

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 19, 2025

ARCH: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the thirti-- excuse me-- forty-seventh day of the One Hundred Ninth Legislature, First Session. Our chaplain for today is Pastor LuRae Hallstrom, chaplain at the Grand Lodge in Lincoln and St. John's in Otoe. She's also the spouse of Senator Bob Hallstrom. Please rise.

LURAE HALLSTROM: Good morning. Please assume an attitude of prayer. Creator of the universe, we gather today in these hallowed chambers asking for your presence and seeking your guidance. We humbly ask for your blessings upon Governor Pillen, Lieutenant Governor Kelly, and the senators elected to serve the people of this great state. Grant them wisdom, discernment, and a spirit of collaboration as they deliberate. We lift up to you the Clerk of the Legislature and all dedicated staff members whose tireless efforts support the work of this body. Bless them with strength, patience, and a sense of purpose in their service. We pray for the media that they may report with accuracy and integrity, fostering transparency and understanding between the Legislature and the public. Protect and guide Sergeant in Arms and State Patrol, ensuring the safety of all. May their vigilance and dedication create a secure environment for respectful discourse. We ask for your inspiration in the midst of respectful debate that differing viewpoints may be heard with open minds and hearts. Encourage wise decision-making, that the laws enacted here may promote justice, equity, and the common good for all citizens. Lord, we are mindful of all people, particularly those called to aid and assist during inclement weather. We ask for your special protection upon them. May they sense the deep appreciation for their dedication and resilience. May this legislative session be marked by integrity, compassion, and a commitment to serving the people of our beloved state. In all your many names, we pray. Amen.

ARCH: I recognize Senator Holdcroft for the Pledge of Allegiance.

HOLDCROFT: I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

ARCH: Thank you. I call to order the forty-seventh day of the One Hundred Ninth Legislature, First Session. Senator-- senators, please record your presence. Roll call.

DeKAY: Mr. Clerk, please record.

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

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DeKAY: Thank you, Mr. Clerk. Are there any corrections to the Journal?

CLERK: I have no corrections this morning, sir.

DeKAY: Thank you. Are there any messages, reports, or announcements?

CLERK: There are, Mr. President. New LRs: LR76 from Senator McKeon, LR77 from Senator McKeon, and LR78 from Senator McKeon as well. Those will all be laid over. That's all I have at this time, Mr. President.

DeKAY: Thank you. An announcement from Speaker Arch.

ARCH: Thank you, Mist-- thank you, Mr. President. I need to make an announcement to modify the agenda for this morning. We need to take up a motion by Senator Ballard to suspend Rule 3, Section 14 to allow the cancellation of a hearing with less than seven days' notice. And we will take that up now prior to proceeding with LB376. Thank you, Mr. President.

DeKAY: Thank you, Mr. Clerk. We will now proceed to the first item on the agenda.

CLERK: Mr. President, pursuant to the Speaker's announcement, Senator Ballard would move to suspend Rule 3, Section 14 to permit the cancellation of a public hearing by the Nebraska Retirement Systems Committee for today.

DeKAY: Thank you, Senator Ballard. You are op-- open to speak.

BALLARD: Thank you, Mr. President. As Speaker Arch indicated, the Nebraska Retirement Systems Committee had a previously scheduled hearing to receive the Nebraska Public Employees System experience study. But due to the weather, the actuary from Cavanaugh Macdonald is, is unable to present due to the weather and traveling from Omaha. I ask for your green vote on this-- suspending the rules so we can change the hearing date to a later date. Thank you, Mr. President.

DeKAY: No one in the queue. Senator Ballard, you are-- and Senator Ballard waives. People, you, you heard the announcement. All in favor vote aye; all opposed vote nay. Mr. Clerk, record, please.

CLERK: 43 ayes, 0 nays on the suspension of the rule, Mr. President.

DeKAY: Mr. Clerk, next item.

CLERK: Mr. President, pursuant to the rule just suspended, the Nebraska Retirement Systems Committee would give notice of a cancellation of today's public hearing. Next item on the agenda, Mr. President: General File, LB376, introduced by the Health and Human Services Committee. It's a bill for an act relating to the Department of Health and Human Services; amends several sections of Chapter 28, 43, 68, 71, 81, 83, as well as Section-- Chapter-- sections in Chapter 30, 38, 43, 68, 71, 76; changes requirements for physicians performing or inducing an abortion; changes and eliminates various reporting requirements; changes requirements for rules and regulations as prescribed; redefines a term; changes requirements for the Title IV-D Customer Service Unit; changes funding provisions for child care grants; changes eligibility requirements for young adults in the Bridge to Independence program; changes requirements relating to office space maintained by counties; change and eliminates requirements relating to application for, determination of need for, and payment of assistance to the aged, blind, and disabled; changes notification requirements for certain test results; changes requirements for nonvoting members of the Al-- Alzheimer's Disease and Other Dementia Advisory Council and the Primary Care Investment Council; changes requirements for affidavits relating to acknowledgment of maternity; changes requirements to-- of the State Commodity Supplemental Food Program; changes requirements for new construction under the Radon Resistant New Construction Act; changes res-- responsibility requirements for the Division of Children and Family Services; change and eliminates powers and duties of the department; eliminates provisions relating to spousal assets under the Medical Assistance Act, the Autism Treatment Program Act, maternal and child welfare, the Palliative Care Quality of Life Act, the Outpatient Surgical Procedures Data Act, and patients with complex health needs; provides for the use of wholesale drug distributor license fees for the prescription drug monitoring program; eliminates obsolete provisions; harmonize provisions; repeals the original section; outright repeals sections in Chapter 43, 48, 68, 71, 81 and sections in 68, 71, and 76. Bill was read for the first time on January 16 of this year and referred to the Health and Human Services Committee. That committee placed the bill on General File with committee amendments. There are additional items on the bill, Mr. President.

DeKAY: Senator Hardin for a one-minute refresher.

HARDIN: Thank you, Mr. President. At its core, LB376 is about government efficiency, removing antiquated obligations from statute that allows the department to focus on helping people. It removes unfunded mandates on counties. Program work continues, and reporting on our website is able to be innovative without the constraints of what

the Legislature codified in the past. We can learn and grow, add dashboards, pivot. And when data changes and, and whatnot, we can better reflect the work that is, is currently going on. Keeping 52 of the statutory reports that we know in fact that people are reading and topics of importance in the current policy landscape, all of these changes allows for growth and newly added reports. We got six new reports just last year. That doesn't count all of them that would come out of this legislative session. So additionally, the DHHS Division of Public Health has 24 programs specific to women and children, including WIC, homeless assistance, maternal and home visiting, and has additional programs in other divisions like Prenatal Plus. And all of this great work continues. So that's just kind of an overview of what's in this. And this is about efficiency. That's why we're-- we've brought LB376. Truly, this is the first time that the department has ever made sweeping changes about things that--

DeKAY: Thank you--

HARDIN: --need to be filtered.

DeKAY: --Mr. Hard-- Senator--

HARDIN: Thank you.

DeKAY: --Hardin. Senator Cavanaugh for a one-minute refresher.

M. CAVANAUGH: Thank you, Mr. President. I-- so the motion's gonna come up there. It's a bracket-- or, not a bracket. It's a recommit to committee. As I have stated previously, this bill is multiple bills into one and should have been separated and had public hearings on various sections. And I'm first in the queue, so maybe we can just move to my time.

DeKAY: Go-- going to the queue, I recognize Senator Armendariz.

M. CAVANAUGH: No. No. Me.

DeKAY: I am-- apologize. Senator Machaela Cavanaugh.

M. CAVANAUGH: That's OK. Thank you. Senator Armendariz is after me in the queue. Good morning, colleagues. We are working on a resolution here, Senator-- Speaker Arch and Senator Hardin and I. But while they are out in the Rotunda talking, I'm going to take a little bit of time this morning to talk about the bill, as there's a lot to talk about in here. The sheets that were passed out last week on this bill that kind of break it down, the LB376 bill summary if you still have that on your

desk. And it's down by categories. And then, like, there's behavioral health and then reports under behavioral health. And I've been going through all of these, each section, looking them up and seeing what, what they are and if they make sense or not to me personally. And, you know, some of them do. The-- Section 12, eliminating the Hastings Regional Center report makes sense because the Hastings Regional Center doesn't exist anymore, so we don't need to have that report. So that one makes sense to me to get rid of. Section 55, a date change with OIG's Office reports. I checked with the OIG, and they said changing the date from this to that was fine. They didn't have a problem with that. But then I look-- I get to, like, Section 13. And Section 13 adds a requirement for young adults in Bridge to Independence program who was in an out-of-home placement or discharged to independent living or if they are 16 years old before a kinship guardianship assistance agreement or an adoption assistance agreement have been in effect. That's a standalone bill. I know because I've brought Bridge to Independence bills. And so has Senator Dungan and probably others here. And, and that deserves its own hearing. Changing the requirements to Bridge to Independence should be its own hearing. My bill this year in HHS is a Bridge to Independence bill that changes the requirements, the eligibility to Bridge-- the, the Bridge to Independence program. And that's an important-- very important program. And when we make changes to it, whether expansion or restriction of who is eligible, that deserves to have a public hearing. And it is kind of buried in here, whether intentionally or not. That's a standalone bill. Then Section 53 eliminates language within service areas of the Division of Children and Family Services. So that one I also marked down should be a standalone bill. So I will go to that in the bill here. Sorry. I don't have them all tabbed. That's Section 53. OK. So it strikes on page 69, line 3, except that on or after September 1, 2012, the western, central, and northern service areas shall be aligned to be "centeraneous" with the district court judicial districts described in Section 24-301.02. So-- and I understand. I read, like, the, the other summary from DHHS, the report list that was given to the committee. And I, I see that their explanation for this is that this is the only place in statute where they have to align with the courts. But that, again, should be a hearing because we should be asking the question, why was that put into statute when it was? And what has changed about that program that the division-- within the service area that they think--

DeKAY: One minute.

M. CAVANAUGH: --needs to align here? And it could be completely reasonable, but there should be a hearing on it because it is a big change. It's a big policy change. And it was done that way for a reason

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for a moment in time. And maybe whatever that reason is no longer is necessary. But that's why we have public hearings, so that we can learn about what changes need to actually be made to statute. And, and 70 pages of 50-some sections is not good practice, colleagues. I'm just about out of time, so I will get back in the queue. Although, if I jump out of the queue, it's probably because our colleagues out in the Rotunda have come to some sort of agreement. So thank you, Mr. President.

DeKAY: Thank you. Senator Armendariz, you're recognized to speak.

ARMENDARIZ: Thank you, Mr. President. As I often do, I don't talk much unless I have some experience in the field. And as I do have knowledge and my expertise is in creating efficiencies in health care, I wanted to speak on this. As many know, I prioritized a bill to have an efficiency audit done of all of our agencies. That did get passed and is underway. They did start at DHHS. And I, at the beginning of this session, started meeting with DHHS regularly, several folks, directors within DHHS. We have been meeting arguably probably six weeks now. And I have learned an enormous amount of what's going on within that agency and where the inefficiencies are. It's int-- interesting to find out that it's mostly the 49 people in this room that create the inefficiencies in all of our agencies at any given time. Not all of the same people, but over the years and years of the 49 different people that have been in and out of here with great ideas getting passed in statute and all of our agencies then need to comply with them. Oftentimes, though, the 49 people don't go back to see where there's a conflict, where there's an overlap, where it's not needed anymore, and there's no cleanup ever done. Or somebody doesn't want to get rid of something because it was important to them or somebody they knew--

[MALFUNCTION]

DeBOER: Senator Armendariz, you're recognized now to continue. You have 3 minutes and 30 seconds.

ARMENDARIZ: Thank you, Madam President. I like to think that that was a bolt of energy being shot through the floor. To get you up to speed, I'm speaking on this because I have expertise in creating efficiencies in health care. I prioritized a bill to create an efficiency in, in our state agencies. Arguably, one of the main reasons I am here in this Legislature was to get into the agencies and see where the inefficiencies are being had and create a more efficient government so that we can help more people. Arguably, we're fighting over more and more money from the people instead of creating efficiencies within our

agencies so we can help more people with the money we have. And that is what I'm finding out over the weeks that I have been meeting with DHHS, is oftentimes we pass legislation that never goes away. I think this-- it would do us all some good to really dig in to the legislation we want to pass and what-- where there might be overlaps, what legisla-- legislations may go away with the passing of our bills. And this is actually what DHHS has done with their efficiency expert. They have dug into their agency to propose to us these different steps that we can take to create more efficiencies within DHHS, free up their money. It's arguably one of the most expensive agencies in the state government. And if they can free up more cash that they already have from the taxpayer, that's a good thing. We can do more things for more people. This is a list of reports. Let's talk about the reports that have been-- being pulled for decades, in some cases, that nobody looks at. Now, in my previous professional role, we looked at that in our electronic medical records as well. It was proposed to us by our vendor to go and look at all of the hundreds of reports that we have asked for that are not being used, and it's a great cost-efficient measure we can take to reduce our expenses. This is what DHHS has done. If you look and see if there's a report you think you still need but have never looked at, I would encourage you to make a meeting with DHHS every time that report is pulled, every time that report is pulled and go over that report with DHHS. I want to commend DHHS for taking these efforts to dig in to their agency and find ways they can cut expenses. Maybe this was too much for, for some and worth looking at each one. But it's about time we do look at each one. They, they probably have been sitting there for years and decades at some cases of us never looking at them. So this is a great first step. And thank you, DHHS, for doing this. And I encourage us to move on with passing the bill. Me personally, I looked at a bill that was going to affect me, and I went to DHHS. I went to palliative care. Had them talk and discuss. Palliative care was comfortable with it. And we're OK with leaving that on. I encourage the rest of the senators to go do the same. If you have a report on there, go talk to DHHS more about it instead of leaving it on there for no reason.

DeBOER: Time, Senator.

ARMENDARIZ: Thank you, Mi-- Madam President.

DeBOER: Thank you, Senator Armendariz. Senator Ibach would like to recognize two special guests: Congressman Adrian Smith of the 3rd District and his chief of staff, Josh Jackson. Located under the south balcony. Please rise and be recognized by your Nebraska Legislature. Senator Hallstrom, you're recognized.

HALLSTROM: Thank you, Madam Speaker, members. Just wanted to rise in opposition to MO86 and in support of LB376. I commend the work of Senator Armendariz in promoting efficiency in health care. That's what this bill is designed to do as well. I'm supportive of efficiency in health care and streamlining government. Also want to briefly make a public service announcement. Friday, March 21 is World Down Syndrome Day and March is Disability Awareness Month. My wife, LuRae, and I have already handed out crazy socks in recognition of those two events to all of the Clerk of the Legislature staff up front, the Sergeant of Arms crew, and the State Patrol. And we are delivering crazy socks to each of your offices for you and each of your staff members. Recognize specifically my niece, Michelle Annabel Brodie [PHONETIC]. And along with those crazy socks is a, a little article entitled "Welcome to Holland." I would commit that to your reading. I think it will touch your heart in many ways. And just ask you to pause and think of and give thanks for any adult or child with Down syndrome who has brought joy into your life. Thank you.

DeBOER: Thank you, Senator Hallstrom. Senator Spivey, you're recognized.

SPIVEY: Thank you, Madam President. And good morning, colleagues and folks that are watching online. I hope everyone is safe, as I know people are navigating the severe weather and electricity issues and a number of other things. I appreciate the recommit to committee and again rise in support of MO86 because of some of the things that were brought up last time during debate as well as earlier today from the refresher. I have been digging into the bill as well and have spent majority of my career working adjacent to and alongside DHHS. And I do agree that it is one of our most important and expensive agencies that we have here in the state. They provide essential services to the residents of Nebraska, whether you think about child welfare, Medicaid, a, a number of projects and initiatives that really work to create a better well-being for the folks here. And so I do think that this needs more intentional conversation. I do appreciate that there is an attempt to make an efficiency within this, this bill. However, I think that there could be more intention to the structure of that in what is addressed. There, there are some sections where it's really clear what makes sense of, OK. This doesn't exist, or this is just a technical change. And then other sections of, of why-- and so I know that the committee has spent some time on this and some of the committee members spoke originally around their thought process and decision-making. But again, I think that, given the massive impact that HHS has and the, the hurdles that HHS has had over the years around service delivery, around meeting expectations that it is worth additional work around refining

LB376. There was-- in Appropriations, we again are seeing in all of the agencies. And some folks came in from the Foster Care Review Board, which I really appreciated their work and better understanding their agency. And one of the things that we keep talking about here with this bill is, like, the cleanup around data and the impacts that this report has on staff time. However, looking at the Foster Care Review Committee and their experience as a third-party agency that works adjacent to HHS, they have had a really hard time getting data to be able to continue to implement evaluation and reviews and, and, ideally, changes that better serve some of our most vulnerable young people that are removed from their homes and to-- put into additional care. And so while I, again, can appreciate the efficiencies, if we are going to look at reporting and data inefficiencies across HHS, I think we should really do it and do it in a way that honors not only things that they are saying need to be cut but what we are saying as a legislative body and partners around efficiencies that can be better in order to actualize the goals that we all are seeking and have shared, common themes around. And so again, I support the motion, MO86, for recommit to committee. I appreciate the dialogue around this because of the intentionality and, and role that HHS plays in our state. And I hope that we can continue to have fruitful dialogue around this and, and find a common path to move LB376 forward in a way that makes sense. Thank you, Madam President.

DeBOER: Thank you, Senator Spivey. Senator Guereca, you're recognized.

GUERECA: Thank you, Madam President. I yield my time to Senator Machaela Cavanaugh.

DeBOER: Senator Cavanaugh, you're recognized for 4 minutes, 53 seconds.

M. CAVANAUGH: Thank you, Madam President. Thank you, Senator Guereca. I, I know that there's still conversations going on out in the Rotunda, and so I'm just going to continue to work my way through the bill while we're here. But I do want to thank Senator Hallstrom for highlighting Down Syndrome Awareness Week. My kids celebrated it at school two weeks ago because they knew that spring break would be this week. And they always wear-- it's crazy sock day. And-- so that's-- I, I saw the crazy socks in my office this morning. And I should-- maybe over the lunch hour I'll put them on and wear them this afternoon. But-- so thank you for that. And I-- every time I see the Down Syndrome Awareness license plate, I always get a little smile because I remember the public hearing for that license plate. And this father came and testified. And his daughter was with him, and she just pulled up a chair to the table and, like, put her feet up on the table. And she was just-- she was

charming the whole room. And it was, it was so wonderful to see her and see what a light she was. And-- so every time I see those license plates around town, I think of that girl. But turning back to LB376, I-- let's see here. I was going through some of the things that I thought could be part of a package. One of the things-- Section 2 in LB376. It eliminates abandonment of spouse, child language relating to medical support of an individual's spouse. And that I was concerned about. And so then I was trying to cross-reference that. So there's a, there's a lot of cross-referencing happening here because there's the bill summary that was handed out, and then there's the report list of the bill. And I actually don't know if that's been handed out to everyone. I, I received a copy of it from HHS Committee members. And in that report list, it doesn't actually say what section of the bill things are. It says the statute. And so I've been trying to go through that and mark down where it is in statute or where-- what section of the bill it is itself. And I'm looking to the Speaker now to see if I need to continue talking. No? OK. Great. Then I yield the remainder of my time.

DeBOER: Senator McKinney, you're recognized.

McKINNEY: Thank you, Madam President. I yield my time to Senator Hardin.

DeBOER: Senator Hardin, you're yielded 4 minutes, 53 seconds.

HARDIN: Thank you, Senator McKinney. Hey, we're going to pass over LB376 for now. We're going to talk about some things off the mic and just discuss some issues in detail. And then we'll be bringing this back in the coming days. And so the Speaker is interested in helping with this process. And so appreciate that. Appreciate all of the conversation that's happened up to this point. And so with that, I would imagine the Speaker may have something to add. Thank you.

DeBOER: Speaker Arch, you're recognized for an announcement.

ARCH: Thank you, Madam President. So as Senator Hardin indicated, at his request, we will pass over LB376 and move to the next item on the agenda. Thank you, Madam President.

DeBOER: Thank you, Speaker Arch. Mr. Clerk for the next item.

CLERK: Madam President: Select File, LB168. Senator-- I have nothing on the bill, Senator. Senator Machaela Cavanaugh would move to bracket the bill until May 1, 2025.

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Floor Debate March 19, 2025

DeBOER: Senator Machaela Cavanaugh, you're recognized to open on your motion.

M. CAVANAUGH: You know, I think I will just go ahead and withdraw that and any other pending motions. Thank you, Madam President.

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

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

DeBOER: Senator McKinney, you're recognized for a motion.

McKINNEY: Madam President, I move to advance LB168 to E&R for engrossing.

DeBOER: Colleagues, you've heard the motion. All those in favor say aye. All those opposed say nay. It is advanced.

CLERK: Madam President, returning to General File: LB9, introduced by Senator Hughes. It's a bill for an act relating to tobacco and related products; amends Section 77-2604, 77-2612, and 76-2615 [SIC-- 76-2615.01], and 77-4015, as well as Sections 28-1418.01, 59-1523, 69-2705, and 69-2709, and 69-2710.01, 77-4001, 77-4002, and 77-4003.01; defines and redefines terms relating to nicotine and nicotine analogs; provides for regulation of alternative nicotine products and electronic nicotine delivery systems containing nicotine analogs; changes provisions relating to notices of deficiency for certain cigarette taxes and un-- and under the Tobacco Products Act; provides for sanctions and administrative penalties under the Tobacco Products Act; to declare tobacco products involved in violations of the act to be contraband; declare ta-- tobacco products involved in violations to be contraband and provide for their forfeiture, seizure, and disposal; provides for immunity; harmonize provisions; provides an operative date; and repeals the original section. Bill was read for the first time on January 9 of this year and referred to the General Affairs Com-- Committee. That committee place the bill on General File with committee amendments, Madam President.

DeBOER: Senator Hughes, you are recognized to open on your bill.

HUGHES: Thank you, Madam President. I rise today to introduce LB9. And there will be an amendment following that will go into LB9. Both, both-- the amendment is another bill of mine and LB9, which amend-- or, go into the same statute. The General Affairs Committee has designated LB9 as their committee priority bill, and I'd like to thank Chairman Co-- Holdcroft and the members of the General Affairs Committee for

that. I introduced LB9 to update our existing law to improve the regulation and enforcement of the Tobacco Products Tax Act. This law was first enacted in 1987 and has been updated multiple times, most recently in 2023 with the creation of the new tax on electronic nicotine delivery systems, or ENDS, otherwise known as vaping products. I brought that legislation in 2023 and worked closely with the Attorney General and the Department of Revenue ever since then to make sure that our enforcement processes are efficient and effective. Colleagues, I've provided you with a section by section summary of LB9. They're getting passed out right now. And the heart of this legislation-- sorry. I'm going to grab one-- is in Section 6. Section 6 deals with tobacco products, tax filings, and the ability of the Department of Revenue to effectively audit these returns. This section also provides the department with the flexibility to extend the period that retailers have to respond to notifications about incomplete or missing returns. Along with this section by section, I've included details from the Department of Revenue on how the proposed changes in LB9 will help with more effective enforcement of our new vape registry. If you have specific questions about this, I believe there is a representative from the Department of Revenue available in the Rotunda to answer those questions. LB9 also updates the legislation I introduced last year that was enacted to regulate vaping products. LB9 clarifies that the Department of Revenue and their partners in law enforcement have the ability to confiscate products that do not register with the department under our new vaping regulation law. That was our intention of what we passed last year, but we needed to clarify it in this kind of cleanup for enforcement. Finally, because our state government has been playing whac-a-mole in trying to keep up with all the new nicotine-based products out there, we have updated the definition of alternative nicotine products. These will not only include the nicotine pouches that we've seen everywhere but also any new products that come forward. We are seeing products manufactured that look like nicotine, act like nicotine, but because they change one molecule here or one carbon mole-- one carbon molecule there, they're technically not nicotine. So these are nicotine analogs, and we include a definition of these products in the bill. They will be treated just like nicotine for the purposes of the Tobacco Products Tax Act. So how I describe this is we're just making the umbrella that any nicotine-like-- any nicotine product or nicotine-like product falls under this umbrella and therefore will fall under this regulation. So next year when the new product comes out, we don't have to bring back a bill to grab onto that new product. It'll automatically fall under our regulation. And that kind of concludes what I've got on the basis for LB9. Thank you, Madam President.

DeBOER: Thank you, Senator Hughes. Senator John Cavanaugh, you're recognized. Oh. Sorry. We're going to go first to the committee amendments with Senator Holdcroft.

HOLDCROFT: Thank you, Madam President. General Affairs Committee voted 8-0 to adopt AM549 to LB9. AM549 is the white copy amendment which combines LB125 into LB9. Similar to LB9, LB125 amends current statute to define nicotine analogs and include nicotine analogs in the definition of alternative nicotine products. With that, I would yield the rest of my time to Senator Hughes to go through any more details on LB125.

DeBOER: Senator Hughes, you are yielded 9 minutes, 22 seconds.

HUGHES: Thank you, Madam Chair. And thank you, Senator Holdcroft. So as he stated, AM549 is the General Affairs Committee amendment, which really just amends my bill, LB125, into LB9. LB125 amends the same section of law as LB9, and it imposes a tax on alternative nicotine products. These products have been defined in statute but not taxed. Enforcement of our nicotine and tobacco products is only effective if there is a corresponding tax associated with the products. As alternative nicotine products are not currently taxed and everything else with nicotine is currently taxed, LB125 rectifies this. Current statute taxes similar products, alternative tobacco products, at 20% wholesale. We felt that it was fair and equitable to tax alternative nicotine products at that same rate, 20% wholesale. We looked around at other states of what they are doing with alternative nicotine products like the pouches. We found that Maine taxes pouches at 43% of the wholesale price, and Minnesota taxes them at 95% of the wholesale price. We aren't singling out pouches with LB125. We are taxing them and all other new nicotine products that will emerge in the future at this 20% wholesale price. You will undoubtedly hear some-- from some in the lobby that alternative nicotine products should be taxed based upon weight. And I caution you not to accept their argument. Creating a weight-based tax on a product like nicotine-- which is easily and readily able to be concentrated-- will only incentivize manufacturers of these products to sell products with a higher nicotine content that is currently on the market. This would be shortsighted and potent-- potentially dangerous to the customer, especially if a child gets a hold of a product from adult. Nicotine is a neurotoxin, and in concentrated form is commonly used as an insecticide. Blurring the line between a consumer product for adults and industrial use of this chemical is one we do not need to unintentionally incentivize by means of our tax policy. So colleagues, I would really love your support on AM59 [SIC-- AM549] and adding that to LB9. It will bring better

enforcement of our Tobacco Products Tax A-- Act. And it future-proofs our state for whatever new nicotine products emerge. LB9 with AM549 was reported out of the General Affairs Committee by a vote of 8-0 and is one of the committee's priority bills. I urge your green light on both of these. And I do want to mention it's-- they're not up here quite yet. But we are getting an article handed out right now. It'll come to your desk. And I just want to mention what this article is. It's "Philip Morris' Shares Rise on an Optimistic 2025 Outlook." And I'm just going to read the first paragraph. Cigarette giant, Philip Morris International, on Thursday foreca-- and this was on a February 6 article-- forecast better-than-expected profit growth for 2025, with estimations for its fast-growing nicotine pouch brand, ZYN-- it's Z-Y-N-- also ahead of forecasts, sending its shares up 10%. So Philip Morris is the creator of the ZYN pouch. And for those of you guys that don't know, this is something that would be taxed at that 20% wholesale. What ZYN pouch is-- and there's other names. There's other brands of this. But they're little pouches of basically nicotine powder. And you use them kind of like you would the tobacco pouches. You just put them between your cheek and gum. A lot of kids-- you've heard me talk about vaping before with kids. A lot of kids now are going to these nicotine pouches because they're easier to hide. You can put them between your cheek. There's no smoke-- you know, the vape smoke that people might see. It's, it's not seen. And let me tell you this. These pouches also come in all kinds of flavors: fruit flavors, wintergreen, all kinds of things that not, you know, not a tobacco-- that, that-- not just tobacco and, and menthol flavors but all these flavors to attract a new market to get people-- kids, in my opinion-- addicted to nicotine. And so these are one of these things that we're talking about on this wholesale tax of 20%. Again, we don't want to do it by weight because it is a chemical substance. And they will be able to make a pouch with the same amount of concentration nicotine weigh half of what it does now. So in my opinion, a wholesale tax makes sense. Again, these items are not taxed at all-- excise taxed at all. And this would add a tax at that 20%. I'm open for any questions also. So thank you, Madam President. And I'm, I'm done with my time. Thank you.

DeBOER: Thank you, Senators Holdcroft and Hughes. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Madam President. Well, I rise in support of AM549 and LB9. I just-- I appreciate the work Senator Hughes has put into this issue this year and in previous years. We worked on the original bill that some of this amends last year out of the General Affairs Committee and got a chance to work with Senator Hughes and, and

starting this process. And-- so I appreciate how she's continued to keep working on this and moving this issue forward in a kind of-- a quickly evolving field of technology-- because that's what this is, these nicotine pouches. And I also wanted to point out that I appreciate somebody finding a, a ZYN tax, not a sin tax. So Z-- Z-Y-N not s-i-n. So I thought that meant-- that merited mentioning. So I-- I'm in support of AM549 and LB9. And I know there's some chatter going on over here, but I think they're talking about some questions they're gonna ask on the mic. So maybe I'll take one more minute. I'm wearing my Wayne State pins today-- those of you probably got from the state colleges last week. They came by and they gave you a little card and said which day-- this is State College Week, so Monday I know a number of people wore their state college tie, which was the green tie they give you, or the green socks. And then yesterday was Peru State Day. And so they gave you a Peru pin. And so today is Wayne State Day. So you have Wayne pins, you-- feel free to, you know, celebrate our wonderful state colleges today. And then tomorrow is Chadron. So you should have a Chadron pin in your office as well. So if you want to celebrate, encourage our state colleges, this is the week to do it. And you can do so by wearing some of these pins. I have my one from last year and the one from this year. So I, I think there's three Wayne State ones. So collect them all. Thank you, Madam President.

DeBOER: Thank you, Senator John Cavanaugh. Senator Dungan, you're recognized.

DUNGAN: Thank you, Madam President. Good morning, colleagues. I think I rise in favor of AM549. And I'm still listening on LB9. I'm at a different podium than I normally am. This is normally Senator John Cavanaugh's podium, but I'm actually going to be asking Senator Hughes a couple questions. So I was wondering if she would yield to some questions.

DeBOER: Senator Hughes, will you yield?

HUGHES: Yes, I will.

DUNGAN: Thank you, Senator Hughes. So I think this is the first time I've asked you questions in our same row here.

HUGHES: It's weird.

DUNGAN: So I, I listened to your opening talk a little bit about how we are currently not taxing these. So there's no tax at all right now on

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 19, 2025

what is commonly referred to as ZYN or these nicotine pouches, is that right?

HUGHES: That is correct. We are-- they would have a sales tax on them, but they would not have a excise tax that we, that we do on all other nicotine and tobacco products.

DUNGAN: Do you know what the current sort of status is of taxing these sort of analogs in other surrounding states? I know that's a conversation that we always have in Revenue, is, what are, like, Iowa and Kansas and that-- do-- is there any kind of tax going on right now, to the best of your knowledge?

HUGHES: So in, in particular to these ZYN pouches, it's a fairly new product that has really just grown, honestly, in the last couple of years. We were just-- we found that Maine taxed the pouches at 43% wholesale, and Minnesota was at 95% wholesale. And just for a little clarification here, vaping has been around much longer than that. And even with va-- I mean-- and I'm talking maybe 15-ish years. Don't quote me on that exactly. I said ish. Even vaping is only taxed-- there's 30-ish, 35-ish states that tax it. There's still states that don't even tax the vaping side.

DUNGAN: And so you-- you've brought-- I, I also sit on the Revenue Committee, and we heard a bill from you earlier this year about tax as it relates to vape, is that correct?

HUGHES: That is correct. I have another bill. Mm-hmm.

DUNGAN: You have a-- and do you recall sort of-- what is the current structure with which we tax vape compared to cigarettes?

HUGHES: Right. So vaping was-- when I came into this body two year-- two and a half years ago, there was no excise tax on vaping. And so I kind of pursued that. And what we got through that-- my first year, it's called a bifurcated tax, which-- it's-- gets confusing. But basically any vape liquid under 3 milliliters is tau-- is taxed at \$0.05 per milliliter. And anything over that 3 milliliters is taxed at a 10% wholesale.

DUNGAN: And your bill this year as it pertains to vape products is, is changing it from that bifurcated system to a single sort of unified taxing system, right?

HUGHES: That is correct. The bill I have out for this year, which Senator Dorn has actually prioritized, would get rid of that bifurcated system on vaping, and it would just be a straight-on wholesale percent.

DUNGAN: And I remember during that hearing I asked you some questions about sort of the intent behind the tax that we're seeking to put on this product. And I think that conversation always kind of comes from, what is your goal? Is the goal to, to put it simply, tax a particular industry so highly that it eliminates that industry? Whereas others are intended to tax and I guess create, like, a revenue stream off of an industry but, but do it at a level that's sustainable. I think you, you had said that your goal with vaping was to not tax the industry out of existence. Is that right?

HUGHES: Right. I, I bel-- I, I'm-- I ki-- I kinda want to say both. I think it's-- it can generate revenue. And also I am very concerned about youth usage. And, and if we're going to talk about vaping, since we're talking about it, there is data out there that every 10% increase on wholesale tax that you do on vape, youth usage goes down 7%. And so that makes me happy that as a-- I like to-- I would like to see-- because the youth have gotten away from cigarettes and they're going after the vapes and the tobacco-- or, these nicotine pouches that have flavors. You know, we're doing apple and strawberry and things like that, which is-- can be not a, a deterrent, I guess, to kids with those flavors. So I would like to see youth usage go down. I am a believer if you're an adult over the age of 21 and you want to do something like vaping or smoking or whatever, I might not-- it might not be a good idea, in my opinion, for health. But you're an adult. You can do it. So--

DUNGAN: And that ma-- and that makes sense. And I guess-- I know I'm running out of time here, but just to kind of loop it back to this tax. Is the goal of this tax that you're, you're putting in place to, I guess, curb the usage? Or is it more intended to create more of a sustainable revenue stream?

HUGHES: Yeah. This is probably more to sa-- just because there's no data on-- it's such a new product. You have no data on what the tax does with youth usage or anything. So I want to get it on the board. We'll start tracking it by doing this excise tax. And the best part about LB9 is the umbrella that any new nicotine--

DeBOER: Time, senators.

HUGHES: Yep.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 19, 2025

DUNGAN: Thank you, Senator Hughes. And thank you, Madam President.

DeBOER: Thank you, Senator Dungan and Senator Hughes. Mr. Clerk for item.

CLERK: Madam President, Senator Raybould would move to amend the committee amendments with AM646.

DeBOER: Senator Raybould, you're recognized to open on your amendment.

RAYBOULD: Thank you, Madam President. Good morning, colleagues. Good morning, fellow Nebraskans. The one thing, you know, I'm hoping to be able to ask Senator Hughes and if she would consider this a friendly amendment. I know that some in the industry are concerned at the 20% tax on snuff. And, you know, they were concerned that it would actually be a 700% tax on some of the other alternative nicotine products. And they're, they're hoping that you would be willing to, to strike the language currently in this bill and revert back to by weight, because that's what a number of the alternative nicotine products are taxed at, by weight. And so I'm hoping that Senator Hughes could talk a little bit more and if she would be willing to yield to some questions.

DeBOER: Senator Hughes, will you yield?

HUGHES: Absolutely. Yes, I will.

RAYBOULD: OK. Well, thank you very much. So could you tell us a little bit about the reasoning behind the 20% tax and then why you would be treating these products differently than some of the other ones that are currently in that same category being charged by weight?

HUGHES: So what you were referencing, Senator Raybould-- and thanks for this conversation-- are tobacco pouches specifically, which are taxed at a weight. And I, I kind of mentioned it when I, when I spoke, but I'm glad we're having this, this detailed discussion of it. So historically, there's been loose chew or loose leaf tobacco that people would put in their mouth. And then it-- they went to little pouches. I, I don't know if it's just less dirty or whatever, gross. I don't know. And they do that by weight. But I would argue cut-up tobacco is cut-up tobacco is cut-up tobacco. No matter what brand you have, when you do these pouches, it is a similar weight. So you can do it by weight. The issue that we're talking-- you're, you're trying to say that tobacco pouches are the same as these nicotine pouches, which-- nicotine pouches are made-- they're a chemical nicotine powder. And, and if you get these two items side by side, the nicotine pouches are in much, much lighter weight than the, the cut-up tobacco pouches. And again, as

I mentioned before, it is a chemically made powder that they would-- you can just increase the concentration of nicotine in that powder and even make them weigh, weigh less. So if we would do these products that we're talking about, like the ZYNs, at a weight or, or tax it by ounce, we are encouraging the industry to make them even weigh less-- because then that's less of an excise tax-- and that is what I do not want to do. And that is why I went to the 20% wholesale. And I also want to mention that in statute, other alternative tobacco products are at 20% wholesale. So it's not-- I'm not being different. But in this case, you're talking specifically tobacco pouches versus, like, these nicotine pouches, if that makes sense.

RAYBOULD: Yes, that's, that's correct. May I ask you another question?

HUGHES: Yeah, absolutely.

RAYBOULD: OK. You know, the General Affairs Committee is determining tax policy. Was this run through Revenue Committee? Because I thought they're the ones that give thumbs-up or thumbs-down on additional taxes.

HUGHES: No. This we-- I don't know. This went to the General Affairs Committee. It was LB125. And that was specifically for this 20% wholesale tax on nicotine pouches. That went to General Affairs. And my-- I can't remember the number offhand right now-- I think it's LB712, actually-- that was the 40% wholesale tax. That went to Revenue. So.

RAYBOULD: OK. Well, thank you.

HUGHES: You got the-- the hands up. I don't know.

RAYBOULD: Thank you very much. I--

HUGHES: Absolutely.

RAYBOULD: Thank you for answering the questions. I just want to point out that this tax is actually regressive. The only surrounding states that tax alternative nicotine products is Colorado. Fewer than 15 states total tax alternative nicotine products throughout the entire United States. You know, imposing taxes on products designed to reduce smoking-related harm really might even deter harm reduction efforts and drive consumers to riskier behaviors. And I know-- Senator Hughes and I are, are not fans of vaping either, but, you know, I just want to make sure that we're looking at this fairly and taking into consideration that other products similar to this are consistently taxed by weight.

And so this would certainly be a challenging additional amount of taxation on these products. And-- so I hope folks that are listening to this debate and understand the difference. And I'm, and I'm sorry if I'm not doing it justice on the difference between these products, but I think we need to be mindful of increasing things proportionately to the product that they are rather than disproportionately on the product itself. So colleagues, if you would be very supportive of AM646, I would greatly appreciate that. Thank you.

DeBOER: Thank you, Senator Raybould and Senator Hughes. Senator Jacobson, you're next in the queue.

JACOBSON: Thank you, Madam Chairman. I-- or, Madam President. I, I rise in support of Senator Raybould's AM646. I know we're in a new frontier here, and I know Senator Hughes has gone to a lot of work to try to pull this together, has done a lot of research. The nagging concern that I have is particularly when I look at a product like ZYN and others-- ZYN is just one manufacturer's product-- my understanding is that those products are, are-- when they're, when they're approved by the FDA, they're approved in their current concentrations. So you'd have to get different A-- FDA approval if you were going to change the concentration of the nicotine in those particular products. I think when you start comparing apples to apples, my understanding is, is that ZYN would be taxed at significantly higher rate than, than, let's say, for example, snuff would be and-- under the current arrangement. And so I think the amendment actually serves to improve the bill, fix some disparities. I know this is not going to be perfect. We're, we're just beginning in this. I, I applaud Senator Hughes for jumping into this arena, trying to create a, a, a, a, a, a tax that makes sense. And I think the question always becomes, what's our goal here? Is it to dissuade people from using products or is it going to be there to, to raise revenue? And I think the, the answer is it's some of both. I think when I look at a product like ZYN and, and the look-alike products that ZYN have, it is a way for people who want to quit smoking to move to that product that is less harmful. You're not dealing with the smoke that you're dealing-- and you're not dealing with the vaping-- issues that go with vaping, that it's, it's probably a good product for people to go to. And it see-- I-- just looking for the taxing to be commensurate with other products out there so that we're not really discriminating against one versus the other. I understand the piece in terms of, of the weight and changing concentration, but I think we need to understand that, that if you change the concentration, the product's been approved with the FDA under its current concentration. So it would take a whole new FDA approval and potentially a different product. And if that would happen, we'd

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 19, 2025

probably need to take another look then at how we would go about taxing it. But I would just-- I would encourage the support of AM646. I think it improves the bill. And I would be supportive of the bill if we can get that AM added. Thank you, Madam President.

DeBOER: Thank you, Senator Jacobson. Senator Raybould, you're recognized. Senator Lonowski, you're recognized.

LONOWSKI: Thank you, Madam Chair. I, I stand in support of LB9. However, I do have some, some other information here, so. Senator Cavanaugh, I appreciate your wordplay with the ZYN tax on sin tax. And it was actually a play with sin tax. Prior to this job, I worked for an anti-drug agency, an anti-drug task force, [INAUDIBLE] substance alcohol abuse prevention. And I visited many schools in my area to talk about fentanyl and cocaine. And what I realized in my neck of the woods, that the real problem was, was teenage alcohol and vaping. And adding to that recently, we now have ZYN. And vaping was introduced as a method to help cigarette smoking and help cease the smoking. But in fact, one vape pen can have as much as ten times the amount of nicotine as a pack of cigarettes. And why do I say can? Because it's not regulated by the Food and Drug Administration. So it's like a-- it's like a free market out there on these, on these different companies that are representing all these things. I left that business about nine months ago. And ZYN was a bra-- a brand-new product. ZYN is not any safer than chewing tobacco between your lip. In fact, it's putting the nicotine directly into your drug sy-- your, your blood system. And so-- it-- it's just a different way. I do know of people that have had cancer in their lips because of chewing, and I believe the ZYN packets will do the same. They also are not regulated by Food and Drug Administration. I really urge all of you to visit a vape store or a CBD store and walk through there and let yourself look at what you're really talking about. You will be amazed. And here's what I recommend. Take a little piece of paper. Take a pen. Give yourself a plus list and a minus list and say, I'm going to put pluses by every product that's good for the body. And then put a minus. And you might find out that you will walk out of there without any pluses. So it would really help all of you to, to get to know what we're talking about. And I stand in support of LB9. And I strongly urge everyone to look at these amendments as I plan to do. I have nothing more. Thank you, Ma--

DeBOER: Thank you, Senator Lonowski. Senator Hughes, you're recognized.

HUGHES: OK. Thank you, Madam Chair. I just want everyone to be aware that this is not a friendly amendment. It was-- I was not expecting

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 19, 2025

this today. Is Senator Raybould here? And I'd like to ask her a question quick.

DeBOER: Senator Raybould, will you yield?

RAYBOULD: Yes, absolutely.

HUGHES: Great. Thank you. May I ask who brought you this amendment, please?

RAYBOULD: Yes. It was on behalf of one of our industries that advocate and lobby for these issues.

HUGHES: And which is that-- which industry is that, please? Do you know?

RAYBOULD: I'm going to-- it's one that deals with tobacco products.

HUGHES: So, like, Philip Morris or one of the--

RAYBOULD: No. It's not one of the--

HUGHES: --tobacco companies?

RAYBOULD: It's not one of the bi-- it's one of our local lobbyists. I-- do-- I--

HUGHES: Not hired by Philip Morris?

RAYBOULD: Perhaps they could be hired by Philip Morris. But I don't feel comfortable sharing the name with you, if that's OK.

HUGHES: Nope. That's fine.

RAYBOULD: Yeah.

HUGHES: And I will say I would be happy to do the reverse. I would be happy to change this amendment to do-- if we want to do tobacco pouches by a 20% wholesale, I would love to strike through that and make that-- and, and then they-- if they want to be consistent that way, that would be fine with me.

RAYBOULD: Did, did you want me to answer?

HUGHES: Yeah. I-- if you, yeah, have anything on that.

RAYBOULD: I guess philosophically, I think tax increases of this nature should have been dealt with by the Revenue Committee. And it would be nice if the Revenue Committee had some thoughts on these additional taxes. I mean, if you went and changed all those other categories and brands of nicotine products-- which we all agree are harmful-- then it-- you're just adding on to an expense of an already very expensive product that people choose to continue to use.

HUGHES: OK. Thank you. Thank you, Senator Raybould. Thanks for answering that. I'm just going to go back to-- I, I-- I'm not on Executive Committee. I don't know why that bill got put in General Affairs. That was not my choice. I didn't put it there, but that's where it went. So LB9 again clearly deals with regulation and information there and how we, how we can follow this-- these new products that are coming out all the time. I also want to mention just to the floor, my goal here is to get all these kind of taxes more on a wholesale percent. The problem with doing any number per ounce or number per milliliter is, as time goes, it doesn't change. So if I've got a tax at, I don't know, \$0.44 an ounce, what does \$0.44-- 20 years down the road, what does that look like compared to the price of the item? It's going to be less. If you put in a 20% wholesale or, or-- a, a percent wholesale, whatever that is, it will grow with the price of that item, and therefore this body doesn't have to come back here all the time and adjust because of inflation or whatever. We see it also even with our cigarettes. Our cigarettes are \$0.64 a pack. And that was put into play, I bel-- I think it was the late '80s, maybe in the '90s. Well, \$0.64 today is much higher. But it didn't change with-- as the, the-- I-- the price of that item went up. So that is why for sure I-- this is not a friendly amendment. I will not do this by weight. I want to do it on wholesale. And again, this is an umbrella of alternative nicotine products. What if the next new product invented is, I don't know, some-- like, a sucker that has nicotine in it that they sell different flavors to the kids? And if we do it by weight, it doesn't make sense. If we do it by wholesale, it-- that umbrella will cover everything. I think that's it. I might ring in again. Thank you, Madam Chair.

DeBOER: Thank you, Senator Hughes. Senator Fredrickson, you're recognized.

FREDRICKSON: Thank you, Madam Chair. Good morning, colleagues. Good morning, Nebraskans. I'm listening to the debate on LB9 closely and-- as well as the-- both the amendments, AM549 and AM646. I was just reading the amendment that was filed by Senator Raybould. And I, I think I'm trying to understand this a little bit better. I-- from what

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 19, 2025

I understand, it looks like she's looking to tax this based on weight. And I'm wondering if Senator Hughes might be willing to yield to a question. Senator Hughes, question. Yeah.

DeBOER: Senator Hughes, will you yield?

HUGHES: Yes, I will.

FREDRICKSON: Thank you, Senator Hughes. So-- well, first of all, talking about, like, nicotine lollipops. You might get a job, like, creati-- creative marketing if you keep this up. But--

HUGHES: Maybe that's what I'll do after I'm done here.

FREDRICKSON: But my, my question for you is, so-- can, can-- you-- you've done, I think, a fairly nice job of kind of helping the body understand the, the-- why you are concerned about taxing this based specifically on weight. I know that you've had both a canister of ZYN as well as tobacco, and you've kind of shown the differences in weight there. Can you speak a little bit more to-- you know, because I'm, I'm thinking about this more from, like, a holistic health perspective. And I know there's differing ways to view this, but can you speak more to the-- why you're concerned about the weight component and, and what might be implications there that, that are concerning to you?

HUGHES: So again, the weight component-- and I actually-- I went out and purchased-- when I was kind of doing the research on this, I went out and purchased a pack of tobacco pouches at the, at the store. And then I also purchased a pack of-- it was ZYN brand, but nicotine pouches, just so I could really see the differences. And, and I have them if anybody wants to, to look at them or hold them in their hand and feel the weight. Tobacco pouches are heavier. 15 tobacco pouches definitely weighs more than 15 nicotine pouches. And again, that is a chemically made powder that they could highly concentrate and even make them weigh less. And so that is why the weight component just doesn't make sense. I think it can make sense on tobacco pouches because, again, you cut up tobacco-- cut-up tobacco's cut-up tobacco cut-up tobacco. Doesn't matter what brand. Doesn't matter what happens to it. But when you talk about a powder-- a chemical powder, you can highly concentrate it in less powder and make it weigh less. You can't, you can't manipulate tobacco that way. And so, yes, the tobacco pouches are by weight and-- but in my opinion, the ZYN and the nicotine pou-- not ZYN-- just all nicotine pouches-- should not be by weight. And that's why a 20% wholesale makes much more sense, so. Thanks for the question.

FREDRICKSON: Thank you. That's really helpful, Senator Hughes. I'm actually curious if Senator Raybould might yield to a question as well. Madam President.

DeBOER: Senator Raybould, will you yield?

RAYBOULD: Yes.

FREDRICKSON: Thank you, Senator Raybould. So-- I-- you know, I'm, I'm kind of hearing out Senator Hughes and, and her concerns about the amendment. I-- I'm curious. Can you maybe share a bit more of your perspective on this?

RAYBOULD: Yes. Thank you for the question. You know, the proposed tax at 20% of wholesale would put nicotine pouches at a higher tax rate than moist snuff and cigarettes, both of which are more harmful products. The industry is simply asking for a by-weight tax, which is what is already in law for moist snuff products. And the manufacturers cannot game the system by changing the weight. Weight is part of the product's FDA approval. So what I'm saying is that it-- what Senator Hughes is proposing is disproportionate to the type of product and products in the same category.

FREDRICKSON: OK.

RAYBOULD: They're, they're taxed by weight. Senator Hughes is proposing to tax by 20% of that product.

FREDRICKSON: OK. That, that's help-- that's helpful for me. My, my question for you-- because what I'm hearing from Senator Hughes is that the concentration of product within that weight can vary. Is that-- can you speak to that at all?

RAYBOULD: I, I don't know if I can speak to that, but I think what we can all agree on is that people can get addicted to nicotine. And-- why is pouch use better than smoking? All nicotine products are addictive and no tobacco product is safe or entirely risk-free no matter what the concentration is. However, FDA and other global public health agencies have acknowledged that these products exist on a continuum of risk. Combustible cigarettes are by far--

DeBOER: Time, senators.

RAYBOULD: Oh. Thank you.

FREDRICKSON: Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 19, 2025

DeBOER: Thank you, Senator Fredrickson and Raybould. But Senator Raybould, you're next in the queue.

RAYBOULD: Thank you. I just want to con-- continue this understanding. Let me repeat again. Proposed tax on 20% of wholesale would put nicotine products at a higher tax rate than moist snuff and cigarettes, both of which are more harmful products. And as I started to say that combustible cigarettes are by far the most harmful product to consumers and secondhand smokers while the smoke-free alternatives like nicotine pouches present reduced risk alternatives to consumers loo-- looking to switch from smoking. And also, one of the things that we have found through research is these type of nicotine products, the pouches, the moist snuff, they don't appeal to youth as compared to-- vaping is the preferred alternative or even smoking cigarettes. The annual Nebra-- the annual National Youth Tobacco Survey--

[MALFUNCTION]

RAYBOULD: Can you hear that? Oh, it-- is managed by the U.S. Senator-- Centers for Disease Control and Prevention and the Food and Drug Administration, FDA. The recent 2024 National Youth Tobacco Survey of U.S. middle and high school students revealed progress in the collective effort to stop youth use of tobacco products, and in particular showed that youth use of nicotine pouches remains relatively low-- just 1.8%. This rate has remained low even as the popularity of the category has surged for 21 and older adult consumers. In part because of this National Youth Tobacco Survey data, the FDA in January granted marketing authorization for Z-Y-N, ZYN, nicotine pouches, which come in ten varieties, including several flavors and two nicotine concentration. FDA carefully evaluated ZYN's application for nearly five years before determining that the product meets the high standard of appropriate for the protection of public health. Part of meeting these criteria includes showing data that the product is not youth appealing. And so, again, we're-- the industry is saying and asking for a by-weight tax. They have no objection to that, which is the standard and norm already in law for moist snuff products. And again, the manufacturers just cannot game the system by changing the weight. Weight is part of the products FDA has already approved. And just, just one last thought. Even though cans of nicotine pouches are lighter than those of tobacco pouches, there are fewer nicotine pouches in a can than tobacco pouches. So you will ultimately buy more of them. Again, manufacturers cannot game the system by changing the weight. Weight is part of the product's FDA approval. So thank you, Madam President.

DeBOER: Thank you, Senator Raybould. Senator Dungan, you're recognized.

DUNGAN: Thank you, Madam President. Colleagues, I do appreciate the ongoing conversation here. I'm, I'm listening to Senator Raybould talk a little bit more about the AM. And I, at this point, don't believe I support the AM. I'm still kind of trying to figure out what the different layers are to this. I think what I wanted to talk about briefly is that my, my overall concern, I think, with what we're dealing with here is that there's been sort of a smattering of these bills with regards to taxation of various products or industries that have been kind of spread out over a couple of different committees. So this is a General Affairs bill. And General Affairs, I think, kicked this out with the committee amendment. I-- as I mentioned on the last time on the mic, I sit on the Revenue Committee. And we've heard a couple of bills in Revenue that pertained to things like consumable hemp or vape products, which we talked about earlier. And I think that's kind of why I was asking Senator Hughes what's going on with this bill as it pertains to those bills, as I think that we as a body need to have a broader understanding of what the entire landscape is as it pertains to revenue that we're going to be able to obtain from these different products. I myself have, have tried to dive as deep as possible into these industries and learn a little bit more about them. I'm relatively unfamiliar with some of the practices. But as it pertains, for example, to consumable hemp products, the, the folks who work in that industry and a lot of the folks who represent that, that field are more than happy to be a part of the conversation as it pertains to taxation. And they're more than happy to pay their fair share and, as I understand it, have actually been very proactive about reaching out to a number of senators, both on the Revenue Committee, General Affairs Committee, and elsewhere to talk about how they fit into the broader spectrum of what we are taxing and what we are selling here in Nebraska. And so I think that, you know, if we're going to be passing bills like LB9 or talking about amendments like AM646, we need to do so with a broader understanding of what the other components are, the other pieces of that puzzle, to get a better picture as to what our overall tax raising is going to be. Generally speaking, I am against increased taxes. Generally speaking, I am against increased regressive taxes. But I do think that we need to ensure that industries are being properly regulated and that if there is sort of advancements in various different parts of the, the products that are being talked about here that they are looped into or lumped in with some of the other taxes that already exist so that way there's not loopholes being sought. I appreciate Senator Hughes diving into this as well. I think she's been very meticulous in her research to make sure that she fully understands kind of what these different industries' impact on our economic outlook are. My hope is, moving forward, however, that we can continue to bring

in folks who are experts in those areas-- and especially some of the new areas-- like I said, consumable hemp-- to make sure that we are achieving the goals which we've spoken about already on the last time on the mic, which are not to tax them out of existence, which are not to make them prohibitive to the point that an adult making decisions about their life cannot purchase certain products if they are in fact legal, but rather to ensure that there is some proper regulation and that there is a fair taxation structure that exists across the entire board. So I do appreciate Senator Hughes' work on LB9. I think we can continue to have conversations about the way that these bills all interplay together. I know the Revenue Committee's going to keep having conversations about some of the other fields. And so as of right now, I am opposed to AM646 and in favor of AM549 and LB9, I believe, in its current form, at least to go on to Select to continue these conversations. Thank you, Madam President.

DeBOER: Thank you, Senator Dungan. Senator von Gillern, you're recognized.

von GILLERN: Thank you, Madam President. I want to lighten the mood just a little bit this morning with a great announcement. A baby boy, Charles Bradley Kester, was born to my LA, Josh Kester, and his wife, Grace, who worked in Senator Bosn's office. He was born this morning at 9:54. I don't have any of the important statistics, but those I'm sure will follow. We're very pleased for both Josh and Grace. He assures me he'll be back at work this afternoon, so. All will be in order. So. OK. On to the topic. LB9, AM549, AM646. Senator Raybould's brought up several times-- she's asked why this bill was not brought before the Revenue Committee. I don't have the answer to that. I don't sit on the, the Referencing Committee, so I don't know why it was referenced to General Affairs other than the fact that it, it refers to tobacco. And bills that, that, that involve tobacco sometimes go to General Affairs. If they involve taxes, oftentimes they go to Revenue. I was a little-- I was a little surprised to find out that this went to GA. But, but I have full confidence in Senator Holdcroft and his committee that they handled the hearing well. And frankly, I don't think it would have done a thing to change the topic or change the discussion today at all. Frankly, I think this is a red herring that's intended to distract from the topic that we're talking about today or maybe taint the, the subject a little bit. Not really sure why that continues to come up. But had it been referred to Revenue, it would have had a normal hearing just like any other bill. The proponents and the opponents would have been the same. Our discussion today would have been the same. I, I really don't know what it would have changed. I personally, regardless of my chair position, would have supported the bill as I do today. But

again, that would not have changed the hearing process. So please don't allow yourself to be distracted by that. Regarding AM646, I am opposed. Senator Raybould was asked about that amendment around the origin of that amendment. I do know it was being shopped by the lobby as early as this morning. So it clearly is not something that Senator Raybould has been working on or considering for some time. So I'm not really clear on the origin of her opposition, but I'm sure she can add more color to that. With that, I yield back the remainder of my time, Madam President. Thank you.

DeBOER: Thank you, Senator von Gillern. Senator Hughes, you're recognized.

HUGHES: Thank you, Madam Chair. Just a couple things with this new amendment. We're hearing all kinds of reasoning for why-- one was, well, we're not happy because this bill went to General Affairs and not Revenue. That's one reason. Well, we're not-- it's not right because these nicotine pouches are really a cessation device. They're, they're safer and healthier than tobacco products. And then it's also the, the, the amount. So it's like, OK. Well, which one is it? But I want to mention on where this bill went. Historically speaking-- and I served on General Affairs my first two years. Historically, bills that regulate alco-- alcohol, gambling, and tobacco products but might-- but also include taxes goes to General Affairs. Bills that are just solely changing revenue on-- because of a tax would go to the Revenue Committee. So that I think is why these two-- well, clearly LB9 went to General Affairs because that's all regulation. And even LB125 had changed that analog piece. So that also went to, to General Affairs. So I think it was put in the correct committee. The second thing I heard is that-- about cessation or sa-- safety or, you know-- oh, well-- and, and we heard this in the hearing, actually, in General Affairs. It was, it was brought to the attention that, well, these nicotine pouches actually helps someone get off of tobacco products. Maybe they are a smoker and now they can go to these nicotine pouches and, like, kind of wean themselves off of their addiction. And I found it interesting because this su-- this past summer-- I have a daughter. She's 25. She lives down in Kansas City. And she went with some friends to an outdoor concert. Kind of like maybe you'd go here to the Pinewood Bowl-- an outdoor concert at the Pinewood Bowl. And they paid their-- they, they had their tickets. They got in. And right away when they got in, over to the, to the side, you know, somebody was becking-- beckoning them to come over. And it was, it was the Philip Morris. And they had a ZYN tent set up. And they were handing out for free-- they did make sure if you were 21-- but they were handing out ZYN pouches. And each person that came up could get three different ZYN pouches and three different

flavors. They wanted them-- they had, like, six flavors there, and they're like, oh, pick your top three flavors and, you know, enjoy them while you are at this concert. So I find it-- I'm a little skeptical when the-- this industry is saying that this is a cessation device, and yet they're handing these out at concerts where youth are going. And my daughter wasn't walking in with a cigarette, because she doesn't smoke. So it wasn't like they were targeting her to get her off of her extreme smoking habit to go on ZYN. You know what they were doing? They were trying to get a new generation of people addicted to nicotine and doing it through these ZYN pouches. So I do not buy the cessation article-- or, argument at all and will not even attempt to use that as an excuse that they shouldn't be taxed at all or at a lesser value. OK. I'm fired up. So anyway. I-- AM646, I do not support. These-- this type of product should not be by weight. In addition, we're ta-- talking this as an umbrella for alternative nicotine products that, you know, the next new thing on the market might not lend itself to a weight anyway. So let's just make the umbrella 20% wholesale. It's very reasonable compared to other states that tax these. And I would like a "no" vote on AM646, AM646. I would like a yes vote on AM549 to amend it into LB9. And then a, a yes vote on the overall bill, LB9, moving on. Thank you, Chair.

DeBOER: Thank you, Senator Hughes. Senator Raybould, you're recognized. This is your third opportunity, and then you'll have a close.

RAYBOULD: Thank you. That's, that's why I wanted to take a lot of time. And, you know, I want to challenge Senator von Gillern. You know, it is not in my nature or my disposition at all to speak before my colleagues and waste and kill time. I just-- I don't abide by that at all. And I want to let everybody know that what the committee heard in-- was not what was discussed in LB125. LB125 was combined into LB9. And I can just read you from the Nebraska Grocery Industry Association-- no surprise that our company is a member of it-- says, Chairperson Holdcroft and members of the General Affairs Committee. The Nebraska Grocery Industry Association opposes LB125-- that was incorporated into LB9-- as written and urges the committee to consider a per-ounce tax for alternative nicotine products rather than the ad valorem tax proposed in the underlying bill. This approach would align with the current taxation method for moist snuff products in Nebraska, which is taxed at \$0.44 per ounce. Per-ounce taxes are simpler to administer and enforce. Wholesalers are already accustomed to this tax treatment, and it offers more stable, predictable, and equitable solution to all stakeholders. The Nebraska Grocery Industry Association supports a fair and effective taxation system for alternative nicotine products. However, we believe that a per-ounce tax is a more appropriate method

for taxing modern oral products such as nicotine pouches, and the per-ounce approach is consistent with our treatment of moist snuff products. OK. Senator Hughes has said this, this does nothing to deter people from smoking. From-- here's an-- a opponent to this LB125-- that's now LB9-- from District 29. He writes, bad bill. Nicotine pouches helped me quit smoking for good. And here is another online opponent from Washington, D.C. My name is Elizabeth Hicks, and I am the U.S. affairs analyst for the consumer advocacy group, Consumer Choice Center. Simply put, LB125 will do more harm than good if passed. Enacting an increase in taxes on alternative nicotine products will lead to much higher prices for consumers, pushing many former smokers to switch back to smoking combustible tobacco. So colleagues, let me read that again. Simply put, LB125 will do more harm than good if passed. Enacting an increase in taxes on alternative nicotine products will lead to much higher prices for consumers, pushing many former smokers to switch back to smoking combustible tobacco. Typically, 2,500 Nebraskans lose their lives to smoking-related illnesses every year. Considering that studies have shown vaping to be 95% less harmful than smoking and that some nicotine alternatives have already been approved or designated as reduced risk products by the FDA, ensuring that adult consumers have access to the alternative nicotine products they prefer will ultimately lead to fewer cigarette smoking-related deaths in Nebraska. So again, colleagues, I-- may I have a gavel? Thank you, Madam President. Again, colleagues, I don't introduce this lightly. I am not an expert on this subject matter, although I do know that my amendment, AM646, is-- improves Senator Hughes's LB9 because it taxes that product fairly, consistently, and in line with all regulations in our state of Nebraska. And if you are willing to accept comments from the U.S. affairs analyst of consumer advocacy group, Consumer Choice Centers, it's less harmful than tobacco products. Thank you, Madam President.

DeBOER: Thank you, Senator Raybould. Senator Holdcroft, you're recognized.

HOLDCROFT: Thank you, Madam President. Yeah. I just-- just to try and clear a few things up. First of all, I think the reason that the-- this bill was-- these two bills were referenced to the General Affairs Committee was because they also dealt with some re-- redefining of tobacco analogs. And so there was some, some, you know, some, some specific things in General Affairs, as you know, the sin committee. We, we look at gambling, tobacco, alcohol, and now marijuana. And so I think-- and we're, we're talking about taxing on marijuana too. I think-- you know, we're kind of the subject matter experts on sin. And, and when there's taxes, you know, that are involved with those, that's

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Floor Debate March 19, 2025

why they end up in the, in the General Affairs Committee and not the Revenue Committee. We also last year I know changed-- negotiated a change on the, on the tax of, of the skill games that you find at truck stops and gas stations. It used to be 2%. We increased it to 5%. So I think in general, the, the Referencing Committee looks at the bill and decides, you know, what, what committee has the, has the most interest or expertise in the content of the bill. And if there happens to be some taxes involved with it, well, so be it. But that was not the main focus, I don't think, of these bills. So that kind of addresses, I think, the tax piece of this. The other piece, as far as-- and I just want to be clear. There was some opposition to LB125. So these-- this was a combined hearing, LB9 and LB125. And if you've attended those, it's-- we, we do it primarily to, to-- for-- to, to save time. And so-- because typically the opponents and the proponents are the same. But in this case, we did have two opponents to LB125 that we did not have LB1-- to, to LB9. And they were Philip Morris, who was supposed to also be rep-- representing the grocers, and also the Platte Institute. They came in in opposition to LB125. However, when we made our decision to, you know, to forward these to General File, we thought it would be expeditious to amend LB125 into LB9. That was an 8-0 decision by the General Affairs Committee. And then to advance LB9 to the floor was also an 8-0 committee-- I think the committee is fully behind both the, the amendment, AM549, and, and the bill itself. And so I encourage your red vote on AM646 and green vote on AM549 and LB9. Thank you, Madam President.

DeBOER: Thank you, Senator Holdcroft. Senator Brandt, you're recognized.

BRANDT: Thank you, Madam President. I got into here on this debate a little late. Would Senator Raybould be available for a question?

DeBOER: Senator Raybould, will you yield?

RAYBOULD: Yes, of course.

BRANDT: Senator Raybould, I spoke with you just real quickly. There is no fiscal note on this, is there?

RAYBOULD: I am not aware of a fiscal note on this because I just submitted the amendment this morning.

BRANDT: So you, you-- do you have any idea of what this would raise for Nebraska?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 19, 2025

RAYBOULD: Well, talking to, to some of the advocates that mentioned it to me briefly this morning, they said it would raise the cost of this product by 700% if it were being taxed at 20%--

BRANDT: But you don't--

RAYBOULD: --compared to the other, other products of a similar nature that are taxed by weight.

BRANDT: OK. But you don't have \$1 million a year-- you don't have a number like that today?

RAYBOULD: I'm sorry, I do not.

BRANDT: OK. Thank you. Would Senator Hughes be available for a question?

DeBOER: Senator Hughes, will you yield?

HUGHES: Yes.

BRANDT: Senator Hughes, what is the fiscal note on LB9?

HUGHES: Right. For the rest of this year, if this would go into effect, it's \$927,000. For fiscal year '27, it's \$2.5 million. For fiscal year '28, it's \$2.7 million. And for fiscal year '29, it's 2.9-- it's \$3 million.

BRANDT: And that is money raised for the state of Nebraska.

HUGHES: That is correct.

BRANDT: All right. Thank you, Senator Hughes. Would Senator Clements be available for a question?

DeBOER: Senator Clements, will you yield?

CLEMENTS: Yes.

BRANDT: Senator Clements, as chair of the Appropriations Committee, what is the fiscal state of the budget right now?

CLEMENTS: Our current General Fund financial status is negative \$289 million.

BRANDT: So we're making progress.

CLEMENTS: Yes. We've-- we started with negative \$432 million.

BRANDT: All right. So-- thank you. So I guess just looking at the numbers today, I'm going to be supportive of LB9 and, and AM549. They're known entities. It's went through the committee. It's been vetted by our, our Fiscal Office. And we've, we've kind of got a sure thing here. So I will be supportive of LB9 and AM549 and will not be supporting AM646. Thank you.

DeBOER: Thank you, Senator Brandt. Senator Moser, you're recognized.

MOSER: Thank you, Madam President. The taxation of synthetic nicotine products or even concentrated natural nicotine by weight is a problem because they can vary the concentration of nicotine in those products. Comparing that to the tax on nicotine products that are made from tobacco, those are a natural product, and they're going to be a pretty consistent concentration of nicotine. But the synthetic products can be mixed to whatever strength you want. They hardly weigh anything at all. So trying to tax them by weight I think is incorrect. I support AM649-- I'm sorry-- AM549 and LB9, and I oppose AM646. Thank you.

DeBOER: Thank you, Senator Moser. Seeing no one else in the queue. Senator Raybould, you're recognized to close on your amendment.

RAYBOULD: Thank you, Madam President. Thank you, colleagues, for this, this great debate. And I just want to say that it doesn't make sense that we single out a product that is currently not taxed but comparable to other products is taxed by weight. Politicians and public health officials now have a rare opportunity to help reduce smoking-related deaths due to the growing availability of reduced risk electronic nicotine delivery systems and nicotine pouches. LB125, now LB9, takes the wrong approach by placing steep taxes on these products equal to those on traditional cigarettes, thereby sending the wrong message to consumers that these products are the same when in fact they are safer alternatives. The practical outcome of this legislation must be understood as lowering the incentives for consumers to shift their preference to a less harmful nicotine-based product. It does this by making it more expensive for those who wish to quit traditional cigarettes to do so. There can be no arguing either side of this matter that we know that traditional cigarettes, secondhand smoke are very harmful to our fellow Nebraskans judging by the cancer rate and lung cancer rates. So obviously, you know, I ask for your support. This is a pretty commonsense, practical approach, an amendment to Senator Hughes' piece of legislation. I urge that you support it and vote green. Thank you, Madam President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 19, 2025

DeBOER: Thank you, Senator Raybould. The question is the adoption of AM646 to L-- or, to the committee amendment, AM549. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 5 ayes, 24 nays on adoption of the amendment, Madam President.

DeBOER: The amendment is not adopted. Seeing no one in the queue. Senator Holdcroft, you're recognized to close on the General Affairs Committee amendment. Senator Holdcroft waives closing. Senator Hughes, you're recognized to close on the bill. I'm sorry. We have to vote on the committee amendment. The question before the body is the adoption of the committee amendment, AM549. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 39 ayes, 0 nays on adoption of the committee amendment, Madam President.

DeBOER: The committee amendment is adopted. Senator Hughes, you're recognized to close on your bill.

HUGHES: Thank you, Madam Chair. Thank you for the votes to-- with that amendment. Thank you to the General Affairs Committee. Thank you to Senator Holdcroft. I appreciate the support on this. This is-- we're setting up better legislation going forward, doing it that wholesale percent. It's something that this body will not have to come back and adjust constantly, as opposed to a price per, per weight. Plus, it does that umbrella of analogs for any future, new nicotine thing that is created to get people onto a new product of nicotine. So appreciate the support going forward. And thank you, Madam Chair.

DeBOER: Thank you, Senator Hughes. The question is the advancement to E&R Initial of LB9. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 41 ayes, 0 nays on advancement of the bill, Madam President.

DeBOER: The bill is advanced. Mr. Clerk for the next item.

CLERK: Some items for the record, if I could, Madam President. Your Committee on Enrollment and Review reports LB7, LB143, LB179, LB195, LB294, LB312, LB341, LB372, LB501, LB592 as correctly engrossed and placed on Final Reading. In addition, your Committee on Enrollment and Review reports LB390 and LB527A to Select File. Some amendments to be printed from Senator Lonowski to LB689. Motions to be printed from Senator DeBoer to LB322. Also, your Committee on Urban Affairs, chaired by Senator McKinney, reports LB614. And a notice of committee hearing

from the Nebraska Retirement Systems Committee. As it concerns the agenda, Madam President: next bill, General File, LB78, introduced by Senator Bostar. It's a bill for an act relating to public health and welfare; amends Section 76-901, 76-903, and 77-1327; adopts the Domestic Violence and Sex Trafficking Survivor Assistance Act; changes the rate and allocation of the document-- documentary stamp tax; harmonize provisions; repeals the original section. Bill was read for the first time on January 9 of this year and referred to the Revenue Committee. That committee placed the bill on General File. There is an amendment to the bill, Madam President.

DeBOER: Senator Bostar, you're recognized to open on your bill.

BOSTAR: Thank you, Madam President. And good morning, colleagues. LB78 creates the Domestic Violence and Trafficking Victim Housing Assistance Fund, increases the Nebraska documentary stamp tax by \$0.07, and allocates that funding to the newly created assistance fund. These funds will only be accessible by victims working through a qualified organization with an affiliation agreement with the Department of Health and Human Services to provide access to victims of domestic violence and sexual assault under the protection from Domestic Abuse Act or provide direct services to victims of trafficking. The funds can only be used for housing-related assistance, which is defined as rental payments, utility payments, security and utility deposits, and other related costs. Revenues from the Nebraska documentary stamp tax are used primarily to address our state's housing crisis. This change ensures that a portion of those funds are supporting housing costs specifically for some of the most vulnerable people in our state: victims of domestic violence and human trafficking. In January of this year, Governor Jim Pillen, Lieutenant Governor Joe Kelly, Attorney General Mike Hilgers, and Nebraska State Patrol Superintendent Colonel John Bolduc came together for a signing of a proclamation to raise awareness of the malignant impacts of human trafficking in Nebraska. Federal Bureau of Investigation's special agent in charge, Eugene Kowel, stated at the event that people even in the heart of the heartland are being bought, being sold, being exploited, leading lives of misery, whether being forced into sexual activity, living and working in dangerous and dirty conditions, or being forced to work grueling jobs with little to no pay. These people-- primarily women and children-- are being exploited, and it is up to us to help them to safety. Nebraska policymakers can and should prioritize the immediate housing assistance needs of victims and survivors to further support our broader efforts combating domestic and sexual violence. Every session, this Legislature commits itself to supporting victims of domestic violence and trafficking but has not yet fully addressed the

immediate housing needs of those same victims. 92% of financial assistance requests from victims are for housing-related costs, according to a survey conducted last interim for LR346 by the Coalition to End Sexual and Domestic Violence and the Women's Fund of Omaha. If victims don't have a safe place to go, our other efforts are to keep them safe-- our other efforts to keep them safe will fall short. Domestic violence and human trafficking impacts all Nebraska communities, urban and rural. According to the Statewide Intimate Partner and Sexual Violence Survey conducted by the Nebraska Coalition to End Sexual and Domestic Violence, an estimated 81.5% of Nebraska women and 66.7% of Nebraska men experienced some form of domestic or sexual violence in their lifetime, amounting to 1.4 million Nebraskans. Since 2021, both the supply of affordable housing and access to financial assistance supporting housing stability has significantly decreased across the state. As the affordable housing crisis gets worse, victims who would previously have come to a shelter and then moved on are now needing much longer to do so, creating a shelter bottleneck so fewer new victims can access shelter service. This bottleneck has become increasingly dangerous, ultimately leading to a cascading effect across the state, with shelters and domestic violence prevention programs reporting increased lethality in many situations due to insufficient resources to provide housing assistance. Housing is the single largest factor in determining a victim's ability to access safety for them and their children. The choice for victims far too often is to either stay in an unsafe situation or become homeless. According to a report titled "Domestic Violence, Housing, and Homelessness," released in 2018 by the National Network to End Domestic Violence, 38% of all domestic violence victims become homeless at some point in their lifetime. Domestic violence is the leading cause of homelessness for women with and without children. And domestic violence is one of the leading causes of homelessness for children in the United States, with 25% of homeless children having witnessed violence. The overwhelming majority of housing-related requests from survivors across agencies in Nebraska were for financial assistance, for housing, to leave an abusive situation, and secure new and safe housing. A lack of housing and resources for housing assistance make it more difficult for survivors to later secure stable employment, ensure the safety of their children, and address their own emotional well-being. Unmet housing needs put survivors and their families at increased risk for homelessness and ultimately continued victimization. Because there is currently no specific funding set aside for housing-related assistance for survivors of domestic violence, providers are relying on referrals to other local organizations that provide assistance to the broader public. Providers described survivors turning to survival sex in

exchange for money, increased risk of victimization, and trafficking while on the streets, deterioration of a survivor's mental health, and addiction, according to the LR346 survey. As one provider stated, we hear from survivors who were living in their car, under bridges, staying with family and unhealthy situations, remaining with or returning to their abusive partner because there is no alternative. In the last year, we have known survivors who died due to limited capacity. We view shelter and housing for survivors as homicide prevention. Put simply, housing assistance for victim of domestic-- of domestic violence and human trafficking will save Nebraskan lives. On January 10 of this year, Attorney General Hilgers called on our state to recommit ourselves to doing all in our power to work to end this illegal evil and no longer allow it to thrive in the shadows. LB78 was heard on January 22 and advanced unanimously from the Revenue Committee. I'd urge your support of LB78. I thank you.

DeBOER: Senator Dungan, you're recognized.

DUNGAN: Thank you, Madam President. I thought there was an amendment up after this. Either way, thank you, Madam President. I do rise in favor of LB78. I, I, I wanted to speak briefly just because I was on the committee that heard LB78, and I wanted to speak briefly as to I think what the importance is of this. LB78 did come out of the Revenue Committee unanimously. And I think that that is obviously always something we should look at as to whether or not a bill has broader support in the body. But what I thought was most compelling was the hearing that we had I think really underscored the importance and the necessity for LB78 to happen now. We had a number of individuals come in who are survivors of domestic assault and speak to us not just about the data and the information and a lot of the sort of big picture benefit that LB78 provides, but they spoke about their lived experience. And they spoke about the, the things that they've had to go through as survivors of domestic assault in not just breaking the cycle of domestic abuse but then needing to find housing in order to allow them to live outside of the, the situation that they've been dealing with prior to that. And so what I think LB78 accomplishes is a very specific and niche goal of ensuring that we as a state are able to invest a relatively small amount into providing the acute housing care for individuals that have been living through and who are survivors of domestic assault. What we know, obviously, is that if you're able to provide individuals a place to go after they've experienced these situations or after they've been put through this horrific event, it, it allows them oftentimes to live outside of that cycle and then break that cycle of abuse. And so providing that housing I think is one of the most important things that we can do to actually get people out of

those situations. What we also know is that investing in these kind of upstream investments is the kind of thing that reduces the actual costs later on. So rather than spending more money on community safety or spending more money on trying to clean up the messes of various problems after they happen, by putting this money in early and putting this fund together, what we're doing is I think we're actually investing in a solution that helps the survivors, and it helps the state of Nebraska. I know for a fact that there have been a number of people in this world of, of working with domestic abuse survivors and, and working in that sort of advocacy area who have been working tirelessly to get bills like this done. And the fact that we can have a bill like LB78 come through the committee, be heard, have a fantastic-- albeit very emotional hearing-- and then have it come to the floor unanimously I think is, is really important. So colleagues, I absolutely encourage your support of LB78. I appreciate the work of my fellow members of the Revenue Committee. Looking at-- I, I-- looking at this, I know it's always difficult when we're talking about various different components of tax policy and how they have an interplay with social policy, but this is one of the, the few circumstances in the Revenue Committee where I think we really get to see the human side of the impact of the work that we do. And I want to personally say thank you to all of the survivors who came in and told their story on the record to us. You certainly didn't have to do that. And I'm sorry that we're in a situation where that's something that was necessary, but it did matter. And your voices mattered and your stories mattered. And we saw you and we hear you. And I think that we as a Legislature now with LB78 have an opportunity to actually make an impact as it pertains to supporting survivors of domestic abuse. So with that, I would encourage your green vote on LB78. Thank you, Madam President.

DeBOER: Thank you, Senator Dungan. Senator Spivey, you're recognized.

SPIVEY: Thank you, Madam President. And good morning again, colleagues. I just rise in support of LB78. So I am on the State-Tribal Relations Committee, chaired by Senator Raybould. And this is our priority bill. We were really excited to be able to make this our priority bill because of the impacts that it has not only across the state for survivors and people navigating violence in intimate partner relationships but also that we have explicitly seen in the Native and Indigenous community. And so it just was a great opportunity for us to be able to support a lot of the efforts that are already happening in community and I think really address an issue that spans income, geography, race, and really center the people that are most impacted in a meaningful way. And so I appreciate that we were able to prioritize this bill as a committee. I appreciate Senator Bostar bringing this

bill and introducing it and for the community advocates that came out when this was first introduced to bring their voices in and bring really those stories of impact and what they are seeing on the ground as service providers and survivors navigating this in a very real way. And so, again, I rise in support of LB78. I'm really glad that our committee could prioritize that. And would appreciate everyone's green vote on this bill. Thank you, Madam President.

DeBOER: Thank you, Senator Spivey. Mr. Clerk for an amendment.

CLERK: Madam President, Senator Guereca would move to amend with AM737.

DeBOER: Senator Guereca, you're recognized to open on your amendment.

GUERECA: Good morning, colleagues. I would like to thank Senator Bostar and Senator Raybould for helping me include LB159 into the State-Tribal Relations Committee priority bill. Current Nebraska Statute Section 29-2260 directed the courts to consider statutory factors when imposing a sentence on persons who have been found guilty of a crime. The listed factors and statutes are not exhaustive, but they do provide some directive for courts to consider when determining appropriate sentence after weighing aggravating and mitigating facts. Some of these consider-- some of these considerations, while not controlling the discretion of the court, are to be given a weight in favor of withholding a sentence of imprisonment. LB159 would provide that the courts are to consider a sta-- defendant's status as a current or prior survivor of sex trafficking or domestic violence or abuse as these terms are defined by Nebraska law as a misi-- mitigating factor when deciding what sentence to impose. As I stated earlier, these statutory factors are not only factors that a court can consider when determining a sentence-- and in theory, courts are enable-- are able to now consider a defendant's past history of trauma. Several studies that show up to 90% of women in prison experienced childhood trauma. Other samples of incarcerated women show that between half and three-quarters reported experience of sexual violence. More than 70% of women incarcerated in prisons and jails reported prior experiences of intimate partner violence victimization, ranging from threats and intimidation to physical or sexual assault. The passage of this bill will not only require courts to impose a lesser se-- the passage of this bill will not require courts to impose a lesser sentence that they would otherwise impose in any case. But passage of this bill would be a clear expression of legislative intent that courts at least consider whether a person being sentenced has a history of being abused by an intimate partner or is a survivor of sex trafficking. This bill did get kicked out of committee. And my thanks to the Judiciary Committee and

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 19, 2025

Chair Bosn for kicking it out 8-0 this morning. Because it is within ten days of the hearing-- this bill had a-- its hearing on Wednesday. There was no fiscal note. There was no opponents. It will require 30 votes, colleagues. So I would appreciate a green light on this bill. And again would like to thank Senators Bostar and Raybould for their help on this. Thank you, Madam President.

DeBOER: Thank you, Senator Guereca. Senator Raybould, you're recognized.

RAYBOULD: Thank you, Madam President. I also have many people to thank, including Senator Bostar, Attorney General Hilgers, and, of course, the State Patrol that have been so instrumental in raising the awareness on sex trafficking and domestic violence that is so prevalent in our state, and trying to make sure that the awareness is raised but also to help assist the survivors who were very brave and came out to speak on this very matter. I also want to thank my colleagues on the Tribal Relations Committee for recognizing that these two bills rose to the top, senators, AM737, on assisting those victims of sex trafficking and making sure that they are not continuously victimized. So I stand in support of AM737. And I've-- just have so many people to thank. But also, we heard from so many organizations that-- how important housing and making housing available and protecting victims of sex trafficking. We have Voices of Hope, Catholic Charities, Catholic Social Services, Sandhills Crisis Intervention Center, Friendship Home, and there are so many agencies and nonprofit organizations throughout our state that have recognized that the most challenging thing and form of assistance that is so desperately needed to help the victims and survivors of sex trafficking is housing. So again, a big shout-out to, to Senator Bostar, Attorney General Hilgers, and our wonderful State Patrol for taking on this very challenging issue. Thank you, Madam President.

DeBOER: Thank you, Senator Raybould. Senator von Gillern, you're recognized.

von GILLERN: Thank you, Madam President. Just a couple of quick comments. I do rise in support of LB78, Senator Bostar's bill. We heard that in the Revenue Committee. It was, as he noted, voted out 8-0. There were 28 online comments as proponents, 1 opponent. And there was only one opponent that testified at the hearing, and that was purely related to the increase in the doc stamp. And at the time we heard this bill, there were, I think, three other bills with regards to doc stamp that had not yet been heard. And one of the comments that was made was that they wanted to wait and hear the entirety of all the doc stamp discussion before a potential affirmative position could be, could be

taken on that. The-- I, I-- if you, if you run the numbers real quick, this is a \$0.07 increase in the doc stamp. The median price of a home in Nebraska today is \$270,000. That's an \$18.90 increase in your closing costs, so. The, the committee felt that this was a compelling enough matter to kind of go against the current norm, and that is not increasing any fees or taxes. So it did, again, come out 8-0. I'm not familiar yet with AM737. That's obviously very new. Just got dropped by Senator Guereca here this morning. At first glance, it appears to not be germane to LB78, but I'll continue to listen to the testimony and learn more about that as the, the morning goes on, so. With that, I'll yield back the remainder of my time. Thank you, Madam President.

DeBOER: Thank you, Senator von Gillern. Senator Bosn, you're recognized.

BOSN: Thank you, Madam President. I rise in support of LB78, also in support of AM737. I would just again draw attention to the significance of the problem that we're trying to address with these bills. We have had a rash of absolutely horrifying incidents involving domestic assaults and murder-suicides in the last three months-- the latest one of which occurred last night or early this morning, where we've now had a second domestic-related murder-suicide in less than a month in Lincoln. This also involved the shooting of a 13-year-old boy. And so efforts like this, where we are acknowledging the problem and trying to address the problem in a respectful way, I think we all have to get behind. I recognize what some of the opposition is, but in this particular case, I, I think the good far outweighs any of those negative impacts of a \$0.07 increase on a doc stamp. So for those reasons, I will be supporting LB78. I would ask all of my colleagues to support LB78 as well as the amendment from Senator Guereca. I can also tell you all that this bill, when we heard it in hearing, initially we were trying to figure out how quickly we could get this out and add it to LB78. And certainly through no fault of the committee or Senator Guereca's, LB78 showed up on the calendar before we had a chance to exec and add it. So I think when we have committees that are wanting to work together towards a common goal, those are-- we should support that effort and try and work together to accomplish those goals. Thank you, Madam President.

DeBOER: Thank you, Senator Bosn. Seeing no one else in the queue. Senator Guereca, you're recognized to close on your amendment.

GUERECA: Thank you, Madam President. Colleagues, I know this kind of-- got that on there last minute and-- I know there's been a couple questions about germaneness. This is an issue that we've talked through

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 19, 2025

with the Clerk because it is dealing with the issue of sex trafficking and domestic violence. There is-- it, it, it is germane. This is an-- a major issue that, that we're trying to address here in the state. And again, it's not forcing judges to reduce their sentencing. But in statute, there's a list of, of mitigating factors that the judges take into consideration when doing their sentencing. All this does is add that into statute to recognize it as a major issue that is happening to our women in this state. I would ask for the green vote. Thank you.

DeBOER: Thank you, Senator Guereca. The question is the adoption of AM737. All those in favor vote aye; all those opposed vote nay.

[MALFUNCTION]

DeBOER: Seeing no one in the queue. Senator Bostar, you are recognized to close on your bill.

BOSTAR: Thank you, Madam President. And thank you, colleagues. In particular, I want to thank the Tribal Affairs Committee for prioritizing the legislation. I appreciate all of the, the comments during the discussion on the bill. And with that, I would encourage your green vote on LB78. Thank you very much.

DeBOER: Thank you, Senator Bostar. The question before the body is the advancement of LB78 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 43 ayes, 0 nays on advancement of the bill, Madam President.

DeBOER: It is advanced. Speaker Arch for an announcement.

ARCH: Thank you, Madam President. Before we adjourn, I need to modify the agenda once again to take up another motion to spe-- suspend Rule 3, Section 14 for the cancellation of a couple of public hearings. Thank you, Madam President.

DeBOER: Thank you, Senator Arch. Mr. Clerk for a motion.

CLERK: Madam President, Senator Hardin would moved to suspend Rule 3, Section 14 to permit the cancellation of a public hearing.

DeBOER: Senator Hardin, you are recognized to open on your motion.

HARDIN: Senator Hunt was not able to make today, along with several testifiers, so we'll simply be postponing and rescheduling that LB367 hearing for the end of next week. Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 19, 2025

DeBOER: Thank you, Senator Har-- Hardin. Senator Bosn, you're recognized.

BOSN: Thank you, Madam President. I would also like to notice that we are canceling LB273 for the same reasons. That is Senator Hunt's bill. We will be adding that to next Thursday's agenda and starting at 1 p.m. instead of 1:30 so that my committee doesn't end up staying longer since we have a full list that day as well. She has notified me that she's working to call off her testifiers, but we have now made that formal request as well.

DeBOER: Thank you, Senator Bosn. Seeing no one else in the queue. The question is the suspension of the rules. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 44 ayes, 0 nays to suspend the rules, Madam President.

DeBOER: The rules are suspended.

CLERK: Madam President, pursuant to that rule suspension, notice that the Health and Human Services Committee would cancel a hearing for today, as well as notice an additional hearing for Thursday. And cancellation by the Judiciary Committee for a hearing today. That's all I have at this time pursuant to that motion.

DeBOER: Thank you, Mr. Clerk. Next item.

CLERK: Madam President, items for the record. Your Committee on Health and Human Services, chaired by Senator Hardin, reports LB463 to General File. Your Committee on General affairs, chaired by Senator Holdcroft, reports LB-- LR20CA to General File. Your Committee on Business and Labor, chaired by Senator Kauth, reports LB320, LB532 to General File, both having committee amendments. Amendments to be printed from Senator Hardin to LB629; Senator Strommen, LB415; Senator Hughes to LB176; Senator Strommen, LB415; And Senator Raybould to LB415. Notice that the Business and Labor Committee will have an executive session tomorrow at noon in Room 2022. Business and Labor, tomorrow, Room 2022. Priority motion: Senator Andersen would move to adjourn the body until Thursday, March 20 at 9:00 a.m.

DeBOER: Colleagues, you've heard the motion. All those in favor say aye. All those opposed say nay. We are adjourned.