

HALLORAN: Good afternoon. Welcome to the Agriculture Committee. I'm Senator Steve Halloran. I'm from Hastings, Nebraska, and represent the 33rd Legislature District. I serve as Chairman of this committee. The committee will take up the bills in the order posted on the agenda. Our hearing today is your public part of the legislative process. This is your opportunity to express your position on the proposed legislation before us today. Committee members might come and go during the hearing. This is just part of the process, as we have bills to introduce in other committees. I ask that you abide by the following procedures to better facilitate today's proceedings. Please silence or turn off your cell phones. Please move to the reserved chairs when you're ready to testify. These are the first two chairs on either side of the first row. Introducers will make initial statements followed by proponents, opponents, and neutral testimony. Closing remarks are reserved for the introducing senator only. If you are planning to testify, please pick up a green sign-in sheet that is on the table at the back of the room. Please fill out the green sign-in sheet before you testify. Please print and it is important to complete the form in its entirety. When it is your turn to testify, give the sign-in sheet to a page or the committee clerk. This will help us make a more accurate public record. If you do not wish to testify today, but would like to record your name as being present at the hearing, there is a separate white sheet on the tables that you can sign for that purpose. This will be a part of the official record of the hearing. If you have handouts, please make sure you have 12 copies and give them to the page when you come up to testify and they will distribute those to the committee. If you do not have enough copies, the pages will make sufficient copies for you. When you come up to testify, please speak clearly into the microphone. Tell us your name and please spell your first and last name to ensure we get an accurate record. We will be using a light system for all testifiers. You will have five minutes to make your initial remarks to the committee. When you see the yellow light come on, that means you have one minute remaining. And the red light indicates your time has ended. Questions from the committee may follow. No displays of support or opposition to a bill, vocal or otherwise, is allowed at a public hearing. Committee members with us today will introduce themselves, starting on my far left with Senator Moser.

MOSER: Hi. I'm Mike Moser from District 22. It's Platte County, a little bit of Colfax County, and most of Stanton County.

SLAMA: Julie Slama, District 1 which includes Otoe, Johnson, Nemaha, Pawnee, and Richardson Counties.

LATHROP: Steve Lathrop, District 12. It's in Douglas County and includes Ralston and parts of southwest Omaha.

BLOOD: Good afternoon. I'm Senator Carol Blood from District 3 and I represent western Bellevue and southeastern Papillion, Nebraska.

HALLORAN: And to my far right.

B. HANSEN: Senator Ben Hansen, District 16: Washington, Burt, and Cuming Counties.

BRANDT: Tom Brandt: Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster County.

HALLORAN: Thank you. And to my right is committee-- committee research analyst, Rick Leonard, and to my far left is committee clerk, Rod Krogh. Two of the most important people in this whole process are our-- are our pages and we have Kaci Jumps whose major is political science and history. She's a sophomore at UNL and Brigita Rasmussen who is a major in agriculture education, also a sophomore at UNL. Thank you, ladies. With that, we will begin our hearing with LB201. Senator McCollister. Good afternoon.

McCOLLISTER: Good afternoon, committee members. Chairman Halloran and members of the Agriculture Committee, I am John, J-o-h-n, McCollister, M-c-C-o-l-l-i-s-t-e-r, and I represent the 20th Legislative District in Omaha. Today I'm introducing LB201. This bill would prohibit a practice that's commonly known as bait and switch in the marketing and sale of gasoline to motorists. The practice involves advertising what appears to be a bargain price for the product but then making it available only in a limited number of out-of-the-way pumps at a gas station. A large sign by the highway lures customers in by advertising the bargain price. They take the bait and then they become discouraged because they can't find a pump where they can buy gas at the bargain price. They then switch to a pump charging a higher price just to get on with their trip. LB201 would prohibit this business practice by making it illegal for a gas station operator to sell the same grade of gas-- gasoline at different gas pumps at this price other than the advertised price. The prohibition in subsection (19), which begins on page 3, line 29 and ends on page 4, line 9, specifically limited to sales of spark

ignition fuel. This means gasoline that has a 10 percent or less of ethanol. It would not apply to the sales of other blends such as E-15 or E-85. This subsection also requires the station to sell this gasoline at the advertised price at every fueling position in the-- in larger operations that have six or more fueling stations. Subsection (20) on page 4, lines 10 through 17 addresses the business that offer a fuel drawn from a single-source tank or for multiple interconnected tanks in-- all which fuel is commingled. These are typically smaller operations. The prohibition in subsection (20) is not limited to the spark ignition fuel. This means it would apply to diesel fuel, as well as gasoline. The prohibitions in both subsections (19) and (20) would not apply to industry discount programs for cash payment, self-service, customer loyalty, fleet programs, and other similar discounts. This bait and switch situation actually happened to me. I was driving to Denver enjoying the beautiful scenery of Nebraska. My fuel gauge indicated a need to fill up so I stop at a station with very good prices. When I saw the line of cars between the two pumps and all the other stations had much higher prices, my contentment turned to anger. Thus irritated, I left the station unhappy with this shady sales practice and the City of North Platte-- guilt by association. Proponents of LB201 feel the practice I just described is deceptive and creates an unfair competitive advantage for the retailers who engage in this pricing scenario. They will follow me and describe more fully the experience that retailers and consumers are having with this problem. Thank you. Answer any questions you might have.

HALLORAN: Thank you, Senator McCollister. Any questions? Senator Blood.

BLOOD: Thank you, Chairman Halloran. And it's nice to see you again, Senator McCollister. Can you tell me the difference between the last bill that you brought that pertained to this and this year's bill? What's the main difference? So far the one that I have seen is that you really struck a really careful balance between limiting your bad actors but yet still protecting your small vendors. Would you say that that's one of the differences between last time and this time?

McCOLLISTER: Thank you, Carol.

BLOOD: Senator Blood.

McCOLLISTER: Senator Blood. The changes are simply in some of the verbiage and I'm not prepared to describe that very well. But we're trying to run a bill that meets the needs of the co-ops which are somewhat different than the regular gas station operators. So it's we-- we attempted to fine-tune the bill.

BLOOD: And I see definitely a benefit over the last bill over this bill. One of the questions though that kind of sticks in my craw that I'm not seeing in any of the information I've been given is, is there a reason why the Attorney General's Office has not been interested in enforcing the existing law?

McCOLLISTER: That's a question I'd like to have answered as well.

BLOOD: OK. So we really don't know.

McCOLLISTER: No. And I-- I'm not-- selective enforcement. I, I can't explain why the Attorney General has chosen not to, to move forward with this. I understand the, the operator in question has redesigned the station so it could well be that the practice is-- maybe doesn't occur as often as it once did. That could also be a factor.

BLOOD: But if I understand this correctly, what you're trying to do is prevent bad actors from being bad actors that protect the small businesses and people who have special fuels, while making sure that the actual law can indeed be enforced properly.

McCOLLISTER: Well, bait and switch, I think we're all familiar with the practice.

BLOOD: Yes.

McCOLLISTER: But, you know, people coming through Nebraska on I-80, you know, it gives Nebraska, any town that-- where this occurs a bad name. And some of the testimony we heard a couple of years ago, you know, AAA and a few other companies that try to promote Nebraska tourism found that to be a practice that gave Nebraska a bad name.

BLOOD: It is troublesome.

McCOLLISTER: Quite so.

BLOOD: Thank you. That's all I have.

McCOLLISTER: Thank you.

HALLORAN: Any further questions from the committee? I have-- any further questions?

SLAMA: Sure. I'll take one.

HALLORAN: Senator Slama.

SLAMA: So what was the reasoning on Section (19) for not including E-15 or diesel?

McCOLLISTER: Well, it's kind of a specialty product.

SLAMA: Um-hum.

McCOLLISTER: And so I-- I think some of the co-ops particularly wanted to leave that out of the bill and not make that a part of the-- this bill.

SLAMA: Thank you.

HALLORAN: Senator Blood.

BLOOD: Thank you, Chairman Halloran. You said that-- I was reviewing another bill that's coming out here, and I know that you're not testifying on that bill. But I think there's an interesting dichotomy between your bill and the next bill, because the next bill actually does have expectation that the signs for E-15 and E-85 would be included. Right? Although we're hearing from co-ops that that's not necessarily a thing that's needed.

McCOLLISTER: Yeah, well, they-- they were-- they were very careful with my bill to make sure it didn't preclude what, what they were doing with E-15 because that's an important product that they sell.

BLOOD: Absolutely important to a lot of people in Nebraska. All right. Thank you.

HALLORAN: Any further questions from the committee? I have a quick question that I don't expect you to remember exactly the price difference when you were about out of gas when you were looking for a gas station. But, but it was substantially cheaper at this location or at least the signage said so.

McCOLLISTER: The signage was. But there were some pumps that were selling that gasoline, the cheap-- cheaper version of the gasoline, but they were limited in number.

HALLORAN: I guess my question is, did you see other gas stations with signs that had higher prices than that one that was--

McCOLLISTER: That were engaging in a similar practice?

HALLORAN: No. Well, maybe, I don't know. My question is, what were you comparing the price to?

McCOLLISTER: Well, there is the base price, which was a very attractive price. And then I think that same product was 20 cents higher at the other fueling stations.

HALLORAN: And probably 20 cents higher than the competing stations.

McCOLLISTER: No.

HALLORAN: No?

McCOLLISTER: Just at that one particular station there was a disparity in the price.

HALLORAN: OK.

McCOLLISTER: So-- and I understand that that practice was also occurring at other stations, but I don't have any personal knowledge of that.

HALLORAN: OK. Any further questions? Thank you, Senator McCollister. You're going to waive closing?

McCOLLISTER: I have another bill opening so--

HALLORAN: OK.

McCOLLISTER: I'm going to waive. Thank you. Thank you for your attention.

HALLORAN: Thank you, sir. OK. Now we reserve time for proponents of LB201. Good afternoon.

DAN O'NEILL: Good afternoon. My name is Dan O'Neill, D-a-n O-'-N-e-i-l-l. I'm appearing today on behalf of the Coalition for Ethical Petroleum Marketing. I also am president and CEO of Kwik Stop Convenience Stores. I do happen to own a location in North Platte that competes more or less indirectly with, with one of the companies that is engaging in what we feel are unethical pricing tactics. They are on the south side of the interstate. I'm on the north side of the interstate. So I guess you could say, yes, I am-- I am a competitor of one of the companies, Fat Dogs, that are implementing this-- this practice. If you look at your folder that I handed out, the first thing on the right hand side is the Coalition for Ethical Petroleum Marketing. Again, it's a coalition that was established in 2016 by several businesses in the petroleum industry. We've had support from the travel industry and other ones that-- that wanted to do something about what we felt, again, was the unethical strategy, the unethical pricing tactic of pricing of fuel, a very visible fuel sign, and then having the customers come in and only have it available on one or a select number of dispensers. I testified here in January of 2017. The other-- the other part of the right side of your folder there's an editorial there about a complaint. This was in a national magazine of someone who experienced this tactic in a Sidney location. The handout after that is a copy of a Facebook post in North Platte complaining of the practice. Now I understand that nobody is immune to negative Facebook posts. But again, that's just some of the comments that we've had over the years. And it was our hope in 2007 with the agreement that this was going to be rectified, but we don't feel like the spirit of that agreement has been-- has been followed. The last handout on the right side of your folder is from the North Platte Bulletin. Again, that was shortly after my testimony in January of 2017 where Mark Wilkinson, owner of Fat Dogs, actually mentioned me by, by name and claimed that my reason for testifying had to do with lining my own pockets or something like that, profits. You know, actually on that he is-- he is accurate and I'll tell you why. My location up on the north side of the interstate depends on tourism. And we felt like and still feel like this is a black eye in our community and tourists tend not to stop where they've been burned. And my harvest is from Memorial Day until Labor Day at that site. It's a site, it's an expensive property, a property that I invested hundreds of thousand dollars in. And my main reason for involvement in this-- I'm not as directly affected as some of my other competitors who are right next to Fat Dogs or Cenex, the other company employing these tactics. But I think, again, it is a black

eye on the state and on our tourism industry. You will see in that article it's highlighted and you can again obviously read the entire article, but I will quote, "He said his ability to sell 40 cents higher-priced gas to I-80 travelers enables him to offer the lowest price in town to people who buy from pumps 1 and 2" which, in our opinion, is an admission of his intent to bait people in and then hope that they purchase fuel from the higher-priced-- higher-priced pumps. On the left side of your packet is some pictures that were taken January 20 of one of these locations in Grand Island on the Grand Island interchange. And the first page, this one has kind of small pictures, so there is also enlarged pictures for you to take a look at. That day the price on the sign was, was priced at \$1.949. When you pulled in, that was only on available dispensers 7 and 8. And so someone-- or Senator Halloran he asked about the difference in price. That day the spread in price was 30 cents a gallon between two grades of fuel that had a half an octane difference-- 87 versus 87.5. I guess I'll just close in saying this is something that I, you know, we're supporting this bill because we just feel like something needs to be done. And believe me, I'm in the business where we don't look for more legislation if we can get away from it. We feel like we have-- we have plenty but obviously the agreement again struck in 2007 isn't, isn't being followed. This morning I, I came down here. I drove down this morning early. And it was dark obviously and I had to meet Tim pretty early this morning. Beautiful morning, so I just decided to look at the interstate signage; and if you want some current pricing, I have it. I have it right here. As I came down I-80 driving east--

HALLORAN: [INAUDIBLE].

DAN O'NEILL: --and I won't give the company name, I'm sorry.

HALLORAN: Mr. O'Neill, your time is up. I'm sure--

DAN O'NEILL: I'm sorry.

HALLORAN: I'm sure someone-- someone will give you time I'm sure to, to, to express what you're going to express.

DAN O'NEILL: OK.

HALLORAN: Questions from the committee? Senator Blood.

BLOOD: Thank you, Chairman Halloran. I just have a few quick questions and a concern. So I'm always concerned when we have one bad actor. Can we try and create legislation because of that one bad actor? I do find that concerning, but with that said, I don't agree with the contents of this bill. I just want to make sure we're not opening the door to have us be the Hatfields versus the McCoys or-- do you know what I'm saying?

DAN O'NEILL: Yes.

BLOOD: I'm concerned that especially since you mentioned the bad actor I think that's concerning. And I-- I'm not sure I agree with that practice because we need to make sure that we're-- we're looking at what's best for the consumers and what's going to protect the business owners, not necessarily that one particular bad actor is a bad actor. Right?

DAN O'NEILL: I would agree with that. I don't-- and I'm sure that Mark is, is upset with me. I mean, you know, I-- and I understand that. But I, I honestly, with me it's not, it's not a personal vendetta against any one company. I think that the process needs to be bigger than any one bad actor, yet I think that if, if unscrupulous activities like this are allowed to proceed then we're going to have-- the floodgates will be open especially--

BLOOD: Again, I don't disagree on that. I just question-- I don't know who else is going to be coming and testifying.

DAN O'NEILL: OK.

BLOOD: I just question pointing fingers at others and naming names when we're looking at practices to benefit everybody--

DAN O'NEILL: OK.

BLOOD: --and that would cover more than one bad actor. That's all I'm saying. Does that make sense?

DAN O'NEILL: Yes.

BLOOD: I just want to make sure it's about the legislation and not the person. So with that said, you said that you don't necessarily

want more legislation. Wouldn't you say this is more fine tuning the current legislation?

DAN O'NEILL: Or, or more enforcement or something.

BLOOD: Well, if things aren't being-- that exist now aren't being enforced, so I don't know if it's more enforcement as much as what I'm seeing is better definition.

DAN O'NEILL: We have been working. I first approached the Petroleum Marketers probably over five years on this issue, five years ago when our chairman of the board was still alive. And, and again the legislate-- it's been difficult trying to draft legislation to, to prevent this. And I know that they've gone to other states and they really haven't, haven't seen anything like this. We just feel it's unethical. And I don't know if that's a-- I don't think that that's necessarily a subjective thing in this instance. I think that the people looking at it from the outside most people agree with that.

BLOOD: The practice itself is not ethical. I agree.

DAN O'NEILL: OK.

BLOOD: All right. Thank you.

HALLORAN: Any further questions from the committee? Seeing none, thank you, Senator-- Mr. O'Neill.

DAN O'NEILL: Thank you.

HALLORAN: I called you senator.

DAN O'NEILL: Thank you.

HALLORAN: You can have my place anytime. Next proponent. Thank you, sir. Good afternoon.

DAN ADAMS: Good afternoon. My name is Dan Adams, D-a-n A-d-a-m-s. I'm here-- I represent Sapp Brothers and then the Nebraska Petroleum Marketers and Nebraska Grocery Industry Association. And in your packet I'm passing around there, we're here to support the bill, LB201. And you'll see kind of the same thing Dan O'Neill said there. We've got two locations, so I had them take pictures yesterday and some of that you'll see in the pictures as you go through there. I think some of the-- what the Attorney General did back in 2007 tried

to get him to comply. I think Mark has taken and put some other signs up, but it's still not to what it says back then even. And the problem it gives us is, you know, it gives us a black eye in our-- in our-- in Nebraska, right? Because people come in they'll, they'll get gas or they'll weigh or they'll, they'll see the lines. And, like in Sidney, it is just at two pumps there; it's at two different numbers, that's it. So unless you know that and when you're looking at the price sign when you're coming in, any, you know, consumer as you're seeing that price sign, you're going to go in and go to that cheaper price. Now what you have to do, what the Attorney General tried to do back then was, OK, you got to put different signage and that's in there, that what he proposed. Says, "Such signage shall be in a clearly distinguishable and contrasting style and color so as to stand out from other signage on the dispenser's pumps." So he tried to, back then, make it so that the consumer can see it on those pumps. And to this day they just-- they don't. In Ogallala we'll get some customers have come over and, you know, they'll be upset or they saw it. So then they drove over to us. And it's just a bad deal. And Ogallala, with our Lake McConaughy there, that's a tourist location. And if this practice keeps going, then it's just going to hurt us, hurt the whole town. Like I said, we're in Sidney and Ogallala. So I think-- and we've decided, as far as Sapp Brothers, we're just not-- we're not going to do that. We're not going to-- we feel it's unethical and we're not going to try to take advantage of the customers. So that's, that's what we've decided to do. That's-- we don't follow that practice, and we just want I guess a fair playing field. And then also, you want the consumer to be able to go in and get what they think they're going to get from the price sign. So with that, thank you. Any questions?

HALLORAN: Thank you, Mr. Adams. Any questions from the committee? I have a question I guess. I'm looking at your handout here and it does show-- it does demonstrate the signage. This is on a reader board.

DAN ADAMS: Um-hum.

HALLORAN: Right? Or it points out regular pumps at 9 through 14. And several pages later it shows signage on posts--

DAN ADAMS: It does.

HALLORAN: --for the canopy. It shows those regular prices. And even at the pumps they will also indicate that regular is available at 9 through 14. Seems like he's making an effort there to at least--

DAN ADAMS: This is more of an effort than there was in the past.

HALLORAN: OK.

DAN ADAMS: When we had-- I still have pictures from clear back when we first started this. Then we-- he didn't have all this. He did have like if you go back to the one at Sidney, it will-- it says regular is at pumps 9 and 10 only.

HALLORAN: Yeah, he was missing a 9 and he used a "p" in reverse. That's clever.

DAN ADAMS: So that's with the wind and--

HALLORAN: No, I understand. I'm all too familiar with putting reader boards up on a windy day myself, but-- let's-- a question I have is on a given day, let's just use this price, for an example. Let's say that's the price he's advertising for those pumps for regular gasoline. On any given day, no matter what the price is, is that a price that's available at Sapp Brothers, the same price?

DAN ADAMS: No.

HALLORAN: \$2.22?

DAN ADAMS: No. No.

HALLORAN: Could it be?

DAN ADAMS: It could be.

HALLORAN: Should it be? See, I long for the day and a lot of people on this committee are-- are too young to have ever heard of-- yes, I'm looking at a few of you-- are too young to remember what I long for from time to time and that's what we commonly called gas wars, right, where gas retailers would, on a competitive basis, would-- would lower their price to attract people--

DAN ADAMS: Um-hum.

HALLORAN: --to their location and oftentimes if they had a convenience store they were selling something else--

DAN ADAMS: Right.

HALLORAN: --that they can make up the difference. And so that was not a bait and switch. That was a loss leader.

DAN ADAMS: Um-hum.

HALLORAN: And so I guess my question is why-- why would it not be that Sapp Brothers wouldn't offer the same price as that low-- that low price that--

DAN ADAMS: We can offer that price. But then if we offer that price, we're going to put that on all of our pumps, not just two pumps.

HALLORAN: Well, but there's, there's 9 through 14. That's a substantial number of pumps [INAUDIBLE] at the station.

DAN ADAMS: Right. That one's got what, six of them at that one. At the one in Sidney, he has two. But if we do it, we're going to do it ethical and we're going to put that price on all of our pumps.

HALLORAN: OK. Do you know how many-- how many pumps there are at Sidney, at that Sidney location?

DAN ADAMS: At Sidney, there's, there's ten fueling points.

HALLORAN: OK. OK. Thank you, sir. Any other questions from the committee? Seeing none, I appreciate it, Mr. Adams, [INAUDIBLE].

DAN ADAMS: All right. Thank you very much.

HALLORAN: Next proponent, please. Good afternoon, Mr. Hansen.

JOHN HANSEN: Mr. Chairman, members of the committee, for the record my name is John Hansen, J-o-h-n H-a-n-s-e-n. I'm president of Nebraska Farmers Union and the issue that this bill raises is one that we certainly have had complaints over this issue for a long number of years. And it seems like there's times where there's more of this that goes on than others. But if you drive up and down the interstate is where we see the-- where I've experienced it and where we've gotten the most complaints. But there are certain, certain stations that sort of have a reputation for you-- you can find that

price, but you have to be lucky enough to be the one at that pump because the other pumps aren't at that price. And that's the price that you drove in to get. And so from our view, it is a deceptive practice and it's, it's gone on for a long time. And I don't know whether this bill fixes it or whether more enforcement fixes it. But you shouldn't, shouldn't-- you shouldn't be in a situation where you're following the signs, you're looking at the clear advertising, you come in, you put fuel on your car, and then you look at the ticket and you go, well, that's not it. How did it-- how did I get this much cost per gallon when I should have gotten this? So it is a deceptive practice. And so we thank Senator McCollister for bringing it forward. And, yes, I do remember price wars and gas wars were-- that was a time when all farmers called their local co-op and wanted their gas tanks filled right away. Thank you.

HALLORAN: OK. Thank you, Mr. Hansen. Any questions from the committee? Any-- no questions? Thank you, Mr. Hansen.

JOHN HANSEN: Thank you very much.

HALLORAN: Any other proponents for LB201? Any other proponents? Seeing none, any opponents for LB201? Good afternoon.

MARK WILKINSON: Hello. My name is Mark Wilkinson, W-- M-a-r-k W-i-l-k-i-n-s-o-n. I'm a graduate of North Platte High School. Both my parents are graduates of North Platte High School. Both of my grandparents are graduates of North Platte High School, and my great-grandfather was one of the county commissioners in Lincoln County at the turn of the 1900s. So we've been in North Platte a long time. I have two daughters who are probably watching. My oldest daughter just graduated from Harvard and she is in med school, going to come back to Nebraska. She wants to come back to Nebraska, be an oncologist. My youngest daughter is a sophomore at Baylor and wants to come back to Nebraska as a dentist someday. So we have deep roots in Lincoln County in western Nebraska. It's taken us a lot of generations and time to build these businesses. We've been here a long time and we're not going anywhere. All-- my gas station in North Platte is prepay. I'm sure you're familiar with that. When you pull into my gas station, you have to either slide your card or walk inside and pay. It's impossible not to get the product at the price that you want because you have to manually push the price and the product in order for the gas pump to dispense any product. So there's-- there's no bait-and-switch, there's no smoke and mirrors,

there's nothing fancy about what we do. We-- we advertise a product. We sell it. Come get all you want. It's available 24 hours a day, 7 days a week-- a week, 365 days a year. We got started on this back in about 2006. When E10 first came out, I sold diesel at that pump in North Platte. And I added some diesel pumps on the side of my building when E10 was first coming out and I thought, well, you know what, I'm going to put this E10 where my diesel pump is, because we hadn't sold E10 prior, and I'm going to see if I can get some local business because I'm not getting any now. I've always been known to have high interstate gas prices. I'm going to put that E10 that Casey's has started to sell and retail and I'm going to put it at that pump and see if I can sell any of it. Heck, I'll give it away if I have to because I'm not getting any of that business now anyway. I'll give it away. Maybe I'll sell them a pop and candy bar when they come out. We're still doing the same thing today. There's-- there's-- we're not trying to-- you know, I-- I own other businesses in North Platte. The soil-the-nest strategy doesn't-- doesn't fly. I mean I pay a lot of property taxes with some hotels and other things that we own in western Nebraska. The last thing I want to do is damage the reputation of the communities I'm in. That's not what we're about but, boy, we build a local business. I've noticed that nobody from my local Chamber of Commerce is here today, and others. You know, they're some of my best customers. The ones that don't like it are, you know, I'm going to throw his name out, he threw my name out, is Mr. O'Neill. The reason he doesn't like it is because if-- if this bill is successful, the price of gas in North Platte is going to go up and they're going to make more money. The margins-- their margin-- the margins are going to go up. That's why they don't-- that's why he's a proponent. We are, you know, we are following the rules that were established by the Attorney General back in 2007. We fine-tuned the way we do things. We-- we steer people to the pumps where that product is available if that's what they want, and we make sure to try to get them there, if that's the product they desire to buy. If you want to do us all a favor, I think you ought to outlaw gas price signage, period, just say no gas station in the state of Nebraska can put up a price. Why the industry ever started on the tangent, you know, I've been to the conventions with the gas guys. When did the gas-- gas company start putting a price up on the corner? Well, you know, nobody can give you a straight answer as to who were first gas station that did that, but that's when the ball started rolling as everybody trying to have a better price than their competition. Why not just to make it illegal to put a price up and then you bring back

the value of location, convenience, amenities, do have a lot of bathrooms, do you have water at the islands. You know, it brings back that convenience factor. That's all I have. Thank you.

HALLORAN: OK. Thank you, sir. Any questions from the committee?
Senator Blood.

BLOOD: Thank you, Chairman Halloran. I just need some clarification. You just said during your testimony that if this bill passes, that all the gas rates are going to get higher in your area.

MARK WILKINSON: Yes.

BLOOD: I'm not sure how that would-- can you explain that to me?

MARK WILKINSON: It's just the-- it's just the fundamentals. You know, when you-- when you put up a price on a corner, like it seems like every gas station in the state posts a price in today's world, it's become a necessary form of business. So, you know, that-- that fosters competition at the street level. And if I can't advertise that price because I'll still have that product there but it would be at a price that I can't put on the pole because it would-- according to follow this legislation, all-- it would have to be at all pumps. I can still have that price. So my next way to advertise is probably do TV and radio ads and say that our prices are so low I can't even advertise it, come out and find them. You know, if I can't put it up on the pole, how do I get-- how do I get people there? So it forces that price up and nobody is going to come to me. They're going to-- they're going to start getting a market share those other stations and, you know, that's going to play to their advantage and that's why they're against it because they-- it's about money. You know, if-- if that price goes up, the consumers lose, these guys win.

BLOOD: So-- so do all of your locations have more than six pumps then?

MARK WILKINSON: No, I've got some with five. You know, they're varied. North Platte, I've got ten pumps-- I've got the regular gas at eight pump-- or eight fueling locations. Very seldom are there lines. I very seldom see lines with at the-- where that product is available. And I've also got a neighbor that does the same thing, the exact same thing that I do in North Platte. I'm not the only one. There are others. And the other fundamental difference is if this is truly bait-and-switch, why isn't E15 bait-and-switch too? If they're

going to exempt E15 and allow you to have E15 at one pump and advertise that as an exempt, why isn't that the same as what E10 is or E85 or any other ethanol blends? The fact is there's so many different, you know, brands and grades that gas stations offer. I try to offer people a vast selection. I've got five different products I sell in North Platte and offer-- offer the consumer a lot more choices than anybody else in that market. I like to give options.

BLOOD: So what would you say to-- and this will be my last question, promise.

MARK WILKINSON: That's fine.

BLOOD: But I-- I'd kind of like to hear it from your lips. So what would you say that the average consumer who drives in off the interstate, sees-- I'm not saying your signage-- sees signage that says that gas is \$2.30 a gallon, and would you say that based on that and they thought that was a good price to pay in what's going on in the world that day, that they would go to the first pump, not seek out pumps that might have a different price?

MARK WILKINSON: Some do, some don't. Everybody is different. You know, everybody-- I can't guesstimate on the mind frame of every customer that comes into my store. You know, some people have a higher propensity for price than others, a higher threshold. Others will drive 20 miles to save 2 cents a gallon on gas. You-- you know the-- you know who I'm talking about. Everybody is different. I'm on the interstate locations. I-- and I'm there on purpose. You know, I wanted interstate locations--

BLOOD: Right.

MARK WILKINSON: --because everybody is-- there's a new-- you know, there's new people driving up and down that corridor every day and, you know, some of them, if you're-- if you're from California and gas prices in California are \$3.15 a gallon and you're paying \$3-- or \$2.79 when you stop in Nebraska today, that's a bargain. If-- if you're from somewhere else, it's not so much. So it's all in the eyes of the beholder.

BLOOD: I would say in general though, a weary traveler, especially if it's late at night, they see the price, they pull in, they go to gas,

I mean, I would think that the average consumer isn't going to go from pump to pump. Would you say that's fair?

MARK WILKINSON: I don't know if there is anything that's fair. I don't-- I don't know of an average consumer. But, you know, the-- we have those products available. We have a-- you know, we have 91-clear without ethanol. I sell an 87-octane without ethanol. I sell an 87-octane with ethanol. I sell Number 1 diesel at my diesel pumps. I sell off-road diesel. I still Number 2 diesel. You know, in the business world, competing with the Walmarts, Casey's, Love's, for a small-town businessman has got-- gotten tough. And the books that I have read have always said set yourself apart, do something different, offer a different product, offer-- offer something that those big boys don't, you know, try to get a niche. And-- and now the big boys are trying to come back and punish me for-- for finding that niche because they want everything to be the same. Why can't they sell it the way I sell it? Why force me to do it the way they do it?

BLOOD: How many locations do you have?

MARK WILKINSON: I've got six.

BLOOD: So you're kind of a big boy, though, too, then.

MARK WILKINSON: Well, boy I've got-- I'm trying to. I'm trying hard. I'm trying to get there.

BLOOD: And-- and good for you and I'm not saying it in anything but a positive. I just want to make sure that we're clear.

MARK WILKINSON: I'm trying. You know, I-- you know, I've got a really nice store in North Platte that we just opened in October. It's-- it's an expensive proposition. And the other ones I'm trying to get up to snuff. Little embarrassed about the one in Lincoln. We've got a lot of work to do to get upgraded, and the same way with the one in Grand Island. So, you know, it's expensive to own these things and try to keep up with the technology and the upgrades.

BLOOD: I'm sure.

HALLORAN: OK. Thank you, Senator Blood. Any further questions?
Senator Slama.

SLAMA: So I'm just a little bit curious here. So I'm a driver going down the interstate and I see your sign and I see gas at \$2 a gallon.

MARK WILKINSON: OK.

SLAMA: Would it be a fair assessment in your mind that I could go to any-- say I'm the average, everyday traveler on the interstate. Would it be a fair assumption in your mind that I would think that I would be paying \$2 for a gallon of gas at your station if you have it advertised at \$2 a gallon?

MARK WILKINSON: Sure.

SLAMA: Sure. OK. So I get to your station and I'm not at one of the two pumps and I see that gas is at, say, \$2.30. Would that be a fair price difference that you could see between the two pumps at your station?

MARK WILKINSON: What did you say, a 30-cent difference between?

SLAMA: Sure.

MARK WILKINSON: OK, depends on what product you're getting. I got as much as probably 40, 50 cents if you're going from 91-clear to 80-- E10, E87.

SLAMA: No, but for the same kind of gas, we're just at a different--

MARK WILKINSON: For the same-- I don't have different prices for different products.

SLAMA: Sure.

MARK WILKINSON: My stations, every product, it's a different product at every price point. There's a different tank dedicated to every price.

SLAMA: But do I know that if I'm just the average guy going down the interstate looking for gas?

MARK WILKINSON: Do you need to? I mean, it's-- what we-- what we do is we don't offer the same product at different prices at the same location.

SLAMA: OK.

MARK WILKINSON: So it's a different product at a different price at each-- for-- for whatever octane or whatever grade that you prefer to purchase. I got some customers that just want 91-clear for their-- you know, that's what the manual recommends in their-- in their owner's manual of the vehicle they drive. So they come to my location because I do great prices on 91-clear.

SLAMA: OK. Well, I'm going down the interstate and my light turns on and I really don't care if it's 91-clear or-- as long as it doesn't kill my car, I'm going to put it in my car, especially if it's at a good price. Just going through your testimony today, I'm just thinking that even though you don't say it's bait-and-switch, this is literally the definition of bait-and-switch. Could you just provide some information to where maybe I'm going off the wrong track in my reasoning?

MARK WILKINSON: The-- the definition of bait-and-switch, if you look it up in the dictionary or in something like that, is offering a product and then not having it available.

SLAMA: For the price that's being advertised.

MARK WILKINSON: We have it available at the price it's being advertised and I've got it at four pumps, eight fueling locations in North Platte at that price. Go get it. It's there, available for you when you pull off that exit.

SLAMA: At every pump?

MARK WILKINSON: Not at every pump.

SLAMA: OK.

MARK WILKINSON: It's available at-- at four pumps, so come get it. The definition of bait-and-switch is when you offer a product and don't have that available. Have you ever been to a Black Friday when Walmart or Best Buy advertises \$150 TVs and you go there and they've got 50 of them and they sell out of those in the first half-hour?

SLAMA: But then you're going in with the expectation that there will be a limited amount. If I'm just some traveler going down the interstate--

MARK WILKINSON: Well, I don't limit the amount. I'm not limiting the amount.

SLAMA: --I think--

MARK WILKINSON: It's there all day every day.

SLAMA: OK. Well, thank you, sir. Appreciate it.

MARK WILKINSON: Thank you.

HALLORAN: Thank you, Senator Slama. Any further questions from the committee? Senator Moser.

MOSER: Is there one particular gas that you sell at the lowest price typically?

MARK WILKINSON: Yeah, that-- yeah [INAUDIBLE] yes.

MOSER: And is it the 10 percent alcohol or--

MARK WILKINSON: Yes, it is right now. I mean when we first got started, it was different blends, but it is. And that's largely because my stations, I don't offer a blend beyond E10. If I did, I would probably have a cheaper product. If this bill passes, you could probably see E15 in that slot because it is exempt at those locations, so we could advertise that E15 because it is exempt from this bill. The-- the difference with E15 is it has to be a 2001 model year and newer vehicle.

MOSER: In order to burn it, you mean?

MARK WILKINSON: In order to burn it. And with E10 it's-- it's okay for anybody. And beyond the E15, we have to label it as flex fuel only. We've got a new station in North Platte that just put up a big sign that's selling E15. I think when I left today it was at \$1.73. He's got it at all pumps and he's advertising the \$1.73, but the caveat there is, is nobody's buying it. There's no market for E85. I don't think Detroit is even making that many vehicles that are flex fuel right now. There-- there are some flex fuel vehicles out on the roads, but not very many right now. But yet it-- it-- to me that's no

different than putting up a sign with advertising Slim Jims \$2.19 and, you know, just being able to put that-- that-- whatever the price is up there.

MOSEER: Do you get very many complaints from people who see your sign and come in and have problems finding the gas that's advertised?

MARK WILKINSON: I get some. I get-- I got a lot of "go get 'ems" and "good lucks" today-- or yesterday when I left North Platte. I felt like I was coming to the state tournament, to be honest. So I got a lot of very happy customers in North Platte and-- and frequent customers. In today's world with social media where it's at and-- you know, let the consumers vote. Let the consumers, if they don't like what I'm doing, they-- they've got the ability to put me out of business quickly, by not buying my products, by not coming to my stores. Let them vote.

MOSEER: I-- I guess I have a follow-up-- I have another follow-up question. The agreement with the Attorney General, is that with one of your stores, one of your stations?

MARK WILKINSON: Yes.

MOSEER: And just real briefly, what was the agreement on-- with the Attorney General?

MARK WILKINSON: That if I'm going to advertise a product that is not available at all pumps, that I also put on each dispenser where that product is available and that I also advertise on the-- on the pole sign where that product is available. We've got great-big signs on the columns, so we-- on the-- on the columns where the pumps are, so when you pull into the location it says right on the column that regular-- and it's in blue. It's got a blue background, the same as our signage and the same as the product. It's the only blue color that we have at that location and a big sign on the column that says regular available at these pumps.

MOSEER: And these signs, this signage and this mode of doing business is permissible under the agreement that you had with the Attorney General?

MARK WILKINSON: That's my understanding, yes.

MOSER: OK.

MARK WILKINSON: That's what my legal counsel tells me. And that-- we did that back in 2007 when the assurance was drafted and have been doing everything the same to today. You know, the other-- I hate to jump to-- but with the new blends of ethanol, like E15 and E85 that they're exempting, that they're trying to promote, is the same place that I was in 2006 with E10. We've got an ethanol industry and everybody is out trying to promote these other bigger blends of ethanol and we don't as a-- as a gas station owner, they have to offer us incentives through the Ethanol Board to get us to put them in our stations because there's not demand for it.

MOSER: Is-- is-- are gasolines in whatever blends sold you at one cost and then you get rebates back from the ethanol people or anything?

MARK WILKINSON: There's no-- there's no rebates--

MOSER: Or you just-- it's all invoiced out to you--

MARK WILKINSON: Yes.

MOSER: --at the blend that it is.

MARK WILKINSON: Yep.

MOSER: OK.

MARK WILKINSON: Yes.

MOSER: Thank you very much.

MARK WILKINSON: Thank you.

HALLORAN: Thank you, Senator Moser. Any further questions from the committee? Seeing none, I thank you for your testimony.

MARK WILKINSON: Thank you, sir.

HALLORAN: Any other opponents? Any other opponents to LB201? Anyone in the neutral? Good afternoon.

JOE KOHOUT: Good afternoon. Chairman Halloran and members of the Agriculture Committee, my name is Joe Kohout, K-o-h-o-u-t, registered

lobbyist appearing today on behalf of our client, the Nebraska Cooperative Council. LB201 is introduced-- as introduced is LB477 from the Legislature's One Hundred Fifth Legislative Session in 2017 and '18. Nebraska's farmer-owned cooperatives own and operate many retail fuel locations throughout the state of Nebraska. Many of these locations are smaller, older, and utilize signage that would advertise one unleaded gasoline price and one diesel price on a large sign even though in many instances a premium unleaded gasoline is also available at the pump even though it is not advertised. The prices of all blends and products are, as required by law, posted at each pump. As originally introduced, LB477 would have required even these smaller retail locations to go through a material and costly process of putting up new electronic or other roadside signage to make sure that the price of every blend or product offered was advertised. Further, the requirements of each blend advertised would have to have-- have-- had to be available at each pump was not feasible, as many of these locations do not offer blender pumps and the cooperatives would have to have been faced with the real possibility of having to put new pumps and/or underground storage tanks in at signif-- significant expense. The Council appreciates the efforts of Senator McCollister and the Nebraska Petroleum Marketers Association that worked with us to find language to resolve our concerns. As introduced, LB201 contains the amending language that contains a threshold so that they require that any advertised fuel must be available at all fueling positions only applies to a location utilizing multiproduct motor vehicle fuel dispensers with six or more fueling positions. The membership of the Council believes that this change will exempt most of our rural retail locations from the requirements of LB201. We thank you for your attention, Mr. Chairman, and I'd try-- I'd be happy to try to answer any questions that you might have.

HALLORAN: Thank you so much. Any questions? Senator Moser.

MOSER: You went pretty quickly and I'm not sure I followed you there. So you're against the bill, but it does exempt most of your customers?

JOE KOHOUT: No, Senator. What we want to make clear is that two years ago when this committee heard a similar piece of legislation--

MOSER: Yeah.

JOE KOHOUT: --it was one that the Council did not support. And this bill that you have in front of you today is one that we appreciated where those organizations led us. And so we appear in a neutral capacity, only to provide the committee with a perspective on where we have been in the last two years on this issue.

MOSER: So you're-- you are exempt from the new--

JOE KOHOUT: So we're neutral.

MOSER: Okay. So that's what I was trying to figure out.

JOE KOHOUT: Yep.

MOSER: Thank you for that clarity.

HALLORAN: Thank you, Senator Moser. Senator Brandt.

BRANDT: Thank you, Chairman Halloran. I guess I'd like to thank all the retailers in here today on behalf of the Nebraska corn farmers, all you guys that retail ethanol. You know, it's really critical right now with the low prices for corn in the state. And I can see you guys all nodding your head and I just want to say thank you.

HALLORAN: Thank you, Senator Brandt. Any further questions? Seeing none, thank you, sir--

JOE KOHOUT: Thank you.

HALLORAN: --for your neutral testimony. Any further in the neutral? Senator McCollister has waived his closing, so I will read into the record letters. Proponent: Steve Wellman, Department of Agriculture; Rose White, AAA-- The Auto Group. And I remind the committee members, copies of these letters are in your binder. OK. With that, we will move to LB229. Welcome, Senator Groene.

GROENE: Thank you. Mike Groene, M-i-k-e G-r-o-e-n-e. You met two of my better entrepreneurs, hard-nosed entrepreneurs in North Platte. Both them are very loyal to the city and the area. They invest in the area. They-- Senator-- Mr. Wilkinson does other construction. He does it in small towns. He does it in Ogallala and North Platte. Mr. O'Neill, when he buys gas stations, his company does, they do it in rural Nebraska. They're hard-nosed businessmen. You can tell. Call them sharks and that's a compliment. They're out to make money and

they're out to provide jobs. So I got caught in the middle of this, so I brought a bill that reflects what-- could I get a copy of that handout-- what the agreement was by a court of law and the Attorney General, and puts it into law, because right now we have a law that only affects one retailer, which I don't think is fair, because somebody, his neighbor, is doing the same thing now, as he said. He doesn't have to do it because the assurance of voluntary compliance only involves the one person. His competitors could do anything they wanted, but he has to follow a certain set of rules. That need to either go away or we need to make everybody in the state follow the same rules. So my bill basically reflects what the assurance of voluntary compliance was, which is-- well, here it is-- in the-- in the assurance, and I gave a copy to you all what the-- what the agreement was, the-- in the assurance it said, if in-- an electronically advertised price for gasoline at any of the respondent's businesses is limited to specific dispensers, pumps, then respondent shall simultaneously notify the public which dispenser pumps will carry the electronically advertised price of gasoline. Such notification to the public shall be in equal time, equal fonts, and equal wattage. That's what my bill says. As to false advertising, people in North Platte liked what Mr. Wilkinson was doing. We knew which pumps it was. When I moved to North Platte 22 years ago, we were known. In the World-Herald, always had the gas prices. We were number one every-- every week because of a collusion, not by Mr. O'Neill. He wasn't back then, but there was collusion. Individuals like Mr. Wilkinson came in. Now we have one of the lower prices. It's called free enterprise. It works. Competition works. When we start telling people where they have to-- all right, Hy-Vee, how many have walked into a grocery store because you knew milk was \$1.99 a gallon? Is that up front in the cooler? It's in the back of the store. Why? Because you walk by things. You see your crackers you wanted, you see the can of soup you wanted, you get back there, and you reach in the cooler and you walk and you grab the wrong gallon of milk because it wasn't Hy-Vee, it was Roberts, and you walked up to the front. You go, golly, I grabbed the wrong gallon of milk. This is free enterprise. Consumer beware-- that's how we work in this country, buyer beware. It works. To start nit-picking and restricting one over another makes no sense to me, as-- as Mr. Wilkinson said. I've gone in my lifetime to a Black Friday to buy a big-screen TV and they were out. I was there at 6:00 in the morning. They were out already. Why? Because they purposely only had ten of them. Where do we stop? What advertising do we start saying you have to do, I have

to do, you have to do? I've-- have you seen the signs? Regular, \$2.15. Didn't see "cash" until you walked in there and seen on the pump that's the cash price. How many people buy fuel for-- are we going to change that, that you have to say it's for charge card or-- or it's a debit card or it's a-- a cash price? It happens. It happens all the time. So after I seen Senator McCollister's bill last year, I looked and I said, where's the unfairness here? The unfairness is that one-- one retailer has to follow different advertising laws than all the rest of the state of Nebraska. Is that fair? I have heard a lot of people say that they've stopped in North Platte and got some cheap gas. I also heard some people say and send letters to our local editor in the paper and said they got robbed because they filled [SIC] up to a pump and filled up. I don't think I've ever done that in my life. I always-- it's second nature to look at the price per gallon. Don't you? I buy premium in the car I have. It's only at one or two pumps at every gas station, no matter who-- whose pump it is, because there's not that many people that have a vehicle that-- random numbers. Sorry about the ethanol. But when I ran the numbers per gallon, my prices per-- my price per mile is less with premium in this vehicle than it is with any other brand, any other-- it's just a local feud and it's --and it's also some individuals coming past the interstate don't like that they were dumb enough not to look at the price. But Mr. Wilkinson, since then, has followed all the rules. You go into his station and it prominently says which pumps it's on. He's got new signage. I don't know if we need a law at all. But we've had-- it's been vetted by a court and by the Attorney General how it should be advertised and how it should be presented. So if we're going to create a law in this body, let's follow what's already been vetted by the courts. And you're going to have people come up here and say, well, we don't want E15, we don't want E85. It treats everybody the same, because, quite frankly, you'll see an E85 or an E15 price really cheap. You will see it in towns, in bigger cities, in the poor parts of towns on a gas station. They'll have a cheap gas price because they know people will come in and buy two packs of cigarettes, and that's where the real money is, because they'll only put \$20 in their tank because that's all they have. Go to some of those gas stations even in my town. You go to some of those stations in the poorer part of town and you'll walk up and the gas pump will say \$20, \$10. That's all they have. They're tempted into the station by that price, and it's none of these two guys' stations so I'm not going to get trouble there, but they're going to buy-- pay too much for cigarettes. It's marketing. It's Marketing 101, buyer beware.

Anyway, so basically what my bill does, if you read that assurance of the voluntary compliance, my-- the language in my bill echoes it. So that's all I have to say. Hopefully that would keep price-- peace in my hometown, but-- but I do business in both places. I buy diesel at one and gas at the other.

HALLORAN: OK. Thank you, Senator Groene. I hope you keep peace in your hometown, as well.

GROENE: And you thought I was a troublemaker.

HALLORAN: Any questions from the committee? Senator Blood.

BLOOD: Thank you, Chairman Halloran. How are you this afternoon, Senator Groene?

GROENE: Good.

BLOOD: Hey, I-- I just-- I want ask your personal opinion, and I know that you're always willing to give that. The concern I have with both yours and Senator McCollister's bill is that, and you just said it in your testimony, why are we creating legislation for a dispute that's going on basically in a community?

GROENE: Because of this assurance of voluntary compliance, that's why, because if there would have been an order to desist-- there wasn't. It was a-- I believe the Attorney General and the court understood free markets and you couldn't regulate everything, so they came up with this agreement. But-- but the reason I'm doing the legislation is, why should one retailer be-- have-- have to follow rules and nobody else around him does?

BLOOD: Well, do they not regulate it or do they just choose not to enforce what we already have on the books?

GROENE: It's not on the books. But this assurance of voluntary compliance is this one retailer has to advertise this way, the guy across the street doesn't have to, until somebody-- until the AG gets involved and then has assurance of voluntary compliance for him and then the next one does it down the road and then there's another AG-- so either we treat everybody the same or we remove this assurance for voluntary compliance from the one dealer. There's your quandary, because there is another dealer in North Platte who is doing the same thing to compete with Mr. Wilkinson. They're close by, so they had to

do the same thing. Mr. Wilkinson has to do this signage; the other one does not have to.

BLOOD: What are you guys doing in that part of the state?

GROENE: We try to get your money when you come through the interstate.

BLOOD: I-- I think so. All right. Thank you.

HALLORAN: All right. Thank you, Senator Blood. Any other questions from the committee? Senator Moser.

MOSER: Maybe he's not the expert to answer this question but--

HALLORAN: Well, he's all you got right now. [LAUGHTER]

MOSER: I'm-- I'm going to let that slip. But how could the assurance of voluntary-- voluntary compliance only apply to one person? Wouldn't other retailers look at that agreement and figure that that's probably going to apply to them?

GROENE: No, because they weren't sitting in the courtroom or signed the agreement. Only one individual signed the agreement.

MOSER: So it's not-- it's not something-- but if the Attorney General calls up this guy who's across the road and says, we've got this agreement with your competitor, what's he going to say?

GROENE: Thumb his nose at them and say, take me to court. That's what I would do.

MOSER: All right. Thank you.

HALLORAN: Thank you, Senator Moser. Senator Brandt.

BRANDT: Thank you, Chairman Halloran. I see there's a \$25,000-a-year fiscal note on this.

GROENE: I didn't even look. I'll take your word for it. I--

BRANDT: OK. I'm just sort of curious how we were going to cover that cost.

GROENE: Well, no, there isn't any fiscal note.

BRANDT: Yes--

GROENE: I didn't think there was.

BRANDT: Yeah, there is.

GROENE: LB229? No, it says "See below," the--

BRANDT: On the back--

HALLORAN: On the second page.

BRANDT: --back side of the page.

HALLORAN: "Enforcement costs."

GROENE: Yeah, they-- they would have to go around to read the signage and check the pumps. They're already doing it to Senator-- to Mr. Wilkinson, at least one inspector is when he's in North Platte. He's got a special rule he's got. Well, when you go to a Wilkinson station, the Fat Dogs, you've got to follow this rule and check their signage. They don't have to do it on the-- all the rest of them.

BRANDT: I mean, do you really think that's an accurate number.

GROENE: No, they all got-- already got the people coming in and checking the pumps for accuracy. They look up at the signs and look at the pumps.

BRANDT: All right. Thank you.

HALLORAN: Thank you, Senator.

GROENE: If they can hire somebody for \$25,000, the state needs to raise their-- anyhow--

HALLORAN: I could use a supplemental income myself. I could do that. Senator-- thank you, Senator Brandt. Any further questions, committee? OK, seeing none, thank you, Senator. Looking for people in-- proponents for-- for the bill, LB229. Proponents? Seeing none, are there opponents to LB229? Opponents for LB229? Are there-- is there neutral testimony for LB229?

HALLORAN: The clock's ticking, gentlemen.

DAN O'NEILL: Sorry.

HALLORAN: No, you're fine.

LATHROP: I don't know what this means when the guys that were on opposite sides of the last bill are now neutral.

HALLORAN: All right. Good afternoon.

DAN O'NEILL: Good afternoon. Again, I'm Dan O'Neill. Do I repeat that again?

HALLORAN: Please spell it.

DAN O'NEILL: OK. D-a-n O'N-e-i-l-l, representing Kwik Stop and the coalition for petroleum marketers. Initially, I was planning on opposing Mr. Groene's bill, but after further consideration, am going to say that-- that I think that my-- at least my company is-- is neutral on that. I think that if the agreement that was initially signed in 2007, the voluntary agreement is enforced, then we don't necessarily need the legislation. However, if it's not, then we may need the legislation. And I-- and I apologize if I'm kind of talking in circles here because I'm kind of doing this off the cuff. I will say a couple of the things that he brought up that bothered me a little bit. If you go back and look at his bill, equal wattage, that-- and I'll tell you why that popped into my mind. Again, as I was driving east this morning, early, and looked at all the red price signs that are visible from I-80 driving east, and I won't give the companies' names, but I'll give the-- I'll give the exits: Elm Creek, \$2.29; Odessa, \$2.25-- Kearney, \$2.29; Wood River, \$2.29; Alda, \$2.34; Grand Island, Fat Dogs in Grand Island, that is a company there because I'm going to use it, \$2.17; Aurora, \$2.39; Henderson, \$2.21; York, \$2.31; Milford, \$2.39. So obviously, \$2.17 is a lot less everything else in the high \$2.20s or \$2.30s. Why? Because that price is only available on pumps seven and eight. So when we talk about equal wattage, should that equal wattage on that sign, will that mean only on seven and eight-- be careful, buyer beware? I mean I-- I don't know how this-- how this law would be interpreted for sure, but I think at this point I guess my-- my stance would have to be neutral on Senator Groene's bill. Thank you.

HALLORAN: OK. Thank you, Mr. O'Neill.

DAN O'NEILL: I'm sorry, any questions?

HALLORAN: Any questions from the committee? Seeing no other, I-- I thank you for your testimony.

DAN O'NEILL: Thank you.

HALLORAN: Any further testimony in the neutral? Seeing none-- oh, excuse me. I beg your pardon.

MARK WILKINSON: Mark Wilkinson again. I'm--

HALLORAN: Spell your name. Spell your name for us.

MARK WILKINSON: M-a-r-k W-i-l-k-i-n-s-o-n. Once again, I'm from North Platte and I want-- thanks for bringing that we're too cheap in Grand Island. We'll have to get that raised on the way home, I guess. [LAUGHTER] I'm neutral on this as well because, you know, part of it is you realize that this does not exempt your ethanol blends that is being promoted by the Ethanol Board where-- where if you're going to advertise an E85 or an E15 or an E30 or some other exotic blend and you're in a rural or on the interstate location, you're going to-- you're going to have to have that product available at all dispensers, which adds a big burden expensewise, to-- to introduce those products to markets where they need introduced. It creates a whole new threshold when you're trying to explore and bring new products to market. And it's going to have direct impact on the-- the ethanol blends and-- and also, where does it-- where does this stop and start? I mean, we going to start needing the Legislature to give us direction on-- I mean it's-- it-- it's not just exclusive to the-- to the gas business. I don't think it's the role of Legislature to pick the winners and losers and tell us how to do business. Let the consumers decide these issues. That's what our country was founded on, consumers voting with their wallets and spending them-- their money where they-- where they want to. And that's what brings new products to market and innovation and things like that that happen in this country. I don't think there's anything wrong with offering a lot of products, giving consumers a lot of options, and then letting them decide where they want to spend their money. And to get back to the neutrality on this particular bill, you know, it's-- if you're going-- I do like it better than the other bill because the other bill is targeted to me. I am the reason for that bill. This bill, at least it would apply to everybody equally.

HALLORAN: OK. Thank you, Mr. Wilkinson. Any questions? Senator Lathrop.

LATHROP: I have to tell you, now we've listened to two bills, and listening to the-- the signs along the interstate, and if I'm driving from Fort Collins, which I do from time to time, to Omaha, or the other way, and I see gas is \$2.50 at everybody's station and yours says \$1.97 and I pull in there, I've got to think the reason is to get me into your gas pumps, and a certain number of people are either not going to pay attention and pay a higher price for the very gas that you have a sign up that says \$1.97. I-- I don't think this is a, you know, consumers-are-stupid thing. This is a, "I'm going to pull you off the interstate and at the risk of being inconvenienced, you can leave my station." Let's say that there's people at those pumps and-- and I pull into another one not knowing that this is only available on a few pumps. There's a reason you're doing this and it's to get people to come into your parking lot and into your pumps where some of them are not going to go to the particular island where this particularly cheap gas is, they may be buying the very same gas for more at the next pump over. And, you know, I've heard-- I've heard people today talk about consumers are stupid if they don't look. There's a reason-- there's a reason you got a big sign on the interstate, and I see these things. And when your gas is 30 cents cheaper than the next guy's on the big sign, these people aren't going to stop at this other fellow's gas station, they're going to go into yours, and the whole point of it is that a certain number-- you're not-- you're not selling it for \$1.97 to everybody. You're selling it to the people who are sharp enough or who are-- who are looking for the fact that they may be tricked here and they go, you know, all I need is regular gas, I'm driving an old Chevy, I don't need the premium and I don't need one thing or another, and this sign says \$1,97 and everybody else's is \$2.50. I-- I got to tell you, I'm not persuaded by the argument, I'm really not. There's a reason you're pulling people off the interstate into your store and he's-- he's being more honest with the consumer when he says, my gas is going to be \$2.50, and yours says \$1.97 but it's only at a few pumps and the same gas is going to be \$2.50 at some of your pumps in my hypothetical. So you can respond if you like, but that's my--

MARK WILKINSON: Thank you, Senator. I--

LATHROP: --that's my takeaway from listening to the testimony and the-- the introduction of these two bills today.

MARK WILKINSON: I respectfully disagree.

LATHROP: You're-- you're entitled to.

MARK WILKINSON: One-- one of the fundamentals of advertising-- why do we advertise? What-- what is the purpose of advertising? You know, it's to get people to your store and sell them-- sell them the product that you're advertising, and we do that. We have those-- that product available all day, every day, come get all you want. When-- you know, there are things in the marketing industry called loss leaders and other types of things where--

LATHROP: I understand that.

MARK WILKINSON: --where maybe Walmart advertises a cheap milk price for that week, or the grocery store does. They do that to get people in their store to buy that milk and sell them other things while they're there.

LATHROP: But they'll say Roberts milk is \$1 a gallon this week.

MARK WILKINSON: And we have regular--

LATHROP: And when you go in there, you go, OK, well, I'm going to get the Roberts milk. That's different than saying my unleaded is \$1--

MARK WILKINSON: How is it different?

LATHROP: My unleaded is \$1.97 and in some of your pumps it's \$1.97 and some of your pumps it's \$2.50.

MARK WILKINSON: No. No, sir. No, sir. They're different products at different prices. I do not--

LATHROP: What's the difference? What's the difference?

MARK WILKINSON: I do not-- the-- the-- the octane--

LATHROP: Point 5, .5 in octane?

MARK WILKINSON: Yeah, there's-- well, there's a lot-- what's the difference between whole milk and 2 percent? What's the difference between 1 percent and 2 percent milk?

LATHROP: Big difference to me.

MARK WILKINSON: Well, OK. There's a big difference to me between premium 91 and--

LATHROP: OK.

MARK WILKINSON: --and regular fuel because, I mean-- and I keep it in separate tanks there. You know, that's the purpose of advertising, to get the people to-- that's why we spend big money for advertising to-- to promote the products that we have to sell. Every-- every industry--

LATHROP: In what-- in what vehicle-- in what vehicle is there an appreciable difference in performance between .5 octane?

MARK WILKINSON: Have you ever driven a Lamborghini or, you know, I mean--

LATHROP: They're-- they're buying the 91, though, and not the stuff you're talking about.

MARK WILKINSON: Well, but there's a lot of them. I mean even lawnmowers and stuff like that, they don't recommend burning ethanol in, a lot of small engines.

LATHROP: We're not talking about that, though, are we?

MARK WILKINSON: But we're talking about cars. There's-- there's a lot of owner's manuals. I drive a Denali, a GMC Denali. In that manual it recommends a 91 premium.

LATHROP: So is mine.

MARK WILKINSON: I've got a boat that recommends 91-clear premium, 91 octane.

LATHROP: Those, that's not-- that's not what we're talking about though. We're talking about regular old unleaded that you put \$1.97 sign up and-- and you're charging \$2.50 for something--

MARK WILKINSON: No, I'm not, sir. I'm --I'm charging the dollar-- I'm charging--

HALLORAN: If I could-- if I could break this debate up just momentarily, because that's not our purpose here. I understand the points. I appreciate your points. If we could lead into a question, then that-- I-- that would be good. But we're not to have a trial here. But if you have--

LATHROP: We're not having a trial. I'm asking him--

HALLORAN: Well, not many questions, but if you want, a question is good.

LATHROP: I'll ask you again, what's the difference in octane between what you advertise and you sell for more?

MARK WILKINSON: It depends on which product you pick, sir. I mean--

LATHROP: That's OK.

HALLORAN: OK. Thank you, Senator Lathrop.

LATHROP: I'm done, Mr. Chair.

HALLORAN: Thank you, Senator Lathrop. Senator Moser.

MOSER: OK. I'm going to try one more question along the lines of Steve's. So you've got one level of octane that you sell for the least expensive price, right?

MARK WILKINSON: OK.

MOSER: All right. And it's available at, what, half of your fueling spots or something like that?

MARK WILKINSON: OK.

MOSER: All right. And so what's the least expensive gas at the other fueling pumps? Is it a half, .5 percent difference in octane?

MARK WILKINSON: It varies. It's a-- it's at least-- it's one octane difference, typically, but it varies. West of Cozad, we're allowed to sell 85-octane in the industry. East of Cozad, you-- you have to sell 87-octane product. But for whatever reason, because of the front

range of Colorado, I think they pull a lot of product out of there, you're-- you're allowed to sell a less octane product in western Nebraska than you are in eastern Nebraska.

MOSER: What's the difference in price between this gas that you sell for the advertised price versus-- I mean typically. I don't expect you to say--

MARK WILKINSON: Yeah. I mean it varies. I mean-- you mean the retail side or the wholesale side?

MOSER: Well, retail. Is it 20 cents a gallon or something like that?

MARK WILKINSON: Yeah, it varies. Yeah, 20-- yeah, 10 to 30 cents, 35 cents. I mean it varies depending on the situation. I mean ask-- asking a gas guy how he prices his gas is-- you know, it depends on what attitude you wake up in the morning, I guess, it depends on where your competitors are, it depends on how volatile the market's been, it-- you know, it depends on a lot of variables on how you come--

MOSER: I'm just trying to-- I'm just trying to put myself in your shoes and figure out exactly how you're--

MARK WILKINSON: Yeah.

MOSER: --your business model here.

MARK WILKINSON: I understated, you know, and there is no-- I don't really have any specific-- I don't know what would happen with my company if I went away because I don't know-- you know, I-- it's-- I've just been doing it a long time. But-- but to insinuate that there is in any industry a-- an acceptable margin between retail and wholesale prices, I mean, jeez, I-- you know, that's like saying you shouldn't be able to sell TVs with too much margin or-- I mean I-- there is no-- I know of a lot of industries that profit--

MOSER: I don't think anybody-- and I don't-- I'm speaking for both McCollister and Groene. I don't think that they're trying to say that gas margins are too high. I just think they're looking for fairness and-- and clear pricing so that people can make an informed decision.

MARK WILKINSON: Why not say you can't put a gas price up, period. Say I-- say no gas station can post a price and then-- and then it takes--

MOSER: Well, it's some-- it's some--

MARK WILKINSON: --then it brings back the value of the locations and stuff like that.

MOSER: Yeah. It's too-- too late this year to bring that up, but thank you very much, appreciate it.

HALLORAN: Thank you, Senator Moser. I got a question for you. Anybody else? I'm sorry. Senator Hansen.

B. HANSEN: Thanks for coming, too, by the way.

MARK WILKINSON: Thank you.

B. HANSEN: I appreciate your free-market philosophy and kind of where you're coming from, and also the understanding of what Senator Groene said, the buyer beware. I also understand it's our job sometimes as legislators to make sure that we're-- making sure that we-- we're kind of ruling against deceptive practices, you know. And so I think one question I had for you was, has there ever been any issue with, I don't know what you call them, your distributors, like who you go-- are you through Gulf right now?

MARK WILKINSON: Yes.

B. HANSEN: Were you with any other kind of distributors beforehand where maybe there might have been an issue where they thought this was a problem with their kind of [INAUDIBLE] dispensing [INAUDIBLE].

MARK WILKINSON: I used to have a situation with Conoco, but when I first got started-- you know, I've always had interstate locations, so I used to practice the-- the tactic of not putting up a price at all because to me, why, you know, why post a price if I'm higher than everybody else? There's no value in that as a retailer, that's-- when that's the way the industry has-- has been worked. I used to-- the-- I used to have a situation with Conoco where-- where they didn't-- I didn't post a price and they wanted me to post a price. But you have to realize, when you're dealing with ConocoPhillips, all gas brands, their motivation is to have you sell more of their product. They're

driven by volume. They-- they don't care if I make money. They make the same money per cent, per gallon. Their interest is having as much volume as possible go through those stations that they are supplying their product to. They make more money by more volume. That doesn't necessarily jibe with me as on the retail level, because I make money if I got margin. If I sell a million gallons at a location at it at a nickel, it's the same as selling a half a million gallons at a dime margin. So, you know, we're not always congruent on-- on how that works. They actually changed their-- they used to have it in their Conoco manual that they had addressed the pricing. And I just didn't put up a price and they rewrote their manual and said that I had to put up a price and, you know, and that forces you to compete at the street level a little bit more. But that-- I haven't had any-- you know, I've had some-- you know, I had some issues with BP a little bit, but we didn't want to be BP anyway because BP has the reputation of being high priced, just like Shell. And some gas brands, you always see them higher priced than anybody else. BP, Shell, some other brands, for whatever reason, are known for having higher gas prices. They'll spend billions of dollars on TV trying to convince people that their gas is better than everybody else's, but nobody believes it.

B. HANSEN: OK.

MARK WILKINSON: You know, nobody goes there and buys it because of those gas prices.

B. HANSEN: OK. Thank you.

HALLORAN: Thank you, Senator Hansen. Any further questions from the committee? I had a quick question. So all-- all your competitors sell regular gas as well, right? And your regular gas is substantially less expensive-- or is priced underneath theirs generally.

MARK WILKINSON: Not always, but sometimes. I try to be very competitive. I try to be the lowest in the marketplaces I'm at.

HALLORAN: What you're showing on your price board, though, is regular gas, is my--

MARK WILKINSON: Yes.

HALLORAN: OK. Is there a reason-- I think I asked this question of a previous testifier, but is there a reason why they can't offer their regular price at the same price--

MARK WILKINSON: None.

HALLORAN: --that you offer your regular price?

MARK WILKINSON: None.

HALLORAN: OK. OK. Thank you, sir. Any further questions? Seeing none, I appreciate your testimony.

MARK WILKINSON: Thank you.

HALLORAN: Any further in neutral capacity for LB229? Seeing none, I will ask Senator Groene to close. Senator Groene. And while he's approaching the chair, there are some letters of support by Steve Wellman, Nebraska Department of Agriculture, and Rose White of AAA. Let me correct-- let me correct myself. Steve Wellman was Department of Agriculture in support, and opponent-- opponent was Rose White, AAA. Senator Groene.

GROENE: Thank you. To make it clear, no gas station in North Platte, when the fuel content was tested by the state, was dishonest on what they said the octane was or the-- or the ethanol content was. They're selling what they advertise. And it isn't the same product. One of them is called regular; one is called super regular; one is called extra regular or something. They all have different octane, different amounts of ethanol. Found something interesting here about Cozad. Because of the altitude, you can get the same efficiency west at an 85 octane. East of Cozad, the 100th Meridian, you can go 87, have to be 87 to get the same efficiency. But the reality was, if you took an 85 ethanol-- octane and added ethanol, because ethanol now is less than gas a gallon, the 87 would be less money than a straight 85, which is against reason, but-- so when you say one is 85, one is 86, one is 87, it's how you mix it. Now does Mr. Wilkinson make the same margin on his sale price. You know, part of what he's doing here is not deceptive. He's just saying, as Walmart does or Hy-Vee does, I'm going to make 30 percent on this gallon of milk, this one I'm going to make 5 or 6 percent to attract them into my store. He's not lowering the quality of his product. He's lowering his margin, all advertise to bring people into your store. I-- I don't think it's deceptive. I do think the part where you have 10 or 12 pumps and

it's-- and it's midnight and somebody pulls off and you can't find the pump that has the sale price on it, just like you couldn't find the cooler in a grocery store that had the less expensive milk, can be considered deceptive in this because you've got them driving all over the place. It's about like driving into a truck stop and trying to find the diesel pump that has the pickup nozzle. Takes you ten minutes to find that pump. But anyway-- but you do it. I don't think we need to start regulating that says you have to sell that product every day in all of your dispensers for the same price. Then you're going to have to do-- then you're going to have to put diesel in every dispenser, you're going to have to put premium at every dispenser, because, quite frankly, I pulled up the pumps when I'm looking for premium and everything is busy and I look and this pump don't have premium, the other one over there did, and I said, the heck with it, I'm just going to fill up and get down the road. Is that deceptive? I don't think it is. And that gas station probably made a higher margin on-- on the 80-- 89 percent octane that I bought than the 91 I was looking for because it depends on what the ingredients are. So this is just hardcore, free-enterprise advertising to get the customer in your store and-- and sell them a bag of chips or a hotdog. Mr. Wilkinson calls his Fat Dogs, his gas stations. I just want this thing to go away. I want everybody to be treated the same statewide and not have one individual being penalized on certain restrictions when he wasn't found guilty or innocent, it was just an agreement with the court and the AG's Office, so-- but we need fair advertising. It hasn't hurt North Platte's reputation. I mean we're-- we used to be little Chicago guys. It's the people who find it. I've had people stop me and talk to me. They filled up with gas and they got some of the cheapest gas on the whole trip. I've had other people send me letters and said that I got-- somebody was unfair practice and they got-- they pulled in and filled up and it was \$2.40 instead of \$2.17 and-- and-- but as Mr. Wilkinson said, he's never out of gas, he's never out of that gas. There's always that available. And when you pull in there and you look at his pumps, they're clearly marked now with signs on them that says this is the regular pump. So I don't want everybody in North Platte to pay 30 cents more. I don't want everybody going down the interstate to pay 30 cents more because we took away the opportunity for one entrepreneur to force the market to adjust their pricing to the point where the consumer wins. Advertising, the entrepreneur, let's put Walmart out of business. They're closing all my grocery stores. They're closing everybody's grocery stores because

of, what do we call it, unfair-- unfair marketing practices? Should we do that to Walmart? Should we say they've got to charge the same price that-- that the small downtown grocery store does for everything? Why not? Where you going to stop? Anyway, thank you.

HALLORAN: OK. Thank you, Senator Groene. That-- that concludes our hearing for LB229.

GROENE: Thank you, sir. It was enjoyable. I meant to be here this time.

HALLORAN: We will proceed with LB157. Welcome, Senator Brewer.

BREWER: Now that Senator Groene has got you good and wore down, the timing is perfect. Thank you, Chairman Halloran, and good afternoon fellow members of the Legislature. I'm Senator Tom Brewer, that's T-o-m B-r-e-w-e-r, I represent 13 counties of the 43rd Legislative District of western Nebraska. I'm here to introduce LB157. This is a bill on commercial beekeeping. This bill was brought to me by my constituents. I first introduced this bill in 2017, so it's the second time that this committee has seen it. The Ag Committee did an interim study, LR171, in 2017. This bill with my amendments are incorporated in this recommendation. Look at LR171 on the last page. Hopefully we go on to get some highlighting on. It's the last page that this LR's recommendation is what the bill has become. I will be followed by some of my constituents who are a wealth of knowledge on the subject, because I am not. I hope you ask them lots of questions and not me. I'm bringing this bill because I think our predecessors in the Legislature made a mistake in 2006. In an effort to cut costs they did away with the Nebraska laws that govern commercial beekeeping and shut down the part of the Department of Agriculture that administered the program. My bill and the amendment I brought turn some of these laws back on. Ordinarily, I do not like the idea of growing state government. In this case, however, it has become clear to me a law is needed so that our state government can perform its paramount function of protecting the rights of citizens. None of the states around us did away with their beekeeping laws like we did. Consequently, Nebraska is flooded every year with out-of-state beehives. Several bad things happened as a result of this. These out-of-state beekeepers often set their hives near our Nebraska beekeepers. These bees take the forage and Nebraska beekeepers lose their crop of honey. Some states around us have a registry system that protects hive locations and prevents this sort of overlap. We do

not. Other states around us have an entry permit system and require a health inspection on the beehives that have applied for entry into their state. Nebraska does not. We do have health inspections for cattle, hogs, and chickens, but we do not have it for our bees. We are asking for big trouble by not doing this. Honeybees suffer from a variety of diseases and parasites that can cause catastrophic harm to the bee population. LB157 resurrects parts of the old statute that was created to have a permit system and a health inspection requirement for out-of-state beehives. And it also creates a voluntary register of beehive locations to "deconflict" the problem of beekeepers stealing each other's forage. My bill also creates a cause of action in the law so the beekeepers can find relief in the court system for those who break the rules. I agree with-- I disagree with the second half of the fiscal note where the Department of Ag makes a prediction this bill will have a General Fund impact. It is my intention that the entry-- the entire idea of funding is by fees through the department, charges that are administered on the requirements here. After working through two and a half years I think that we're close to having a final product that is going to be agreeable and can be advanced to the floor. Thank you. And also the amendment, AM397. And, again, that amendment creates an entry permit and that's per the interim study, LB171. So with that, thank you.

HALLORAN: Any questions? Senator Blood.

BLOOD: Thank you, Chairman Halloran. How are you today, Senator Brewer?

BREWER: Well, this is my second introduction and so I'm getting through it.

BLOOD: Well, deep breath, [INAUDIBLE]. I've learned more about bees in the last 48 hours than I ever wanted to know. So one of the questions that I have and I'm hoping you can answer this, I look at this bill and it talks about beekeeping. But aren't we really talking about beekeeping when it pertains to honeybees.

BREWER: Correct. And, specifically, in how, in how we're going to treat those beekeepers that are coming into Nebraska and also trying to make sure we don't have overlap of areas where the ones that are coming in from out of state are.

BLOOD: Because high density equals an easier environment for diseases-- diseases to pass from bee to bee, right?

BREWER: Correct.

BLOOD: OK. So-- I'll mark that off so I don't ask that one again. So the question I have about this bill and that I still find confusing is that managed bees-- true are false or not always honeybees.

BREWER: Well, that may be one you'll have to ask the, the bee experts that follow me, but I guess I kind of assumed they were all honeybees, because I'm not sure how many other bees you have. Like wild bees or bumblebees or--

BLOOD: Wild bees can take diseases from managed bees and spread diseases. So say that we have an organic farmer who invests in bumblebees for pollination and the bumblebees are in this same general area as the honeybees. Do you feel that the way this is written it would protect our honey farmers from those bumblebees as well, because bumblebees are also a type of bees that are, are managed bees and we're seeing more and more of that and there are certain breeds that are known like the-- I think it's the buff-tailed bumblebee. I'm doing my best here, but I think the buff-tailed bumblebee is one of the ones that's known to like really spread diseases quite quickly. And I think the western honeybee then, on the other hand, if we're going to talk about honeybees, is another one. So my concern is, what if we have people that are not doing honeybees but they're doing bumblebees. We have the same concerns and I'm not sure that the bill addresses the bumblebees. Does that make sense?

BREWER: Well, it does kind of make sense. I guess I just didn't realize the bumblebee was that big of a item that, that people actually raise them and managed them in and they were used for pollinization. I thought they were more kind of just on their own. But I will have to--

BLOOD: I don't think they do apiaries like they do with honeybees, I don't think. I'm not sure how they keep-- that's the one thing I'm not clear on. So my concern and maybe the honey people will come up and talk about that. I'm assuming you have honey people here.

BREWER: I have honey people here.

BLOOD: Is, is to make sure that if the concern truly is cross contamination, which I certainly agree with, and, and not having too many bees in an area that's, that's dense. Then if we're concerned about transferring these diseases, then we should be concerned about the bumblebees, as well. And I'm not sure the way the description is for beekeeper and beekeeping that it pertains to the nonapiary bees.

BREWER: How about if we make a deal?

BLOOD: Yes, sir.

BREWER: I'm going to read in a lot more detail this bill as I sit here and wait to close and the, the bee experts come up here. And between the bee experts and me we're going to have an answer for you.

BLOOD: I appreciate that. I'm sorry to make it hard. I just want to make sure that it's truly saving--

BREWER: No. Actually, it's, it's fair.

BLOOD: We're actually saving the honeybees.

BREWER: Yes.

BLOOD: All right. Thank you.

HALLORAN: Any other questions from the committee? I have a quick question. Senator, would you, Senator, would you-- it's about protecting the bees at some level on a disease basis, but it's also protecting our commercial apiary--

BREWER: Correct.

HALLORAN: --in regard to their, their, their--

BREWER: The footprint of where their bees are--

HALLORAN: Give us an example if you could maybe of what could happen or what is, is happening now that you want to protect our state beekeepers.

BREWER: All right. Well, I'll have to give you examples from, from western Nebraska because that's really the only place I know them from. But I'm sure that same example could be used here in the east. But you would have a beekeeper from California that would-- because

they have two seasons they're able to raise honey during the winter months when we don't. And then of course they can come here during the warmer months, they have an advantage. And, you know, their operations are more profitable so they can offer more money and be able to come in and set up hives in enough of a volume and close enough to existing ones that they'd be able to take away areas that would normally go to Nebraska beekeepers. And because of that you don't have the ability for our Nebraska beekeepers to be competitive. And then also you've got a situation where these bees are being brought in without any oversight to know whether or not you're, you're going to share whatever parasites, diseases. So I think the idea behind that is that we have some way to have a registry. First off, even though it's voluntary, if you're a Nebraska beekeeper you probably want to register your hives so that they are not in a position where they're going to have the overlap from out-of-state beekeepers. And then also the actual ability to do that entry inspection on the bees so that you have some idea what's coming in. So, I mean it is the footprint of where the hives are, the existing Nebraska hives, but it's also making sure that we're not endangering the population of the Nebraska bees by, by this crossover from other states.

HALLORAN: So, let me ask you a silly question. Can you hurt bees?

BREWER: Well, again--

HALLORAN: Quick answer.

BREWER: --there's a lot of things in this world that I'm very knowledgeable. Bees are probably not amongst those things that I am the most knowledgeable about. I would imagine if you put a hive out and you have a queen, the rest of them show up but that's just my guess on the deal.

HALLORAN: OK. Well, it wasn't a trick question but, I guess the example I've been told and you can clarify this and give it more detail is, say a honey-- a beehive-- an apiary has 30 hives and they have made a contract with a local farmer who has a clover field. Right? Say a hundred acres of clover and he's been doing this for years and years and years and that's, that's, that's, where the bees are going, right, for their pollen so they can do their thing. And then right across the road from this is a yard-- a farmyard that gets sold or inherited by someone, five acres. And an out-of-state

beekeeper comes along from California, wherever, in the off months and says, I'll give you \$300 if you will let me set my beehives here. And then those, those bees then will forage-- not forage but they will--

BREWER: Away from there.

HALLORAN: -- they will go to that 100 acres of clover where that established bee-- Nebraska beekeeper has been contracting for years to use and, in effect, compete with that, that, that state-- that local apiary, right?

BREWER: And I think when you have a chance to talk to the ones that will follow me they'll share stories that may be along those lines.

HALLORAN: OK. Senator Blood.

BLOOD: Thank you, Chairman Halloran. Just one more quick question. Why do you think-- you say quite clearly, clearly in the bill that there can be a fee for this certification. Why is that fee not reflected in your fiscal note as revenue?

BREWER: Well, I think the issue was how much the permit-- the permitting process was going to be. That's kind of why I said, you know, the Department of Ag-- I didn't necessarily agree with their second half of the fiscal note on what the cost would be or that there would be an impact to the General Fund.

BLOOD: But it's not-- I'm saying the revenue, the income that it would generate is not reflected. I don't see it in the notes anywhere.

BREWER: All right. I will look at that and have it ready for closing.

BLOOD: It would obviously be to your benefit.

HALLORAN: Thank you, Senator Blood. Any further questions from the committee? Thank you, Senator Brewer. Time for proponents of LB157. Good afternoon.

EDWARD McDONALD: Good afternoon. And thank you, Chairman Halloran. Senators, thanks for having me. I testified here two years ago--

HALLORAN: Sir, sir, could you spell your name-- give us your name and spell it, please?

EDWARD McDONALD: I'm sorry.

HALLORAN: You're fine.

EDWARD McDONALD: Edward McDonald, E-d-w-a-r-d M-c-D-o-n-a-l-d. I testified here two years ago and I was just as nervous as I am now. I said I couldn't make a speech back then. I still can't make a speech, but I know this material. I know this industry, so I will list right-off the simple problems are that to Senator Halloran started to mention that we pay landowners for their honey and we, we harvest that honey using bees. That gives us a property right. That, that landowner owns that honey, he owns that crop, he owns everything on his land. He can either lease it to me or he can harvest it himself or he can leave it set. So once, once I make an agreement with him, then I have a right to that. The problem is other beekeepers can come in across the fence or down the road on a place that has only a few acres and no forage. And then they can-- those bees are going to come and take that honey that I've paid for. So registrations prevents that from happening. You have to stay so far away from, from a registered beekeeper, so that's the basis of the problem. This bill will not prevent any beekeeper-- California, won't prevent them from coming here. It just regulates how they do it. It tells them, you can come here, but find your own forage, make your own contracts with your landowners. Don't take somebody else's forage. That's all it does. It prevents them from taking what we pay for. Also, we started years ago doing research on, on alternative crops for, for Nebraska farmers so they could get a crop that they could actually make money on. We've been planting alternative crops that are honey specific. The specific purpose of their crop is to produce honey and then sell the honey. So we've rented, rented center pivots. We have dryland. We've planted-- we've sharecropped with farmers over the years and we've zeroed in on crops that we can plant honey crops and the farmer makes more money. I saw that the one of the responsibilities of this committee is ag research. We're doing that ag research and we're not asking this committee for money or anything. It's being done. But when, when the state dropped their registration that drops our protection for the crop that we've developed and grown. So now we can do the expense of planting that crop and growing it and somebody else-- some other beekeeper harvest it, they, they go down the road. And this has happened to us. Norman O'Dell [PHONETIC] is-- we, we

planted with him. We started a successful crop. An out-of-state beekeeper or an instate beekeeper found a landowner with just a little piece of ground and set five hundred hives of bees on our pivot where we had a stocking density of 400. So, so they took that. Our next crop had to be plowed under. If somebody can take your crop you got to plow it under. Go plant corn and give the corn another try, which is tough. So, so that's, that's one of the problems. Bee health-- I'm sure everybody hears on the news the problems with bees. Problems with bees is-- well, I'm out of time already.

HALLORAN: You've got, you've got a minute, so.

EDWARD McDONALD: I, I want to stress that this does not limit the landowner. If a landowner owns land and he has forage he can have bees. He just has to have the forage for it. He can't put bees on land and think he can forage on somebody else's and then it does not in any way prevent competition. Any beekeeper from anywhere can come to Nebraska, they can go to my landowner and say, I'll pay you more than him. And if he-- if he wins that argument then he gets that forage. And that's, that's fair on his competition, does not limit it at all. But you can't take something that you don't-- you don't own. I was enthused by the questions you were giving Senator Brewer and I'm, I'm ready to bite into those. Thank you.

HALLORAN: All right. Thank you, Mr. McDonald. Senator Blood.

BLOOD: Thank you, Chairman Halloran. Don't be nervous, you did a great job. And thank you for your testimony. So I'm listening to your testimony, I'm reading the bill. If I understand correctly, and I need to know yes or no on this, when you talk about forage you're also talking about the pathogens that could possibly be spread from one beekeeper to another beekeeper because the pollinization. Right?

EDWARD McDONALD: Pathogens can be spread from one beekeeper to another. Correct.

BLOOD: And so when people come out from out of state, do you worry about like deformed wing virus? I'm not sure what's prevalent in Nebraska, but I know that that's one of the scarier ones. Do you see that? Are you worried about that?

EDWARD McDONALD: That's a dramatic problem throughout the industry. The national mortality rate on bees has moved up to 42 percent.

That's a devastating number. And it's disease. It's disease and it's chemicals.

BLOOD: And aren't a lot of those diseases not necessarily coming from the other honeybees but from bumblebees, because more people are doing commercial bumblebees for things like pollinization?

EDWARD McDONALD: Commercial bumblebees are not a big thing. There are people utilizing that, that some. The leafcutter bee is used for alfalfa pollination. There's individual bees that they were trying to develop for other pollination crops; that's falling by the wayside. Honeybees in Nebraska are specifically for honey production. Now this bill would require the honeybees to be health inspected, which I do anyway. I take part in any inspection I can get. Everywhere I go I volunteer for inspections, so I do it anyway, but not everybody does. So the bumblebees are protected from the pathogens that the honeybees would be carrying. But the honeybees are not protected by this bill from-- because this bill doesn't mention the bumblebees or any other variety.

BLOOD: Well, that's, that's one of my concerns the way we've described it in the bill is that, I'm wondering if we should include because that seems to be a slowly growing industry when it comes to organic farmers, which include bumblebees for pollinization. And my concern is when we bring in the bumblebees we kill the honeybees because we're, we are spreading diseases when they pollinate.

EDWARD McDONALD: That's-- looking forward, I don't see that as a current problem. It's not something that's, that's came up. I pollinate crops for organic farmers. And that's true, if, if a bumblebee pollinator brought pathogen in on his bumblebee, it would transfer to the honeybees. Having state inspections for the honeybees would, would catch it when it got into the bees and it could be dealt with.

BLOOD: Were they inspecting it?

EDWARD McDONALD: But it, it could be something that could be-- become a problem in the future. I personally don't foresee that. But I don't know everything.

BLOOD: There's a president several years ago put together the Pollinator-- I have it written down-- Pollinator Partnership Action Plan and that was one of the concerns was the cross contamination

from one species to another. And so that's the only reason I'm bringing it up. I have nothing against this bill. I just want to make sure if we're doing to do it we do it right.

EDWARD McDONALD: Yes. And I've, I've put a lot of bees on, on the farmers who are planting those, those plots. There's lots of different programs now and they require bees and I put a lot of bees on there. But, truthfully, I, I've never considered that something else would bring disease into my bees. So it certainly could help.

BLOOD: Well, I personally like your bees, so thank you for that.

EDWARD McDONALD: Thank you.

HALLORAN: Thank you, Senator Blood. Any further questions from the committee? Seeing none, Mr. McDonald, you did a fine job. You should be more-- you weren't at all nervous.

EDWARD McDONALD: Thank you, Chairman. Thank you, Senators.

HALLORAN: Any further proponents? Any further proponents for LB157? Good afternoon.

SUSAN McDONALD: Good afternoon, Senator Halloran and the rest of the committee. My name is Susan McDonald. It's -S-u-s-a-n M-c-D-o-n-a-l-d. I am following behind my husband. We've been in this business for 29 years and I wanted to touch some on the registrations and fees from other states to help give you knowledge. Currently, with research that I did kind of fast because I didn't dig in and read the bills in entirety or the rules, 46 states, plus Washington, D.C., have bee registration requirements. Even in within the confines of the city of Washington, D.C., you have to have an entry permit to bring in bees, boxes, comb or apiary equipment of any kind. And they have pretty strict rules if they find you with stuff that has not been cleared to come in. The only four states that do not have a bee registration are Nebraska, Colorado, Kansas, and Michigan. It's very important, like my husband touched on, to know that when we have agreements with our landowners that we can perform under those agreements, especially when it's on a crop share for the honey production and we do not have that protection. Within our business both of our sons are involved. One is home with us full time. He is a reservist in the Air Force. Our other son is active duty Air Force. When he's in the country he comes and works bees, but he got pulled for a three-year tour of duty out of England. He is a flying crew

chief on a Osprey and so he travels frequently. And so mom and dad have his bees to take care of right now right along with ours till they're back. We have one grandson that works bees with us and we are working with mentoring and teaching school programs. We've-- our other son has been all over in western Nebraska to different schools just teaching basic bee education and pollinator education and do not spray if you see a honeybee. We also are working encouraging backyard beekeepers, hobbyist beekeepers, whatever tag you want to call them that have 1 to 10 maybe 20 hives. And we will help them set up their hives and, of course, a lot of them don't over winter well. Nebraska with their cold, sometimes bees-- and we are available to get them what we call a nuc hive of the next spring to keep their hives going. Any questions, I can answer I would sure like to.

HALLORAN: Any questions from the committee? Seeing none, thank you for your testimony, Mrs. McDonald. Any further proponents for LB157? Good afternoon.

JEFFREY POWELL: I'm Jeffrey Powell, J-e-f-f-r-e-y P-o-w-e-l-l. Are we good to go?

HALLORAN: Yes, please.

JEFFREY POWELL: OK. I believe in the future of agriculture. Just like E.M. Tiffany, I believe, I believe that creating regulations to protect instate beekeepers and promote goat-- growth should not only be passed, but promoted. I'm the next generation of Nebraska beekeeping. I started working for McDonald Apiary when I was only 14 years old. I've continued to expand my knowledge and involvement in the industry. I'm now, now a college student and now purchasing my own bees. Registered locations can be very complex, but I would like to cover some of the benefits that registered locations would provide for Nebraska. These benefits can be broken down into three sections starting with: production protection; better traceability; and ending with financial advantage to Nebraska. The first step in production protection. This is the most important to the producer. Production production-- production protection is straightforward. The producer needs a way to protect his honey crop from being skimmed or in other words stolen. This has been a growing problem due to other beekeepers placing bees on top of our current locations. The best solution is to register your location, which would allow a certain radius around the yard that cannot be set by another beekeeper. This will eliminate the production loss that we are currently incurring. Next to that,

regulation must be that-- must back that. Currently, self-governing locations has not been working. There is no way for a beekeeper that is being sat on to protect his entity. The only current solution is to move from that area and that does not support a sustainable future for the in-state Nebraska apiary industry. Now that I have touched on production protection, let's tackle traceability. Traceability is a current issue within the whole ag industry. Why shouldn't beekeepers strive to be the forefront of this? Currently, beekeepers are dealing with the rise of death loss and colony population. By registering locations this could change the way we are capable of tracing disease, mites, and other factors. This potentially will improve current health practices in Nebraska and establish a set of standards. Besides having a better way of tracing disease this will help improve the way we trace our honey production. This could improve marketing practices, seller transparency, and help the buyer have a better understanding to where their products are produced. Traceability is just like having a good accountant for your firm. Now let's fly into how implementing registered locations will provide a financial advantage to Nebraska. Our goal is not to push a large expense onto our state government in which we strive to improve this program and the resulting effects and producing more revenue for the state. Starting out, the clear boost will be in tax revenue. When beekeepers are protected from the loss of production this will increase the amount of taxable honey being sold. We feel this is such a critical program that we are willing to pay a fee to register our locations. We cannot buy a crop insurance for our hives, but we should have the right to protect the forage we lease from being stolen out from under us. Other forms of financial advantages to Nebraska include: salaries for employees; cost of vehicle maintenance; supplies; residential and commercial real estate purchased or rented in the state; and other expenditures made by beekeepers in the conduct of their operations in the state. In conclusion, registered locations can be very complex, but as I covered there is-- there are substantial benefits with registered locations for Nebraska. I've broken the benefits down into three sections starting with: production protection, better traceability; and ending with financial advantage to Nebraska. I believe in the future of agriculture. I believe that registered locations are part of Nebraska's future. What do you believe in?

HALLORAN: Thank you, Mr. Powell. I have a quick question. What's your major?

JEFFREY POWELL: My major is ag business with a minor in agronomy.

HALLORAN: Good for you. Are there any questions from the committee? Seeing none, that was very detailed testimony. Thank you, Mr. Powell.

JEFFREY POWELL: Thank you.

HALLORAN: Any further proponents for LB157? Any opponents LB157? Any opponents? Any in the neutral for LB157? Seeing none, Senator Brewer, if you'd like to close, please.

BREWER: Thank you, Chairman Halloran. All right, a couple of quick items. On the fiscal note it says it is estimated that the primary cost to register apiaries that occur, that occur in '19 and '20 and '20 and '21, Department of Agriculture estimates \$16,000 to \$20,000 in General Fund expenditures annually, but it may not be possible to determine the costs to the extent at this point. In addition, if the Cash Fund is specified for the deposit of fees, a portion of these expenses could be offset. And I'd have to talk to Clair Oglesby of the Department of Agriculture I guess to get any more on that. But there is a fiscal note. It's just I think until it gets up and going I don't know that they have knowledge of how many beekeepers there are in Nebraska and how many are going to be coming in from out of state. So I guess short of talking to her again I don't know what I can do on that one. I did look in the bill though and it looks like most of the places I'm looking at here talks about multiples of bees, adult stages of bees. I don't know that it specifies a bumblebee over a honeybee, so I don't see how the bumblebee would be excluded from this. Anyway, with that, I'm looking for more questions.

HALLORAN: OK. Senator Brewer. Yes, Senator Blood.

BLOOD: Thank you, Senator or Chairman Halloran. So the concern that I had was where it described the difference-- and I think I read it earlier-- between-- let's see if I can find it again. Maybe it's in your amendment. It described beekeeper and-- I don't even remember what the expression was-- beekeeper and something else. I read it to you earlier. Do you remember what that was?

BREWER: Commercial beekeeping operation means an owner or an operator of two hundred or multiple--

BLOOD: It was on your amendment. Beekeeper means a person engaged in beekeeping. I know I read it somewhere. And beekeeping means the

moving, raising and producing of bees, beeswax, and honey, which is an agricultural pursuit. My only concern is the way this is described. It says honeybee here, on line 25. I just wonder if we should be forward thinking in them and include bumblebees because they are raised commercially. That's my only concern.

BREWER: We could do that. That's not, that's not a hard one there.

BLOOD: And then in reference to your fiscal note, just to be clear, I, I, I think on a fiscal note it would have been prudent on their part, not your part, to have guesstimated revenue. I mean, they surely have a certain idea of how much revenue they think they can generate. Even if it's on the low end of it, I think it should have been reflected in your-- I'm not blaming you in any way. I'm saying that it's easy to show an expenditure. Why is the revenue not being shown even if it's estimated?

BREWER: I think part of it was since they didn't have records that they could go to back from 2005-'06 when they last did it, they, they, they didn't really have a number to go off, so.

BLOOD: I mean, they do say there's 42,000 producing honeybee colonies. I mean, they must have some idea.

BREWER: I'm not sure how many owners that would--

BLOOD: In your defense, I mean, purely in your defense, I'm just saying I'm kind of surprised that they couldn't show some revenue.

BREWER: I would not argue that.

HALLORAN: Thank you, Senator Blood. Any further questions from the committee? Seeing none, thank you, sir.

BREWER: Thank you.

HALLORAN: I do not see Senator Geist yet. So let's-- is she here? Excuse me, Senator, my bad.

BRANDT: We can still take a break.

HALLORAN: Senator Geist, would you be opposed to us taking a-- do you have something scheduled right after this?

GEIST: I do not. You're my last appointment.

HALLORAN: All right. What a pleasure this is. So let's take care--
let's reconvene at ten till.

[BREAK]

HALLORAN: And, Senator Geist, thanks for your good grace to allow us
to have a break.

GEIST: Of course.

HALLORAN: And we will begin with LB382. Senator Geist.

GEIST: Thank you, Chairman Halloran. And good afternoon, members of
the Agriculture Committee. I'm Suzanne Geist. For the record, that's
S-u-z-a-n-n-e G-e-i-s-t. I represent the 25th Legislative District.
That's the east side of Lancaster County, including Lincoln, Walton,
and Waverly. I am here to introduce LB382. It will further build and
strengthen the Dog and Cat Purchase Protection Act. In short, this
bill continues to put the safety of pets first, while also protecting
investments of hardworking Nebraskans who currently-- who own current
and future businesses in this state. I began my work on this bill
during the interim when I was brought the proposal by Citizens for
Responsible Pet Ownership, a nonprofit organization comprised of pet
shop owners-- comprised of pet shop and pet shop supply businesses
across the country. The basis of the bill is to ensure that those who
choose to invest in a business selling pets or pet supplies, while
following Nebraska's already strong rules laid out in statute, cannot
have a radical interest group like the Humane Society of the United
States approaching their city, town, or county in order to ban those
successful businesses who play by the rules in the name of furthering
safety, while in reality they are pushing an agenda that does not
align with Nebraska values. This bill makes several changes to the
act, but those changes are very straightforward. The bill bans the
knowing sale of dogs bred by linebreeding a parent or their-- to
their direct offspring, meaning a son or a daughter. This practice
can be shown to cause genetic problems and put a dog's health at risk
throughout their life. This bill also requires that pet stores not
only keep records of dog information, they also keep a name and
address of commercial facilities. They also keep information like
age, sex, health, and shot record for a year after the sale, but
allow customers to view these documents while shopping for their new

family pet. This bill also moves this act to a level playing field across the state. This is done by requiring municipalities to abide by the law as stated, while preventing organizations like HSUS from implementing their own agenda on Nebraskans and preventing them from putting undue pressure on municipalities to pass ordinances that would put investments made by legitimate businesses at risk. I have worked with both part-- with parties on both sides of this issue, but I must be honest. There has been a lot of misinformation spread about my bill. Those opposing this bill have called, e-mailed, written letters using terms that I would not wish applied to anyone. These include puppy killer, a traitor to our country, evil, and as a leader of one local organization posted on my Facebook page on Holocaust Remembrance weekend, I am closer to a Nazi than an American. I brought this bill to ensure that dogs and cats sold in Nebraska are all done so on the same level playing field. Additionally, I've worked with local humane societies on their concerns with the bill and I have addressed those concerns in an amendment, only to have the goal line moved on that work. And, consequently, they are going to come in opposition. I have included that amendment, which allows for municipalities to regulate health and safety concerns and ensure that we do not impact their ability to charge license fees or similar ordinances. The amendment also includes language clarifying linebreeding between a parent and their son or daughter pups. I asked the committee to include that amendment with the advancement of this legislation. Those that you will hear from this afternoon will show you sad pictures of puppies in cages and they will say I am advocating for puppy mills and that this bill puts animals at risk. That is absolutely not true. I am an animal lover myself and a proud family member of a rescue dog from a puppy mill and a rescue dog from a shelter. It's the last thing I would want to do, is weaken Nebraska's already strong state statutes on animal welfare. This bill, LB382 continues Nebraska's tradition of strong animal safety, consumer protection, and respecting law abiding businesses, and the-- and those neighbors across Nebraska that have invested and worked for their business success. I thank you for your time. I apologize if this hearing gets lengthy, but to that end I would be happy to answer any questions.

HALLORAN: Thank you, Senator Geist. Are there any questions? Senator Blood.

BLOOD: Thank you, Chairman Halloran. And thank you, Senator Geist, for sending that amendment to my office. It did answer some of the

questions. I think it's important that we allow municipalities to set standards. But I'm a little confused. Can you tell me the difference between Section 1 and Section 2 on the amendment?

GEIST: Section 2 is clarifying that we did not want to enact anything that they were currently doing, but they would be able to assess permits, license fees, housing requirements, those sorts of things. So we just wanted to make it clear that, that there is some latitude with the provisions of the previous paragraph.

BLOOD: But am I reading it wrong? Doesn't Section 1 basically wipe that out or am I misinterpreting this?

GEIST: My understanding is Section 2 is an exception to Section 1.

BLOOD: So is your personal opinion that municipalities should be able to set the standards for say local pet stores like they do for any other local business?

GEIST: Yes, they should. What we're trying to do though is across the entire state protect every pet store in every county and city, so that those pet stores are allowed to, to sell and there-- they have transparency with the consumer who purchased the pet. But there is also a requirement on each pet store to save the records, both of the health records and the records of purchase from-- for that pet.

BLOOD: So-- and I have several questions and I apologize. You know I like to get things set straight in my head before you walk away. Are they under attack for some reason or are they not able to function under the current existing law?

GEIST: I be-- there has been some concern that they would be restricted in how they receive pets.

BLOOD: And what would that restriction that, that's creating that concern?

GEIST: The restriction would be that they would only be able to get puppies or purebred or certain breeds or any other pet from only a shelter, rather than being able to get from legitimate breeders and those who have specific types of puppies that they normally source from.

BLOOD: There's currently no law that says that. Right?

GEIST: Correct.

BLOOD: OK. So we're trying to be-- to solve a problem that doesn't exist yet, but they're concerned that it will exist?

GEIST: Where we are solved-- solving a problem that we're seeing in other areas.

BLOOD: You were talking about a radical interest group. Was it-- what did you say that radical interest group was? Did you see the Nebraska Humane Society?

GEIST: No, absolutely not. I said the Humane Society of the United States. They are very different.

BLOOD: OK. So I did some research and I saw that a bill just like this had been rejected in Tennessee, in Michigan, Georgia, Florida. Why, why should we enact something like this that's been turned away in other states?

GEIST: Well, there-- a gentleman will come behind me and will tell you the other states who have adopted it. So it might have been rejected in some, but it has been accepted in many others.

BLOOD: Do you know how many other states it's been accepted in?

GEIST: I don't. But he will tell you how many there are. He's working on that himself.

BLOOD: OK. So I'm still a little concerned about this. And when I was on the Bellevue City Council I worked really closely with Mark Langan from the Nebraska Humane Society updating ordinances, making sure that they were fair to and protected the animals. And what I'm a little bit concerned about is that why are we carving out special language for a business when we really don't do that for other businesses. And I'm going to listen today.

GEIST: OK. Carve out special language for-- this language was carved out for the Humane Society of Omaha and Lincoln.

BLOOD: The original bill was not for the Humane Society?

GEIST: No. The amendment was brought for them.

BLOOD: And even then-- and I, and I think Mark's here. Yeah, he is. There you go. I'll ask him about some of this, too. I, I, I, have concerns. A municipality's job is to, to manage pet overpopulation. And our shelters are funded by local tax dollars. I just wonder if, if we're generating an increased burden on the local shelters through this type of legislation. I'm going to listen very closely, but I do have several red flags that I am concerned about, Senator.

GEIST: I hope not. Yeah, and I would say my intention is not to give--

BLOOD: And I completely believe that.

GEIST: -- more burden on this shelter or any other business other than a nonlegitimate business. That would be my intention. I do want to make it more burdensome on a nonlegitimate breeder to source puppies. That is my intention of this bill.

BLOOD: And I have to say I do disagree with you, Senator, in reference to the U.S. Humane Society, but that's just going to have to be something we agree to disagree on.

GEIST: Yeah, OK.

BLOOD: I'm always concerned when-- it happens in every committee when people disagree with something we have to say all of a sudden that person is or organization is radical. I think they're doing what they believe to be right.

GEIST: I actually agree with that, I just don't agree with their tactics.

BLOOD: And that's fair. Thank you.

HALLORAN: Thank you, Senator Blood. Any further questions? Seeing none, thank you, Senator Geist.

GEIST: Thank you.

HALLORAN: We'll have time now for proponents, proponents of LB382. Welcome.

MIKE GONIDAKIS: Thank you, Mr. Chairman.

HALLORAN: Please state your name and spelled it for me, please.

MIKE GONIDAKIS: Sure. My name's Mike, M-i-k-e, Gonidakis, G-o-n-i-d-a-k-i-s. I am the president of Citizens for Responsible Pet Ownership. We are an IRS designated 501(C)(4) national nonprofit and our mission is pretty simple. It's to promote the animal-human bond, animal welfare, and support local businesses who participate in the pet economy across the country. Senator, I look forward to answering every single one of your questions. I hope you ask me the same ones that you asked Senator Geist. I previously served as the Senior Deputy Attorney General for the State of Ohio. I was in charge of the Consumer Protection Bureau for the State of Ohio and I worked closely with the National Association of Attorneys General on consumer protection matters across the country, as well. We're-- our organization is in full support of LB382 and we're grateful for Senator Geist championing the legislation here today and I've enjoyed working with her and her staff along the process here. As she indicated this legislation, it raises breeder standards. That's good for pets. It strengthens our consumer protection laws in your state, your consumer protection laws. That's good for Nebraska families. And its support small business owners in Nebraska, and that's good as well. When you have a stable and regulated environment in every city in every county in Nebraska and all 50 states you can grow more businesses and more people will want to invest in your state. We often say at CRPO that people love their kids and their pets and sometimes not in that order. My, my wife reminds me that my dog has better healthcare than I do. So we're as passionate about pets as everyone else is, the animal rights activists here today. You know, we fully support anyone who goes to a shelter to bring home their next pet. We fully support everyone who goes director-- direct a breeder. If you have the time to go direct to breeder, that's fantastic as well. But there's also a large segment of our population here in Nebraska, too, that enjoys going to a pet store. They want that brick and mortar retail environment. They want to have the consumer protections that come with buying a pet from a pet store such as a health certificate, a health warranty, microchipping, and so many other things that a pet store will offer. There are a lot of families that have children with special needs and they can get a therapy dog, a purebred, whether it be a lab or a golden retriever from a pet store that you might not be able to find at a shelter that have generally speaking pit bulls, pit bull mixes. There are families

that have children that have allergies, they have to have a hypoallergenic dog. These designer breeds today, the Labradoodle and so on that don't shed can come into those homes. Pet stores sell a tremendous number of those, as well. So there's a great value that our pet stores across the country offer to families and Nebraska families. The legislation is fantastic from a transparency perspective. It gives the consumer, whether they purchase the puppy or not, the full knowledge of where it came from, the USDA license of that, the inspection report. They don't have to purchase the puppy, it's got to be provided though. So you're having full transparency. We think that is the best antidote for any issue as it relates to the sourcing of the puppy. Like I said earlier, the health certificates, warranties, microchip. This is, this is a good bill. It's a great consumer friendly bill and it's a great animal welfare bill as well. I suspect momentarily you're going to hear from the opponents of the legislation words such as "puppy mills." And, you know, I've been in almost every state in this country, not every one, but almost every one. And I've yet to meet a person who supports puppy mills. They're abhorrent. And I will tell you, you guys should be-- you should congratulate yourself. You have the strongest-- some of the strongest breeder statutes language and ordinances in the country. And it's great. And if the, if the opponents of this legislation think that there's still puppy mills in Nebraska, maybe we need to address a different piece of legislation for breeders because puppy mills are-- come from bad breeders. Puppy mills are not pet stores. Pet stores are brick and mortar retail that you see at shopping centers. They don't breed dogs, they sell dry goods, dog collars, dog leashes, pets, rabbits, cats, what have you. And they've been doing it for, for decades across the country. So if there is a puppy mill problem, let's address that in a breeder piece of legislation. But what we're here today to talk about is pet stores where you'll have families take a second mortgage on their house, take out their life savings to open a pet store. They have, you know, countless customers across the, across their area and they become fabric of their community. Oh, God, I think I have a minute left here if I'm reading that. OK. In my previous life I said I was the chief of the consumer section and I will tell you every state has a consumer protection law. Nebraska does as well. Your Attorney General enforces it. Every item sold at a pet store, whether it be a dog bowl, a dog leash, a bag of dog food, a pet falls under the consumer protection laws. You guys have strong regulations currently. This legislation from Senator Geist enhances it. It's a good thing. It's a good thing for pets in Nebraska. And

it's a good thing for small business owners. And I respectfully ask that you guys support this and I'll, of course, answer any questions you may have.

HALLORAN: Thank you, Mr.-- I'm going to mispronounce your name-- Goni-- Gondicaucus [PHONETICALLY]

MIKE GONIDAKIS: That's good. Gonidakis.

HALLORAN: Close enough. Senator Blood.

BLOOD: Thank you, Chairman Halloran. And thank you for your testimony. I do have a question and it keeps going through my head here.

MIKE GONIDAKIS: Sure.

BLOOD: So I'm looking at your letter. If you want to end puppy mills, then it doesn't make sense to ban the responsible pet owners who are not puppy mills. What state statute are we banning you guys from doing this?

MIKE GONIDAKIS: Mr. Chairman, Senator, I'm not sure I understand your question.

BLOOD: Well, your letter to us says if you want to end puppy mills it doesn't make sense to ban the responsible pet stores who are not puppy mills. Where in state statute are we banning responsible pet stores--

MIKE GONIDAKIS: So here's what's happening--

BLOOD: -- in Nebraska?

MIKE GONIDAKIS: Yeah. And this is what's coming to--

BLOOD: Because we wanted to know what's going on in Nebraska.

MIKE GONIDAKIS: Mr. Chairman, Senator, this is what's coming to Nebraska. So there's approximately 200 pet store bans across the country, a hundred of them are in cities that don't even have pet stores, but they're just racking up wins to build their number. The state of California three months ago banned all the sales of pets at pet stores. So what you're having now in California is an underground market where people still want their pets. The demand has not

changed, so now they have to-- they're forced to go to the Internet, flea markets, or other places, to buy a purebred puppy if they don't-- if they choose not to go rescue or shelter. So what we're attempting to do is to protect the current investments that are being made in Nebraska today by pet store owners and then also have a stable environment so more businesses will want to open more pets. We think more pet stores are a good thing in a state like Nebraska. I was in Oklahoma yesterday. The Oklahoma Agriculture Committee passed this legislation eight to two. The week before, the House Agriculture Committee passed it 15 to 2. This is the law on the books in Ohio, Arizona, Iowa, and Virginia, ma'am.

BLOOD: So not the question I asked, but thank you.

MIKE GONIDAKIS: OK.

BLOOD: So you have stated though that Nebraska has in the strongest language for breeders. I can tell you my brother is a breeder. He raises Bullmastiffs. They stay in his home and they're, they're huge dogs. They're part of the family. He doesn't put them in kennels, I mean, he's a responsible breeder and he sells them for a lot of money. I-- the concern that I have about this, it's-- I, I, I'm still in a quandary about the amendment, because I feel like Section 2 doesn't mean anything because Section 1 still gives you ultimate protection. And then I see a problem that you're asking to be solved that doesn't really exist in Nebraska. I go to pet stores, I buy dog food, I buy dog toys. I'm a big supporter of pet stores. My dog is very spoiled. But the bottom line is, you know, where do all the animals come that go into pet stores and can you verify 100 percent that every single pet store is not getting that dog from a puppy mill? And that's the concern that the other states have had and I completely understand that as well. So I guess my concern for me is that you've basically said we have strong legislature for breeders--

MIKE GONIDAKIS: Um-hum.

BLOOD: --which means that if people are going outside of a pet store to buy their animal, chances are pretty good it's from somebody who is also responsible. And you're asking us to solve a problem that is not going on in Nebraska and then you're making it harder on municipalities, whose true job is to make their community safer and to regulate this type of thing. So I'm going to keep listening to what you have to say. But my question is, why Nebraska? And I hear

you saying, because they're doing it in other states. We're not other states, we're in Nebraska.

MIKE GONIDAKIS: Um-hum.

BLOOD: We do our own thing our own way sometimes. And I think that we look for the real problems like bad breeders and create strong language for the breeders and then don't punish other people for things that we think might occur. So my concern is that that's exactly what we're doing with this legislation. And I want to listen to hear what the Nebraska Humane Society has to say and you gave a great testimony and I read through your letter and I do appreciate it.

MIKE GONIDAKIS: Thank you. Mr. Chairman, Senator, you had a couple of questions in there. I'll try to address every, every one of them. In my opinion, the way that the amendment is drafted it specifically-- because what I think we want our local governments, whether it's villages, townships, cities, counties to enforce animal welfare laws. We want them to do that. We want them to have local animal control, zoning, permits, whatever the case may be that traditional local governments do. What I would hope we would-- we can all agree on regardless of belief systems is that we don't want local governments just shutting down reputable businesses just because-- just because a group has come in.

BLOOD: Do they do it now?

MIKE GONIDAKIS: Across the country, yes.

BLOOD: In Nebraska?

MIKE GONIDAKIS: But-- Mr. Chairman, Senator, if I may. Do we have to wait for a small business owner to lose his livelihood to come back and then ask for the bill?

BLOOD: No, because that's not going on in Nebraska. That's, that's the message I'm trying to say. If you'd be willing to strike this first section in the amendment, I might be more willing to listen to this. But I think that saying down here that the municipality can continue to enforce its current rules, but not allowing them to enforce other particular rules is still tying their hands and that's the concern that I have. I don't see this as a problem. I sat on the Bellevue City Council, third largest city in Nebraska, which isn't

saying much, for eight years. And my concern, sir, is that we're trying to resolve a problem that does not exist in Nebraska. We're not talking about the plague. We're not talking about, about the livelihood of thousands of people. We're talking about bad actors and most municipalities aren't going to go and close them down without warning and asking them to correct their issues. They are not going to say, hey, we're shutting you down. They're going to say, these are our issues, please correct them. They give people opportunities. So there's no pet store Gestapo.

MIKE GONIDAKIS: Mr. Chairman, Senator, respectfully that's just not true. I, I've sat in city council meetings across the country more than I ever want to again and they're closing them without warning.

BLOOD: In Nebraska?

MIKE GONIDAKIS: No, across the country. But it's, it's coming. Why wouldn't we want to get out in front of this here? Why wouldn't we want to protect our local business? It could be your neighbor, somewhere down the street that has a pet store. I don't know. But why wouldn't we want to do everything we can to protect reputable businesses in the state of Nebraska? I mean, after they're done with the pet stores is it going to be the local restaurant? Is it going to be the chiropractor's office? Is it going to be the dairy farm? When does it stop?

BLOOD: Well, they all have regulations that pertain to health and safety. And those are regulated at the local and state level. And these are regulated at the local and state level. And so, again, that's my concern. And I do hear what you're saying, but I personally don't think the sky is falling. And I'm not sure that we need legislation at this time. But, again, we'll listen. And I don't want to bicker back and forth because it's not productive, so thank you.

MIKE GONIDAKIS: I understand. Mr. Chairman, Senator, thank you.

HALLORAN: Thank you, sir. Any further questions? Senator Slama.

SLAMA: Thank you for coming out today. Could you just illustrate to better help me understand what's going on here, what's going on in states outside of Nebraska where these rules are being changed? What's going on, what's happening, and why?

MIKE GONIDAKIS: OK. A great example, Sarasota, Florida. Last year a pet store that was in business for two decades, family owned, family operated. Two of the three county commissioners in Sarasota County, Florida, decided after HSUS, so the United States. It's a-- they're a D.C. based advocacy group, went, went down there and said, the only way to get rid of, of every puppy mill in the United States is to do a countywide ban on pet stores. And when they do a countywide ban on pet stores they say, pet store, you can only source from-- if you want to sell puppies you can only source from a rescue or shelter. It's a ban, because here's the, here's the problem with the pet store. If a pet store is going to advertise that we have purebred labs, dachshunds, cocker spaniels, whatever the case may be, the consumer protection laws require you to sell a purebred, AKC registered puppy, because that's why you're going to pay the money for that. Well, here's what shelters and rescues don't have, purebred puppies. They mostly-- they mainly have mixed bred dogs. Not every single dog in there is mixed bred, but mainly pit bull, pit bull mixes, and different mixed breeds. So it effectually, effectively puts out of business a pet store that sells purebred animals. It's happened-- it happened in-- I live in Ohio. It happened in Ohio in a suburb outside of Columbus, our capital. And then we passed this legislation six months after that to prevent that from happening. It's been on the books since 2016. Pet stores are thriving. Our state government is regulating them and things are great. Arizona the same thing. Iowa, Virginia, Oklahoma will be soon and we're in seven other states as well.

SLAMA: And do you have any statistics on how this is increasing in prevalence to where we can come to a conclusion as a committee that this is something that we need to tail off in Nebraska before it inevitably gets to us?

MIKE GONIDAKIS: Mr. Chairman, Senator, could you refine the question so I can answer it appropriately?

SLAMA: So do you have any statistics pointing towards this practice becoming more prevalent, like the number of these ordinances being passed where we as a committee can connect the dots on why we need to do this in Nebraska before this gets to our state?

MIKE GONIDAKIS: Mr. Chairman, Senator, I think it's a fantastic question. And what I can provide-- and I'll provide it to Senator Geist to share with each of you-- is a document or a spreadsheet of

where they-- where the current bans currently are in place. And, again, half of them are in communities that don't even have pet stores and then we're the ones that are being proposed. We get e-mail updates every day. Unfortunately, we're getting them every day of these popping up. I can tell you it's a verifiable fact. Not one bad breeder, puppy mill, whatever we want to call it has closed with-- with a pet store ban, because what they'll do is just sell on the Internet, sell at Wal-Mart. They don't sell to the pet store anyway, because think about this. Why would a pet store sell a puppy from a bad breeder? Their health warranties would bankrupt them. It would put them out of business, because veterinarian expenses are extreme. So most reputable-- I would hope to say all, but let me say most-- reputable pet stores offer at least a one-year health warranty or a two-year health warranty. If that puppy has a problem you bring it back. One hundred percent of the medical bills are covered. If you're spending all of your profit on medical bills you're not going to be in business very much longer, you're going to go bankrupt. People are going to stop-- consumerism. People just stop shopping at your store. That's just not the case though with good, reputable pet stores, because they only use USDA licensed and inspected breeders. So for a reputable pet store to source labs from breeder X, pick wherever they may be, they have to have a USDA license inspection report. No violations for the past three years either. So they're only buying from the best of the best.

SLAMA: Thank you.

MIKE GONIDAKIS: Sure.

HALLORAN: Any further questions from the committee? Senator Chambers.

CHAMBERS: If you don't mind me asking, where are you from?

MIKE GONIDAKIS: Mr. Chairman, Senator, my wife and my two kids we live in-- right outside of Columbus, Ohio, in a suburb called Dublin.

CHAMBERS: And what brought you to Nebraska? Did somebody invite you?

MIKE GONIDAKIS: Mr. Chairman, Senator, I don't think anyone invited me specifically, but we looked at the State of Nebraska as a great state to advance that would-- we hope and believe that would want to support local businesses. We saw that you had strong breeder laws, you had strong already Dog and Cat Protection Act, if I'm saying it correctly, I apologize. So we knew you had a stable environment that

you want to promote animal welfare, you want to support local businesses, so we determined as a nonprofit that this would be a good state to pursue this.

CHAMBERS: Is your organization more business oriented-- the business aspect?

MIKE GONIDAKIS: Mr. Chairman, Senator--

CHAMBERS: In here you don't have to always addressed the Chairman.

MIKE GONIDAKIS: OK.

CHAMBERS: You can just talk to whoever's questioning you and it'll save you a little time.

MIKE GONIDAKIS: OK. Thank you. Thank you, Senator.

CHAMBERS: We won't be offended. You can just--

HALLORAN: No, but it felt good for a while. [LAUGHTER]

MIKE GONIDAKIS: Senator, if I may, I, I, I lost the question. Can you ask that-- who are we made up of? We are made up of a blend, a blend of businesses, pet stores, pet product companies, breeders, animal advocates. Last year, I spent six months working on a breeder bill in my home State of Ohio. We increased the standards in Ohio.

CHAMBERS: That's what I'm trying to get to. I've tried to follow what Senator Geist said and what you said.

MIKE GONIDAKIS: Yes, sir.

CHAMBERS: And I didn't get the impression that you are addressing existing problems in Nebraska right now. Is that true or did I misunderstand?

MIKE GONIDAKIS: Senator, I, I would submit to you and everyone on this committee that it's just a matter of time, whether it be next week next month, before--

CHAMBERS: But that's not what I'm asking you.

MIKE GONIDAKIS: OK, sir.

CHAMBERS: Are you saying that there are existing problems in Nebraska right now that this bill addresses or it's supposed to be a preemptive action? Is that what we're looking at, preemption rather than rectification or remediation.

MIKE GONIDAKIS: Senator, I would say portions of the bill address, as it relates to the breeding standards it's an immediate issue on in line breeding, so I think that's an immediate issue. It's not a preemptive issue that the senator put in her legislation. And then as it relates to the pet store, specifically, and the standards, it enhances pet store requirements for transparency. That's an immediate issue. And then the issue surrounding preemption, I think that's a preemptive issue.

CHAMBERS: OK. Did you help draft either the bill or the amendment? Were you consulted?

MIKE GONIDAKIS: Senator--

CHAMBERS: Either you were or you weren't.

MIKE GONIDAKIS: Yes. Of course.

CHAMBERS: OK. Did you look at the bill and decide that there was a different approach that ought to be taken and therefore this amendment was crafted?

MIKE GONIDAKIS: Senator, no. I was not involved with that. That's-- as you heard from Senator Geist moments ago, she worked directly with the local humane society organization. I was not in the room.

CHAMBERS: Your organization is national?

MIKE GONIDAKIS: Yes, sir.

CHAMBERS: I heard Senator Geist talk about some kind of radical organization, but I didn't get the name of it. What national radical organization was she talking about, if you know?

MIKE GONIDAKIS: Senator, I agree with Senator Geist's representation of the Humane Society of the United States. John Goodwin--

CHAMBERS: She was speaking about the Humane Society of the United States?

MIKE GONIDAKIS: I'm not speaking of the local group here. I'm speaking of the one in D.C. that raises \$150 million dollars a year and gives less than 1 percent of those funds back to local humane societies, that run radical campaigns. The director of their puppy mill project, John Goodwin, used to be on the FBI terrorist list. These are facts.

CHAMBERS: I've heard a lot of criticism of the Humane Society of the United States and I don't agree. See, I, I'm aware of some of the people doing the criticism. I watch what they do in Nebraska. And when they get involved with a national organization, then I would have the same skepticism about a national organization coming here that they have toward the National Humane Society. So I wonder how much money your organization has to send you around the country where problems don't even exist. You all, you all-- where do you get your money from?

MIKE GONIDAKIS: We raise money from pet stores. We raise money for breeders, from individuals, my wife and I donate.

CHAMBERS: How much money did you raise last year?

MIKE GONIDAKIS: I'm not sure. I'm not, I'm not the accountant nor do I file the taxes that-- we have my 990s. You can look at our 990s.

CHAMBERS: So then whereas you can tell us what you think is the method by which the National Humane Society gets money and spends it, you cannot tell the same information about your organization?

MIKE GONIDAKIS: I'm not sure I understand your question.

CHAMBERS: You don't understand the question?

MIKE GONIDAKIS: Nope.

CHAMBERS: I think you understand a lot more than you're showing. And I don't want to play pitty-pat with you so that's all I will ask you. I don't think you're being forthcoming. I don't think you're being direct. And when you say that there are not problems existing here that this will address, but they might come and that raises suspicion in my mind and I want to be direct with you the way that I'm not sure that you've been with us. And you don't even have to respond to that. Thank you.

MIKE GONIDAKIS: Yeah, well, I do take exception to that, sir, but thank you.

HALLORAN: Thank you, Senator. Chambers. Any further questions? Senator Moser.

MOSER: Well, a kind of a corollary question to Senator Chambers. So how did you find out that we were considering this legislation? Is this legislation inspired by you or did you find that we're considering it and you're just here to support Senator Geist in her quest or is this something you brought to her and you're wanting her to sponsor it?

MIKE GONIDAKIS: Senator, the latter. We, we identified Nebraska as a great state to pursue this opportunity because of the current standards for which you already have on the books.

MOSER: So it was your idea and you brought it here?

MIKE GONIDAKIS: I think it was-- not me personally, it was a collective idea.

MOSER: OK, good. Thank you.

HALLORAN: Thank you, Senator Moser. Any further questions from the committee? Seeing none, I thank you for your testimony.

MIKE GONIDAKIS: Thank you, sir.

HALLORAN: Any other proponents of LB382? Proponents of LB382? Seeing none, are their opponents of LB382? Good afternoon.

NANCY HINTZ: Good afternoon. My name is Nancy Hintz, spelled N-a-n-c-y H-i-n-t-z, and I am the president and CEO of the Nebraska Humane Society. Today I am offering testimony in opposition of LB382. The Nebraska Humane Society provides an array of services to protect, save and enrich the lives of the animals in our communities that we serve. A large component of this is providing animal control services in Omaha and the cities in Sarpy County. This includes routine assistance to other law enforcement and prosecutors throughout the State of Nebraska. We are active on both the state and local level, successfully advocating for the passage of proactive animal-related laws dealing with animal welfare and public safety. As the animal control authority for Omaha and Sarpy County, we are designated to

inspect pet shops in these jurisdictions. In relation to this and of concern to the Nebraska Humane Society is Section 6, number 1, 2, and 3 of LB382, which I've attached to my testimony. We oppose this portion that would prohibit the Nebraska Humane Society's municipalities from passing ordinances for potential violations that are exclusive to the Dog and Cat Purchase Protection Act. We fear this could set a precedent for state statutes to take authority over animal control ordinances in Omaha and in Sarpy County. We do work closely with these entities on passing proactive ordinances and modifying existing ones for situations that might arise that were not thought of when the original ordinances were passed. We feel strongly that all cities in Nebraska should be able to enact ordinances even if they are more restrictive than the state statutes as it pertains to their own unique animal welfare and public safety needs. The Nebraska Humane Society does not wish to be restricted in carrying out our civic obligations when navigating the various facets of the animal welfare and animal control worlds. We do appreciate the opportunity of being heard today and that also includes communication that we have had with Senator Geist and her staff. Thank you. And I'm happy to answer any questions.

HALLORAN: Sure. Are there questions from the committee? Senator Blood.

BLOOD: Thank you, Chairman Halloran. Thank you for your testimony. So I'm going to ask you the same question. It's only fair. And I say this wearing my old municipal hat. I'm concerned with trying to say-- solve a problem that doesn't exist. Do you see a problem that says that we need this bill?

NANCY HINTZ: I do not.

BLOOD: Do you feel that municipalities have been unfair to pet stores in any way here in Nebraska?

NANCY HINTZ: I can speak for our own municipalities. No.

BLOOD: And what municipalities are you aware of?

NANCY HINTZ: So Omaha and the cities in Sarpy County. And those are the--

BLOOD: OK. So Bellevue, Papillion, La Vista, Gretna--

NANCY HINTZ: Correct.

BLOOD: I'm missing one. And the vast majority of the population is in that demographic, wouldn't you say?

NANCY HINTZ: Yes.

BLOOD: Have you seen bills like this come before you in the past?

NANCY HINTZ: Not like this one.

BLOOD: Would you agree that we do have good legislation when it comes to breeders and when it comes to protecting the industry?

NANCY HINTZ: I think we have good statutes. I think, I think they could be maybe better in terms of, I guess, supporting those breeders who do the right thing and then restricting those breeders who, who have puppy mills. So those are two different things and I agree with the comments that have been made about that. Those are two different distinctions.

BLOOD: I agree.

NANCY HINTZ: And even in my conversations with Senator Geist, you know, my, my comment to her was, it would be nice to have a bill that does protect the good breeders, but also restricts the bad breeders.

BLOOD: And do we not have-- would you say we don't have that currently?

NANCY HINTZ: I--

BLOOD: --or it's just not strong enough?

NANCY HINTZ: It's, it's I don't think it's strong enough. I think there's probably more work that can be done. And I, and I guess I come from a perspective, it's probably more personal than maybe professional, maybe both. But, you know, at the Humane Society we see the end result of bad breeders and, and folks who aren't making good decisions on behalf of animals.

BLOOD: And would you say that municipalities-- that I can only speak again for eastern Nebraska where I'm from so-- strive to bring

consistency throughout those communities so everybody has the same ones?

NANCY HINTZ: I believe each city tries to do that. As the animal control authority in Omaha and those cities that represent about a million people, we do. We do a pretty good job of trying to make sure that each city is informed and then trying to encourage legislation or ordinances being passed so that it is uniform.

BLOOD: And it's compatible and that you're animal control person doesn't have to guess from community to community.

NANCY HINTZ: Correct.

BLOOD: Mark Langan does a great job on that, by the way. So give that guy a raise. So, so the question that I have is that you worked with Senator Geist's office and she's provided an amendment. Does this amendment still make the bill palatable to you or is this just where you're willing to go?

NANCY HINTZ: No, this does-- this does not-- this wasn't something that we were comfortable with.

BLOOD: OK. Thank you. That's fair.

HALLORAN: Thank you, Senator Blood. Senator Hansen.

B. HANSEN: Hello. Just to make sure. So you're not against breeders in any way, are you? You're just against those who are doing it in an "irreputable" fashion?

NANCY HINTZ: I can speak personally and professionally, I guess, on behalf of the Humane Society that there are-- there are good breeders and there are bad breeders.

B. HANSEN: Sure. But you're not against good breeders, by any means.

NANCY HINTZ: No, absolutely not.

B. HANSEN: And pet stores selling, you know, animals that come from good breeders.

NANCY HINTZ: I'm not.

B. HANSEN: OK. And the organization isn't either?

NANCY HINTZ: No.

B. HANSEN: OK. Just making sure I get that part right. Is there any part of the bill that you actually do like?

NANCY HINTZ: I-- we're comfortable with the transpar-- transparency, recordkeeping, changes that were made to it.

B. HANSEN: And the selling of dogs who are inbreeding and linebreeding?

NANCY HINTZ: Yes.

B. HANSEN: You like that part?

NANCY HINTZ: Yes.

B. HANSEN: It's pretty much-- you discovered Section 6, you'd be fine with the bill.

NANCY HINTZ: Yes.

B. HANSEN: OK, thanks.

HALLORAN: Thank you, Senator Hansen. Further questions? Senator Moser.

MOSER: Your organization or in your experience you don't have any objection to pet stores selling animals that they buy from breeders rather than selling rescue dogs?

NANCY HINTZ: Can you repeat that question?

MOSER: Your cut-- your organization-- well, let me ask it a different way. Does your organization propose that pet stores only sell rescue dogs?

NANCY HINTZ: No.

MOSER: And do most pet stores sell rescue dogs in your experience?

NANCY HINTZ: Not to my knowledge.

MOSER: I suppose their concern might be-- and I'll ask this I guess is a question-- that rescue dogs, you don't know exactly what you're going to get. You get whatever you happen to pick up and that may not satisfy every customer who wants to buy a dog.

NANCY HINTZ: That's a fair statement.

MOSER: OK. Thank you.

HALLORAN: OK. Thank you, Senator Moser. Any further questions? Thank you, Ms. Hintz.

NANCY HINTZ: Thank you.

HALLORAN: Any additional opponents. Good afternoon.

ROBERT DOWNEY: Good afternoon. My name is Robert, R-o-b-e-r-t, Downey, D-o-w-n-e-y, I'm president and CEO of Capital Humane Society here in Lincoln, Nebraska. Senator Halloran, honorable members of the committee, I am, I am here to oppose LB382. My main opposition to this bill is its effort to prevent the local government authorities from passing laws that would be more restrictive than this bill. The challenges that can be presented to animal control authorities in different locales can be vastly different. They can be unpredictable. Local governing bodies need to be able to react to those challenges without having their hands tied by state law, which prohibits them from being more restrictive than the state. I support the recommendations presented by Nancy Hintz, president and CEO of Nebraska Humane Society, which allow governments to react as needed to protect the welfare of animals and protect the welfare of citizens within that community.

HALLORAN: OK. Thank you, Mr. Downey. Any questions? Senator Blood.

BLOOD: Thank you, Chairman Halloran. I just have a couple of really quick questions. So Capital Humane Society is Lincoln. And then do you also provide the same type of services the Nebraskan Humane Society provides in eastern Nebraska?

ROBERT DOWNEY: No. We are slightly different in that there is a separable municipal animal control program in Lincoln, Nebraska. And then we are a private 501(c)(3).

BLOOD: Do they bring animals to you?

ROBERT DOWNEY: Yes. We have a contract with the city's animal control program where they don't have a shelter and what they pick up is brought to us for care, reunification with owners, and adoption if not reunited with owners.

BLOOD: Are you a no-kill shelter?

ROBERT DOWNEY: No, we're not. And, you know, there's all kinds of definitions of no-kill, but we do euthanize pets at the shelter here in Lincoln. We have pets that come to the shelter, particularly, canines that are high aggression, have been involved in a number of bite incidences, so on and so forth, that we're actually prohibited from adopting back out into the community per local government.

BLOOD: Are you aware of any time that the Humane Society or the pet police-- whatever you call them-- animal control.

ROBERT DOWNEY: Animal control.

BLOOD: It's a long day. Have gone in and closed down a pet store?

ROBERT DOWNEY: No. I am not aware of Lincoln Animal Control, who licenses pet storage in Lincoln Nebraska, have ever closed down a pet store in the city of Lincoln.

BLOOD: Thank you.

HALLORAN: OK. Thank you, Senator Blood. Any further questions for Mr. Downey? Seeing none, thank you for your testimony.

ROBERT DOWNEY: Thank you.

HALLORAN: Any additional opponents for LB382? Good afternoon.

JACK CHELOHA: Good afternoon, Senator Halloran and members of the Agriculture Committee. My name is Jack Cheloha, that's spelled J-a-c-k, last name is spelled C-h-e-l-o-h-a. I'm the registered lobbyist for the city of Omaha and I want to testify in opposition to LB382, more specifically to Section 6 of the bill. Any time that there's a bill is introduced that would preempt local control any, authority of cities, etcetera, it usually catches our attention. This one did catch our attention. Now just let you know a little background, Omaha is a city of 450,000 people. We contract with the

Nebraska Humane Society, which you've already heard from in this committee, for our animal control. We're grateful for their existence. I've worked for the city of Omaha for 25 years now and, and I represent our elected officials so I understand that they're very happy with our contract with the Nebraska Humane Society and they have been for years and it's been a great working relationship. And because we have them, you know, I don't have as other duties assigned where I would have to, you know, kept animals and control them so I'm grateful for that. But, nevertheless we looked at Section 6, obviously, in the green copy it's a total preemption. We didn't like that. I did get the opportunity to look at the amendment that Senator Geist had been working on with some other groups. But with that, we still in Omaha weren't comfortable with it. We didn't think it went far enough. Just to let the committee know, the Humane Society of the United States, it's something that I'm not very familiar with. I don't believe they've approached our local governing body with any legislation that I've heard of. And I do work in our city law department and I've studied our council agendas for years and years and to me it's just not a problem. Regarding legislation that prior committees have looked at and Legislatures have passed relating to puppy mills, I was comfortable with the laws that were passed. I know that we did protect the right of local control, if you will, a little bit within those. However, LB382 just goes too far in terms of preempting us because a city still has the duty to protect the safety, health, and welfare of its citizens and we'd like to preserve that right. And so therefore if you struck Section 6 I think our opposition would go away.

HALLORAN: OK. Thank you very much. Any questions from the committee? Senator Blood.

BLOOD: Thank you, Chairman Halloran. So for clarification do you-- does this include the replacement Section 6 in the amendment?

JACK CHELOHA: Right. I've looked at that and even though it does try to preserve some rights, it's still-- it's something that we're not comfortable with. And we just we just don't see the need for any preemption in the bill whatsoever. It's just not a problem in Nebraska or Omaha, Nebraska, to be more specific.

BLOOD: Jack, are you familiar with any time the state's gone in and closed down a pet shop in Omaha?

JACK CHELOHA: To my knowledge, over 25 years working for the city, we've never gone in and closed down a pet store or pet shop. And the only time they really come up per se is when our planning department looks at their location relative to-- someone sent me an e-mail. So here's from our Omaha Planning Department: We classify all pet facilities as two uses, one pet services which would be all indoor or the other model is kennels which includes outdoor and indoor accommodations. And that's, that's what we've looked at so far relative to pet operations.

BLOOD: Which one of those categories is that new cat cafe?

JACK CHELOHA: That's a good one. I can't answer that.

BLOOD: I was just curious. I don't see the appeal and I love kitties. So were you not aware of anybody coming in and closing down any pet shops, you feel that what you have is working and working well.

JACK CHELOHA: Correct on both counts.

BLOOD: And you trust your staff and the Nebraska Humane Society to keep you informed should problems arise in the future and need to be addressed.

JACK CHELOHA: Absolutely. That's very true. And, in fact, any time the Nebraska Humane Society does need further ordinances, etcetera, they're very approachable to our local governing body or mayor or city council and they work in harmony together for the best interests of our citizens.

BLOOD: And do you think that local control is important when it comes to things like this?

JACK CHELOHA: Oh, I think it's absolutely important, especially on matters like this. They always say that governments that are closest to the people are usually the most responsive, not to take anything away from, from you. But city government can react to its citizenry faster. Our city council meets year-round every, every Tuesday with some exceptions for holidays, if you will. Whereas, the state is only in session either 60 or 90 working days. And so if the need should arise, we're there and we have our best interests of our citizens at heart.

BLOOD: So incidents like feral cats and rabies and those are things that need prompt attention--

JACK CHELOHA: Absolutely.

BLOOD: --not necessarily legislation, because there's a time factor.

JACK CHELOHA: Right.

BLOOD: Right. Thank you.

HALLORAN: Thank you, Senator Blood. Any additional questions from the committee? Seeing none, thank you, sir.

JACK CHELOHA: Thank you.

HALLORAN: Any additional opponents for LB382? Good afternoon.

LAWRENCE SHACKMAN: Good afternoon. I guess here's your chance. I'm a cat person. My name is Lawrence Shackman, L-a-w-r-e-n-c-e S-h-a-c-k-m-a-n. I'm opposed to the bill in its present form. This bill removes the local control of the sale of pet animals with the state law that has no teeth. In addition, the purchaser will not have any more knowledge of what they are buying if this bill is passed. This bill does not include fines or penalties if the seller violates the conditions contained in this bill. My reasoning to oppose this bill is based on local control is that the state should pass laws that are reasonable and set standards where none exist. However, there are situations where local ordinances are tougher than state statutes. The local ordinance should govern. There are situations where the state needs to standardize the laws throughout the state. This is not one of those occurrences. The purchaser may not know the date of birth. The state where it is born as stated and 54-646(1)(b) on page 3 of this bill. The seller can state they don't know. If the pet is from out of state, the seller may require-- may be required to furnish a copy of a health certificate for the pet animal when it entered the state. The purchaser may not know the registration numbers for the sire and dam or the litter number as stated in 54-646(1)(e), page 4. Without this information the purchaser may not know if the pet animal will develop a generic disease before or after 15 months. The purchaser can't make an informed decision without this information. The bill does not define license number. Section 7 on page 3 and should be revised to state, a license issued by the department, 54-626, paragraph ten to one of the following: animal

control facility, animal rescue, rescue, or animal shelter. Revise paragraph (g) (2) on page 4 to read: "will" include, instead of "may" include. Revise 646(g) (2) paragraph (a) page 4 to read: A statement that a veterinarian examination was performed on the pet, which included a combo test for FIV, FeLV for cats and a heartworm test for dogs with the results documented and at the time of the examination. Advancing LB382 will not provide any benefits to the consumer but would give a green light to pet stores to bring in more cats and dogs to be sold. We should be advancing the idea to adopt from an animal control facility, animal rescue, or animal shelter. These organizations have an abundance of dogs and cats looking for a forever home and they need your support. I would like to make a final point concerning this bill. The purchaser of the pet animal as defined in this bill is as a human being looking for a companion animal for themselves or their family. There is an expectation that the pet is healthy and probably-- properly socialized. We expect that when a law is passed to protect the consumer, the pet is exactly what it's advertised to be. The seller is expected to comply with the law and should be the responsibility of government to see that the law is enforced and not the consumer. All done.

HALLORAN: Thank you, Mr. Shackman. I appreciated that. Are there questions from the committee? Seeing none, thank you for your testimony. Additional opponents to LB382? Good afternoon.

MISTY CHRISTO: Good afternoon. Deep in the seat. Good afternoon, Chairman Halloran and members of the Agricultural Committee. My name is Misty Christo, that's spelled M-i-s-t-y C-h-r-i-s-t-o. I'd like to thank you for this opportunity to speak out in opposition to LB382. I am a board member of the Nebraska Rescue Council a nonprofit organization created to protect and showcase the work of animal sheltering and rescue community. We represent one of the largest collective networks of rescues in the nation and we're proud to offer resources to the public on responsible pet ownership. I'm also urging you to oppose LB382. This bill has-- this bill has one goal and that is to strip local governments of their right to set standards for pet stores by stating no municipality shall regulate activities governed by the Dog and Cat Purchase Protection Act, that would be pet store sales. In response to the grave animal welfare concerns with puppy mill supplied stores, concerned advocates across the country along with animal welfare groups have helped pass over 250 local ordinances prohibiting the sale of puppy mills in their stores. The few stores, such as Petland, that oppose these ordinances are fighting a losing

battle. They could have responded by converting to the more humane and socially acceptable business model of hosting adoptable, adoptable pets or animals from responsible breeders and from rescue and shelter partners. Instead, they're seeking relief and protection from state legislatures. Bills of this type started popping up around the U.S. in 2017. In Georgia, as Senator Blood mentioned, the sponsor of the bill received a sizable donation from the lobby group representing Petland, Citizens for Responsible Pet Ownership. According to The Atlanta Journal Constitution this well-funded lobbying group started donating to Georgia lawmakers at the end of 2017, giving \$9,000 to 13 lawmakers over the course of a few weeks. As in other states where the Petland lobby has pushed preemption bills, LB30-- LB382 is intentionally misleading. It appears to regulate the very industry that it protects. But in reality it would place meaningless restrictions on pet stores and secure the puppy mill pet store pipeline by preventing localities from enacting laws that regulate the sale of puppies in pet stores. Localities would be stripped of their right to monitor animal welfare and protect consumers. Plus Nebraska citizens would be stripped of their right to address local concerns with their local elected officials. LB382 is not a legitimate animal welfare bill. It says nothing regarding the quality of the source of the animal arriving-- prior to arriving at the pet store. Bad breeders can keep animals in extremely inhumane conditions. The puppy mill dogs are kept in cramped, stacked, wire cages only six inches larger than the dogs themselves for their entire lives. No exercise or socialization is required and dogs can be kept in extreme temperatures for prolonged periods of time. Breeders are not required to vaccinate their dogs for many highly infectious deadly diseases or to provide regular veterinary care. And when dogs are no longer able to produce, many bad breeders often abandon or kill them. LB382 allows even the worst of the worst puppy mills to sell in Nebraska pet stores, while at the same time prohibiting local governments from doing anything about it. I urge you to oppose LB382, stand with the thousands of Nebraska rescues, shelters, responsible breeders, and pet store employees who oppose this legislation. Many consumers work diligently to push Petland out of our great state and we want to keep them out. Thank you again for allowing me to speak. I'm happy to answer any questions that I can.

HALLORAN: Thank you, Miss Christo. Any questions from the committee? Senator Brandt.

BRANDT: Thank you, Chairman Halloran. You indicated that you would prefer to have rescue animals?

MISTY CHRISTO: Nebraska Rescue Council would.

BRANDT: What's the history on those animals?

MISTY CHRISTO: Rescue animals do receive vaccinations and health checks on intake into rescues and humane societies. So oftentimes we do know the history of them. People surrender them because they're moving and they do have the records and that type of information moving forward. So, yeah, that's about the extent I can answer that.

BRANDT: Mr. Downey testified earlier and he indicated that, and correct me if I'm wrong, when they pick up strays and stuff off of the street they try and rehome those animals. Does that sound right? But we don't know what the history of those animals are. Would that be a correct statement?

MISTY CHRISTO: That's a correct statement.

BRANDT: OK. So you've pretty much painted most of animal breeders as puppy mills and I don't think that to be the case because most of the people that I know that raise, let's say dogs for example, keep very thorough records, spend a ton of money at the local veterinarian, and they can go back generations and tell you everything you want to know about these dogs. And I guess I just, just wanted to see if, if you see that also.

MISTY CHRISTO: I agree that there are responsible breeders and the Nebraska Rescue Council agrees that they're responsible breeders and that not all breeders are bad.

BRANDT: OK. Thank you.

MISTY CHRISTO: Thank you.

HALLORAN: Thank you, Senator Brandt. Any additional questions from the committee? Seeing none, thank you for your testimony.

MISTY CHRISTO: Thank you so much.

HALLORAN: Additional opposition to LB382? Good afternoon.

JESSICA ELLIS: Good afternoon, Chairman Halloran and members of the Agriculture Committee. My name is Jessica Ellis spelled J-e-s-s-i-c-a E-l-l-i-s. I am the owner of the Green Spot, a pet specialty store located in the Shoppes of Aksarben in Omaha. I've been in business since 2012 and currently employ 12 people. We sell a variety of high quality food, supplements, toys, treats, and grooming supplies. My store has never sold puppies nor will we ever sell puppies. With the number of shelter and rescue pets available we prefer to support and partner with local groups to encourage the adoption of animals and to reduce the pet overpopulation. With this in mind, I respectfully urge you to oppose LB382. This bill protects and promotes cruel puppy mills and their pet store sales outlets and does not represent the values of pet loving Nebraskans. In puppy mills breeding dogs spend their entire lives in small, filthy, wire cages. They're denied veterinary care, exercise, and socialization, are given the bare minimal care needed in order to keep producing puppies. Pet stores are a preferred sales outlet for puppy mills because all the public sees is the cute puppy in the window. The cruelty in a fair way breeding facility-- far away breeding facility remains hidden. Last year Tennessee, Georgia, and Illinois lawmakers rejected preemptive bills similar to LB382. And this year Florida lawmakers did so, too, as did Georgia lawmakers twice. With a string of losses Petland and the unscrupulous side of the pet industry are hoping Nebraska lawmakers will reach a different conclusion. And I ask you to reject this latest attempt. Pet stores do not need to sell puppies to be successful. My store is a prime example of that. In fact, the huge majority of pet stores, including the two most profitable chains, Petco and PetSmart, do not sell puppies. They are vocal that they will also never sell puppies. But as we do, they probably partner with shelters and rescues to offer adoption events at their store. In 2017, pet store owners spent over \$70 billion dollars on their pets and that number is growing in every category except for live animal sales, which continue to decline. Offering quality products and services is the key to a successful pet store. In other states local governments have taken up the issue to protect constituents from being sold sick puppies, misled as to the origin of the puppies and possibly becoming sick themselves with diseases transmitted from puppies to humans. LB382 strips local government officials of their right to protect consumers. Pet stores that sell puppy mill dogs often lie about where the puppies come from. Because they also sell sick puppies, countless families have spent thousands of dollars in veterinarian bills caring for their sick pet store puppies.

Behavioral problems are common in pet store puppies, too, because in a puppy mill, on a truck, or a small pet store enclosure does not prepare puppies for family life. And recently the Centers for Disease Control alerted the public to the multistate outbreak of multidrug resistant *Campylobacter* infections linked to contact with pet store puppies. I have provided you with copies of this article. One hundred twenty-three people over 17 states were infected and 23 of those infected were hospitalized. Local officials have the right and the duty to protect their constituents from such threats and the state should not take that away from them. This is yet another reason why I will never sell puppies in my store, to protect my employees from potentially life threatening diseases. According to the pet store industry, my industry, only a small percentage of dogs are obtained from pet stores and that continues to decline as the public becomes more aware of the problems associated with pet store puppies. Instead, consumers are choosing to adopt from shelters and rescues or seeking out responsible breeders who sell directly to the public. This must be the reason why Petland and its lobbying firm, Citizens for Responsible Pet Ownership, are attempting to push these preemptive bills through the legislatures in so many states. Consumers are concerned with the welfare of puppies they buy and the welfare of the puppies' parents. LB382 will do nothing to prevent a consumer from being duped into buying a puppy mill puppy, ending up with a sick or behaviorally challenged pet or becoming sick themselves. I urge you to do the right thing and to please oppose this bill. Thank you for your time. Are there any questions I can answer?

HALLORAN: Thank you, Ms. Ellis. Are there questions from the committee? Senator Slama.

SLAMA: Thank you for coming out and testifying today. I was hoping you could better illustrate for me your big focus on your testimony was the tie between puppy mills and this bill. And I guess I'm just not connecting the dots right now. Could you just walk me through your logic in going from puppy mills to this bill?

JESSICA ELLIS: Yeah. So most puppy mills are going to sell their pets in pet stores. So a responsible breeder sells directly to the public. They care about the welfare of their dogs and where they end up. So that's where this bill connects.

SLAMA: OK. Do you have any statistics on the connection between puppy mills and pet store?

JESSICA ELLIS: Yeah. I think it's like 90 percent of dogs that come from pet stores are from puppy mills. And you could-- I could double check that with the organization called Bailing Out Benji. I just saw that somewhere. But I'm pretty sure it's 90 percent.

SLAMA: Great. And then from a business perspective you focus heavily on, you know, that puppies from puppy mills are usually more sick, which is right with the inbreeding and that sort of thing. But I'm aware that most pet stores have some kind of warranty on these puppies if there were any health problems to arise. So wouldn't it be in the store's best interest to use high quality pets in their stores?

JESSICA ELLIS: It would be, yeah, but they don't necessarily-- moneywise that wouldn't make the most sense. And also you can't-- most of the things that--

SLAMA: How would it make the most sense if the dogs are being returned and the warranties being voided.

JESSICA ELLIS: Voided?

SLAMA: Yes.

JESSICA ELLIS: Well I guess they'll be more expensive dogs and they're not necessarily looking to-- I guess-- I don't think that is their logic-- like they want to have necessarily the--

SLAMA: So their logic isn't to make the most profit that they can?

JESSICA ELLIS: Well, no. There, there is, but I don't think that they're looking to necessarily profit towards quality. I don't think that that line is there.

SLAMA: OK. So a big argument in opposition to this bill is that laws banning breeders selling to pet stores or it's not relevant because it's not a problem in Nebraska. But that's exactly the type of legislation and ordinance that you would support, right, in terms of breeders not being able to sell to puppy mills.

JESSICA ELLIS: Uh-huh.

SLAMA: OK. Thank you.

HALLORAN: Senator Slama. Senator Blood.

BLOOD: Thank you, Chairman Halloran. And so since you're one of the shop owners that we've had, have you had any dealings with the Nebraska Humane Society and have they come and have you been inspected by the Health Department? I mean, you don't sell any animals, right?

JESSICA ELLIS: No. We don't sell any animals. We're strictly retail.

BLOOD: Of any kind? Not snails, not--

JESSICA ELLIS: No, no, no.

BLOOD: All right. So you've been around for how long?

JESSICA ELLIS: Seven years.

BLOOD: Seven years. Do you see issues of concern that would, would rectify that would say that we need this bill--

JESSICA ELLIS: No. No, I don't.

BLOOD: --in your community?

JESSICA ELLIS: In our community. Yeah.

BLOOD: OK. And are you friends of people who actually do sell animals at other pet shops?

JESSICA ELLIS: Nope. I don't know anybody that sells to pet stores. I know breeders-- good breeders who sell directly to the public, but I don't--

BLOOD: And we do have good breeders and we have good laws that protect those breeders. Right?

JESSICA ELLIS: Yeah, yeah. The enforcement part needs a little improvement but--

BLOOD: I think we could probably say that about just about anything that we have to enforce. Right?

JESSICA ELLIS: Uh-huh.

BLOOD: All right. Thank you.

HALLORAN: Thank you, Senator Blood. Senator Hansen.

B. HANSEN: Hello.

JESSICA ELLIS: Hello.

B. HANSEN: Have you had a chance to read the amendment?

JESSICA ELLIS: I have not. I was not provided that.

B. HANSEN: Because I was going to ask you a question. I was curious to see what your thoughts were on that, because that changes it quite a bit. All right, thanks.

HALLORAN: Thank you, Senator Hansen. Additional question? Seeing none, thank you, Ms. Ellis.

JESSICA ELLIS: Thank you.

HALLORAN: Additional opponents. Good afternoon.

MELISSA MONEY-BEECHER: Good afternoon. My name's Melissa Money-Beecher, and I-- M-e-l-i-s-s-a M-o-n-e-y-B-e-e-c-h-e-r. I am a citizen, but I also volunteer for a nonprofit organization, Joining Forces Saving Lives. And I quit my job about eight years ago to do this. And I've been helping animals ever since. I work with the Humane Society. I work with animal control. I'm working with the Nebraska Parks Department. I've received two grants for TNR and I've also received another one for a working cat program. I've spay and neutered single-handedly 448 cats in the last 16 months. So I'm out there in the trenches doing the work for free. I don't get paid a dime. I completely oppose this bill. This is a puppy mill protection bill. I, I, I'm just horrified that it was even brought and, and, you know, it's brought by an outside person that, that wants to protect Petland and puppy mills and protect their interests so they can continue to sell puppy mill puppies out of their businesses. No responsible breeder ever will give one of their puppies to a pet store. It just does not happen. You can, you can survey a hundred billion responsible breeders and none of them will ever give their puppy to a pet store owner. It just doesn't happen and there's good

breeders out there and they provide pets that are hypoallergenic. They provide pets that are healthy. Pet stores, they don't care. And the people that provide those pets to them, they don't care either. I just Googled Petland and all their bills that they've been trying to pass like this and you can see February 24, 2019, they had an underweight boxer at Petland. December 11, 2018, Petland sold sick puppies. There's numerous articles about Petland puppies are known from being brought in from puppy mills. So this company that has come to our state is no good. And I'm saying that, I'm a citizen and I researched this and in Nebraska we ever have a problem with puppy mills. We have-- we're on the list of top ten most problematic puppy mills, and we have six on the Horrible Hundred List, which is horrible. So we do not need a bill to protect these puppy mills. We've already got the puppy mills and they're, they're, they're here in our state. So we need-- we need to focus on actually making sure Petland doesn't get into our state because they promote puppy mills and then they won't say it but that's what they do. They've attacked the United States-- the Humane Society of the United States. I want to tell you I received a grant from them and we went out to Chappell, Nebraska. It was probably eight months ago, we spayed 100 cats on a farm of this elderly lady's property and they had got out of hand. And they started with a few cats, got out of hand. We did this for free. I spent my whole three-day holiday weekend and other people came in and the Humane Society of the United States people came in and helped us do this. We all did it for free. It was like a seven-hour drive out there from Lincoln and we did this. So the Humane Society of the United States does do good things, because they did that. And you can research Joining Forces Saving Lives. It was the biggest spay and neuter that we've had in the State of Nebraska. So they're doing good things. These people are not. Unfortunately, Senator Geist has been influenced by this out-of-state puppy mill supporter group and they're trying to take away our local control and we've, we've got to oppose this. You know I have a huge history in rescue animals. I started Nebraska No Kill Canine Rescue before Joining Forces Saving Lives. So I, I've seen puppy mills. I've seen the things that go on. We do not need to support them. And I personally know a person that got two puppies from a, a local-- in Lincoln-- a local pet store. Both of them were sick and he did not take them back because he knew they were going to be put down. So he spent thousands of dollars of vet bills. And I worked with him. I quit my job about eight years ago at UNL. And I have a master's in public administration, so I had a good job and I'm doing this for

free. And, and these people are, are not good people. And we don't need them in our state and we do not need this. I would get rid of the whole law because anything that they're dealing with and they've got their hand in they're going to try to sneak something in.

HALLORAN: OK. Thank you, Ms. Beecher. Any questions from the committee? Senator Hansen.

B. HANSEN: Thanks for testifying, appreciate it. You seem the right person to ask this question to with your extensive background here. With puppy mills and maybe unhealthy animals that get sold to people, are they usually bred with inbreeding or linebreeding?

MELISSA MONEY-BEECHER: Well, I'm sure--

B. HANSEN: Like sometimes that's how puppy mills work, like they inbreed and they line breed and they kind of, you know--

MELISSA MONEY-BEECHER: Yeah. Well, and the puppy mills, they have-- I have actually a map of the puppy mills in the state in Nebraska and we have way too many. And if you have between-- some of them have over 200 to 500 adult dogs in them. Nobody could care for 200 to 500 adult dogs. I mean, no-- I don't think people can care for 50 dogs. I mean, I have a hard time caring for my group of dogs and cats that I have and I don't have anywhere close to that many.

B. HANSEN: You know, I was just kind of curious. Do, do, do, do the puppy mills that get produced-- the puppies from puppy mills that get produced, is it because of inbreeding and linebreeding?

MELISSA MONEY-BEECHER: Well--

B. HANSEN: I don't know the process of puppy mills, I'm just ignorant here so I'm just kind of curious how it works.

MELISSA MONEY-BEECHER: I've been down to some smaller puppy mills that were around 50 dogs, but the big ones, you know, they're breeding everywhere. But the problem is they keep so many in bad situations. I mean it's horrifying. I actually can't go on these puppy mill-- where they pull the puppy mill dogs out because it gives me nightmares. It's just horrific. It's the conditions they're in. They don't keep records. I mean, I don't know if in linebreeding is even a problem. I mean, I think this bill is-- the first part of it is just to sway you in some other direction so they can get their

puppy mill protection bill in here so Petland can sell puppy mill puppies. And we don't-- we don't-- I mean look at our map. Look at this map. We have way too many puppy mills already and they are all licensed with the Department of Ag. You can look. They all have a license and how many dogs they have. And they go out there and they get citations over and over again. I mean, you can read about it. And I try not to read about it, but I am in the trenches so I know, I know what's going on. And I can speak as a citizen because I'm not with any of-- these organizations over here that have opposed this. They're rock stars. All of them are. The Nebraska Humane Society, the Capital Humane Society in Lincoln, all these-- Misty Christo, who is an attorney. These people volunteer their time countless hours. I volunteer 40 to 50 hours a week for free. I spend at least \$5,000 a year on, on helping animals and I've been spay neuter cats left and right. I drive all over Lincoln. You know, I have my bills are very high and I donate food and I take care of-- but where we're all-- these people are trying to solve our problems. And, and I couldn't-- I couldn't have spayed 448 cats if the Humane Society here in Lincoln hadn't helped me. And they're doing it at cost for me. So we've got-- you've got everybody that is rock stars that are doing everything they can over here that have been testifying. And then you've got a person over here that is bad. And I'm just going to-- they're bad.

B. HANSEN: Thank you for their service, appreciate it.

HALLORAN: Thank you, Senator Hansen. Senator Blood.

BLOOD: Thank you, Chairman Halloran. So I want to come back to the bill. I agree with you, puppy mills are bad but I want to make sure that we're really talking about what's in this bill. And I understand that it's your expectation that that's the result of this bill and I respect that. But for me, the bill is more about trying to solve a problem that I don't see.

MELISSA MONEY-BEECHER: Yes, I agree completely.

BLOOD: I just want to make sure we're staying on message.

MELISSA MONEY-BEECHER: Yes, I completely agree. And I wouldn't only get rid of this Section 6, but get rid of the whole entire-- I, I mean, because you've got it coming from an out-of-state-- they don't care about Nebraska. They don't care about us.

BLOOD: I, I respect your opinion. And then I have a question for you. You talked about the hundred cats. I'm curious. You went in and you said one person had a hundred cats.

MELISSA MONEY-BEECHER: It was a person on a farm.

BLOOD: Did you also provide medical care, 'cause there's no way you could have that many cats together that there wasn't inbreeding and other issues.

MELISSA MONEY-BEECHER: Well, no. There were enough cats that there wasn't much inbreeding going on because there were so many cats. But we went in there and we brought a mobile unit from-- I got a mobile unit-- it was a lot of coordination. But I got a mobile unit to come in from Colorado and they are a mobile spay-neuter, neuter clinic and I've got a local vet in Sidney, Nebraska, which is close to Chappell that came and did the spay and neuters for us and then another that came in. So I had two vets, because it was a two-day affair or three-day affair.

BLOOD: So they were vaccinated and given medical treatment?

MELISSA MONEY-BEECHER: We gave them rabies, distemper. And all the cats that I've spay and neutered here in Lincoln, they get vaccinated, microchipped, ear-tipped, they get spay and neutered, they get-- they their rabies shot and distemper shot so everybody that comes back out is, is healthier. So these cats had never been to a vet in their life. They got vet care and so if any of them had injuries they got vet care, they, you know, they got a penicillin shot and whatnot. We did take-- 15 kittens came back with me, The Cat House took them. And so-- and then there were some other people that took some of the kittens, too, back to Colorado, that did that. So yeah, we--

BLOOD: I was just curious, because it's one thing to spay and neuter. It's another thing to actually provide, especially when we're talking about responsible breeders and--

MELISSA MONEY-BEECHER: Yes.

BLOOD: I just want to see that there's responsibility all the way around. But, again, I appreciate your, your testimony. I just want to

make sure we're staying and talking about what the bill is actually about. And we'll have opinions on it.

MELISSA MONEY-BEECHER: Right.

BLOOD: But what I see, the-- the immediate concern is it's trying to solve a problem that doesn't exist.

MELISSA MONEY-BEECHER: Yeah, it's trying to solve a problem that doesn't exist and it's trying to preempt any local control we have. And that's the concerning part. And they're-- that's what they're trying to sneak in. You know, this other stuff is just a bunch of stuff that they're trying to, you know, put in there so they could sneak that last section in. And so-- and I volunteer my time. Everything I do is volunteer. And I, you know, I wasted my whole afternoon and I have a lot to do. And so, yeah, I know these people are busy, too. So, you know, you've got a lot of people opposing this that-- and nobody's going to support it. And, unfortunately, Geist is in my district and--

BLOOD: So I'm going to stop you there.

MELISSA MONEY-BEECHER: Yeah, OK.

BLOOD: Because Senator Geist is my peer--

MELISSA MONEY-BEECHER: Yes, I understand.

BLOOD: -- and I don't hear anything negative. But thank you again for your testimony.

HALLORAN: Thank you, Senator Blood. Any further questions? Seeing none, thank you. Additional opponents?

MARK LANGAN: Thank you. My name is Mark Langan, M-a-r-k L-a-n-g-a-n, I'm Vice President of Field Operations for the Nebraska Humane Society. I just feel it's really important for me to try to circle the testimony back to the original intent of Nancy's testimony and Bob Downey's testimony, because it kind of went off the rails after that. So I have four quick points. First of all, in regards to AM431 we feel as though Sections 1 and 2 are in direct contradiction with each other. So we think that it's a bad amendment. Section 1 says that cities basically can't pass ordinances in conflict with state statutes. Section 2 says we can, so that's bad legislation. Number

two, Senator Blood had a great point on how myself and her work together. Also a great point that I should get a raise. We'll be talking about that all the way back to Omaha. So it just goes to show that we do work very well with our local entities on passing ordinances in Omaha that are more restrictive than state statutes and they work extremely well, and we're a good example of that. Third, we do numerous pet shop inspections a year in the city of Omaha. We have never run a pet shop out of Omaha. We found some violations that we've had them correct. That's our job to do. But that's rhetoric that pet shops have been run out. And in regards to Senator Geist, she's been great to work with on this. We had a great meeting with her. There are no bad people in this room, so I apologize for that comment. I apologize for what you've had to go through on this. It wasn't from us, obviously, so there's no bad people here. We're just trying to get some legislation figured out and we think it's bad legislation. With that, any questions?

HALLORAN: Any questions? Senator Blood.

BLOOD: Thank you, Chairman Halloran. And to reiterate, you do deserve a raise. So you said that you do check these pet shops and you have never closed one down to your knowledge?

MARK LANGAN: Yeah, we do yearly inspections. We're required to. And we find violations.

BLOOD: And what do you do when you find a violation?

MARK LANGAN: We have them corrected, usually give them time to you correct them.

BLOOD: So you cite them and you give them a window of time?

MARK LANGAN: Well, it's not really a citation. It's more of a notice that they have to correct it. And if they don't we could potentially write citations or move to shut them down. But it's never been that-- it's never gone to that extreme.

BLOOD: And what window of time do you give them to correct these issues?

MARK LANGAN: Oh, we're pretty liberal on the time unless the animal's welfare is in danger, which we've never really had a situation like that. But if we had a bad situation of an animal or animals in

terrible situations, we'd move in and take those animals out of the pet shop. That's our job.

BLOOD: Didn't we have that with reptiles in Bellevue? Didn't we have some--

MARK LANGAN: Yeah, we've had some problems with a reptile shop in Bellevue that we've had to take some strong action on. So we're not averse to doing that, but our job is not to run pet shops out of Bellevue or Omaha or anything like that.

BLOOD: Right. So 30-day window time?

MARK LANGAN: Sure.

BLOOD: I mean, we're looking for a number. [INAUDIBLE.]

MARK LANGAN: Yeah, I mean, depending on the violation, but 30 days would be a reasonable amount of time, sure. If it's a cleanliness issue, something like that, we certainly work with the pet shops. We're all about working with our businesses and our constituents in Nebraska. Nebraskans working with Nebraskans.

BLOOD: And did you find that that local control is important in these issues?

MARK LANGAN: Extremely important.

BLOOD: And why is that?

MARK LANGAN: Because problems in Omaha are unique to problems in Gering, Nebraska, for example. I mean, I've never been there, but a small town. It just kind of popped in my head. I mean, Omaha has large city issues involving animals. Besides pet shops, dog bites, dangerous dogs. You know, me and-- myself and you worked on making the ordinances uniform in Sarpy County and you were the first to do that and now they've swept across Sarpy County. We have uniform animal control ordinances. You know, so metropolitan areas have unique situations as opposed to a small town, but that's not to say the small town Nebraska still should not be able to pass local ordinances that they think are needed in that particular city.

BLOOD: Well, and there is a difference between rural and urban. I mean, we're right next to our neighbors in eastern Nebraska.

MARK LANGAN: There is. And when I first read this bill it frightened me that it could set a precedent for state statutes coming in and saying you have to wipe out your local ordinances and just go by state statutes. I don't think the State of Nebraska-- and I've lived here all my life-- knows better what's going on in Omaha, Nebraska, than Omaha, Nebraska.

BLOOD: And the vast majority-- have any of that ordinances that have been passed in eastern Nebraska been challenged in court for any reason, such as the dog bites or the--

MARK LANGAN: No.

BLOOD: Thank you.

HALLORAN: Thank you, Senator Blood. Senator Chambers.

CHAMBERS: Mr. Langan, I haven't asked many questions because knowledgeable, credible people were testifying. But to go back in history a little bit, what did you do prior to working with the Humane Society?

MARK LANGAN: So I was a 26 year member of the Omaha Police Department.

CHAMBERS: And while you were a member of the Omaha Police Department I lived in the heart of the black community. Is that correct?

MARK LANGAN: That is correct. I think you live in the heart. I think you do. No, I'm kidding. Yes.

CHAMBERS: I know. See we can do that with each other. Some people wondered why-- you have colleagues still on the police department. And they-- some of them might wonder how in the world you and I can cooperate so much on these issues. And you have to take my word for it, there are people in my community who wonder what in the world I am doing working with Langan, because-- people in my community knew you, didn't they?

MARK LANGAN: Yes.

CHAMBERS: And people who are your colleagues knew me, didn't they?

MARK LANGAN: Yes.

CHAMBERS: But now we are working hand in glove, if you want to call it that, in a common-- for a common purpose.

MARK LANGAN: We do. We have a great relationship.

CHAMBERS: And I have great trust and confidence in you. And I think you're aware that I've said it publicly.

MARK LANGAN: Yes, you have, and I appreciate that. And it just goes to show that anybody can get along, I would say. And you'd agree with that, too, correct?

CHAMBERS: Do you think if I didn't believe that and didn't mean it, especially when you consider our history, do you think I would have any reason to say those things if I didn't mean them?

MARK LANGAN: No. And I appreciate your kind words and right back at you, too, because you've been very supportive of the Nebraska Humane Society and our legislative bills which, by the way, we passed about a dozen legislative bills in the past 12 or 13 years that have all been passed pretty much unanimously by the State Legislature.

CHAMBERS: And the reason I'm saying it, I want the people on the committee who may not be aware of the work you and the Humane Society have done to realize that people who might disagree on some other issues have been able to work with the Humane Society, will contact the Humane Society. And you all rescued a cat that was catty-cornered from my house on the 19th and Binney Street where--

MARK LANGAN: I remember that.

CHAMBERS: --people say I don't live. And I was willing to pay the fire department because I-- there was a huge house and I'd hear here this yowling. And I first-- I'd hear it in the morning and I'd go over there because it sounded like it might be coming from the basement or the cat was in distress and I couldn't figure out what it was. And I think the cat was high up in that house. But, anyway, do you remember that I had contacted--

MARK LANGAN: I do.

CHAMBERS: --you all? And that problem was solved, wasn't it?

MARK LANGAN: Yes. Yes, it was.

CHAMBERS: And I'll be eternally grateful.

MARK LANGAN: And I was appreciative of the donation that you sent after that to the Nebraska Humane Society.

CHAMBERS: But, anyway--

MARK LANGAN: He does have a soft side to him, yes.

CHAMBERS: My colleagues are aware of how sharp my tongue can be, how critical I can be, and I want them to be aware of the fact that when there is somebody that I've had-- in fact, didn't I file a complaint against you one time?

MARK LANGAN: Oh, but several.

CHAMBERS: I can have my opinion changed by a person's conduct. And when I see that change, then I have to modify my attitude toward that person and let the people in my community who might still wonder, let them know that since they haven't dealt with you as I have dealt with you they can maintain the opinion that they have. But as long as you work with the Humane Society, I will work with you. As you pointed out we've worked on legislation.

MARK LANGAN: We have.

CHAMBERS: I'm really glad you're there and I thought you weren't going to testify. Oh, that's right. I'm so modest that the mike doesn't even register with me. But he did that so that the transcribers could pick up what we've got. Now I want to mention something to you that disturbed me about the gentleman who was here earlier. We had some very negative attitudes about the Humane Society of the United States and Senator Geist talked about this radical organization from outside. Well, they gave me a lifetime some kind of award for the work that I had done and they were aware of the work that I had done even in New York. And they came and presented it. But we had a person here from outside of Nebraska who had to acknowledge that there are no problems of the kind he's talking about here. When a person-- when a direct question was asked because I listen he said, well something's happening in this state, something's happening in that state, something's happening in the other state. But a common cliché is, if it ain't broke don't fix it. And because Omaha is such a large city we've even had problems with dog fighting groups. You have to be able to respond very quickly and some action that might be

taken by the Humane Society would require a legal backing that a city ordinance could give. But the State Legislature is responding to different statements over here, in the middle, and on the other side and may not do anything. And the problem is festering and cannot be dealt with. So I'm appreciative of the fact that the Omaha Humane Society, that the Capital Humane Society people came here and they even-- then I'm going to be through-- I haven't asked a lot of questions. And you notice that I'm, I'm lavishing praise on what people have done and I'm doing it because of what I know that they've done not what I've heard. Some fool in Lincoln had purchased I think it may have been a Burmese python and he slept with the python and then the python bit him. So he wanted to kill the python, but he didn't know how. So he was going to turn it over to the Linc-- but anyway, here's what happened. He turned it over to the Lincoln Humane Society and wanted them to destroy it. And since he was the owner he could direct how that animal was to be handled. I got the information from the Lincoln Journal Star as to who he was, where he lived, and I went to his house. I'm not going to tell you how much money I gave him, but the snake was already out of his possession. So I had him sign a bill of sale where he transferred ownership to me, because he was not giving the snake to the Humane Society as a donation, he was giving it to them to be destroyed. I didn't feel that that animal or any animal ought to be destroyed because of the stupidity of human beings. So I purchased the animal and it was first-- maybe they tried to see if the Henry Doorly Zoo wanted it, but they wound up placing it with a zoo. So I was able to say that my constituency consists of those that have two feet, those that have four feet, and those that have no feet. I think that covers the waterfront. And before I embarrass you by some of the comments I could make about the good work you're doing, I thank you for allowing me to be the sounding board. And I'm not just saying it here, but if there's ever anything I can do and I'm saying it before a great cloud of witnesses, let me know.

MARK LANGAN: Thank you. We appreciate that. I'll take you up on that. Thank you.

CHAMBERS: Good.

MARK LANGAN: Any other questions?

HALLORAN: Any further reunions with-- oh, any-- [LAUGHTER] Any further questions from the committee?

MARK LANGAN: Thank you guys.

HALLORAN: Thank you. Any additional opponents for LB382? Additional opponents? Seeing none, anyone in the neutral capacity? Neutral capacity? Seeing none, that ends our hearing except for closing for Senator Geist. We have-- while she is getting situated, we have letters to be entered into the record. Proponent: We have Abbie Cornett, herself. Opponent: We have Elizabeth Oreck, Best Friends Animal Society; Becky Robinson, Alley Cat Alleys-- Allies, excuse me; Lynne Rex, League of Municipalities-- League of Nebraska Municipalities. Senator Geist.

GEIST: Yes, thank you. And thank you all. I do appreciate all who testified. I actually even respect those who testified in opposition. I understand having passion for animals. I happen to, too. I know after this many of you might not believe that, but it in fact is true. But I approached this bill and I know that-- I understand your concerns. And in appreciation I also have to say, as well as my staff and I met with the Omaha and Lincoln Humane Society, what huge respect I have for those organizations. And I hope that this legislation in no means and in no way would cast any dispersion on what the good work they do, because I, I do think they do wonderful work and I have a wonderful pet from the Humane Society. All in all this is a consumer protection perspective. My perspective of this bill also is that no matter where I would go, if I am an uninformed pet owner, which I would say there are many out there, most of you all, especially after today-- and I know that those behind me are actually informed pet owners but there are many who aren't. And I-- it, it gives me a measure of comfort to think that no matter where I would shop in Nebraska I would have transparency on where my puppy or my cat or-- and this basically refers to puppies and cats. I don't know about pythons and rabbits and rats and those. Puppies and cats is kind of where we're staying here. But I would, I would know where it came from. With this I would know that it had veterinary care up until the point of purchase. And if I had to return that animal for whatever reason, that would be on file. Their records would be on file with that pet store for a year. I've never returned a pet-- I've-- I also have to say I've not-- I don't-- I've not often shopped in pet stores, but, but I don't have an issue with pet stores. I think they do a good job in many cases. I'm sure there are bad actors

out there. But to wipe out pet stores as a class of business I think is not wise. So I see this as a consumer protection. It's also intended to protect a pet store that a family might have passed down from bus-- from generation to generation. It does happen. They are here in Nebraska and this is looked at as a protection for them. You did hear a little bit, just a little snippet, of what my staff and I have heard for the past several months. And it's not kind and it's not the intention of this legislation at all. I, in no means, not ever once in my life, would I promote a puppy mill or bad conditions for any kind of pet. And that is not what the gentleman who was here from the, the-- I'm sorry I'm losing my-- but Mike, that's not his intention. He is for responsible pet ownership. He is for responsible citizens who take care of their pets and for protection for those pets and the pet stores. But in no way does that include bad practices of bad actors, Petland and the like. That is not what we're here about. And one other thing that was said that I just have to say, because it almost made me laugh. I have and will never receive a cent from anyone for carrying a bill. I do not make money at this job more than any of the rest of you do. And so this is not a position that I would take. You can look at my NADC reports now and in the coming year and I will not receive money from Petland or anyone else who gives money for bills. And I don't know who those people are because they don't talk to me. So, anyway, I do encourage you to move this legislation for the protection of the pet stores and the protection of the consumers who will be purchasing from them. And with that, I will answer any questions you have.

HALLORAN: Thank you, Senator Geist. Closing questions for Senator Geist? Senator Blood.

BLOOD: Thank you, Chairman Halloran. And thank you, Senator Geist for staying-- it's been a long day, too, I can't talk-- staying for the closing. And I feel your pain. I have a bill that I'm getting beat up on really bad. And people are not--

GEIST: And that's part of the job.

BLOOD: --very compassionate and empathetic and they never want to actually discuss it, they just want to call names. So I empathize with you on that. But I do have a question, not just a statement. So if indeed the purpose is to provide transparency, why not just have a bill that does that and says that pet shops have to say where their

animals come from and have their vaccination records? Do they not already do that in Nebraska?

GEIST: They do. They do, do that. There was some additional transparency in here and that was the keeping of the records, the veterinary records and keeping those on file for a year. So that is not currently in statute, but that was something that we added with this bill. The other things that I listed, yes, are currently in statute. And your question was why bring this?

BLOOD: So if, indeed, it's about protecting the consumer and transparency why not just have a bill about that instead of trying to solve the other problem?

GEIST: The preemptive is what you're asking about. And the problem with that is there is a move. There is-- there have been other states who have experienced people coming in and making ordinances in a small town that actually shut down pet stores because they can't always source in every town just from a shelter.

BLOOD: But when it comes to businesses isn't local control key of what they do and do not want in their own business, from strip clubs to bottle clubs to pet shops? And, again, I'm not saying that pet shops are bad in any way. I'm saying that isn't that a local control issue?

GEIST: It can be. This would also help those locally.

BLOOD: I hear what you're saying. I'm not sure I agree with you

GEIST: OK. And we can agree to disagree.

BLOOD: And we do that a lot and we still respect each other.

GEIST: Yeah. And we're still all right. Yeah.

BLOOD: And it's all good. Thank you.

GEIST: You bet.

HALLORAN: Thank you Senator Blood. Senator Chambers.

CHAMBERS: Senator Geist, the problem that I have with the gentleman who was I'd have to say on your side on the bill, I've seen that kind of person come before this committee to attack the United States

Humane Society and they all cite the same figures. They raise this money and don't give here and there. And we had challenged those people and they couldn't present any documentation. They were accustomed to giving the same spiel. And for this man to come here and suggest that he knows so much about how the Humane Society raises money and how it spends it, he knew nothing about the organization that hired him. They sent him all over the country. They sent him to states like Nebraska which are considered, by the way, in those realms flyover states. They're easy targets. You get them on board, then you get a string of states that have done this particular thing and that is supposed to be enough weight to persuade some of the other states that might be more thoughtful that maybe it's OK, because all these other states did it. So when anybody comes here and knows something about everybody's business but doesn't know anything about his own I'm skeptical. I think he's a hustler. I think he is smooth. I think he's a con man and he was not forthcoming and I said that to him. And when a man who said all that he said-- and I read some material he gave-- can say he didn't understand the question that I asked him, I wasn't going to waste any more time with him. I want to make sure you can distinguish between what I said about him and didn't say about you. But I think you were going to be his vehicle to bring his what I would consider claptrap. And if he's here still he can hear what I'm saying. I don't know if he hightailed it out of here. Oh, there he is, and we're, we're going to talk after this hearing. But that's all I have. Thank you.

HALLORAN: Thank you, Senator. Chambers. Any further questions, final questions? If not, thank you, Senator Geist. That concludes our hearing for LB382. Thanks everyone for testifying. And that concludes our Agriculture hearing for the day.