foreign adversaries. I think people agree that's real, but the question is whether or not bills like this are being based on real information and not just I guess rumors or sensationalized hyperbolic beliefs. What I mean by that is you don't have to look any further than Senator Jacobson's example about the daughter of the premier of China attending Harvard. It seemed like the imp-- implication was secretly, and that maybe Harvard would have liked to know that, the implication there being that if they would have known that they would have not accepted her which I find problematic for a different reason. So I never heard that, so I did a little research and in my, you know, four minutes of looking up things on the internet, I found an article from 2012 when Xi Jinping was going to be the next person in charge of China, he was the vice president at that point in time, and it became clear that he was going to be sort of ascending to that role so they were doing a little CNN breakdown about him. And they had in there that his daughter was attending Harvard in 2012. They did say it was under a pseudonym because she was concerned about drawing too much attention, but that she knew--that they knew where she was going. She was part of a sorority. She was taking a number of classes to speak a number of different languages. And according to that, she was under bodyguard supervision 24 hours a day, much like any daughter of any foreign national leader would be. My point is not to debate whether or not she should have gone to Harvard or not, but it's the implication that was made in defense of this bill was that there was some sneaky effort to

get the daughter of the person who's in charge of China into America and that had we have known that we could have banned her, we could've stopped her from being there. And I think that's pretty ridiculous. And I don't know if the idea that she got in there sneakily was from a website or, or where that came from. My point is that is exactly the kind of misinformation that makes us skeptical of these bills. You get up and you say that like it's scary, like it's a fact, and we should have been afraid. I found another article from 2022 where a US senator was trying to pass a bill, I think, essentially, to make it so foreign nationals and their family couldn't attend colleges in America. And that is exactly the kind of McCarthyist red-scare BS that we're nervous about. Senator Storer, I completely agree. There are foreign adversaries. And it is incumbent upon governments to take these things seriously. The problem is, when you look at this bill combined with other legislation that we've seen before us this year, and you take it in conjunction with all of the stuff that's happening at the federal level, you can't ignore that. You cannot ignore the things that are happening. And you see the threats being made to post-secondary education. You see a post-secondary education landscape where professors and researchers, whether they're conservative or liberal, are being demonized. And I think that's incredibly alarming. So I don't know the answer to ways to ensure that certain things do or don't happen. It's something we can continue working on. But the reason that you hear concern and skepticism by folks who are nervous about bills like this is because they are fundamentally predicated, it feels like, based on what I've heard, on bad information. And I think it's incumbent upon us to try to be a filter. And I think we have to dive a little bit deeper to make sure we get to the real story and not just the top layer that makes it easy for us to legislate. So I am respectfully opposed to AM1532. And I do appreciate the comments from Senator Conrad as I don't necessarily think we're all diving deep enough into this and the idea that we're talking about conspiracy theories. We're not saying it's a conspiracy theory, we're saying that there is a large, overarching national rhetoric that is inherently anti-education and I don't think Nebraska needs to fall into that same trap. Thank you, Mr. President.

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

CONRAD: Very good, thank you, Mr. President. Good evening colleagues. I'm sure I'll probably butcher it, and of course imitation is the highest form of flattery, but I remember in instances like this, my friend Senator Chambers would usually note for the record in a debate of this tone and tenor that when you throw a pebble in the barnyard

and you hit-- and you hear brain, you know what you've done. So I, I do think that the fact that senators have had such strong reactions and were so triggered by my advocacy speaks for itself and is quite interesting. Also, I will not be detoured in the least by any sort of mansplaining or tone policing or diminishment of my profession. I'm a proud public education kid, kindergarten through law school. And being a lawyer is actually a real profession. And I'm really proud of the education I got at the University of Nebraska and how I've been able to use it not to pad my pockets, but to serve the public interest during my entire career as a civil rights lawyer, as an advocate for the poor, and as a state senator. And I've had the chance to work in the highest echelons of state government now in my 11th year in the Legislature as a senior member of the Legislature and I'm very familiar with the real world. I'm very familiar with what it takes to run a successful business and to raise a family and what the actual public policy challenges of Nebraska are. So I am not detoured in, in the least by the mean-spirited mansplaining or diminishment of myself and my advocacy by my colleagues, and it speaks for itself. Of course, we have foreign policy threats. That is undeniable. But we also have foreign policies to deal with them, and national security to deal with them. If you think a reporting requirement at the University of Nebraska is the last line in the sand against our foreign adversaries, again, that says more about you in your analysis than my own. It is undeniable that there is a continued attack upon higher education through our budget, through legislation, at both the state and the federal level. Transparency has already been achieved. It is a public institution. Its finances are readily available and transparent. They are also subject to public records requests, which by the way, Senator Andersen, the requester pays for, not the university nor the public entity. So if you're gonna have a retort in regards to how public records work, maybe read the statute. Additionally federal law already requires a report on any said money in this instance, so it is redundant in that regard as well. I will not tone down my advocacy, I will ask hard questions, and I understand that Senator Jacobson is very close to one of the people who are paid to push this bill and that definitely heightens his need to stand up and protect those interests. I appreciate and understand that and we all care deeply about our family connections. The University of Nebraska is critical to this state. It has been a beloved institution in this state since almost the inception of our statehood. It has raised countless generations of Nebraskans to achieve in endeavors great and small. It is a proud land-grant university. It handles cutting-edge research in ag and business and medicine and education. It is a proud institution of the fine arts as well, and to cast dispersion [SIC] amongst what's

happening at the University as part of a broader attack on higher education and academics, students, and faculty which is really at the heart of this bill speaks for itself. And I'm proud to represent the university that's flagship district in my district and I will not be tone policed nor shamed nor diminished in my advocacy and defense of the University of Nebraska which frankly shouldn't be that controversial in the Nebraska Legislature. Thank you.

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

McKINNEY: Thank you, Mr. President. You know, I got back on the mic because apparently I do not live in the real world. And I guess I don't, you know, because I live in a world where you vote to make sure that people living in horrible conditions get help. I live the world where you don't advocate or-- not advocate but you don't, you don't stand in the way of accountability for people living in public housing. I live in that world. So I guess I don't live in the real world. I don't know what world I live in but I don't live in a world where you don't help people. So I guess I don't live in the real world according to Senator Jacobson. It is what it is. I live somewhere and the world I'm living in is about helping people and that's why I was sitting here. And then, this talk of like nobody can just randomly get on this list if they make our country mad or the administration mad you know sadly i don't believe that. Want to know why? Because depending on how another nation's leader responds to our current president, it depends, it determines what tariff number they're going to get. Or if he's going to delay the tariffs another month or something like that. So maybe if we didn't have a volatile commander in chief, I would probably believe you. But I don't. I really don't. And then you bring up all these adversaries. What about the domestic adversaries? You know who I'm more concerned about, you know, giving to the university and being at the university? The KKK, the Proud Boys, people like that. That's what I'm concerned with. So what about them? Maybe we should-- now I got a, now Senator Andersen mentioned a new bill idea a little bit ago. Now I have a new idea. We need to see if the KKK, Proud Boys, or anybody other such is giving to our universities. I will-- you know, I'm strongly considering that bill, and that's not a joke, because I would like to see the hearing. I would to see to reaction if it gets to the floor. It would be an interesting conversation. It really would be. So that's what I'm concerned about. I'm not really concerned about China. I'm not concerned about Cuba and all those other people. I'm concern about white supremacists, people that uphold those values. That's what I'm concerned about. That's what I wake up concerned about. Not China, I'm

really not. You know, but in this world I'm living in, you know, I really don't understand what goes on and make the world turn. So the world I am living in I told you is focused on helping people, making sure that the basic needs of people that I represent and other people represent are met. You know, I live in the world where people return home and are able to get SNAP benefits. I live in a world where somebody doesn't have to wake up with bed bugs crawling on their face. That's the world I live in. I live in a world where we don't try to be a nanny state and tell people what they should and shouldn't do with their lives. I live that world. So I guess it's not the real world, but it's some world, and I'm glad that I live in it, because some days I just wonder, where do we all come from? Like, how do we all converge on a Legislature? Like, how do we all end up here? Maybe it was chance, maybe it was supposed to happen. I'm just curious. Some days I shake my head, and you know, I do wonder if we all live in the same world. So thank you, Senator Jacobson, for clarifying that we all do not live in same world. It's cool. I'm fine with that. If I'm worried about an adversary list, I wanna know if the KKK is giving to the university. I wanna know if the Proud Boys is giving to the University. That's what I'm concerned about. I'm not really concerned about the other ones. Because the other one have not been terrorizing my people since the original sin in this country and all those type of things. So that's what I'm worried about is those things. You know, so when you think about those things, I'm just wondering. We need to figure out what domestic adversaries or domestic terrorists are giving to the university. That's what I want to know.

KELLY: That's your time, Senator.

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

LONOWSKI: Thank you, Mr. President. And thank you, Senator McKinney. I think I'm from the real world, too, but when I got this job, I'm not so sure. I stand in support of AM1532 by Senator Andersen. I think this is a great bill. Senator Andersen worked in intelligence and counterintelligence in the U.S. Air Force. He's been in on some of the, the most top secret missions that have gone on in our country. I have a couple of, couple reports I want to read here. This one is from Education and Workforce. It's from February 7 of this year. Representative Michael Baumgartner and Education and workforce committee chairman, \ Tim Walberg introduced this bill, the Defending Education, Transparency, and Ending Rogue Regimes Engaging in Nefarious Transactions, which is the DETER-- DETERRENT Act. Foreign influence on our college campuses is a serious threat that is not only

grow-- that is growing, excuse me. Last year, a congressional investigation of two top research universities uncovered nearly \$40 million in unreported research contracts with the Chinese Communist Party. And Senator Conrad, I certainly don't think the University of Nebraska is in any nefarious situation. But I do believe there are governments out there that can hoodwink us and we have no clue what's going on. "The loose legislative language of Section 117 of the Higher Education Act, institutions refusal to adhere to the law, allows for universities to not even have to check some of the information. Foreign powers, particularly the Chinese Communist Party, have quietly infiltrated our colleges and universities, using their financial influence to open the floodgates to endless cash that comes with hidden agendas," said Congressman Baumgartner. "The DETERRENT Act is designed to expose these foreign influences, hold universities accountable, and ensure clarity in a system that has allowed bad actors to manipulate well-meaning institutions." So here we are, Senator Andersen's working with the university, the university is working with Senator Andersen to make sure we can uncover any possible situation. And here's a story from Fox News, so some may not believe it, but I certainly do. "A new report from a non-profit and non-partisan government Watchdog is shedding light on the tens of billions of dollars that have been poured into U.S. Universities in recent years, including \$20 billion to some of the most prestigious universities in the country. The report, produced by Americans for Public Trust, was released this last week, found that \$60 billion in foreign gifts and contracts were funneled into American colleges and universities, including \$20 billion alone to elite schools like Harvard and Yale and others." I could go on, but I do think that this, this amendment is an excellent amendment. And I stand in support of this amendment. Thank you, Mr. President. I yield my time.

KELLY: Thank you, Senator Lonowski. Senator Guereca, you're recognized to speak, and waive. Seeing no one else in the queue, Senator Andersen, you're recognized to close on AM1532.

ANDERSEN: Thank you, Mr. President. And I'll just echo my comments earlier about, wow, I didn't see it going this way. I would like to touch back on some of the comments that were made. Senator Dungan talking about being based on real information, not, not being hyperbolic. Well, if you think that our foreign adversaries are not trying to do everything they can to influence the United States, to condemn and destroy the United States, even from within, that's just pure ignorance. Talking about Xi Jinping's daughter at Harvard, and saying that she could be attacked or singled out, if you actually look at the bill in AM1532 it specifically says, it specifically says that

a person otherwise qualify as a foreign adversarial source for tuition related fees, that they would not be required to report. So in the bill it specifically says you wouldn't be reporting on somebody's tuition or the fees that they're actually paying. So that, that doesn't really apply. The comment by Senator Dungan saying that this bill is anti-education, the exact opposite is actually true. Couldn't be farther from the truth. You weren't listening to what I had to say. You didn't read the bill. You didn't listen to anything because, as I said before, we're doing this in full partnership with the University of Nebraska system. Not in opposition, in full partnership with them. For Senator Conrad, she talked about the public records request and acted as if I was stupid, but the reality is if you make a public records request, you receive the report from who you requested it from. All that must be collated and combined and put into a-- into some kind of report or database. So therefore, there would actually be a fiscal note, there would be a manpower requirement because of it. Senator Conrad also said that I was casting dispersions, and I would, I would submit that the only implications I-- anybody, not by me, were by Senator Conrad talking about the deep state, and talking talk about the implications, accusations against the university system. So maybe it's a transference of aggression or something, I don't know. This is a partnership with the university, as I said. It's really about Nebraska state security. The federal government does it. They outline what-- how the other foreign countries can interface with the United States, and we should be doing-- taking the same responsibility at the state level. We have state organizations, including the university system, that have previously, and if you don't believe me, go look online, it's not hard to find it, several different universities have had ongoing relationships with China, some of them in the area of farming. And some of it you look, if you want to protect the Nebraska intellectual property, then why do you have co-- cooperative or collaborative farms with the Chinese? Because what do they do? They sit there and watch what you do, they see the innovations, they see new technologies, and they take it and send it back to China. And these are the people that are sworn to destroy our country. Senator McKinney, that was a very interesting diatribe. Probably the biggest surprise of all. When you started talking about the list of who you want to check, and talking about be-- being mad by the administration, it's not an emotional issue. It may be emotionally for you, but for the administration it's not. It's just a fact that either you're a friend or a foe. If you're a friend, fine, let's work with you. If we're a foe, let's stop working with them. Pretty simple. Not an emotional issues. The worst has to be the references to the KKK, Proud Boys, and white supremacists brought up by Senator McKinney. I think

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it's embarrassing and disgusting, and he should be ashamed of himself. It had nothing to do with any of the dialog, and you're just trying to make an emotional issue. This amendment is all about transparency in the university system. It's all about awareness. It's all understa-- understanding that who is trying to influence our students, our young minds, and the education system. All this is is transparency and awareness. And I would request your green vote on AM1532 and LB306. Thank you, Mr. President.

KELLY: Thank you, Senator Andersen. Members, the question is the adoption of AM1532. All those in favor vote aye; all those opposed vote nay. There's been a request for a roll call vote. And a request for a call of the house. The question is, shall the house go under call? All those in favor vote aye; all those opposed-- Hmm? Just called it up.

CLERK: Clerk roll call. Record.

CLERK: 27 ayes, 4 nays on adoption of the amendment, Mr. President.

KELLY: The amendment is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Dover would move to amend with AM1562.

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

DOVER: Thank you, Mr. President. Good evening, colleagues. AM1562 is my transparency in school finances bill. Originally, this was part of the other education committee package. However, as that package will not be coming onto the floor this year, I am amending my bill into LB306 with Chairman Murman's approval. This simply provides one place in DAS where anyone can find all financial information for schools across the state. DAS indicated that they will be able to absorb any cost, so there will be no fiscal note. There was conversation about having the information sent to the Department of Education, but that would have had a fiscal note, so the information is going to DAS. I believe that transparency is a good practice. I would appreciate your green vote on AM1562.

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

McKINNEY: Thank you, Mr. President. I don't know where I'm at on this, but I did want to get back up and say that I found it embarrassing and disgusting the way Senator Andersen has acted all session. So he could be upset and call it embarrassing and disgusting that I say that I'm

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worried about the KKK and the Proud Boys. It is what it is. But he's not a black man in America, so he probably don't understand that. I find it embarrassing and disgusting, his conduct this whole session. He stands up on almost everything that is attached to my name. He asks embarrassing questions. He just didn't know that he should have just been quiet and not tried to call the house. That's embarrassing. You've been a senator for 85 days now. You should know that. But neither here or there. I just wanted to get up and say that I found his, I found his conduct to be embarrassing and disgusting all session.

KELLY: Thank you, Senator McKinney. Seeing no one else in the queue, Senator Dover, you're recognized to close, and waive closing. Members, the question is the adoption of AM1562. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 27 ayes, 0 nays on adoption of the amendment, Mr President.

KELLY: AM1562 is adopted. Mr. Clerk.

CLERK: Mr. President. Senator Murman, I have FA272 with a note you would withdraw and substitute AM1575.

KELLY: Without objection, so ordered. Senator Murman, you're recognized to open.

MURMAN: Thank you, Mr. Lieutenant Governor. AM1575 is a cleanup amendment that contains language originally within the committee amendment that was voted down last week. It remo-- removes one scholarship reporting piece because there were some concerns with the community colleges that it would mess with the system too much, and that, and that amendment was without any opposition. This also creates a tweak on page 8 to ensure the Coordinating Commission for Post-Secondary Education would be equipped to transition the data, responsibilities, and functions of the US Department of Education to the governing boards of colleges in the state or to the commission if such a change is needed. This amendment is simply making sure our colleges are still set up for success no matter what goes on at the federal level. Overall, this amendment simply contains two cleanup pieces and is pretty simple, so I ask for your green vote. Thank you.

KELLY: Thank you, Senator Murman. Seeing no one else in the queue, you're recognized to close, and waive closing. Members, the question is the adoption of AM1575. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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CLERK: 25 ayes 0 nays on adoption of the amendment, Mr. President.

KELLY: The amendment is adopted. Mr. Clerk.

CLERK: Mr. President. Senator Murman, I have FA273 with a note you'd withdraw and substitute AM1578.

KELLY: So ordered. Senator Murman, you're recognized to open.

MURMAN: Thank you, Mr. President. This amendment is, in part, based on LB497 and was also a bill advanced from committee last year and also obtained some cleanup language. In summary, it is to help ensure home school students still have access to extracurricular activities. One, right now, many schools allow home school students to participate in more than five credits. But others are reading the statute and restricting students to only five. There is simply a misunderstanding here between schools, so the language here clarifies that by saying a student is not restricted to just five credits. It would also allow homeschool students to participate in the nearest district offering the extracurricular if not offered in their home district. For instance, women's wrestling may not be in the home district, so a homeschooler would be allowed to participate in the next closest district in that situation. As the Education Committee chair, my goal has always been to advance educational opportunities for all students in the state, whether public, private, or homeschooled. This piece was requested by a number of homeschool families and would help them immensely. At the hearing, the committee heard from a number of families about how this would be beneficial to them. There were no opponents at the hearing. Thank you and I ask for your green vote.

KELLY: Thank you, Senator Murman. Seeing no one else in the queue, you're recognized to close, and waive closing. Members, the question is the adoption of AM1578. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 26 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM1578 is adopted. Mr. Clerk.

CLERK: Mr. President. FA-- Senator Murman, I have FA274 with a note you would withdraw and substitute AM1598.

KELLY: Without objection, so ordered. Senator Murman, you're recognized to open.

MURMAN: Thank you, Mr. Lieutenant Governor. AM1598 is a reworked version of the superintendent piece originally found in LB306's committee amendment. I heard a few different concerns on this piece in its first form, so it has been changed. Under AM1598, superintendents do not have any prohib-- prohibitions on extra jobs. This piece requires that if they do receive additional education employment related income, they must obtain approval from the school board and report it. To restate that, this does not mandate any restrictions. It only requires the superintendent has the approval of the school board and keeps them notified. I understand the original proposal had some opposition. But this version has addressed those central concerns and is really just about promoting government transparency. Superintendents are very high level government officials. They represent the largest property tax levying government authority and tend to be fairly well compensated. This amendment simply ensures that basic accountabil-- those basic accountability measures. Thank you, Mr. President.

KELLY: Thank you, Senator Murman. Senator von Gillern, you're recognized to speak.

von GILLERN: Thank you, Mr. President. I've just had a few moments to take a look at this, so forgive, forgive me for not having more cogent responses. But I have, I have some concerns over AM1598. I know that it removed the superintendent pay matter, which is, is a big deal. I guess I would be more comfortable with this AM if it gave the option to the districts or it gave some latitude to the districts but we're, we're, we're providing a mandate to the district that they, that they follow this policy and that the superintendents provide this information, and I, I, I, I imagine that there are others in the room that are probably concerned about the privacy matter of that and what-- I mean it's, it would be-- I've never-- this is the first job I've ever had where my salary is public and, and it's not awkward because the number is not awkward, but-- as we all can relate to. But if I was a superintendent and, and the number was higher, I think that would put them in a, in an awkward position and would potentially be a violation of, of their privacy. I also would have concerns, I don't have any rural districts in my legislative district, but I would be concerned that for some of the rural districts who may not be able to pay as high a wages to their superintendent that it may be more often or more frequent that those superintendents would have a second job or, or maybe they farm or they do other, they do other, other things to supplement their income because in a rural district maybe they can't pay as much. But, I'm, I'm-- I had problems with the superintendent pay bill as it as before. I appreciate Senator Murman

modifying the bill, and I'm not adamantly opposed to this, but I do have some concerns about it, and look forward to any other comments or responses that may come from that. Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. Good evening, colleagues. I just want to draw the body's attention to page 5, lines 18 through 22. This is in direct relation to Governor Pillen and my friend Senator Ballard's raid on teacher retirement that this Legislature pushed through as quickly as possible to fill budgetary holes. To Senator Ballard's credit, there were later amendments that were brought forward that made the measure more palatable, yet nevertheless, there was never a clear explanation for why similarly situated retirement programs that didn't impact teachers weren't treated in a similar way, nevertheless. There was also a considerable point during debate on LB645 urged from myself and others, urging caution. Urging that the body didn't move forward too quickly with complex issues like retirement because they're complex. And in Nebraska, we have a history of not playing politics with our retirement systems. The body saw fit to turn that on their head this year. And when you look at page 5, lines 18 through 22, you'll see a cleanup here that's sandwiched between a controversial superintendent pay measure. To draw-- so that perhaps your attention doesn't draw to it. And what this is on page 5, lines 18 through 22 is a paper over in a cleanup of the fact that LB645 as predicted had serious unintended consequences, and it failed to take into account the compromise established over a decade ago when things were really hairy, and was really hard and brought all players to the table, the teachers, the schools, the state. But it was carefully and arduously negotiated and put in place and it worked. And in a rush to drop in a bomb to raid teacher retirement on day 10 with no meaningful notice or engagement with the impacted stakeholders until after introduction and public outcry, lo and behold, LB645 caused unintended consequences for school funding. And this is the part contained herein where we're papering over that. Or perhaps we're affirming my prediction. Thank you, Mr. President.

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

RIEPE: Thank you, Mr. President. I stand in opposition to AM1598. My belief is just that I don't like price controls, I don't like setting salaries as such. When you get into a situation, whether it's rural or urban, your problems of your school are going to be different. You're

going to have to have a different type of leadership. And it's going to take some money, maybe, to move the right candidate to your school. I also think that it also has a compression factor that if you put a cap on the superintendents you're also going to have a compression on terms of principals and teachers who are department directors and etc. I don't think it's a free market, I don't think it's what we are used to in this country, and I also think that, quite frankly, if you really want to know what the superintendent not only makes, but the, the employment package, read the newspaper because they always explore that and publish it very much to the chagrin of many of our average citizens. But it's a tough job and I'm convinced that they are worthy of the pay that they receive. Thank you, Mr. President, and I yield the rest of my time.

KELLY: Thank you. Senator Riepe, Senator Murman, you're recognized to speak.

MURMAN: Yes, thank you, Mr. Lieutenant Governor. I think there's some misunderstandings about the bill. The bill only requires that the superintendent report is their income, education-related income, that is outside of their district. So, right now, the salary of a superintendent is actually reported, and this would only require them to report education related income. So in other words, they wouldn't have to report farming income, investment income, income from, you know, any other business they might have, lawn care business, whatever it might be, summer work. The only income they would have to report is to their local school board and it is only education related income so there's local control there. Only the-- It's they only have to report to the school board but it would have be in an open meeting. So just adds a little more transparency to superintendent income and does not restrict them in any way from any income that they could receive, unless that's done by the local school board, of course. So, local control. Thank you.

KELLY: Thank you, Senator Murman, Senator Brandt, you're recognized to speak.

BRANDT: Thank you, Mr. President. Would Senator Murman be available for a question?

KELLY: Senator Murman, would you yield to a question?

MURMAN: Certainly.

BRANDT: So, Senator Murman, what are the-- and, and I read through this. And it appears that the superintendents are restricted from working on education-related employment outside of their job unless approved by the school board. Is that correct?

MURMAN: No, not at all. They only have to report it. But you, you are correct, I mean, the local school board does have local control. So if they wouldn't want to hire the superintendent or extend the contract because of outside income, they can do that. But all the amendment would require is the reporting. It doesn't restrict any kind of income by the superintendent at all.

BRANDT: So, over the advice of the school board, that superintendent could take another job, a part-time job. And, and I guess for clarification, what are you calling another education-related field?

MURMAN: A search group that the superintendent might be involved in for other superintendents, or another education foundation or board, something like that.

BRANDT: So why have we targeted this very narrow educational search committees?

MURMAN: The reason that is on there is because that could be potentially, I'm not saying it is, but it could potentially be a conflict of interest by the superintendent, and the, the school board might just feel that that takes too much time away from the superintendent, that he, the superintendent wouldn't be able to focus, focus totally on the school district that he's been hired to to, to oversee.

BRANDT: So if this passes, does this give the school board grounds for termination of that superintendent if he chooses to go forward without their approval?

MURMAN: Well, my understanding is, of course, the school board hires the superintendent, so-- for a certain number of years contract, so it's up to the-- the schoolboard, I think, can rescind that contract at any time. So it's total local control by the school board.

BRANDT: OK, and then the last question. In reference to what Senator Conrad was referring to, that is a little confusing, that language. I think it was on page 5, those lines, did you read that? Can you tell me what that means?

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MURMAN: Actually, I don't have that right in front of me, I can get back to you on that.

BRANDT: All right. Thank you, Senator Murman. For these reasons, I'm going to oppose this one. I'm, I'm, I'm just not solid on this, and I know a lot of my school districts still had heartburn with this. So thank you, Mr. President.

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

ROUNTREE: Good af-- good evening. Thank you, Mr. President. Good evening, colleagues. Would Senator Murman yield for a question?

KELLY: Senator Murman, would you yield?

ROUNTREE: Thank you, Senator Murman.

MURMAN: Yes.

ROUNTREE: Thank you so much, Senator Murman. I just want to continue in that same vein. This bill has been brought forth because there has been an issue with the superintendents and outside employment and this is something we're trying to resolve? Or is it a situation that we're tryin' to get ahead of?

MURMAN: It's actually a situation we're trying to get ahead of. There has been an issue, I believe it was in Iowa City, in Iowa, somewhere in Iowa with a search group with the superintendent. But yeah, it's just something we're try to get head of. I, I don't know that it's an issue in Nebraska, but I think it is an extra transparency there would be very important for the public to-- and especially the school board to have this option

ROUNTREE: All right, thank you, Senator Merman, and I yield back the rest of my time. Thank you, Mr. President.

KELLY: Thank you, Senators Rountree and Murman. 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 AM1598. All those in favor vote aye; all those opposed vote nay. There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 29 ayes, 3 nays to place house under call.

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KELLY: The house is under call. Senators, please record your presence. All unexcused members outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Bostar, please return to the Chamber and record your presence. The house is under call. Senator Spivey, please check in. The house is under call. All unexcused members are present. Members, the question is the adoption of 1815-- AM1598. The vote was underway. Senator Murman, will you accept call-ins? Mr. Clerk.

CLERK: Senator Arch voting no. Mr. President, the vote is 12 ayes, 14 nays on adoption of the amendment.

KELLY: The amendment is not adopted. I raise the call. Mr. Clerk.

CLERK: Mr. President. Senator Murman, I have FA275 with a note that you withdraw.

KELLY: So ordered.

CLERK: In that case, Mr. President, Senator Spivey would move to amend with AM-- In that case, Mr. President, I have nothing further at this time.

KELLY: Senator Murman, you're recognized to close on LB306.

MURMAN: OK, thank you, Mr. Lieutenant Governor. I understand there's a lot of members in this body who are looking to try to possibly add more amendments to this bill from both sides of the aisle. And especially this bill has-- I'm glad to see that things have calmed down from the time the bill was presented last week. If you're not satisfied with the bill in the current form, I ask for your green vote on this so that we can continue to work at that-- at this before the Select File. If the bill dies on General File, then those chances of adding any additional pieces will die with it. With that, I ask for your roll call and your green votes.

KELLY: Thank you, Senator Murman. The question is the advancement of LB306 to E&R initial. There's been a request for a roll call vote. Mr. Clerk.

CLERK: Senator Andersen voting yes. Senator Arch voting yes. Senator Armendariz. Senator Ballard voting yes. Senator Bosn voting yes. Senator Bostar not voting. Senator Brandt not voting. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting yes. Senator Clouse voting no. Senator Conrad not voting. Senator DeBoer not voting. Senator DeKay voting yes. Senator

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Dorn voting no. Senator Dover voting yes. Senator Dungan not voting. Senator Fredrickson. Senator Guereca not voting. Senator Hallstrom not voting. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt. Senator Eibach voting yes. Senator Jacobson voting yes. Senator Juarez. Voting yes. Senator Kauth voting yes. Senator Lippincott voting yes. Senator Lonowski voting yes. Senator McKeon voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Prokop not voting. Senator Quick not voting. Senator Raybould not voting. Senator Riepe not voting. Senator Rountree not voting. Sanders voting yes. Senator Sorrentino voting yes. Senator Spivey not voting. Senator Storer voting yes. Senator Storm voting yes. Senator Strommen voting yes. Senator von Gillern not voting. Senator Wordekemper not voting. Vote is 28 ayes, 3 nays on advancement of the bill, Mr. President.

KELLY: LB306 is advanced to E&R Initial. Mr. Clerk.

CLERK: Mr. President, General File LB306A, issued by Senator Murman. It's a bill for an act relating to appropriations; appropriate funds to aid in the carrying out of the provisions of LB306. The bill was read for the first time on May 19 of this year and placed directly on General File.

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

MURMAN: Thank you, Mr. Lieutenant Governor. To be brief, there's been a lot of work to clean up the fiscal note and reduce the current costs significantly. Before Select File, we should receive the updated fiscal note, which we will continue to work on to ensure this is a reasonable bill. Thank you and I ask for your green vote.

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

M. CAVANAUGH: Thank you, Mr. President.

KELLY: Yes, please continue.

M. CAVANAUGH: Thank you, Mr. President. I just wanted to acknowledge that myself, Senator John Cavanaugh and Senator Juarez were the only Democrats that voted for that. And it almost didn't even squeak by. So if we hadn't voted for it and one other Republican didn't vote for it, that bill would have been dead. So just, you know, just acknowledging for the record. Thank you, Mr. President.

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KELLY: Thank you, Senator Cavanaugh. Seeing no one else in the queue, Senator Murman, you're recognized to close, and waive closing. Members, the question is the advancement of LB306A to E&R Initial. All those in favor vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 33 ayes, 2 nays on advancement of the bill, Mr. President.

KELLY: LB306A is advanced to E&R initial. Mr. Clerk.

CLERK: Mr. President, amendments to be printed from Senator Arch to LB298, Senator Hughes to LB303, Senator Dungan to LB306, Senator Spivey to LB306, Senator Hallstrom to LB150, Senator Machaela Cavanaugh to LB150, and Senator Bosn to LB150A. Finally, Mr. President, a priority motion. Senator Hallstrom would move to adjourn the body until Wednesday, May 28 at 9:00 AM.

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