# ONE HUNDRED NINTH LEGISLATURE FIRST SESSION

# **TWENTY-FOURTH DAY**

Legislative Chamber, Lincoln, Nebraska Tuesday, February 11, 2025

### PRAYER

The prayer was offered by Pastor Matt Prose, GLOW Church, Ralston.

# PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was offered by Senator Murman.

## **ROLL CALL**

Pursuant to adjournment, the Legislature met at 9:00 a.m., President Kelly presiding.

The roll was called and all members were present except Senator Juarez who was excused; and Senators Bostar, Conrad, DeBoer, Dover, Hansen, and Hughes who were excused until they arrive.

## **CORRECTIONS FOR THE JOURNAL**

The Journal for the twenty-third day was approved.

# **COMMITTEE REPORT(S)**

Judiciary

# LEGISLATIVE BILL 230. Placed on General File with amendment.

AM55

1 1. Strike the original sections and insert the following new

2 sections:

3 Section 1. <u>Sections 1 to 16 of this act shall be known and may be</u> 4 <u>cited as the Kratom Consumer Protection Act.</u>

- 5 Sec. 2. For purposes of the Kratom Consumer Protection Act:
- 6 (1) Attractive to children means products:
- 7 (a) Manufactured in the shape of humans, cartoons, or animals; or

8 (b) Manufactured in a form that bears any reasonable resemblance to

9 an existing candy product that is familiar to the public as a widely

10 distributed or a branded food product such that a product could be

11 mistaken for the branded food product, especially by children;

- 12 (2) Department means the Department of Revenue;
- 13 (3) Kratom extract means the material obtained by extraction of
- 14 kratom leaves with a solvent consisting of water, ethanol, or food-grade
- 15 carbon dioxide, or any other solvent allowed by federal or state
- 16 regulation to be used in manufacturing a food ingredient;
- 17 (4) Kratom leaf means any part of the leaf of the mitragyna speciosa
- 18 plant in a fresh, dehydrated, or dried form that has been subjected to no
- 19 post-harvest processing other than drying or size reduction, including,
- 20 but not limited to, cutting, milling, or a similar procedure, and
- 21 cleaning or sterilization through the application of heat, steam,
- 22 pressurization, irradiation, or other standard treatments applied to food 23 ingredients;
- $24 \overline{(5)}$  Kratom product means a food, ingredient, or dietary supplement 25 that:
- 26 (a) Consists of or contains kratom leaf or kratom leaf extract; 27 (b) Does not contain any synthesized kratom alkaloids, other
- 1 synthesized kratom constituents, or synthesized metabolites of any kratom 2 constituent; and
- 3 (c) Does not contain a level of 7-hydroxymitragynine in the alkaloid
- 4 fraction that is greater than two percent of the alkaloid composition of
- 5 the kratom product;
- 6 (6) Processor means a person that manufacturers, packages, labels,
- or distributes kratom products or advertises, represents, or holds itself
- 8 out as manufacturing, preparing, packaging, labeling, or distributing 9 kratom products;
- 10 (7) Retailer has the same meaning as in section 77-2701.32; and
- 11 (8) Synthesized means an alkaloid or alkaloid derivative that has
- 12 been created, in full or in part, by directed chemical, physical, or
- 13 biosynthetic conversion, including, but not limited to, fermentation,
- 14 recombinant techniques, yeast-derived, or enzymatic techniques, rather
- 15 than traditional food preparation techniques, such as heating or
- 16 extracting.
- 17 Sec. 3. (1) No person shall sell, offer for sale, provide, or
- 18 distribute kratom leaf or a kratom product to a person under twenty-one 19 years of age.
- 20 (2) An online retailer or marketplace that sells or offers for sale
- 21 kratom leaf or a kratom product shall implement an age-verification
- 22 system to ensure compliance with this section.
- 23 Sec. 4. No person shall produce, manufacture, distribute, offer for
- 24 sale, sell, or introduce into commerce a kratom product in the State of
- 25 Nebraska if the product is manufactured in a manner that is attractive to 26 children.
- 27 Sec. 5. A kratom product sold, offered for sale, or introduced into 28 commerce in the State of Nebraska shall:
- 29 (1) Be manufactured, packaged, labeled, and held in compliance with
- 30 federal regulations for current good manufacturing practice in
- 31 manufacturing, packaging, labeling, or holding operations for dietary
- 1 supplements as codified in 21 C.F.R. Part 111, as such regulations
- 2 existed on January 1, 2025; and
- 3 (2) Be manufactured, processed, packed, or held by a processor who
- 4 has registered with the federal Food and Drug Administration as a food
- 5 facility.

6 Sec. 6. A kratom product sold, offered for sale, or introduced into 7 commerce in the State of Nebraska shall:

- 8 (1) Be labeled in compliance with all applicable federal food or
- 9 dietary supplement labeling regulations, including, but not limited to,
- 10 21 C.F.R. Part 101, as such regulations existed on January 1, 2025;
- 11 (2) Be labeled in compliance with all applicable federal retail
- 12 package labeling requirements for allergen labeling; and
- 13 (3) Have a label on each retail package that clearly and

14 conspicuously provides the following information:

- 15 (a) The product is not recommended for use by individuals who are
- 16 under twenty-one years of age, who are pregnant, or who are
- 17 breastfeeding;
- 18 (b) A health care practitioner should be consulted prior to using

19 the product;

- 20 (c) The product may be habit-forming: 21 (d) The following statements: "These statements have not been
- 22 evaluated by the federal Food and Drug Administration. This product is
- 23 not intended to diagnose, treat, cure, or prevent any disease.";
- 24 (e) The name and place of business of the processor;
- 25 (f) Directions for use that include a recommended amount of the
- 26 <u>kratom product per serving that is:</u> 27 <u>(i)</u> Clearly described on the label for product forms such as
- 28 capsules, gummies, prepackaged, single-serving units, and similar product 29 forms; or
- 30 (ii) A clear instruction or a mark on the package or container for
- 31 beverages or liquids;
- 1 (g) A recommended number of servings that can be safely consumed in
- 2 a twenty-four-hour period;
- 3 (h) A listing of the servings per container; and
- 4 (i) A listing of kratom alkaloids mitragynine and
- 5 7-hydroxymitragynine and other ingredients in the product, including
- 6 quantitative declarations of the amount per serving of mitragynine.
- 7 Sec. 7. (1) The department shall establish, operate, and administer
- 8 a program to register kratom products. The Tax Commissioner shall
- 9 designate an implementation date for such program which date is on or 10 before January 1, 2026.
- 11 (2) Beginning on the implementation date designated by the Tax
- 12 Commissioner pursuant to subsection (1) of this section:
- 13 (a) No processor may manufacture, package, label, or distribute a
- 14 kratom product to be offered for sale in the State of Nebraska unless the
- 15 product has been registered with the department;
- 16 (b) Applications for product registration shall be submitted on a
- 17 form prescribed by the department. Each application shall include:
- 18 (i) The name, address, and state of organization for the processor
- 19 of the product;
- 20 (ii) A principal point of contact for the processor and contact
- 21 information for the point of contact;
- 22 (iii) The name of the product;
- 23 (iv) The product label;
- 24 (v) A certificate of analysis for the kratom product that states the
- 25 kratom product's alkaloid content and certifies that the kratom product
- 26 has a level of 7-hydroxymitragynine that is less than two percent of the
- 27 alkaloid composition of the kratom product from an independent
- 28 laboratory. Such laboratory shall obtain and maintain an International
- 29 Organization for Standardization and International Electrotechnical
- 30 Commission (ISO/IEC) 17025 accreditation for testing and calibration
- 31 laboratories from an accreditation body that is a signatory to the
- 1 International Laboratory Accreditation Cooperation Mutual Recognition 2 Arrangement:
- 3 (vi) A valid good manufacturing practice certificate issued by an
- 4 accredited third-party certification body in compliance with 21 C.F.R.
- 5 Part 117; and
- 6 (vii) A current food facility registration certificate issued by the
- 7 federal Food and Drug Administration for all facilities where kratom
- 8 products are manufactured, prepared, packaged, or labeled;
- 9 (c) A certificate of registration shall be valid for one calendar
- 10 year after the date of issue and shall not be transferable; and
- 11 (d) The department may charge a fee for product registration

- 13 reasonable and shall not exceed any reasonable or necessary costs to
- 14 administer the Kratom Consumer Protection Act.
- 15 (3) If an application is incomplete or deficient, the department
- 16 shall, in a timely manner, notify the applicant in writing describing the
- 17 reason or reasons and request additional information. If such application
- 18 is not corrected or supplemented within thirty days after the
- 19 department's request, the department shall deny the application.
- 20 (4) If any false statement is made in any part of an application,
- 21 the department shall deny the application.
- 22 (5) A person aggrieved by the denial of an application may request a
- 23 hearing pursuant to section 11 of this act.
- 24 (6) A processor or retailer is not prohibited from selling,
- 25 preparing, manufacturing, distributing, maintaining, advertising,
- 26 representing, or holding itself out as selling, preparing, or maintaining
- 27 kratom products in the State of Nebraska prior to the implementation date
- 28 designated by the Tax Commissioner pursuant to subsection (1) of this
- 29 section, or while the first product registration applications submitted
- 30 by processors operating in the State of Nebraska as of January 1, 2025,
- 31 are pending approval or denial by the department.
- 1 Sec. 8. Beginning on the implementation date designated by the Tax
- 2 Commissioner pursuant to subsection (1) of section 7 of this act, the
- 3 department shall make public a list of all registered kratom products on 4 its website.
- 5 Sec. 9. (1) No person shall sell, offer for sale, provide, or
- 6 distribute an adulterated kratom product in the State of Nebraska.
- 7 (2) A product shall be deemed adulterated if:
- 8 (a) It contains any kratom alkaloid or metabolite, including
- 9 7-hydroxymitragynine, and does not meet the definition of a kratom
- 10 product under section 2 of this act; or
- 11 (b) The kratom product is combined with a dangerous nonkratom
- 12 substance that contains a poisonous or otherwise deleterious nonkratom
- 13 ingredient, including, but not limited to, any substance listed as a
- 14 controlled substance under the laws of this state or federal law.
- 15 (3) Upon receipt of evidence that suggests a product may be an
- 16 adulterated kratom product, the department may require the person
- 17 selling, providing, or distributing the product to obtain an independent 18 third-party test of the product by a laboratory of the department's
- 19 choosing.
- 20 Sec. 10. (1) Any processor or retailer that violates any section of
- 21 the Kratom Consumer Protection Act, including those related to the
- 22 application or registration, or any of the rules and regulations adopted
- 23 and promulgated by the department that apply to processors or kratom
- 24 products shall be subject to the penalties provided in this section.
- 25 (2) For the first violation, the department shall impose a civil
- 26 penalty of up to one thousand dollars. For the second violation, the
- 27 department shall impose a civil penalty of up to five thousand dollars.
- 28 For a third violation and any subsequent violations, the department shall 29 impose a civil penalty of at least five thousand dollars and no more than
- 30 twenty thousand dollars and, if the violator is a processor, the
- 31 department shall prohibit the sale of any kratom products of such
- 1 processor within the State of Nebraska for a period of three years.
- 2 (3) For any processor or retailer that has no violation for a period
- 3 of four consecutive years, any violation shall be treated as a new first 4 violation
- $5 \overline{(4)}$  No determination that a violation has occurred shall be made
- 6 until notice has been given and a hearing has been held by the Tax
- 7 Commissioner as provided in section 11 of this act if requested by the 8 processor or retailer.
- 9 (5) A retailer shall not be found to be in violation of the Kratom

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TWENTY-FOURTH DAY - FEBRUARY 11, 2025 10 Consumer Protection Act if it is shown by a preponderance of the evidence 11 that the retailer relied in good faith upon the representation of a 12 processor that a product is not an adulterated kratom product as defined 13 in section 9 of this act or otherwise conformed to the act. 14 Sec. 11. (1) Any person aggrieved by a notice of denial of an 15 application issued under section 7 of this act or a notice of violation 16 issued under section 10 of this act may request a hearing on any such 17 notice issued by the Tax Commissioner. 18 (2) Such request shall be made within twenty days after the receipt 19 of any such notice. 20 (3) At such hearing the Tax Commissioner, or any officer or employee 21 of the Tax Commissioner designated in writing, may examine any books, 22 papers, memoranda, or other evidence bearing upon the matter at issue and 23 require the attendance of any officer or employee of the processor or 24 retailer or any person having knowledge pertinent to such hearing. The 25 Tax Commissioner or the Tax Commissioner's designee may administer oaths 26 to persons testifying at such hearing. 27 (4) During the hearing, the Tax Commissioner or the Tax 28 Commissioner's designee shall not be bound by the technical rules of 29 evidence, and no informality in any proceeding or in the manner of taking 30 testimony shall invalidate any order or decision made or approved by the 31 Tax Commissioner. 1 Sec. 12. (1) Within a reasonable time after the hearing pursuant to 2 section 11 of this act, the Tax Commissioner shall make a final decision 3 or final determination and notify the processor or retailer by mail of 4 such decision or determination. 5 (2) If it is determined that a processor intentionally and 6 materially falsified any information contained in an application under 7 the Kratom Consumer Protection Act, the processor shall be ineligible to 8 obtain a certification of registration for a period of twelve months 9 after the date of such determination. 10 (3) A processor or retailer may appeal the decision of the Tax 11 Commissioner, and the appeal shall be in accordance with the 12 Administrative Procedure Act. 13 Sec. 13. The Attorney General shall have authority to enforce the 14 Kratom Consumer Protection Act pursuant to the Consumer Protection Act 15 and the Uniform Deceptive Trade Practices Act. This section shall not be 16 construed to allow for a private right of action under the Kratom 17 Consumer Protection Act even though such action is authorized under the 18 Consumer Protection Act and the Uniform Deceptive Trade Practices Act. 19 Sec. 14. (1) If a registered processor has been convicted by any 20 court of a violation of the Kratom Consumer Protection Act, the processor 21 may, in addition to the penalties for such offense, incur a forfeiture of 22 the certificate of registration for its kratom products and all money 23 that had been paid for such certificate of registration. 24 (2) If any false statement is made in any part of an application 25 submitted under section 7 of this act, the applicant shall be subject to 26 prosecution for perjury and if convicted may, in addition to the 27 penalties for such offense, incur a forfeiture of any certificate of 28 registration that was issued for the applicant's kratom products and all 29 money that had been paid for such certificate of registration. 30 Sec. 15. Except as otherwise provided in the Kratom Consumer 31 Protection Act, no political subdivision shall impose additional restrictions on the manufacturing, packaging, labeling, distribution, or 2 sale of kratom leaves, kratom leaf extracts, or kratom products greater 3 than or in addition to those enumerated in the act. 4 Sec. 16. The department may adopt and promulgate rules and 5 regulations to carry out the Kratom Consumer Protection Act.

6 Sec. 17. This act becomes operative on July 1, 2025. 7 Sec. 18. Since an emergency exists, this act takes effect when 8 passed and approved according to law.

(Signed) Carolyn Bosn, Chairperson

#### NOTICE OF COMMITTEE HEARING(S) Urban Affairs

Room 2102 2:15 PM

Tuesday, February 18, 2025 LB447 LB520 LB531 LB611

(Signed) Terrell McKinney, Chairperson

Nebraska Retirement Systems Room 1525 12:00 PM

Friday, February 21, 2025 LB76 LB433 LB420

(Signed) Beau Ballard, Chairperson

### **RESOLUTION(S)**

### LEGISLATIVE RESOLUTION 43. Introduced by Ballard, 21.

WHEREAS, Ethan Hardin of Malcolm, Nebraska, a member of Lincoln Boy Scout Troop 56 and son of Mike and Alicia Hardin, completed the requirements for the rank of Eagle Scout in the Boy Scouts of America; and

WHEREAS, to earn the rank of Eagle Scout, the highest rank in scouting, a Boy Scout must fulfill requirements in the areas of leadership, service, and outdoor skills. Throughout their scouting experience, these young men and women have learned, tested, and received recognition for various scouting skills; and

WHEREAS, to achieve the rank of Eagle Scout, a Boy Scout is required to earn twenty-one merit badges, fourteen of which are in required areas, and complete an approved community service project; and

WHEREAS, for his community service project, Ethan was inspired to serve the community in Lincoln, Nebraska, by planning and installing a dry creek bed to help solve an erosion problem at the Turpin Outdoor Education Center; and

WHEREAS, Ethan was awarded Eagle rank on August 22, 2024, at the Cornhusker Council; and

WHEREAS, Ethan, through his dedication to excellence, has joined other high achievers who are Eagle Scouts, including astronauts, leaders of government and industry, artists, scientists, and athletes.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED NINTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Legislature congratulates Ethan Hardin on achieving the rank of Eagle Scout.

2. That a copy of this resolution be sent to Ethan Hardin.

Laid over.

### **RESOLUTION(S)**

Pursuant to Rule 4, Sec. 5(b), LR38 was adopted.

# PRESIDENT SIGNED

While the Legislature was in session and capable of transacting business, the President signed the following: LR38.

### GENERAL FILE

LEGISLATIVE BILL 240. Title read. Considered.

Advanced to Enrollment and Review Initial with 39 ayes, 0 nays, 4 present and not voting, and 6 excused and not voting.

LEGISLATIVE BILL 286. Title read. Considered.

Advanced to Enrollment and Review Initial with 41 ayes, 0 nays, 2 present and not voting, and 6 excused and not voting.

LEGISLATIVE BILL 289. Title read. Considered.

Advanced to Enrollment and Review Initial with 40 ayes, 0 nays, 5 present and not voting, and 4 excused and not voting.

**LEGISLATIVE BILL 293.** Title read. Considered.

Committee AM148, found on page 430, was offered.

The committee amendment was adopted with 40 ayes, 0 nays, 6 present and not voting, and 3 excused and not voting.

Advanced to Enrollment and Review Initial with 41 ayes, 0 nays, 5 present and not voting, and 3 excused and not voting.

## LEGISLATIVE BILL 527. Title read. Considered.

Committee AM137, found on page 430, was offered.

The committee amendment was adopted with 39 ayes, 0 nays, 6 present and not voting, and 4 excused and not voting.

Advanced to Enrollment and Review Initial with 39 ayes, 0 nays, 6 present and not voting, and 4 excused and not voting.

LEGISLATIVE BILL 609. Title read. Considered.

Committee AM157, found on page 430, was offered.

The committee amendment was adopted with 37 ayes, 0 nays, 8 present and not voting, and 4 excused and not voting.

Advanced to Enrollment and Review Initial with 40 ayes, 0 nays, 5 present and not voting, and 4 excused and not voting.

# **COMMITTEE REPORT(S)**

Enrollment and Review

**LEGISLATIVE BILL 362.** Placed on Select File with amendment. **ER8** 

- 1 1. On page 1, line 13, after the second "to" insert "transfer and";
- 2 in line 14 strike "and rename"; and in line 15 strike the second "and"

3 and insert a semicolon.

4 2. On page 3, line 30, strike the new matter.

**LEGISLATIVE BILL 139.** Placed on Select File with amendment. <u>ER6</u>

1 1. On page 2, line 30, strike "act", show as stricken, and insert 2 "Real Property Appraiser Act".

**LEGISLATIVE BILL 231.** Placed on Select File. **LEGISLATIVE BILL 357.** Placed on Select File.

**LEGISLATIVE BILL 180.** Placed on Select File with amendment. **ER5** 

1 1. On page 1, strike beginning with "to" in line 3 through "bidding" 2 in line 4 and insert "to change requirements relating to public lettings 3 and biddings; to provide an exception for certain contracts under the 4 State Procurement Act".

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## LEGISLATIVE BILL 59. Placed on Select File with amendment.

ER4 1 1. On page 2, line 8, strike "in", show as stricken, and insert 2 "<u>on</u>".

#### (Signed) Dunixi Guereca, Chairperson

### **REFERENCE COMMITTEE REPORT**

The Legislative Council Executive Board submits the following report:

| LB/LR Commit | ttee |
|--------------|------|
|--------------|------|

LB558 Revenue (rereferred)

LR40 Executive Board

Arganbright, Kurt - Game and Parks Commission - Natural Resources

- Dentlinger, Courtney Nebraska Tourism Commission Government, Military and Veterans Affairs
- Fudge, David Nebraska Tourism Commission Government, Military and Veterans Affairs

Hutchison, Chuck - Nebraska Power Review Board - Natural Resources

Kime, Duane - Board of Educational Lands and Funds - Education

- Kreikemeier, Rachel Nebraska Tourism Commission Government, Military and Veterans Affairs
- Kuhn, Roger Nebraska Tourism Commission Government, Military and Veterans Affairs
- Mattoon, Steve Nebraska Oil and Gas Conservation Commission Natural Resources
- Moenning, Josh Nebraska Tourism Commission Government, Military and Veterans Affairs

Sabin, Robert - Nebraska Tourism Commission - General Affairs

Wightman, Anna Castner - Nebraska State Fair Board - Agriculture

- Wolf, David Nebraska Tourism Commission Government, Military and Veterans Affairs
- Younes, Paul Nebraska Tourism Commission Government, Military and Veterans Affairs

(Signed) Ben Hansen, Chairperson Executive Board

# NOTICE OF COMMITTEE HEARING(S)

Government, Military and Veterans Affairs Room 1507 1:30 PM

Wednesday, February 19, 2025 LB644 LB193 LB660

## Room 1507 1:30 PM

Thursday, February 20, 2025 LB659 LB604 LR23CA LB521

### Room 1507 1:30 PM

Friday, February 21, 2025 LR29 LB224 LB233

# (Signed) Rita Sanders, Chairperson

## **RESOLUTION(S)**

#### LEGISLATIVE RESOLUTION 44. Introduced by Murman, 38.

WHEREAS, Jordon Harms is a fourth-generation corn and soybean farmer; and

WHEREAS, Jordon has taken an active role in Nebraska's farming industry by participating in 4-H, FFA, the Clay County Farm Bureau, the Nebraska Farm Bureau State Legislative Policy Committee, and the Nebraska Farm Bureau Leadership Academy program; and

WHEREAS, young farmers like Jordon represent the best of Nebraska's future economy; and

WHEREAS, Jordon was recognized as the winner of the Nebraska Farm Bureau's 2024 Young Farmers and Ranchers Excellence in Agriculture Award.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED NINTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Legislature congratulates Jordon Harms for his achievement and contributions to Nebraska's agricultural economy.

2. That a copy of this resolution be sent to Jordon Harms.

Laid over.

### SENATOR FREDERICKSON PRESIDING

### GENERAL FILE

LEGISLATIVE BILL 241. Title Read. Considered.

Senator Conrad offered the following amendment: <u>AM246</u>

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1 1. On page 2, line 4, after "system" insert ". Cybersecurity event 2 includes, but is not limited to, a breach of the security of the system 3 as defined in section 87-802 4 2. On page 3, line 1, after the period insert "If the cybersecurity 5 event was a breach of the security of the system as defined in section 6 87-802, this subsection applies only if the private entity has provided 7 notice as required pursuant to section 87-803 and the Attorney General 8 has issued written certification to the private entity that any 9 investigation pursued by the Attorney General pursuant to section 87-806 10 has been completed.".

Pending.

# **COMMITTEE REPORT(S)**

Revenue

## LEGISLATIVE BILL 501. Placed on General File. LEGISLATIVE BILL 592. Placed on General File.

(Signed) R. Brad von Gillern, Chairperson

Education

LEGISLATIVE BILL 140. Placed on General File with amendment. AM203

1 1. On page 2, lines 10 and 16, after the second "school" insert

2 "instructional"; in line 18 strike "cell phones" and insert "electronic

3 communication devices"; in line 23 after "school" insert "instructional";

4 and in line 29 strike "a teacher" and insert "the school district".

5 2. On page 3, line 6, strike "communicating" and insert

6 "communication".

#### LEGISLATIVE BILL 300. Placed on General File with amendment. AM168

1 1. Strike the original sections and insert the following new

2 sections:

3 Section 1. Section 79-566, Reissue Revised Statutes of Nebraska, is 4 amended to read:

5 79-566 The board of education of a Class IV school district shall at

6 a regular meeting elect from outside its own members a superintendent, an

7 associate superintendent of instruction, an associate superintendent of

8 business affairs, a school district treasurer, and the number of

9 employees the board of education may deem necessary for the proper

10 conduct of the affairs of the school district at such

11 compensationsalaries as the board of education may determine, except that

12 the compensation of the superintendent shall comply with the

13 Superintendent Pay Transparency Act. The board may contract with them for

14 terms not to exceed three years. The election of all officers of the 15 board of education and all elections for filling vacancies on the board

16 of education shall be by ballot. No person shall be declared elected

17 unless he or she receives the vote of a majority of all the members of

18 the board of education.

19 Sec. 2. Section 79-567, Reissue Revised Statutes of Nebraska, is

20 amended to read:

21 79-567 The members of the board of education of a Class V school

22 district, at their regular meeting in January each year, shall elect a

23 president and vice president from their own members, who shall serve for

24 terms of one year or until their successors are elected and qualified. 25 The members of the board of education may also select from outside their 26 own members one superintendent of public schools, one secretary, one 27 treasurer, and such other officers as the board may deem necessary for 1 the administration of the affairs of the school district, at such 2 compensationsalary as the board may deem just, except that the 3 compensation of the superintendent shall comply with the Superintendent 4 Pay Transparency Act. The members of the board of educationand in their 5 discretion they may enter into contracts with such officers for terms of 6 not to exceed three years. The board shall have the power to elect its 7 president and vice president and to select its officers and employees in 8 accordance with rules adopted by the board. 9 Sec. 3. Section 79-594, Reissue Revised Statutes of Nebraska, is 10 amended to read: 11 79-594 The school board in a Class I, II, III, or IV school district 12 may also elect at any regular meeting one superintendent of public 13 instruction with such compensationsalary as the board deems best, except 14 that such compensation shall comply with the Superintendent Pay 15 Transparency Act. The board and may enter into contract with the 16 superintendenthim or her at its discretion, for a term not to exceed 17 three years. 18 Sec. 4. Section 79-1219, Reissue Revised Statutes of Nebraska, is 19 amended to read: 20 79-1219 Each board of an educational service unit deciding to 21 provide supplementary services shall appoint and fix the compensation and 22 duties of an administrator, who shall be a person experienced in public 23 school administration and who shall hold at least a standard 24 administrative certificate. The board shall fix the compensation of the 25 administrator, and such compensation shall comply with the Superintendent 26 Pay Transparency Act. With the advice of the administrator, the board 27 shall also employ and fix the compensation and duties of such 28 professional and clerical assistants as shall be necessary. No board 29 member of an educational service unit shall be employed by the 30 educational service unit board on which he or she is a board member. 31 Sec. 5. Section 79-2401, Reissue Revised Statutes of Nebraska, is 1 amended to read: 2 79-2401 Sections 79-2401 to 79-2405 and sections 6 and 7 of this act 3 shall be known and may be cited as the Superintendent Pay Transparency 4 Act. 5 Sec. 6. For purposes of the Superintendent Pay Transparency Act: 6 (1)(a) Benefit means any amount, not included in salary, to be paid 7 during the contract year or to be paid in the future by a school district 8 or educational service unit in exchange for the personal services 9 performed during such contract year resulting in a benefit for the 10 employee or the family of the employee including, but not limited to, (i) 11 employer contributions pursuant to the School Employees Retirement Act or 12 the Class V School Employees Retirement Act, (ii) early retirement 13 inducements as defined in section 79-978 for employees of Class V school 14 districts and as defined in section 79-902 for employees of all other 15 school districts and educational service units, (iii) cash awards paid by 16 the school district or educational service unit, (iv) severance pay, (v) 17 employer contributions made for the purpose of separation payments to be 18 made at retirement, (vi) employer contributions to annuities, (vii) 19 employer contributions to group life, health, or disability insurance 20 premiums, and (viii) payments made to an employee in lieu of employer 21 contributions to insurance premiums; and

22 (b) Benefit does not include any amount, not included in salary, to

23 be paid during the contract year or to be paid in the future by a school

24 district or educational service unit in exchange for the personal

25 services performed during such contract year relating to an award or 26 payment for longevity of service to the school district or educational 27 service unit; 28 (2) Compensation means a reasonable estimate of the total amount of 29 salary and benefits to be paid by a school district or educational 30 service unit in exchange for personal services performed during a 31 contract year; 1 (3) Compensation for a beginning teacher means compensation expected 2 to be paid by a school district or educational service unit for the first 3 year of teaching by a certificated teacher assuming such certificated 4 teacher receives the maximum benefits generally available to a teacher 5 who does not receive additional compensation for duties beyond the 6 standard teaching contract; and 7 (4) Salary means gross wages to be paid in exchange for personal 8 services performed during the contract year and includes (a) overtime 9 pay, (b) member contributions pursuant to the School Employees Retirement 10 Act or the Class V School Employees Retirement Act, and (c) amounts 11 contributed to plans under section 125, 403(b), or 457 of the Internal 12 Revenue Code or any other section of the code which defers or excludes 13 such amounts from income. 14 Sec. 7. (1) Beginning with school year 2027-28, no school district 15 or educational service unit may enter into any contract with a 16 superintendent for services to be rendered to a school district or an 17 administrator for services to be rendered to an educational service unit 18 if such contract will cause, by the terms of such contract or in 19 combination with existing contracts, such school district or educational 20 service unit to pay compensation for any contract year to or on behalf of 21 such superintendent or administrator that is in conflict with the 22 requirements of section 9 of this act relating to the compensation for a 23 beginning teacher in such school district or educational service unit for 24 the same contract year. 25 (2) For purposes of this section: 26 (a) If a superintendent of a school district also receives 27 compensation from an educational service unit in which such school 28 district is a member, such compensation shall be deemed compensation from 29 such school district; and 30 (b) If an administrator of an educational service unit receives 31 compensation from a school district which is a member of such educational 1 service unit, such compensation shall be deemed compensation from such 2 educational service unit. 3 (3) Any contract entered into in violation of this section shall be 4 invalid, and money belonging to a school district or educational service 5 unit shall not be expended on such a contract. 6 (4) Any compensation received by a superintendent or administrator 7 in violation of the limitations in this section shall be forfeited by 8 such superintendent or administrator and returned to the school district 9 or educational service unit, and a notice regarding such excess 10 compensation shall be filed with the Commissioner of Education within 11 thirty days after the superintendent, administrator, school board, or 12 board of the educational service unit becomes aware of such violation. 13 (5) This section does not apply to a superintendent or administrator 14 that has been employed as a certified employee by the contracting school 15 district for more than twenty years. 16 Sec. 8. Section 79-2402, Reissue Revised Statutes of Nebraska, is 17 amended to read: 18 79-2402 (1) Before the school board of any school district or the 19 board of any educational service unit approves a proposed contract, or 20 any proposed amendment to an existing contract, for future superintendent 21 services to be rendered to such school district by the current

22 superintendent or future administrator services to be rendered to such

23 educational service unit by the current administrator, the board shall 24 publish a copy of such proposed contract or amendment, and a reasonable 25 estimate and description of all current and future costs to the school 26 district or educational service unit if the proposed contract or 27 amendment were to be approved, and the compensation for a beginning 28 teacher required pursuant to section 9 of this act based on the total 29 compensation for the superintendent or administrator under the proposed 30 contract or amendment, at least three days before the meeting of the 31 board at which such proposed contract or amendment will be considered. 1 Such publication shall also specify the date, time, and place of the 2 public meeting at which the proposed contract or amendment will be 3 considered. Electronic publication on the website of the school district 4 or educational service unit shall satisfy the requirement of this 5 subsection if such electronic publication is prominently displayed and 6 allows public access to the entire proposed contract or amendment and all 7 other information required by this section. 8 (2) After the school board of any school district or the board of 9 any educational service unit approves a contract for future 10 superintendent services to be rendered to such school district by a new 11 superintendent or future administrator services to be rendered to such 12 educational service unit by a new administrator, the board shall publish 13 a copy of such contract, and a reasonable estimate and description of all 14 current and future costs to the school district or educational service 15 unit that will be incurred as a result of such contract, within two days 16 after the meeting of the board at which such contract was approved. 17 Electronic publication on the website of the school district or 18 educational service unit shall satisfy the requirement of this subsection 19 if such electronic publication is prominently displayed and allows public 20 access to the entire contract. 21 Sec. 9. (1) For purposes of this section, the definitions found in 22 section 6 of this act apply. 23 (2) Beginning with school year 2027-28, the school board of any 24 school district or the board of any educational service unit shall pay 25 compensation for a beginning teacher for the first contract year in an 26 amount that is at least twenty percent of the compensation of the 27 superintendent or administrator of such school district or educational 28 service unit for such contract year. 29 (3) This section does not apply if the superintendent or 30 administrator of the school district has been employed as a certified 31 employee by the contracting school district for more than twenty years. 1 Sec. 10. Original sections 79-566, 79-567, 79-594, 79-1219,

2 79-2401, and 79-2402, Reissue Revised Statutes of Nebraska, are repealed.

**LEGISLATIVE BILL 390.** Placed on General File with amendment. AM97

11. On page 2, line 7, strike "an online" and insert "a".

**LEGISLATIVE BILL 428.** Placed on General File with amendment. <u>AM196</u>

1 1. On page 3, line 1, strike "thirty" and insert "fifteen".

(Signed) Dave Murman, Chairperson

### NOTICE OF COMMITTEE HEARING(S)

Education Room 1525 1:30 PM Tuesday, February 18, 2025 LB599 (cancel)

# Room 1525 1:30 PM

Tuesday, February 18, 2025 LB429

(Signed) Dave Murman, Chairperson

Revenue Room 1524 1:30 PM

Wednesday, February 19, 2025 LB50 LB503 LB637 LB710

Room 1524 1:30 PM

Thursday, February 20, 2025 LB399 LB575 LB613 LB628

Room 1524 1:30 PM

Friday, February 21, 2025 LB328 LB622 LB269 LB583

(Signed) R. Brad von Gillern, Chairperson

# **AMENDMENT(S) - Print in Journal**

Senator Murman filed the following amendments to <u>LB300</u>: <u>FA18</u> In AM168 Strike Section 1.

FA19 In AM168 Strike Section 2.

Senator Murman filed the following amendment to <u>LB390</u>: <u>FA20</u> In AM97 Strike Section 1. Senator Murman filed the following amendment to LB428: **FA21** In AM196 Strike Section 1.

# **MOTION(S)** - Print in Journal

Senator Hardin filed the following motion to LB331: **MO32** Withdraw LB331.

Senator Hardin filed the following motion to LR11CA: **MO33** Withdraw LR11CA.

Senator Hardin filed the following motion to LR10CA: **MO34** Withdraw LR10CA.

# **UNANIMOUS CONSENT - Add Cointroducer(s)**

Unanimous consent to add Senator(s) as cointroducer(s). No objections. So ordered.

Senator Hallstrom name added to LB6. Senator Hallstrom name added to LB10. Senator Hallstrom name added to LB25. Senator Hallstrom name added to LB139. Senator Hallstrom name added to LB195. Senator Hallstrom name added to LB198. Senator Hallstrom name added to LB250. Senator Hallstrom name added to LB313. Senator Hallstrom name added to LB424. Senator Hallstrom name added to LB515. Senator M. Cavanaugh name added to LB527. Senator Hallstrom name added to LB555. Senator Hallstrom name added to LB559. Senator Hallstrom name added to LB630.

## VISITOR(S)

Visitors to the Chamber were members of Community Action, Fairbury and Lincoln; Archer Schwartz, Fairbury; Heather Loughman, Lincoln; Shari Weber, Fairbury; Ben Schwartz, Fairbury; students with Nebraska Christian Home Educators Association; students from Paddock Road Elementary and Prairie Lane Elementary, Omaha; participants from Eastern Nebraska Community Action Partnership's Senior Longevity Program, Omaha; students from Immanuel Lutheran School, Columbus.

The Doctor of the Day was Dr. Pat Hotovy, York.

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# ADJOURNMENT

At 12:01 p.m., on a motion by Senator Raybould, the Legislature adjourned until 9:00 a.m., Wednesday, February 12, 2025.

Brandon Metzler Clerk of the Legislature