

ARCH: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the sixty-ninth day of the One Hundred Ninth Legislature, First Session. Our chaplain for today is Senator Lippincott. Please rise.

LIPPINCOTT: Lord, let our prayer this morning echo the heart of your servant, David, who wrote in Psalm 15, what is known as the Christian's constitution. Lord, who may dwell in your sanctuary? Who may live on your holy hill? He whose walk is blameless and who does what is righteous, who speaks the truth from his heart and has no slander on his tongue. Who does his neighbor no wrong and casts no slur on his fellow man. Who despises a vile man, but honors those who fear the Lord, who keeps his oath even when it hurts, who lends his money without usury, and does not accept a bribe against the innocent. He who does these things will never be shaken. May David's words be those of our hearts cry today in our capital, in Jesus' name, amen.

Speaker 1: I recognize Senator.

Speaker 3: For the Pledge of Allegiance. Good morning, colleagues. Please join me in the pledge. I pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

Speaker 1: Thank you. I call to order the 69th day of the 109th legislature. First session. Senators, please record your presence. Roll call. Mr. Clerk, please record. There's a quorum present, Mr. President. Thank you, Mr. Clerk. Are there any corrections for the journal? I have no corrections this morning, sir. Thank you. Are there messages, reports, or announcements? I have messages, report, nor announcements. Senator Dorn would like to recognize the doctor for the day, Dr. Eric Thompson from Beatrice. Thank you very much for serving, doctor. While the legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR 127, 128, and 129. Mr. Clerk, please proceed to the first item on the agenda.

Speaker 4: Mr. President, Legislative Bill 36A, issued by Senator Brant, is a bill for an act relating to appropriations, appropriates funds, aid and care, and the provision of the Legislative Bill 36. The bill is read for the first time on April 24th of this year and placed directly on general file. Senator Brent, you're recognized to open.

Speaker 5: Thank you, Mr. President. Good morning colleagues. LB 36A is the appropriations bill to pay for carrying out the Safe Battery

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Collection and Recycling Act portion of LB36. It does not affect general funds, but is appropriated through the Waste Reduction and Recycle Incentive Fund Cash Fund. I would appreciate your green vote on LB-36A.

Speaker 1: Seeing no one in the queue, you're recognized to close. Senator Brant waves close. Question before the body is the advancement of LB 36A to E&R initial. All those in favor, vote aye. All those opposed, vote nay.

Speaker 6: Mr. Clerk, please record.

Speaker 7: 35 A's, 9 A's on the advancement of the bill, Mr. President.

Speaker 1: The bill does advance. Mr. Clerk, next item.

Speaker 7: Mr. President, Legislative Bill 80A, introduced by Senator Hallstrom, bill for an act relating appropriations to appropriate funds to aid in carrying out the provisions of Legislative bill 88, 109th legislature first session. Bill was read for the first time on April 23rd, and was placed directly on general file.

Speaker 1: Senator Hallstrom, you're recognized to open.

Speaker 8: Thank you, Mr. Speaker. Colleagues, LB80A is an appropriation bill to accompany LB 80 relating to protection orders. There was a revised fiscal note that came out very recently regarding \$20,000 fiscal note impact, and 80A simply takes that \$20 thousand from the Supreme Court Automation Cash Fund, and there is no general fund impact. I would ask for green vote on LB88.

Speaker 1: Seeing no one in the queue, you're recognized to close. Senator Hallstrom, waves close. Question before the body is the advancement of LB-80A to E and R initial. All those in favor, vote aye. All those opposed, vote nay.

Speaker 6: Ms. Clerk, please record.

Speaker 7: 38 As, no Nays on the advancement of LB ADA, Mr. President.

Speaker 1: Bill does advance. Mr. Clerk, next item.

Speaker 9: Thank you, Senator Ballard.

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Speaker 7: Mr. President, Senator. Final reading LB 645. Senator Ballard would move to return LB645 to select file for a specific amendment.

Speaker 1: Senator Ballard, you're recognized to open on the motion.

Speaker 10: Thank you, Mr. President. Good morning, colleagues. If you recall, after Senator Bostar's amendment was added to provisions, his LB-76 was adopted on select file. My office was made aware late Friday that this would previously undisclosed general fund impact the amendment. This impact does not include on the fiscal note of LB 76 and was just a miscommunication between emperors and the fiscal office. In consultation with Senator Bostar, myself, the State Troopers Association, and the Governor's Office, we agreed that the best approach would be to delay the implementation of Senator Bostars' piece of LB 645 until 2027. Additionally, we are also returning to select to address some of the conversations we had with Senator Conrad during the select file debate regarding the OSERS plan. With that I would ask for your green vote on LB 645 return to select for the for the amendment. Thank you, Mr. President

Speaker 7: Senator Ballard, I understand you wish to withdraw F.A. 137 and substitute A.M. 1190.

Speaker 1: That is correct. So ordered. Turn to the cue, Senator Conrad, you're recognized to speak.

Speaker 11: Thank you, Mr. President. Good morning, colleagues. I appreciate Senator Ballard giving myself and others a heads up who had a significant interest in this issue about kind of where we were fiscally, procedurally, substantively trying to make appropriate updates to the state patrol retirement has been something that Senator Ballard and I have found full agreement on. So I was very heartened to see Senator Bostar file his amendment on select file to at least make some modest but meaningful steps forward, even though I think the full proposal should have been advanced from the committee. Should have deserved the consideration of the full legislature. One thing that I tried to point out in regards to where we were on select file for LB 645 was by making the changes in those substantive amendments, I was trying to assess, albeit rather ineptly. Kind of where we were in terms of the fiscal component. We know that there's an estimated significant cost savings attached to lb6 45 which is primarily being moved forward to balance the budget And then I was trying to figure out What the increase or impact to general funds would be with the Bo star amendment and the state patrol amendment because Just to reaffirm

or underline the point, when we make... Quick changes to our retirement plans without a considerable amount of deliberation and fiscal analysis, it can have unintended consequences and it's something that is out of alignment with our past practice. So this measure, you know, the body came together and decided to move forward with the state patrol component and now quickly we're clawing it back because Indeed, the fiscal impacts could not be absorbed in this biennium. So. I do think that the better course of action overall would be to take a more deliberate, cautious approach with LB 645 as a whole. And even plan beneficiaries from NSEA agreed that a more deliberate, more cautious process would perhaps be a prudent way to go so that all stakeholders could have full confidence and clarity, which ultimately might end up being a very good outcome for plan beneficiaries and the state and local school districts. But again, we're in such a rushed and compressed point in our process that it's It's hard to muster that confidence in 40 or 50 days. So I do have a couple of questions that I want to make sure that we can at least put on the record if my friend Senator Ballard would yield as chair of the committee.

Speaker 1: Senator Ballard, would you yield to a question?

Speaker 11: Thank you, Senator. Just to be clear then, did the components of, and I think I know the answer, but I want to just put it on the record. Did the components of the State Patrol retirement have an actuarial study? They did. Very good. And the components of LB 645 as it stands today, those have all been subjected to an actuary study? They have. OK, thank you. And then the last question would be senator if Basically what the Amendment will do and the motion will do if successful is that it will move the components of the both star amendment Which is kind of a compromise position on the underlying both star bill and it will push off those components to the next Biennium is that kind of the the general goal here, correct? OK, and so it is is it your we may run out of time I'm sorry, but is it you're understanding then if those are pushed out to the next biennium Looking at the projections for our fiscal landscape in the next biennium, which are reaching a billion dollars, what is the obligation to the future legislature and the body?

Speaker 10: So the current fiscal note of LB76, or the both star portions, was about 3 million dollars.

Speaker 11: OK, so basically my question is, is that then the future like- Time, Senator. Oh, right, sorry.

Speaker 1: Senator Bostar, you're recognized to speak.

Speaker 12: Thank you, Mr. President, and good morning, colleagues. I rise in support of the motion to return to select for a specific amendment, albeit somewhat reluctantly. This amendment represents the best of what are effectively bad options that are available to us. The representation of the fiscal impact was functionally changed after we adopted the on select file, leading to... Challenges for this body going forward. So this would push that implementation back, yet still ensure that on the horizon, we will right the wrong of cutting the benefits for families who have a state patrol officer who predeceases their spouse. Unfortunately, we won't be able to implement that as soon as I think a lot of us here would like, but it'll still... Be happening. Albeit we'll have to hold off for another year and a half or so. So with that, I would encourage your green vote of the motion and the underlying legislation. And I don't know if Senator Conrad was finished, but I yield the remainder of my time to Senator Conrad if she wishes. Senator Conrad.

Speaker 11: Very good. Thank you so much, Senator Bostar, and I share your reluctance. And I wish that we've not clawing this back, but instead moving forward and instead moving forward with your full proposal rather than an amended and lesser version. But I appreciate and understand the fiscal considerations that may have. Led to that decision, but it also, I think, perhaps lifts up a few additional points in that regard. If ensuring that the surviving spouses of the hardworking men and women who literally put their lives on the line in our state patrol can't have access to a full and dignified retirement program. What does that say about our priorities kind of writ large in terms of budget and tax? And yes, there is a significant fiscal impact with this, but it's far, far less than many of the measures that go flying through here with a much. Much more significant fiscal impact. So I do hope that this provides an opportunity for reflection for all members. I hope that no matter what our fiscal circumstances are, we can find the political will and the consensus together to fully right this present unfairness that really impedes the ability of surviving spouses and retired NSP folks to be able to meet their family's needs and balance their budget after a life of service and and after the member were to pass. So I hope that we can even do more than what this amendment will allow us to do in the out years. And if we're going to send it back, I think we should maybe send it back for the full proposal rather than the lesser version so that we can start to plan for that fiscal impact. The last piece would be that I do think it leaves perhaps a unrealized gap in terms of benefits for this biennium and that could result in additional unfairness and lack of resources

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for those who would pass during this biennium. So with that, thank you, Mr. President.

Speaker 1: Senator Conrad, you're next in the queue. Senator Conrad waves. Question before the body, excuse me. Senator Ballard, you are welcome to close on your motion to return. Senator Ballard waves close. Question before body is the motion to return to select file for a specific amendment. All those in favor, vote aye. All those opposed, vote nay.

Speaker 4: 43 a's, no nays on the motion to return to select file, Mr. President.

Speaker 1: Successful. Senator Ballard to open on the amendment.

Speaker 10: Thank you, Mr. President. Good morning, colleagues. As previously discussed, AM 1190 is an amendment to delay the implementation of Senator Bostar's portion of the bill to the following biennium starting July 1st, 2027. Again, I want to thank Senator Bosta, the State Patrol, the Governor's Office for their work on this unfortunate situation. And I just want to reassure the body that we do have commitments from the Fiscal Office and the Governor office and the retirement community that we are going to work on in the next biennial. Just to make sure that our state patrol are taken taken care of because it's one of my top priorities that Senator Conrad and I have discussed that how we can better Provide benefits to the to the men and women that have sacrificed their sacrifice themselves to serving us in addition the Lm1190 amendment also includes provisions to clarify that LB 645 does not impact the state contributions to the Omaha Employment Retirement Systems Plan or the OSERS plan. Similar language is offered by Senator Conrad and was considered on select file, but this version language addresses the concerns that Senator Von Gillen raised with Omaha Public Schools. I do want to make it clear that I do am in strong support of LB 76 and wish our situation was different. With that, I ask for your support on AM 1190. Thank you, Mr. President.

Speaker 1: Seeing no one in the queue, you're welcome to close. Senator Ballard waves close. Question before the body is the adoption of AM 1190 to LB 645. All those in favor, vote aye. All those opposed, vote nay.

Speaker 13: Record, Mr. Clerk.

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Speaker 4: 41A is no nays on adoption of the amendment, Mr. President. AM 1190 is adopted.

Speaker 13: Senator Greco, you're recognized for a motion.

Speaker 14: Thank you, Mr. President, I move that LB 645 Advanced E&R for engrossing.

Speaker 13: Members, you have heard the motion. All those in favor, say aye. Aye. Those opposed, say nay. It is advanced.

Speaker 4: Mr. Clerk for items. Thank you, Mr. President. Your Committee on Enrollment and Review reports Legislative Bill 645A to select file, and your Committee on Business and Labor, chaired by Senator Couth, reports Legislative bill 400, general file with committee amendments. That's all I have this time.

Speaker 13: Mr. Clerk, please proceed with the

Speaker 4: Next item on the agenda. Mr. President, Legislative Bill 645A, select file. There are no E&R amendments. Senator Ballard would move to amend with AM 1197. Senator Ballard, do you read?

Speaker 10: Nice to open on the amendment. Thank you, Mr. President. AM 1197 is an A bill to LB 645 to reflect the amendments that were adopted last week on select file. The amendment appropriates \$40,000 from the school expense cash fund and \$26,000 dollars from the state patrol cash fund. These cash funds cover the actuarial studies and the one-time program changes to cover the changes in the plans. I ask for your green vote on AM 11 97. Thank you, Mr. President.

Speaker 13: Thank you, Senator Ballard. See no one else in the queue. You're recognized and wave closing. Members, the question is the adoption of AM 1197. All those in favor, vote aye. All those opposed, vote nay. Record, Mr. Clerk.

Speaker 4: 38 A's, no nays, Mr. President, on the adoption of the amendment. AM 1197 is adopted. I have nothing further on the bill, Mr. President. Senator Gereck, are you...

Speaker 13: Recognized for a motion

Speaker 14: Thank you, Mr. President. I move to advance LB 645A to ENR for engrossing.

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Speaker 13: Members, you have heard the motion. All those in favor, say aye. Those opposed, say nay. LB 645A is advanced to ENR engrossing. Mr. Clerk.

Speaker 4: Mr. President, next bill, General File Legislative Bill 316, issued by Senator Couth. Senator John Cavanaugh, I would move to indefinitely postpone the bill pursuant to Rule 6, Section 3F. Senator Coutth, your time is up.

Speaker 13: Recognized to open.

Speaker 15: Thank you, Mr. President. Good morning, colleagues. Today, I'm pleased to introduce LB316 with AM944. This bill addresses a growing health crisis in Nebraska. Synthetic cannabinoids, including Delta-8-THC, are being sold across the state and causing harms to Nebraskans. These compounds are masquerading as hemp, but are, in fact, dangerous synthetic chemicals that have never been tested for consumption in humans. Never been tested. These products are being sold in packaging that does not accurately disclose what is in the contents. In many cases, the THC concentrations are high enough to send vulnerable adults and children to the hospital. I talked with a mom of a 38-year-old who said her son had just gotten out of a three-day coma from one serving of a product he bought legally. There are reports from across the country and across the state of Nebraska of many side effects, dangerous harms to citizens who consume these products. This is a nationwide problem that many other states have already addressed, including many states that have legalized forms of marijuana. At least 21 other states already have taken action to prevent these dangerous products from being sold, and there's a map that is passed out. We are completely surrounded by states that will not allow synthetic cannabinoids to be sold. So the concern that there will be border bleed and people will go over across the order to buy their Delta H. Is not founded. And I will point out, Oregon, California, Colorado, states that actually think drugs are fine and they've legalized pretty much everything, have looked at these and said, absolutely not. 18 of those states have some form of legalized marijuana. But let's not conflate this as a marijuana issue. These are synthetic products that are being made with toxic chemicals. The abuse of a perceived loophole in the 2019 passing of the Farm Bill, and therefore the need for this legislation, is an insult to this body. Taking a statute meant to establish hemp farming and twisting it to peddle dirty synthetic products that harm Nebraskans was certainly not contemplated when my former colleagues passed the Hemp Farming Act. It is something we should not allow. When this body passed in the Nebraska Hemp Farming Act in 2019... It was an attempt to establish a

new agricultural commodity for Nebraska farmers. That act was entirely aimed at establishing a statutory scheme that comported with the federal farm bill requirements so that Nebraskans could license producers to grow hemp crops for commodities such as clothing, lotions, and oils. Bad actors have taken what they interpreted as a gray area of law and flooded the market with intoxicating hemp products. To be clear. These products are illegal under the current law, but because of the proliferation of these products across the state, it is important that we pass this legislation to send a message to the stores and consumers alike. That message is these products are dangerous and illegal. I want to be clear about what this bill does and does not do. This bill bans the possession, sale, use, and consumption of hemp in the state with the exception of CBD products. CBD is a non-intoxicating hemp extract. That is not produced by synthetic chemical reactions and is thought by some to have beneficial qualities. CBD will still be allowed, provided it contains no synthetic cannabinoids and contains less than the required amount of THC. And there's, I've also passed out a chart that gives you a three-step process to determine if the product you're looking at is legal or illegal. LB316-AM944 also allows hemp farming under a USDA license. Just like the current law. We want our farmers to grow that industry. The hemp farming could be fantastic for our state. LB 316 allows interstate transportation of federally compliant hemp, as is required by the Farm Bill and the Commerce Clause of the Constitution. The three hurdles that this product has to clear is, is it CBD? Is it naturally occurring, not synthetic? And is it within the THC limit set forth in this legislation, which is 0.3 percent on a dry weight basis, or 10 milligrams, whichever is less, for the package? We have also included a consumer safe harbor provision in response to concerns from some senators that consumers in possession of these products will become subject to prosecution overnight when the bill passes. The bill now allows consumers until the end of the year to dispose of their illegal products without risking prosecution. I passed out several handouts to show examples of the products we're discussing. You can see the intentional similarities to well-known products and how they're deliberately marketed to children. Many establishments that sell these products require no minimum age limit and even have punch cards for discounts to those who are frequent purchasers. I know there are a number of questions regarding this legislation. I'm happy to answer those, but colleagues, I cannot emphasize enough how important it is to pass this bill. LB316 will protect Nebraskans from products that offer little to no information on their toxic components. The information they do provide is most often incorrect and misleading. The Attorney General's Office has tested hundreds of these products,

and the vast majority have improper labeling of contents, intoxicating THC levels, and no labeling at of the unknown chemicals and toxins many contain. This legislation protects our citizens, which is a primary responsibility of our official duties as state senators. And I've heard quite a few people concerned about the loss of the sales tax and the loss of jobs. Well, we could make a whole lot of sales tax if we would allow cocaine or methamphetamines or heroin. We don't sell those because they are dangerous. They are harmful. These Delta products are synthetic. We don't know what's in them. We have no way of understanding what chemicals are being created. There are chemists who have tested them, and they don't what's being created." I read a chemist's comment that said, the products that are in methamphetamine are actually legal individually. But when you combine them and add more stuff to it, you get a very dangerous drug. That's what's happening here. I ask our body. To vote yes and get this bill passed, vote no on the IPP. Thank you, Mr. President.

Speaker 13: Thank you, Senator Couth. Senator John Cavanaugh, you're recognized open on your priority motion.

Speaker 16: Thank you, Mr. President. Good morning, colleagues. I think we're going to be talking about this for a while, and there's a lot of, this conversation is like ships passing in the night because people are maybe saying a lot of the same things and not going to hear each other and maybe won't listen to what folks are saying. So I'm opposed to LB 316. I have an IPP, although it may not be the best approach. I filed an amendment to this, which is my bill, LB 16. Which is my attempt to answer the same questions that Senator Couth just raised in her opening. So, just to sort of put it in context, these type of stores, the stores that sell the hemp-derived Delta-8 THC and CBD and other things, they started popping up a lot in the last couple years, and I would have people ask me about them. And just driving around my district, particularly last year when I was running for re-election and you see these shops popping up everywhere with the neon green lights and things like that. And I thought, how is this possible? Why are these shops everywhere? What's going on? So I started looking into it. And I started talking to people. And I visited one of these shops. And what I came to understand is exactly what Senator Couth was talking about. The 2018 federal farm bill, legalized. Things with less than 0.3% Delta-9 THC as hemp. And then the state of Nebraska mirrored that legislation and adopted it. And so in the great tradition of innovation, that is the cornerstone of America, people took that and said, you know, with this change in law, we made legal things that have this hemp-derived higher concentration of Delta-8. And Delta 8 then is a product that people are interested

in consuming. So it, of course, is legal under the farm bill and bills passed here. And it is something that in innovation people have taken up. And we have many, many businesses in this state now that are good actors, legitimate, paying their taxes, hiring employees, and by the way... People are who are looking to start farming hemp in the state to be a commodity product to be produced into these other items. And so all of those things are part of this legalization that happened starting in 2018. And so the problem is not whether it's legal or not, because it is, the problem is whether we regulate it appropriately. And so LB316 just says, we're going to outlaw these things because we don't like them, right? And Senator Couth went through talking about synthetics and things like that and we can talk more about it. I have passed out one of these, it's called the ACS Laboratory Cannabis and Hemp Beyond Compliance testing and we could talk about that a little bit more but every product that is sold in these good actor legitimate shops comes from a place where it is tested. To ensure that it is what it says it is, right? So. Is a misnomer to say that there's no testing and no qualification on these and say it's not possible. What the issue is that we do not regulate it appropriately in the state. And so that's why I attached LB 16 to this bill. And I know, you know, obviously I'm opposed to hijacking other people's bills, but I put it on here because I think people in this body will agree. We need to do something. And so my LB 16 is an option for a robust regulatory structure. I circulated a handout that does a side by side comparison of current law of LB16 and LB 316. And it can show you where there are no regulations and then what regulations would be proposed. So just by way of explaining some of this, and I know, let's see, I think Senator Storm handed out this picture. Products that look like candy or things like that or Fritos that look like this. So this is another point where regulation is the appropriate way to go. If we want stores to not sell these products, we can regulate them. We don't have to ban the entire line of Delta 8 or hemp-derived CBDs. We just have to create a regulation that says one You can't sell things that look like candy, if we wanted to do that, or whatever the characterization would be, or two, you certainly can't advertise it. So just banning the product here does not address this advertisement issue that people are going to raise. To really address the advertisement issue, we need to address it directly through regulation. We have had this conversation about advertisement in alcohol, in cigarettes, in vape, in favorite vape. We know how to address it in legal, regulated markets. And that is the role for the government here, is to proactively, appropriately regulate what products, the health and safety of the products, the availability of the product, the advertisement of the produce. So additionally, LB16 puts an age limit on this, saying that it has to

be, you can only sell to people over the age of 21. It requires that all the stores, have a license. So they go through, similar to getting a liquor license, they would have to go through an application process, be approved, and then submit to the Liquor Control Commission or the Hemp Control Commission their license application and get approved through the City Council process and things like that. So it creates a very robust regulatory structure ensuring that the market is only occupied by good actors who are not selling to young people. Who are selling products that are non-deceptive, who are assuring that the products that they're selling do comply with health and safety. So that answers every one of these issues that people are raising. So the other part of all of this that comes into stark relief, of course, after the forecasting board met last week, is the tax implications. So the fiscal note on LB316 says that it would be a loss of about \$1.6 million. That is certainly a low number. So I circulated as well this Department of Revenue form from one of the retailers, which is I think it was 11 locations for this one retailer, and they paid \$96,000 in sales tax in one month. Which means, if you extrapolate that out to 12 months, it would be about close to \$1.2 million. That one series of stores. So that's the sales tax this one producer, one store chain is paying. And there are many other stores in the state of Nebraska that doesn't take into account the wages, the income tax, the property tax, all of the other things that these stores are paying and employing. And then of course the industry that's being created by if we regulate this rather than ban it. Of the producers, the agricultural production. And additionally, LB 16, if we adopt it, has its own fiscal note where it shows we would raise somewhere between four, over four million dollars, which again I think is maybe a conservative estimate, in an excise tax. So the difference, the bare minimum here, between 16 and 316 is over six million dollars a year. I think we can certainly talk about increasing the excise tax on that and raising more revenue. Also there's the opportunity for local sales tax and local occupancy tax on these things to raise additional revenue. So in this conversation where now people are scrambling, I heard a lot of people talking this morning about where we're going to find additional revenue, we have to factor in here that this bill, as written 316, stands for a loss of substantial revenue and LB 16 which is an amendment to this bill. Would stand for a substantial increase in revenue that these good actor stores are interested in participating in and willing to pay So we have good legitimate business people who are attempting to follow the law if we can give them laws to follow to provide a product to The community that the community wants that they will make safe. They will make sure that that is not available to young people They will make sure that they are paying their taxes and

are legitimate. And that is for, we've had this conversation a lot of things, I'm going to run out of time, so, well, I pushed my light, so I'll talk sometime later. But that's what we've been talking about a lot here, right, and all of these other things for the, what's the role of government? The role of the government is, in things like this, to make sure things are safe, that they're non-deceptive, that people are paying there taxes, they're legitimate. And that is all what these businesses want. That is what LB16 will do, it is not what L.B. 316 does. LB316 just comes down on all of these businesses who are acting currently in the marketplace legitimately and says to them that they can no longer provide this service that people are asking for and paying, obviously, this one store \$1.8 million, \$1,5 million in sales. Thank you, Mr. President.

Speaker 13: Thank you, Senator Cavanaugh. Senator Spivey, you're recognized to speak.

Speaker 17: Thank you, Mr. President and good morning colleagues, folks that are watching online and joining us here today at the Capitol. I hope everyone had a good weekend and is safe as we prepare for some serious storms it looks like today. I rise in favor of LB 16 so I'm not sure where it fits into if I support the motion to IPP, it might be a bracket motion. Versus or return to figure it out, and am not rising in support of LB 316, and appreciate Senator Cavanaugh with providing some information and comparison of LB16 to LB316 and the potential that is in front of us. I'm looking forward to the conversation today. I have had some store and business owners reach out to me that are actually in my district to talk about LB 316 and the impacts that it would have. I do agree that we need to think about safety and I think that's with anything that we do. We have had conversations in the body, whether it's with. The skilled gaming or gray machines, gambling now, liquor with medical marijuana, all of these different things around what does safety look like, regulation, and then how do we ensure that we receive the tax base from them, but we are keeping people in vulnerable populations in a space where they are not preyed upon, which is also a delicate balance, I think, for this body. Excuse me. I think we have to be mindful that we cannot push our ideologies on our voters and our constituents we're here to represent and here to create good policy. And so while we might not agree with something that doesn't mean that we should pass policy that indefinitely bans access to products and business opportunities that people are utilizing but how can we regulate it in a way that makes sense for our state. And from my understanding, and I know there will be more conversation on the mic today, that if LB316 passes, that it would ban 99% of federally legal hemp products. Which is very

concerning and so I know that the hemp sold now in Nebraska Retailers are legal. They are being moderated And so I'm not sure again the the intention behind 316 I have seen the attorney general as well have a full campaign as a Regards to going after some of these retailers that are following um, policy and current regulation. So again, I'm not sure the true intention behind, um, 316 and what it hopes to achieve versus if we situate ourselves with LB 16, um to provide more regulation as well as much needed, uh, revenue. I'm sure everyone was anxiously awaiting the forecast board's findings and report. And what our fiscal office has sent out to the entire body. And we will have actually a joint meeting today with appropriations and revenue to look at the out years, which looks even worse. And so when I think about what it means to be able to find other sources of revenue that are regulating industry, that we need to take that seriously because we are in a very precarious situation. That needs some thoughtfulness and intentionality around what we do today that impacts our future. Some of the other impacts as reading through 316 compared to LB16 would be that LB316 would force Nebraska to have a different definition, excuse me, of hemp than the federal law and plus it would change the petition language that was just passed by the voters in 2024. And so, again, as we think about what our second house is saying, how do we implement policy that aligns to what they have said that they want to happen in our state? I think we need to be really careful around what does that look like for us. And again, I'm not sure that 316 is honoring that. Some of the definitions in our current legislation are reaffirming definitions from 2020. Through LB 1152, we have the initiative measure 437 that passed. So again, I think we needed to have thoughtful consideration and I appreciate Senator Cavanaugh bringing some opportunity to frame that conversation and for us to really unpack it as a full body versus just at the committee level. Thank you, Mr. President.

Speaker 13: Thank you, Senator Spivey. Senator Dungan, you're recognized to speak.

DUNGAN: Thank you, Mr. President. Good morning, colleagues. I do rise today in favor of Senator John Cavanaugh's IPP motion and opposed to LB316. As was already said, I think we're going to have quite a lengthy debate on this today, as I think it's a very important issue for a number of Nebraskans, but I wanted to start just by situating some of my opposition to LB316 from sort of the big picture view before we delve too deeply into some of the definitional problems and also some of the logistical issues that I think LB316 creates in the state of Nebraska. As many are aware, obviously we had a number ballot initiatives this last election cycle. And as a part of that ballot

initiative process, the voters overwhelmingly supported medical cannabis and when I talk to constituents and people all across the state, one of the things that I continue to hear over and over again is anger or frustration that we as a Legislature are not honoring the will of the people, that we're not respecting the will of the voters, and my concern is that LB316 is another step in that same direction. I understand in Senator Kauth's opening she talked about what the bill seeks to do and what it seeks to not do, but I think that if you look at the actual language of the bill you'll see that there's really no reference whatsoever to Nebraska Revised Statutes that pertain to medical cannabis that have been approved and are now law by the voters. And so when you talk about the interplay between these two things, I think we have to be very clear-eyed about the fact that if we are not careful, we are going to, yet again, as we have done multiple times throughout this legislative session, walk back the vote of the people in such a way that we're going to continue to tell people their voices don't matter. And so I think that that's one of the major objections I have, as I'm concerned about the interplay between LB316 and what the voters have approved. In addition to that, I think generally speaking, it makes much more sense to create an actual regulatory structure where we can have the businesses that are actually making these sales regulated by-- hold on two seconds. Sorry, I apologize. A lot of conversations going on here this morning. I think the concern that I have is that if we're not going to be regulating this, then you're going to ultimately end up with a completely unregulated industry. There has been a national trend that we have seen across this country where we're seeing more and more of these stores open up. And I think it makes sense for us as Nebraska, as a regulatory structure, to put in place the language in, for example, Senator John Cavanaugh's amendment, which we're probably going to get to at some point later today, which allows us as state to allow for the regulation and, I guess, consumer protection to go into place, so we make sure that the people of Nebraska are safe when they're purchasing products. LB316 doesn't do that; LB316 simply seeks to ban, and does not seek to create any kind of structure within which the actual purchasing of these products can be done. And I think that's a step backwards, and it's a step that I think Nebraskans don't want to see; it's a step that I think the voters have made very clear is not the direction that they want to go in, and it's a step that I think puts us out-of-step with the general trend with which Nebraskans are, are going in, in-- on this issue. In addition to all of those things, I do have concerns about the interplay between federal law and state law. Senator Spivey, I think, mentioned this briefly, as did Senator John Cavanaugh, but the definition that we have of hemp in our

local statutes mirrors that of the federal definition that was enacted, I believe, under the Farm Bill. If you start to overly restrict that, or then take that definition and limit it beyond that original outline, you end up with a host of problems. And, and we have seen, in our own federal circuit, cases make their way up to the Court of Appeals that have to do with whether or not increased definitions on hemp create interstate commerce issues, and I believe that this bill absolutely will bring up a number of the problems that have been addressed or at least raised by those cases. If we seek to further restrict what is allowable under the federal rules of hemp and then have problems with regards to the, the-- taking those things across the state, I think we're going to find ourselves in violation of the Interstate Commerce Clause. So, those are some of the big-picture problems that I have with this bill. I anticipate, as we continue to debate this, we're going to get a little bit more into the weeds on the definitions; I think we're going to be talking a lot about the interplay between this statute and other statutes; and I think we're also going to have a good conversation about what is important with regards to consumer safety and regulation. So, I look forward to the debate, and I appreciate Senator John Cavanaugh's motion to indefinitely postpone, and I certainly do support that as well. Thank you, Mr. President.

KELLY: Thank you, Senator Dungan. Senator Hunt would like to recognize some guests in the north balcony: they are fourth graders from Saint Margaret Mary Catholic in Omaha. Please stand and be recognized by your Nebraska Legislature. Mr. Clerk, for items.

CLERK: Mr. President, amendment to be printed from Senator Conrad to LB645. That's all I have at this time.

KELLY: Thank you, Mr. Clerk. Moving to the queue, Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President, and good morning, colleagues. I see that the board perhaps has zapped out for a minute, but I rise in support of Senator Cavanaugh's motion and in opposition to the underlying bill. I had an opportunity to go back and reread the committee tran-- [MALFUNCTION] Hello? Oh, are we back on? OK. Technical difficulties this morning, perhaps. Is, is it-- Mr. Clerk, is, is it OK to proceed? I, I just wasn't sure where we were with technical aspects of the debate.

CLERK: It is, Senator. You have 3 minutes and 50 seconds to continue.

CONRAD: OK. Very good. Thank you. It is a strange weather day today, so perhaps there are a few tech gremlins that are working against us. I'm not quite sure. But I had an opportunity to go back and review the committee transcript on this measure, and a few points really jump out. In addition to my friend Senator Kauth, who is of course the opening presenter, there were only two Nebraskans that came forward in support of this effort to ban these products, and that was my friend Attorney General Mike Hilgers, who has made this a cornerstone of his political agenda, and which is part and parcel with his approach to undermine the will of the people and attack medical cannabis, and the-- that work extends to this work as well. And that's it, colleagues. And then, there was one member from a nonprofit organization, Heartland Family Service, who stepped forward who does have experience and expertise in addiction, and she shared her experiences and observations as well. So, that's it; the opening presenter, Mike-- Senator-- or, Attorney General Mike Hilgers, and then a non-profit practitioner who stepped forward. There were three proponents online. There were-- one, two, three, four, five, six-- seven folks who came in in opposition at the committee level, and 73 opponents online, and just a, a small amount of neutral testifiers, and I don't believe there was any neutral testimony provided. But I think when you go back and you look at that feedback from the second house, as reflected upon the committee statement, you can see that there is not widespread consensus or opposition mitigating-- or, pushing forward with a total ban of this industry and these products. And if you look primarily at the arguments made by Attorney General Hilgers and the arguments made by Ms. Mueting-- I hope I'm pronouncing that right-- who testified in support, they all could be solved quite easily with a regulatory approach rather than a ban. They were concerned about these products being marketed or available to children, primarily. They acknowledged that there was no data, specific data, for Nebraska. I think the Attorney General mentioned multiple times in his on-- in his committee testimony that there was only "anecdotal," or-- I guess that's a combination of anecdote and, and data, and that they were able to glean some data from national sources. But the committee rightly questioned the Attorney General and other testifiers to ask why a regulatory approach would not achieve the same goals, and there was no clear or definitive answer in that regard. Colleagues, I would also draw another contrast that perhaps could be analogous to our thinking and deliberations in regards to this issue. My friend Senator Hallstrom brought forward a statutory framework to provide a regulatory approach to something very similar, kratom. Senator Lippincott had brought forward a ban, and the committee decided to move forward with a regulatory approach of that

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substance to address the underlying concerns. That seems to be a smarter, better path than a ban on an industry and on legal products that could bring steep criminal penalties to a host of Nebraska businesses and consumers. I think the right path is regulation, the right path is to look at a sensible approach to taxation,--

KELLY: That's your time, Senator.

CONRAD: --and that can help us move forward. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Mr. Clerk, would you give us an update on the board?

CLERK: Members, we are working to manually restore the queue. Please do not punch in for the time being, until that queue has been restored. We'll restore it to its original, as it was before it went down. Thank you.

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

STORER: Thank you, Mr. President, and good morning. Before I speak to, to the bill, I just want to say that my thoughts and prayers are going out to a lot of my constituents in Cherry and Sheridan County. There was massive tornadoes across the region last night. It was-- it's bizarre, you get to monitor them live with some of these YouTube stormchasers, but it's a little surreal when you're monitoring the tornado that's going up the road towards your house. So, it was a, a one-mile-wide tornado at one point. There was multiple-- one home was destroyed, so certainly prayers to that family, as they gather up livestock and, and start to put their life back together. So, with that, just wanted to let everybody know what was happening in western Nebraska, and we will hope that we do not see a repeat of that back here in eastern Nebraska tonight. I do stand in, in support of the bill, the underlying bill. I was on Judiciary Committee, had the opportunity to listen to a lot of good testimony, I learned an awful lot, and learned to say cannabinoids. That's not an easy word to, to say. So, with that, I'm going to get back on the mic at a later time and talk about more specifics, but I would like to yield the remainder of my time to Senator Storm.

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

STORM: Thank you, Mr. President. I oppose the IPP and support LB316. I'm going to make a few comments here. First of all, this is going to get really convoluted today about medical marijuana, and we're not

talking about medical marijuana; we're talking about synthetic cannabinoids that are made with all types of different products that no one really knows what they are. I sat in the Judiciary hearing for LB316, and I would ask the testifiers that were pro-Delta-8 "what are in these products?" Nobody could ever tell me. I would ask them where they're manufactured at, nobody could ever tell me. And I could ask-- I'd ask what country they even come from, and nobody could ever tell me. So, when Senator Cavanaugh sits and says that this is a very regulated industry and that it's good actors, I would totally disagree; it is very much a-- not, not a scenario like that. And the AG right now has been going to several of these shops and doing inspections on them, and hardly any of them are complying for what they are truly saying that they are selling. So, this is-- this has nothing to do with medical marijuana or medical cannabis. And also, I want to talk about what Senator Dungan said about the-- his-- the comments about the federal law and state inter-- and the state law, and they're misplaced. There's specific language in that bill that, that addresses the transfer of the products in the Interstate Commerce Clause. So, that-- we can discuss that more when I have more time, but that's misguided as well. You know, I would also-- I want to point out that every state around us has banned this product. There's not one state around Nebraska that has Delta-8 legal, and there's a reason why. And there's probably about 25 other states that have also banned this, such as Alaska, Arizona, Delaware, Idaho, Minnesota, Montana, New York, North Dakota, Rhode Island, Utah, Vermont, Washington, and there's some other ones as well. So, this isn't, this isn't a product that-- and an industry that Nebraska wants any part of. Another thing I'm going to point out is, you know, I keep hearing some state senators talk about revenue, and that this is all about revenue. You know, we need revenue so bad that we will, we will legalize anything or keep an industry going. And I'm going to sit up here and tell you I'll never put the health and safety of our citizens of this state, especially children and young adults, for revenue, and I think that's vitally important that we focus on that. This is not a safe product. To continue to sit here and say that this is just some product that's regulated and that all the boxes are checked, and that-- and we can even regulate this at some point is a total, total misnomer. And hopefully today, I can get up here enough times and, and give you more data and statistics to prove my point on this issue. But LB316 needs to go through. Thank you, Mr. President.

KELLY: Thank you, Senator Storm. The Clerk informs that the queue is now accurate and has been restored, and that senators may punch in. Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. Colleagues, there are many different points and angles with which we can talk about this bill. I have a slightly different memory of the hearing than Senator Storm, but I'm not even going to talk about that right now, because what I want to talk about is how this bill will contribute to our being the felony factory. Because what it does is it makes Delta-8 into a Class I, which makes it a felony to possess it. Now, this means whether you're possessing it to ingest it, or whether you're possessing in a cream for topical application, or whether you're possessing it to, as my friend does, give your dog in a dog chew for the dog's arthritis. The thing about the particular cannabinoid that we're talking about here, Delta-8, for example, is that it, when applied topically, has a slight numbing effect. So, when you have your CBD creams, they will often have some THC from Delta-8 in them in order to assist in the sort of total application of the CBD cream to reduce pain, et cetera, et cetera, et cetera. So now, making these things which heretofore have been legal illegal in Nebraska-- I know the Attorney General argues that they were not legal before, but they have been sold, and banks have lended, and everything that makes them look legal to a consumer has been happening, so to suddenly make them illegal-- I'm the one that asked in the hearing what happens to all the grannies who have some kind of CBD with Delta-8 in it in the back of their medicine cabinet, that-- I know in my family, somebody says, well, this really worked well on my carpal tunnel. That's how I ended up with some CBD oil. Can't find it because I moved, so I have no idea if it's got an additional cannabinoid in it. That sort of makes me Schrodinger's felon, felon, right? Don't know if I'm going to be a felon or not until I find that particular bottle of CBD cream, because I don't know if it has Delta-8 in it or not. So, I know that the, the older women in my family pass it around for each other's knees. "Oh, this really worked on my back. Oh, this worked on my shoulder." This is a, a ubiquitous product which, after December 31, if this bill is passed, will be a felony. For reference, owning actual marijuana with THC at whatever level you want to is an infraction. Think about that: an infraction versus a felony. There is a significant difference. An infraction, if prosecuted at all, is-- I think it was \$50 when I was doing it, but now maybe it's a \$100 fine for an infraction. I see a lawyer shaking his head from over there, so that's probably right. So, a \$100 fine versus a felony. The real stuff, THC, with as much hallucinogenic "oomph" as you want to give it, whatever they want to manufacture in some other place, the illegal drug marijuana is an infraction. And we're going to make Delta-8-- no matter how much you concentrate it, it is still not as bad on a concentrated level as THC from Delta-9-- and now, that's going to be a felony. And you know, if

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you want to talk about how ubiquitous this CBD plus a little bit of THC from probably Delta-8 is, my cousin sent me a recipe, because she thought it was funny in light of this conversation, from Taste of Home magazine-- y'all know that one? Owned by Reader's Digest, largest cooking magazine in the country, 2 million subscribers-- for slow cooker "cannabutter." Taste of Home magazine. We're going to make felons of all the grannies that subscribe to Taste of Home magazine. Now, I'm not implying that any, any prosecutor would prosecute this--

KELLY: That's your time.

DeBOER: --but it's a felony. Thank you, Mr. President.

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

McKINNEY: Thank you, Mr. President. I rise in support of the motion to indefinitely postpone, in opposition of LB316. I'm in opposition to this for many reasons. Number one, I think instead of trying to ban something, we should just regulate it, like Senator John Cavanaugh has suggested and has introduced with his LB16, I believe. I don't see why we can't regulate this industry and make sure that things are up to, you know, snuff. And I don't see nothing wrong with that; I don't see why we're trying to ban this. And then, you know, the comments about sacrificing the health and safety for Nebraskans for revenue-- OK, if we're going to use that argument, then why are we making budget cuts to HHS? Why are we cutting essential services? Why are we cutting things that impact people's daily lives that will impact their health and safety going forward in the interest of revenue, or in the interests of trying, trying to find ways to get to this issue of this budget deficit that we have in our state? So, if we're working under that theory, we shouldn't be cutting budgets to HHS at all. We should be making this-- we should be making sure essential services are, are there for the people of Nebraska. We shouldn't be cutting funding to affordable housing if we care about the health and safety of Nebraskans, because revenue shouldn't supersede that. So, if we're working under that argument, then we shouldn't be having cuts in the budget to those services. But that's neither here or there; it's just something to point out if we actually care about the health and safety of Nebraskans. Next is the loss in revenue. We're going to lose a lot of money as a state, and we're currently in a deficit, so maybe some people think it's justified to lose \$10-plus million in revenue or not. Maybe so, maybe not, I don't know; I'm just saying. Just where are we going to make that up is the, is the, is the real question. You know, we're going to pretty much essentially shut down all these

stores, and maybe people want that. But we have to think about all consequences, and I just don't understand why we can't just regulate something and make sure things are what we want them to be instead of just an outright ban. It-- but it gets to deeper points that I've have pointed out many times on this floor. But overall, LB316 might be reacting to individuals who have used these products and may not had the best experience, possibly; some may, some might not. But overall, they were adults. Adults made adult decisions at the end of the day. I was-- before I got on the road today, I stopped at the gas station in my district, and I talk-- I was talking to a constituent, and I-- he was like, what's going on today? And I talked about this bill, and he was like, why are they trying to do that? Why don't they just let people live their lives? Why can't people just live their lives, and why do we always have to infringe on people's lives? Why can't adults make adult decisions? This was literally a conversation I had this morning. And I was like, man, I really don't know. You know, at the-- and he was like, man, just keep fighting. And I will, because I think we should regulate this. I don't think we should just ban it, ban it outright. And then, if we're talking about the health and safety, and making-- like, the loss of revenue doesn't matter because of the healths and safety, we should use that argument when the budget debate comes up and there's cuts to HHS, and the central services are being cut, and affordable housing funding is being cut, because that deals with health and safety as well. So, I'd just love to listen. I just want y'all to remember your words when you say them, especially when we get to the budget debate, because it's going to be an interesting conversation. Thank you.

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

HARDIN: Thank you, Mr. President. This morning, I rise in opposition to the IPP, and in strong support of AM944 to LB316, an important and responsible update to the Nebraska Hemp Farming Act. When Congress passed the Agricultural [SIC] Improvement Act of 2018, it opened the door for states like ours to lead the way in building a modern hemp industry, creating opportunity for farmers and small businesses, and for consumers who want access to safe, well-regulated products. Nebraska answered that call; we built a strong foundation for hemp production. Today, we have a chance to take the next step, to clarify, to regulate smartly, and to protect both our economy and our citizens. This legislation ensures that Nebraska hemp remains federally compliant and that the products our people purchase are safe and properly labeled; it makes it clear what hemp is and what it's not; it distinguishes between raw hemp and processed cannabidiol products; and

crucially, it enforces responsible THC limits, preventing the proliferation of chemically-modified cannabinoids like hexahydrocannabinol that Congress never intended to legalize. Also, by demanding better record-keeping and transparency from retailers, we strengthen our ability to oversee this growing market without crushing it. We respect entrepreneurs, we respect farmers, we respect consumers. This legislation is about certainty; it's about safety; it's about aligning Nebraska with federal law and smart public policy. It supports our agricultural roots while building pathways to new markets and innovation. I'd like to keep Nebraska strong, smart, and fair, and so I urge you to join me in voting yes on AM944 to LB316. I would turn the page and just point out one other thing that's interesting about hemp in general. If any of you would like to see some beautiful hemp homes, I'll show you some pictures in my phone. Hemp is an amazing product. In fact, before there were plastics, before there were composites, Henry Ford used hemp to model things that we would later probably use plastics for inside of his Model A and Model T. It's an amazing product from an industrial use. That's not what this bill is about. But frankly, we have the capability right here in Nebraska to grow our own homes. Have you heard that we have a housing challenge not just in Nebraska, but across the United States, particularly in rural areas? Every map dot could genuinely use several new homes. And guess what hemp likes? Hemp likes dry climates. We might have some dry climates to offer it. So, if you'd like to see some pictures, I'd be glad to show you some of those and what can be done with that. Thank you, Mr. President.

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

RAYBOULD: Thank you, Mr. President. Good morning, colleagues. Good morning, fellow Nebraskans. I, I do so appreciate Senator Hardin's comments, because I want to talk about the, the benefits of hemp as an agricultural product in our state. But first, I do want to thank Senator Kauth and her endeavors to make all of these products safer and with the necessary guardrails. So, I stand in support of the IPP motion because I think the bill needs more work to achieve those solutions and suggestions that we all truly support. I just want to echo what Senator Hardin said, that hemp is a drought-resistant crop, and ideal for growing in our state of Nebraska's-- in our state of Nebraska, with little to no irrigation. Many farmers would grow more if we had a processing facility right here in our state. And for all those venture capitalists that have been spending millions and millions on cultured proteins in laboratories with little to no tangible return on investment, you need to look at Nebraska, you need

look at our state for building a hemp processing plant. We are ideally and centrally located with many agricultural states surrounding us, which would provide benefits not only for those surrounding states, but for our states. The other thing is that hemp is in so many products that you probably use in your daily life already and are totally unaware of it. Hemp products are in every single grocery store, in your hand lotions, in your shampoos, with fiber enhancers, in your cereals and in other form of dietary supplements; it's already in paper products, and hemp is a wonderful substitute and readily available, and a crop that can grow so well in our state, and it would reduce our reliance on trees and the cutting down of trees for paper product production. You know, it's in the textile industries, it's in many clothing. Of course, it's now branched off into dog food products, dog biscuits for calming and well-being. More importantly, you know, we want to make sure it's safe and it's regulated. We are not going to compromise Nebraskans' health and safety for revenue; that is not what this is about at all. We want to make sure that those industries that are contributing tremendously to the economic viability of our state of Nebraska continue to be able to do exactly what they have been doing. I just want to say thank you so much; we have one owner of The Cannabis Factory, they were willing to share their local sales tax with us, and it was in one of the handouts that was put on our desk. I think the most important thing is just that one business owner that has 22 stores in the state of Nebraska generates about \$96,000 per month in sales tax revenue, which means they contribute on an annual basis of about \$1.5 million in sales tax to our state of Nebraska. Now, we did see a fiscal note that came out, and the fiscal note is so underestimated, because the fiscal note said it would generate in a loss, if we pass LB316, of about \$1.6 million in general funds. That is a total underestimation if we have one business operator with 22 locations in our state of Nebraska, which, by the way, they're about 355 businesses in our state of Nebraska-- this one business with these locations generates \$1.5 million for sales tax revenue. And the important thing is that part of that sales tax revenue-- and in the estimate from the Revenue Committee-- or, the revenue board [SIC]-- department said \$80,000 would be a loss to the highway funds. So, I think it's important that we look at this: regulations that will safeguard our fellow Nebraskans. And you know, the thought is that no business, none of these businesses, the 22 businesses that are owned by The Cannabis Factory or the 355 businesses in our states would do anything to risk losing their business, losing their license for their business, by selling product that harms Nebraskans. So, we need the guardrails, Senator Kauth is right. But 3-- LB316 is not the proper mechanism to do that. I think

we can all work together to come up with solutions that will not compromise Nebraska's economic viability on this matter and the job creator that it is. Thank you, Mr. President.

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

J. CAVANAUGH: Thank you, Mr. President. Good morning, colleagues. This has been a great discussion so far. So, I want to continue on my points that I was attempting to make. And, and I would just say first off that what Senator Storm was saying about that I was-- I did not say this is a regulated industry; I said that we should regulate it, and my proposal, that's LB16 that is an amendment to this bill, would be a very robust way to regulate it. The problem right now is folks are creating a straw-man argument of arguing against the current state of affairs when we have an opportunity to create a regulated industry and do that, so it's not just arguing against the state of the affairs now in a vacuum. We have an opportunity to create a regulated industry, to, to ensure health, safety, age verification, advertisement, and, and then to tax and derive revenue from this. So, we have an opportunity to do that. That's-- it's not that it has been done, but it's-- my proposal is it should be done. So, I wanted to talk a little bit about this synthetic distillation process that folks are talking about. And if you look at the testimony at the hearing, there was a chemist-- let's see. Andrea Holmes came and testified. Dr. Andrea Holmes has a Ph.D. in organic chemistry, and has written two textbooks on cannabis and many peer-reviewed journal articles. So, Dr. Holmes came and testified, and I just wanted to highlight this one portion. If you look at the transcript of the hearing on LB316, it would be page 32. And so, what Dr. Holmes says is that innovations in science and technology is driven by mimicking what is happening in nature, and in the case of hemp, chemists have learned how to reproduce chemical conversions that are happening in the plant. Compounds like Delta-8 THC can be prepared in a lab by chemists using legal hemp-derived CBD, and applying conditions such as heat, catalysts, solvents to isomers CBD to THC. This is very similar to what's happening in plants in the presence of light, enzymes, and molecules that rearrange in molec-- molecular structure and electronic arrangements to achieve different states of stability. This is not novel in hemp; in fact, many naturally occurring compounds are now prepared or processed in the lab, including most vitamins, melatonin, biotin, vanilla flavoring, decaffeinated tea, coffee, aspirin, and much, much more. So, I highlight that to say, one, some folks are saying "synthetic;" I would call it a distillation process. I may be not 100% accurate in that either, that's my interpretation. But what

this Ph.D. chemist is saying, is this is a very common process that we use for very common items. Nobody's up here saying we shouldn't have decaf tea, although I'm not really a fan of decaf tea-- but we shouldn't be using vanilla flavoring because of the process it takes to make vanilla flavoring. Nobody's saying you shouldn't have-- take vitamins because of the process, nobody's saying you shouldn't take aspirin because there's a process involved in making it. So, this is-- it's, it's basic industrial food production, essentially. We do it for everything. I just heard-- and I've got an article I'll probably pull up here when I get, get a chance to actually read it first. But the process to concentrate the Delta-8 in particular in this is the same process that is used to add-- fortify breakfast cereals. So, if anybody here eats breakfast cereals that say that, you know, they've got on the top corner-- at least they used to. I guess I don't eat breakfast cereal anymore, but they used have in the top corner all the vitamin, highlighting that it's, you know, riboflavin and Vitamin C, Vitamin B, Vitamin D; all of that fortification in those things is done through a similar process to this. So, no one's up here stamping their feet, pounding on their desk and saying we should be banning Frosted Flakes. So, the, the "synthetic" is a red herring. It's a misnomer. It's a-- it's misdirection. This is about people don't like this thing. And so, I agree that, that we need to put some guardrails on this; we need to constrain it, we need regulate it. That's why I proposed LB16. It's a very robust regulatory structure, and I'm certainly willing to talk about making it even more robust, but that's a separate conversation from whether we should ban it. We should not be banning this legitimate thing. We should be making sure that it is what it says it is, we should make sure that it's safe, regulated, and that the state is capturing its fair share of revenue from these things. So, I'll push my light and talk a little bit more about some other stuff. Thank you, Mr. President.

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

FREDRICKSON: Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraskans. Well, let me be the first to say on the mic if they go after the Frosted Flakes, that's, that's the line for me. We can't ban that, so. I'm listening to this debate, I'm, I'm learning some more. I know there's been a lot of handouts that have been given out, specifically as it relates to how some of these products are made and, and, and the testing that goes behind that, so I am certainly interested in learning more about that and listening to the conversation. But for now, I'm going to yield my time to Senator Dungan.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 28, 2025

KELLY: Thank you, Senator Fredrickson. Senator Dungan, 4 minutes, 32 seconds.

DUNGAN: Thank you, Mr. President, and thank you, Senator Fredrickson. I stand again in favor of the IPP motion, and opposed to LB316. I appreciate Senator John Cavanaugh's comments about sort of the definition of synthetic, and how perhaps it's maybe more akin to distillation and the process with which we get the actual product. And the reason I appreciate those comments so much is it gets me thinking a little bit about one of my favorite topics to talk about whenever we have these kind of food safety bills, which is bourbon and whiskey. I always enjoy talking about bourbon and whiskey on the mic, and it's interesting because it does give us some historical context for what the government can do to ensure quality products and also consumer safety, but still ensure that those products are accessible. And, and I think it's a really good example of the time-old debate that we've had between banning products and regulating products. So, for those who heard me talk on the, the rickhouse bill, I think it was last year, you've probably heard me talk about a little bit of this so far. But, you know, back in the late 1800s, there was this big debate or this big fight going on about whiskey and about bourbon. You had a sort of a difference between a whiskey distillery and then whiskey rectifiers, and they were two separate sort of groups of people who sought to create a product. And on one hand, you had the whiskey distillers who were creating this product in what we currently think of as sort of a distillation sense, creating the whiskey and the bourbon. But on the other side, you had these rectifiers who were then purchasing distillate from other folks and then adding things into it, sometimes as simple as food coloring or, or maybe extra water to water things down to, to get it to a certain proof, but you also had these folks who were adding things to the bourbon that were harmful. And, I mean, you, you literally had people drinking various versions of what they were calling whiskey or bourbon that had poison in it, and you were, you know, hearing the colloquial stories about, oh, I drank moonshine and it made so-and-so go blind and, and whatnot, and this led to a big conversation in our country. And it sounds kind of funny, but it's true; it led to a big conversation about how to regulate those products but still allow the safe product to be available for consumers to purchase if they so choose. And so, what you ended up coming up with was E. H. Taylor, the, the name that many associate with bourbon, very famously was a big advocate for the Bottled in Bond Act. And so, if you go to the-- if you go to purchase bourbon nowadays, you'll see "bottled in bond" is a phrase that still gets used. And what that essentially means is that, in order to have this,

this bonded bourbon, you had to specifically meet certain requirements: that it had to be aged for a certain amount of time; that there had to be-- I think it was 100 proof is bottled in bond. And so, it had to meet very strict regulatory requirements in order to actually receive that bonding from the federal government. And what it resulted in was access to a product, and it resulted in the, the burgeoning industry growing further, and it's something that I think a lot of people are very interested in today, hobbyists and enthusiasts alike, but it ensured that the product that you're receiving is safe. And so, I think that, that example is demonstrative of our ability as a government to say we want to ensure that there's consumer safety, and we want to ensure there are people getting products that are not going to harm them, but still allow the industry to exist so long as it's not creating these products that are, that are poison or that are harmful. And so, you know, talking about misnomers or, or, or being misdirected, I think Senator John Cavanaugh is absolutely correct that there is this fear around the words "synthetic process" or "synthetic" as it pertains to the development of different products, but there's a lack of understanding, I think, of what that actually means. And so, we should be focusing much more, I think, on the product that is created and the harms that may or may not come from that product, which then allows us to focus on regulating and creating a regulatory structure around those products instead of just banning them. Look no further, obviously, than prohibition. We all know know-- you know, history is a good predictor of the future-- when you prohibit something, when you have an all-out ban, it creates a black market, it creates a lot of economic difficulties in the, in the, the country. And so, we know that that didn't work when it came to alcohol. I think looking at whiskey and bourbon and the Bottled in Bond Act is a really good example of how we are able to say there's concerns about a particular industry and we believe that consumer safety is important, but we're going to make sure we address those concerns--

KELLY: That's your time.

DUNGAN: --instead of banning it entirely. Thank you, Mr. President.

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

M. CAVANAUGH: Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraska. I rise in support of M016 [SIC] and opposed to LB316 for a lot of reasons, but one of them being the taxes that this would impact, or the, or the removal of taxable income that would-- or, revenues that would come into the state. I think by now,

hopefully, everyone in the body has reviewed or seen the latest from the Forecasting Board and the deficit that our current budget for this next biennium is facing, and at this point, I don't think anything that removes revenue should be in consideration. And this-- according to this fiscal note for this bill, this removes some revenue from our state, and so I think that that's just reason enough to park and hit pause on this. We cannot afford to lose any more revenue. We need to be working in the opposite direction, and LB316 is another cut to our revenue streams. And so, I think that that should be a top priority, as we must have a balanced budget and we are very far away from a balanced budget. I think it was \$314 million, I believe-- not entirely sure-- over the biennium. I think then it's another \$800-and-some million in the out year. So, I think we should be, pretty much at this point in session, only discussing things that are going to generate revenue or cut the budget, and this does not do those things. I, I, I really do believe that that should be the primary focus. As it is our only constitutional responsibility is to pass a balanced budget, we should be spending every minute of the remaining hours and days figuring that out. And anything else is pretty much a futile exercise in my mind because we don't have a balanced budget, we're very far from a balanced budget, and this is, this is just kind of not worth the discussion. If it takes away revenue, we need to move on. If it costs something, we probably should move on. Anything that impacts the General Fund, we need to either be increasing its revenue or cutting its expenses, not decreasing its revenue or increasing its expenses, so. There'll be a briefing tomorrow, I believe, tomorrow morning, on the budget, and I think that's going to really paint a harrowing picture for the Legislature. When you see where we're at, we need to be better stewards of the taxpayers' dollars, but cutting a revenue stream, which is something that LB316 does, I, I just-- we can't afford it. We just can't. Full stop. We can't afford a lot of things that we're doing, and this is one of them. So, yeah. I mean, there's many other reasons to oppose this, but I think that they've been spoken to by mostly the attorneys in the body, but-- and the agricultural individuals who this-- you know, I think somebody said it was a weed-resistant crop, so that's something that's-- or, drought-resistant. Sorry. Drought-resistant. So, that's something that's really good for our agricultural community, and therefore should be taken into serious consideration. We don't want to be harming the agricultural industry through misplaced legislation. So, there you have it. With that, I think I'm about out of time, and thank you, Mr. President.

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

GUERECA: Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraskans at home. It is reefer madness day in the Capitol, I guess. Here we go. We're having a good time. I rise in support of the motion to indefinitely postpone, and in opposition to LB316 for several reasons. But let's talk about the \$6 million that we would be losing in tax revenue at a time when-- believe it's a billion dollars that we're going to be in the hole over the next few years. You know, I think about the number of bills that we've seen this year that amount to the increasing of the nanny state that, quite frankly, disproportionately affects younger Nebraskans. I spoke on this just earlier last week. If we want to create an environment to where we keep our best young Nebraskans and attract talent, passing law after law that quite frankly instills a mentality of 1980 fear-mongering over weed and hemp-- here we have a drought-resistant crop that would grow well in Nebraska, and instead of embracing it and adding more regulation to encourage further economic development, we're just banning it? At a time when the voters of this great state overwhelmingly said that they want medical marijuana for our sick Nebraskans to have some sort of natural relief, and the committee refuses to take action on it, we're going to go ahead and do an outright ban on a substitute that, again, is providing relief for Nebraskans all over the state. So, colleagues, if we want to play nanny, fine. But the reality is, is that we just can't afford it. We can't. You want to play nanny? Fine. But I would have to agree with Senator Cavanaugh. We need to focus on bills that either bring in revenue or drive down the fiscal impact on this state. We're supposed to be a frontier state, a plains state where we encourage that independent spirit of, of the frontier. But instead, again, passing law after law, expanding the nanny state, creating unwelcoming conditions for young Nebraskans. But what do I know? Thank you, Mr. President.

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

ROUNTREE: Good morning, and thank you, Mr. President. Good morning, colleagues, and good morning to all of those who are watching online. Good morning to everyone else. This morning, I do rise in support of the IPP motion and against the basic bill, the underlying bill of LB316, but I'm appreciative of all the discussion that we've had this morning. I've just kind of been observing, as we've been in the Legislature. Was thinking back to being out on the campaign trail, and

when I would ask some of our constituents, I said, what would you have me to do to represent you? They said, just go there and do your job. If you just go do your job, that's representation enough. And they said, we want to see civility back in the Unicameral. So, I appreciate all the civil discourse that we've had because we are a Unicameral and we have each other to take care of the needs of the people of Nebraska. But I just want to go ahead and read one of the testimonies that-- as I sat in the Judiciary Committee as well, and it's been very interesting. But on this particular bill, I want to read a testimony this morning from Joseph Fraas, and he says: Hello, senators. My name is Joseph Fraas, and I'm opposed to LB316. He says, I'm a native Nebraskan and lifelong resident. I have owned a business-- a small business called G&G Smoke Shop for 18 years, both in Lincoln and Omaha. I employ 18 people. I paid about \$172,000 in sales tax in 2024 alone. This ban will severely damage my company, hundreds of other Nebraska companies, our employees, our vendors, our supporting businesses, and our families. If our businesses survive this ban, it is still likely that most of our employees and their families will not. Not only that, but this bill will destroy millions of dollars in economic activity. Hemp derivatives were made legal by the federal government in 2018, and ratified by the great state of Nebraska. Recently, an overwhelming majority of Nebraska voters said they wanted cannabis to be legal for medical reasons. In 2022, polling in Nebraska showed roughly 65% support for recreational cannabis. Cannabis legalization is popular with voters, and this trend holds across party lines. So, these hemp derivatives are proven as a category to be very safe. Their safety profile is similar to many over-the-counter medications. Currently, they are tested by third parties for potency, adulterants, and contaminants. I share the desire of this bill's proponents to keep these hemp products safe, well-labeled, well-tested, and out of the hands of children. My business insists on third-party lab testing, on accurate labeling, on protecting IP, and on not selling products that look like food or candy. We also have very stringent policies and procedures to prevent the sale of our products to children. I am proud to say that G&G has an exemplary record of doing just that. I worry that this bill will actually harm Nebraska's consumers and children. The U.S. experience with prohibition has been abysmal. Bans do not stop the sale of these products; they are simply driven into the black market. Everyone that has wanted cannabis in Nebraska for the past 60 years has gotten it. In fact, past attempts at prohibition have actually raised usage rates. We can see that cannabis usage rates have fallen after cannabis has been legalized across the U.S. Prohibition also is shown to make the market more dangerous. In a black market, these products will be

sold by people who are not concerned with public safety. There are no safety guidelines and no law enforcement, and data shows that taxing and regulating cannabis has badly damaged the drug cartels. There's a reference to that as well. Worst, there would be no honest businesspersons left to police themselves, and there would be no oversight from law enforcement to police the bad actors. Plus, a ban would take millions of dollars out of the tax coffers and destroy millions of dollars in economic activity. In conclusion, this bill would not help to keep Nebraskans safe. Hemp derivatives are legal products. These products are tested and proven safe. Prohibition goes against our small government principles, makes the market more dangerous, and could increase usage rates. Bans do not provide safety, accountability, or tax revenue. There are good actors in this industry that want to keep Nebraskans safe, but a ban would put those good actors like me out of business and out of reach of law enforcement, and put this industry into the hands of the black market. Please keep our Nebraskans safe and vote against LB316. Thank you. That was from Joseph Fraas. I just wanted to--

KELLY: That's your time.

ROUNTREE: --read that. Thank you so much, Mr. President.

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

STORM: Thank you, Mr. President. I'm going to touch on-- Senator Dungan talked about us not being compliant federally with hemp, and on AM944 to LB316, page 6, line 11, it says "federally compliant hemp may be transported in interstate commerce for any lawful purpose," so that should put that to bed. Also, I want to point out that on July 23-- or July 2023, the House Committee on Oversight and Accountability Health Care and Financial Services Subcommittee heard from many experts in the marijuana industry about the dangers these synthetic cannabinoids posed to consumers. Specifically, the Cannabis regulars-- Regulators Association submitted written testimony that some of these products are made synthetically and contain nothing that came from hemp or the marijuana plant. These newly-developed, unstudied products are widely available across the country, online, in gas stations, grocery stores, with no federally required testing for contaminants, no required packaging and labeling to tell consumers what is in these products or how they are manufactured, and no federal age-gating to ensure that intoxicating products only sold to adot-- adults, and that products, whether intoxicating or not, may have contaminants that can be harmful to human health. Some of these contaminant results from chemical manufacturing process required to convert CBD into intoxicating

compounds, and are known to be toxic or unidentified and unstudied in humans. Some of these contaminants may be present or in the plant, heavy metals, microbials, pesticides. And so, to, to keep beating this drum that these are safe products and we can regulate it is a total misnomer. And, you know, I've been asked to follow a path of regulating these products rather than banning them to give our citizens the option to purchase them rather than eliminating them, but I cannot in good conscience walk that path because we cannot assure that these synthetic cannabinoids are safe for consumers. First, this industry cannot be trusted. The Attorney General's Office has purchased and tested hundreds of these products; the vast majority are being sold in packaging that does not match the contents. Some of these products are significantly-- have significantly more THC than being advertised. This problem-- this is a problem that has been identified nationally. As Douglas County Sheriff Hanson recently said in a press conference on this topic, you can't trust drug dealers. Second, these synthetic cannabinoids have never been studied. Consumers cannot make an informed choice about short-term or long-term health effects that even scientists have not yet identified. Anecdotally, we know these products can cause drowsiness, vomiting, confusion, hallucinations, tremors, uncoordinated movement, difficulty walking, anxiety, changes in heart rate, low blood pressure, difficulty breathing, loss of consciousness, and coma. Third, these products are created by using synthetic chemical processes that create not only the intended cannabinoids, but also a number of other compounds that chemists are not able to identify. These synthetic products are full of ingredients that the manufacturers cannot identify and disclose. And last, some of these products have been found to contain other contaminants, like heavy metals and pesticides. It is utterly impossible for a consumer to actually be informed what they are consuming, or to appreciate the risk associated with such consumption. Senator Cavanaugh has proposed to amend LB316 by striking the current version and inserting instead his regulation bill. Regulation of these products will not work. Establishing a commission to monitor and test all these products would be impossible. The vast majority of these products come from out of state or overseas. There is no federal regulation of the product process, so we would have to test and monitor these products as they come into the state to ensure they contain no contaminants, and are packaged accurately. We have no control over the production process, and can't even ensure batch consistency, meaning every single shipment would likely need to be tested. And even if we could monitor all these products in a timely manner, a regulatory commission can never solve the problem that the long-term health effects of these products have never been-- that have

never been tested. It cannot solve the problem that chemists have not even identified many of the compounds in these products, let alone evaluate whether they are safe for consumption. Effective regulation of this industry is impossible. Let me repeat, it's impossible to regulate Delta-8. LB16 solves that problem, and we should join all the other states around Nebraska and throughout the country that are banning synthetic "cannanaboys." This also-- you know, we want to talk about the hemp industry, like Senator Raybould said. This doesn't touch the hemp industry in the state of Nebraska. We're not talking about hemp, we're not talking about medical cannabis. We're talking about synthetic cannabinoids; garbage that's attached to a little bit of CBD that you can either vape, smoke, or eat, and that young adults and children are getting into with serious health effects. And in good conscience, there's no way I-- I can't see how anybody can't support LB316, especially when you want to put a, a--

KELLY: That's your time, Senator.

STORM: --dollar amount on it. Thank you.

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

SORRENTINO: Thank you, Mr. President. I rise in support of LB316. I will focus my testimony on two documents that were distributed by Senator John Cavanaugh. The first is from the Nebraska Department of Revenue. It's Form 10, which is a local sales and use tax return. When I get tax returns, I'm like a kid in a cannabis store. I love them. What I want to talk about is gross sales and services on line 1; we're focused, really, with this bill, on synthetic sales, Delta-8, et cetera. We have no idea, of that \$1,583,708, has anything to do with synthetic sales; it may be all, it may be none. It seems like it's misleading to even have this, this form here to say that this is the projected revenue we'd be losing. This could be purely medicinal marijuana, it could be bong, it could be all kinds of things that have nothing to do with this legislation. So, I'd ask my colleagues to frankly ignore this. It is not a projection of sales tax revenue lost. But while we're on the topic, let's look at line 8. Sales tax collection fee, maximum \$100-- \$150 per location. It was stated earlier that they thought there were 11 of these stores. Well, simple math would say there's at least 14, and a simple Google search says there's 20 of these stores, so certainly, cannabis fact-- The Cannabis Factory would be much in favor of defeating LB316. So, I, I would, I would ask you to ignore that; I think it's nonsensical to this bill. Secondly, there is an ACS, ACS Laboratory form; it is run on isolate

derived from Delta-8. You'll notice that it's heated, and even the FDA will say nobody has any idea what happens to these synthetic products when they're heated. But if you continue to look at that, this is run for The Hemp Collect, which has a robust history and hosting of Delta-8 products on their website. I call your attention to the small print here, but the action level-- it's called PPBs, which stands for parts per billion, and it shows small amounts like 100, 100, and then the results of that are less than LOQ, which means limitation of quantitation. So, m, .we should assume that this 30 or 40 ingredients that really nobody can define in this body, in and of themselves, are immaterial. But oddly enough, if you have a calculator and you add them up, these little 100s and 200s add up to 15,400 PPB, which is not below the level of danger. So, again, I find this document to be completely misleading, and I'd like to yield the rest of my time to Senator Storm.

KELLY: Thank you, Senator Sorrentino. Senator Storm, 2 minutes, 5 seconds.

STORM: Thank you, Mr. President. I have a flyer here from a local cannabis business in the state of Nebraska, and it says: we have it all, Delta-8 THC, Delta-10 THC, THCO, THCP, HHC-- and I'm gonna read what HHC is, and you tell me if you think this is safe and if this has anything to do with hemp or the hemp industry. And I probably can't even say this word right, but I'll try. "Hexahydrocabinetol," or HHC, is a "hydronated" form of THC. HHC is found naturally in hemp, but only in trace amounts. A complex process is performed to add hydrogen atoms to THC by using a catalyst like nickel and high pressure. This causes the breakdown of the THC's double-bonded chemical structure, replacing it with hydrogen while preserving the cannabinoid's potency and, and effects. You can consume this through inhalation-- smoking and vaping-- oral-- edibles-- tinctures, or topicals-- creams and lotions. So, this is being sold in 21 locations right now in the state of Nebraska, and you tell me if you think that that's safe for people to be ingesting that, especially children. They don't know what they're getting. And like I said, I don't care how much revenue the state of Nebraska gets off this; it's not worth the safety of our citizens to allow this to be-- continue to be sold in our state. Once again, this has nothing to do with hemp, has nothing with medical marijuana or cannabis; these are synthetic products laced with God-knows-what. Thank you, Mr. President.

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

LONOWSKI: [MALFUNCTION] you, Mr. President. I stand in support of LB316. Stop saying this is the will of the people. That is a, that is a misnomer and very misleading. There are no people that voted on Delta-8. This is something being sold in vape stores, in cigarette shops. Senator Storm, you talked about students that have been affected by this. I know at least three. I saw two of them go into serious convulsions where ambulances had to be called. It was some sort of Delta product, whether or not it was just Delta-8 mixed or by itself, we do not know. Two of them, age 20 or less, have already been through rehab. Delta-8, also known as Delta-8 THC, is a psychoactive substance. I'm not going to read through all that. We've already heard it. Well, let's talk about synthetic marijuana, or synthetic Delta-8. Some people have, have spoke on this; well, let me tell you this: cannabis itself had a 1%-3% potency of THC in 1980. 1%-3%. Today, in oils, waxes, dabs, they all contain THC levels between 80% and 90%. What we're talking about are 1980, 3%; what we're talking about today, upwards to 90% THC. More intense psychoactive effects are associated with today, more adults are dying, more students are getting sick and dying. This product has not been evaluated or approved by the FDA for use, and it may be marketed in ways that have put the public at risk. We know it has. The FDA received hundreds of reports in 2021 of adverse events in patients who consumed Delta-8. This is so dangerous that the Army, the Navy, the Air Force, the Marines, the Coast Guard, and the Space Force have all, have all outlawed using Delta-8 and any other THC products similar. Several soldiers that I know were dismissed from the military because of the use of these products. And of all the research I've done, the only "cannis"-- cannabis advocates are the only ones that are for this. Not one government agency, not one medical association, none of these people have talked about the value of Delta-8. The psychoactive effects are very intoxicating. If you can imagine when you saw the photo of a slice of a gummy worm, and that is enough to get you stoned or have psychedelic effects, now think about normal gummies, when you chew gummies. Nobody stops at one gummy. Everyone eats several. That's the problem with these as well. I could go on. I have quite a bit more. Right now, I want to talk about Attorney General Mike Hilgers and his announcements of what he's trying to do to help fight Delta-8. He has issued cease and, and-- cease and desist letters to 104 different locations as of March 20 for selling illegal or unlawful THC-containing products. Ladies and gentlemen, these are the people we've heard to referred to as good actors. In 2025, Douglas County Sheriff's Office and Nebraska Attorney General made purchases of products from 35 different companies. Each store had investigate-- investigated it had at least one product marketed as hemp, which was already a Delta product. It had Delta-9 in

it. Just to clarify, Delta-8 is just a slower-effecting drug than Delta-9. They're very similar. So, many of these stores-- good actors, as we've called them this morning-- they are not selling any good products. In fact, they also have products there that can be sold to minors, and so the minors naturally walk into that store.

KELLY: That's your time, Senator. Thank you--

LONOWSKI: Thank you, Mr. President.

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

JUAREZ: Thank you very much, and good morning colleagues, and good morning to Nebraskans online. I'd like to voice my support for the IPP, and I am against LB316. All the emails that I have received have been-- voiced their opposition to LB316. My preference is to continue to enhance the regulations that are needed in this "cannaboid" Delta-8, however you want to frame it-- hemp, whatever-- to just continue to enhance the regulation so that it can be, I guess, legally accepted to use in our state. I think that if we don't, it's obvious that people are going to continue to use it. We're not going to stop them; they're just going to go to a different market and obtain it. I mean, I just-- I don't see why we think that we're going to be able to control this. My 100-year-old mom even used hemp cream for her arthritis. It was something that she asked me to order for her, and she said that it worked. I personally find it amazing how we're always trying to control behavior in this state. It's-- it never ceases to continue to happen, as I've been here in my first session on the Legislature, and I like to listen to our voters. And-- I saw in the paper, you know, when they were here last week, and they are so dismayed that we in the Legislature are not listening to them. And honestly, I find that really disheartening. However, I did think that myself. You know, when I was a voter sitting at home and seeing the activity that was happening here at the state level, that's exactly what I thought. So, what did I do? I ran for office, and here I am. I'd like to express that, you know, it's amazing to me that we do allow people to carry guns. They didn't have any problems at all passing that law, and that was one that I couldn't believe. You know, how-- to me, it's a free-for-all for people to, to carry guns now in this state. And why is it that that's OK? What industry helped to promote that law to get passed? I wish that there was a lot more regulation there, but, you know, that's how it went. Now, now, everybody can carry them, no problem. And yet, we do want to try to make control over people on choosing this product for themselves. It's

just amazing to me. Guns are OK, not this; alcohol is OK, tobacco is OK. Those do harms to your health, there's no doubt that they do. But we're a-- we didn't have any problem with allowing people in our society to make choices for themselves about those products. And obviously, it's going to affect a lot of jobs in this area, a lot of businesses will be shut down. There will be-- I've gotten a lot of emails from people who have, who have businesses who will be impacted by this bill. I am very grateful that I am here today to be able to voice my opposition. I appreciate that the voters in District 5 selected me to stand up for them, and I hope that everyone will be reasonable here today in trying to listen to all-- I'm, I'm sure everybody got emails from people in their districts, and I hope that we listen instead of them continuously telling us that we do not. Thank you, and I yield the rest of my time.

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

BOSN: Thank you, Mr. President. Good morning, colleagues. I rise in support of LB316, and I oppose the IPP motion. I also oppose any discussion that we should be adding LB16 to LB316 by a floor amendment or any other means. We've got to pick a lane, friends. Either we are allowing us to amend bills onto other bills, or we're not, and colleagues in this room routinely discuss we can't be amending bills on, this bill hasn't even been out of committee, don't do this, don't do this, except when they want to do this. And so, LB16 is still in the Judiciary Committee; it did not have the votes to get out, which is why it remained in committee, and LB316 did have the votes. So, we shouldn't be adding LB16, which didn't have the votes in committee, to circumvent the process. If we want to talk about setting precedents in this institution, we need to understand that the process is the process, whether we like it that day or not. I also want to take some time and explain once again-- because I've heard others do it, but then someone will get up and talk again about how this is undermining the will of the people and correlating that to medical marijuana. There is a distinction between medical marijuana, which was on the ballot and was approved by the voters, and Delta-- Delta-8, Delta-9, and this bill, which does not deal with medical marijuana in any way, shape, or form. It deals with Delta- 8, Delta 9, and the absolute distinction that there is between those should not be conflated. I think that just creates confusion, and it is a distraction for the voters and those who might be listening to think that we're somehow undermining the will of the voters on mari-- medical marijuana here. I also think it's extremely alarming to hear colleagues talk about the tax benefits of regulating, and somehow, how that should outweigh the

significant concerns that we're expressing we have with Delta-8 and Delta-9. Colleagues are openly suggesting that regulating a dangerous drug in a manner of using taxes in order to persuade you to support it. That ignores that those who are using Delta-8 and Delta-9, which are synthetic CBD-- you don't-- it is one molecule off. One molecule off. So you're playing whack-a-mole with trying to regulate this drug, and that's part of the problem, and I'll talk about that as well. But you're ignoring that those who are using these drugs are high; they're under the influence, they're often self-medicating for other concerns. They are driving on our roads, on our public roadways with other innocent drivers, families who are driving down the road on public roadways thinking they're safe, and we're putting individuals who are under the influence-- significantly under the influence, and we're using the "we want to tax and make money for our state" argument in order to put lives at risk. Individuals in their home. Individuals who have followed the laws are now being undermined and disrespected in the name of "we want to be able to make money off of your bad habits." And I think that also lends itself to the conversation that we had when we heard LB316 as well as LB16, and discussions that we had about whether or not we could even really regulate Delta-8 and Delta-9. And we'll-- all of us on the committee heard time and time again was they just alter and tweak the synthetic nature of the CBD. And so, we were going to be playing whack-a-mole. Unless and until we can figure out a way to actually regulate this, we cannot do it safely. That day may come. I don't know. It's not here yet, I'll tell you that. Every person who testified said, well, they tweak it. They add a this, or they add a that, or they run the molecules through one more thing. And it was clear to us that we could not safely figure out a way to do this and overcome those who are bad actors. And so, for those reasons, LB316 made it out of committee, and LB16 remains in committee. I ask for your green vote on LB316. Thank you, Mr. President.

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

KAUTH: Thank you, Mr. President. I'd like to respond to a few of the, the senators who have made comments. Senator Juarez, quick-- first of all, what we're seeing is a lot of conflating and hysteria and hyperbole about, oh, all of these other things are fine, or they're bad, or there-- there's a lot of misleading going on on the floor. We cannot equate illegal drugs with guns. Guns are in our Constitution, so until we find in that Constitution something that says you can do illegal drugs, that doesn't even make sense. Senator Rountree got on the mic and said these products are tested and proven safe. That is verifiably false. And I'm going to read from an article-- and it's on

your desk-- it's Delta-8 THC craze concerns chemists. The chemical processes used to create these synthetic "cannabinoids" can result in the formation of numerous, as many as 35, unnatural synthetic isomers and byproducts for which no toxicity information is available. Many of them don't even have names. So, in the article, safety concerns skyrocket. My chief concern is that we have no idea what these products are, says Christopher Hudalla, president and chief scientific officer of ProVerde Laboratories, an analytical testing firm with facilities in Massachusetts and Maine. "Consumers are being used as guinea pigs. To me, that's horrific." It is horrific to me, as well. Our job, when we allow products to be sold, is saying to the public, "this is safe. It is acceptable for you to use." Back to the article. "Using chromatographic methods with ultraviolet or mass spectrometry detection, scientists at ProVerde have tested thousands of products labeled Delta 8 THC. 'So far, I have not seen one that I would consider a legitimate Delta-8 THC product.'" There's some Delta-8 in there, but there's very frequently up to 30 peaks I can't identify, and he's talking about on the chromatograph. When a chemist tells you that he cannot identify the chemical that is in a product, you have a problem. There are often peaks that correlate with Delta-9 THC as well as another isomer [SIC] Delta-8 THC [SIC], but little is known about the effects of either [SIC]. I'm less concerned with traditional THC iso-- isomers than I am the ubiquitous unknown, says Michael Coffin, chief scientist at Elevation Distro, a California-based cannabis manufacturing and distribution firm. This guy develops cannabis, and he is concerned about this. Delta-8, Delta-9, even Delta-10 don't seem to have any ill-effects on people that we know, but a lot of people are doing a very poor job cleaning up the reaction products, with results in quite a soup of byproducts and other unwanted compounds. So, if they were doing it well, maybe we could test it and regulate it, but they're not. A soup of byproducts and unwanted compounds. We've had a lot-- the-- for me, this bill is about those chemicals. I voted against fake meat because of the toxic carcinogenic chemicals that are used to create the meat tumors. I am supporting Senator Wordekemper's bill for helping firefighters who get cancer because they actually have to soak their gear in toxic chemicals to provide for fire retardation. For me, this is about those chemicals that they use to get the THC out of those plants. There are pretty aggressive synthetic conditions that use strong acids. They might be using strong bases to neutralize. They can also use metal catalysts. I hear different people using different ways. In a pharmaceutical environment, the PhD chemists ensure that products don't include harmful, unconsumed reactants. Nobody is measuring the pH of Delta-8 products or testing for strong acids and residual metals

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that are left behind. Nobody is testing for residual metals in these products. We pay tons of money to get rid of the lead in Omaha, to get it out of our soil, but yet, nobody's paying attention to the things that we are ingesting. These products are dangerous. There's-- I'll have lots more to say. I wanted to go back to-- Senator Guereca had made a comment about this is a drought-resistant crop. We want these crops. Make no mistake, we want hemp farmers to continue. Hemp farmers would actually sell more hemp if the chemicals were not being used to extract the THC. It's a, a time-consuming process, and there's not much in--

KELLY: That's your time, Senator.

KAUTH: --the, the hemp. Thank you, Mr. President.

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

MOSER: Question.

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

CLERK: 27 ayes, 0 nays to place the house under call.

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senators Quick and Hughes, please return to the Chamber and record your presence. The house is under call. All unexcused members present-- are present. Members, the question is, shall debate cease? All those in favor vote aye-- there's been a request for a roll call vote. Mr. Clerk.

CLERK: Senator Andersen voting yes. Senator Arch not voting. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Bosn voting yes. Senator Bostar not voting. Senator Brandt voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Clouse voting yes. Senator Conrad voting no. Senator DeBoer not voting. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting no. Senator Fredrickson. Senator Guereca voting no. Senator Hallstrom voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator

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Hunt voting no. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Juarez. Senator Juarez voting-- I'm sorry-- no. Senator Kauth voting yes. Senator Lippincott voting yes. Senator Lonowski voting yes. Senator McKeon voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Prokop not voting. Senator Quick not voting. Senator Raybould not voting. Senator Riepe voting yes. Senator Rountree voting no. Senator Sanders. Senator Sorrentino voting yes. Senator Spivey voting no. Senator Storer voting yes. Senator Storm voting yes. Senator Strommen voting yes. Senator von Gillern voting yes. Senator Wordekemper voting yes. Vote is 31 ayes, 9 nays to cease debate, Mr. President.

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

J. CAVANAUGH: Thank you, Mr. President. Do I get five minutes to close on the IPP? OK. Well, so we're here on the IPP. We're getting close to lunchtime. I'm not sure how much time we've spent so far. So, broad strokes of where we're at. I'm opposed to LB316 because I think it's-- the banning of these products is the wrong approach. I think a robust regulatory structure is the right approach. And so, I, I would want to address the fact that I did put LB16 on here. It is not out of committee-- that's correct-- and I am generally opposed to other bills hitching a ride. I want to be clear: not attempting to hitch a ride on this bill with LB16. I'm attempting to co-opt LB316 with LB16 so it's purposeful. I don't like LB316; I would like to replace it with a regulatory structure. The reason I did that, though, is to give the option to everybody else here to say the current state of affairs does not work. We need to do something. Everyone agrees. The question is, what should we do? So, I propose that we have a very robust regulatory structure that ensures that people have to check ID, you can only sell to people over 21, to make sure that the, the items are tested and proven safe under the standards that are established by the FDA and other regulatory agencies; to make that these businesses are not just popping up all over the place, fly-by-night; that they have to get a permit and a license with the commission, and have to go through their city council and be approved, and they can't be near schools; and that we have a, a, a reasonable packaging system to make sure that they are-- can't-- kids can't get into the packaging; and then, to also regulate advertising and what types of things can be sold. So, a very robust regulatory system. I think that that is the better approach because I do think that adults should be able to make a decision for themselves about whether they consume these things, and that the role of the government is not to tell people, "no, you can't do that;" it's

to provide them a framework where the things that they are buying at stores are safe. I've said the same thing on the fake meat, I've said it on many other things, that there is a role for government. But the government is not here to tell you what you can and can't do; the government is to facilitate responsible choices by adults, and that's what LB316-- or, LB6-- LB316 doesn't do, but LB16 would do. So, I sup-- I am in favor of an IPP, and I would love-- we could IPP this bill, we could then kick out LB16 and take it up on the floor, although it doesn't have a priority, so we'll have to figure that one out. But I'm sure the Speaker would probably give it a Speaker priority, or maybe consent calendar. But I, I would be fine if we IPPed this. I do think we need to do something, which is why I, I have brought LB16, why I've continued to work on this. I have toured these facilities, I have met with these people, I've talked to lots and lots of people in this industry about their desire to be regulated, their desire to get rid of the bad actors. This-- these are all good Nebraskan small business people who are operating in the current legal environment, and they are willing to pay more taxes, yes. Not the, not the only reason. Sure, we shouldn't do very irresponsible things. We shouldn't, we shouldn't endanger people's lives and-- just to collect tax revenue. But I do think that there are things that we can regulate that people can take-- undertake reasonably, responsibly, and the government should also tax that. So, I feel the same way about gambling. Not really a fan of gambling, but I do think if it's regulated, it's safe, adults can undertake it, then it should be legal, and people in the state should get some sort of revenue from it. So, I encourage your green vote on the IPP, and then I'm sure we'll have a much more robust conversation going forward about this, and I appreciate the conversation. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Members, the question is the motion to indefinitely postpone. All those in favor vote aye; all those-- there's been a request for a roll call vote. Mr. Clerk.

CLERK: Senator Wordekemper voting no. Senator von Gillern voting no. Senator Strommen voting no. Senator Storm voting no. Senator Storer voting no. Senator Spivey voting yes. Senator Sorrentino voting no. Senator Sanders. Senator Rountree voting yes. Senator Riepe voting no. Senator Raybould voting yes. Senator Quick not voting. Senator Prokop not voting. Senator Murman voting no. Senator Moser voting no. Senator Meyer voting no. Senator McKinney voting yes. Senator McKeon voting no. Senator Lonowski voting no. Senator Lippincott voting no. Senator Kauth voting no. Senator Juarez voting yes. Senator Jacobson voting no. Senator Ibach voting no. Senator Hunt voting yes. Senator Hughes voting no. Senator Holdcroft voting no. Senator Hardin voting no.

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Senator Hansen voting no. Senator Hallstrom voting no. Senator Guereca voting yes. Senator Fredrickson. Senator Dungan voting yes. Senator Dover voting no. Senator Dorn voting no. Senator DeKay voting no. Senator DeBoer voting yes. Senator Conrad voting yes. Senator Clouse voting no. Senator Clements voting no. Senator Machaela Cavanaugh not voting. Senator John Cavanaugh not voting. Senator Brandt voting no. Senator Bostar not voting. Senator Bosh voting no. Senator Ballard voting no. Senator Armendariz voting no. Senator Arch voting no. Senator Andersen voting no. Vote is 10 ayes, 32 nays, Mr. President, on the motion to IPP.

KELLY: The motion fails. I raise the call. Mr. Clerk.

CLERK: Mr. President, Senator John Cavanaugh would move to reconsider the vote taken on MO62.

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

J. CAVANAUGH: Thank you, Mr. President. So, I appreciate the votes, everybody, on that, and I appreciate that conversation. So, we're-- this is a motion to reconsider. Some of you kind of saw the theatrics going around here, so I guess it's always a good opportunity for a lesson on reconsiders. So, you can reconsider a vote where you are either on the prevailing side or were present, not voting. So, I was present, not voting on that because I didn't want to vote no on my own IPP, but I can reconsider the vote now. But there was some confusion about the calling of the question vote versus the IPP. It's on the matter you want to reconsider, and a call of the question vote is non-reconsiderable. I know that because we've tried. So, anyway. So, good lessons. We all learn and grow in this job on a daily basis. So, OK. LB316, I think, casts too broad of a, a net in solving a, a problem that we have, which is an unregulated market in something that should be appropriate for adults, and it should be regulated. And so, I'm opposed to LB316 for that reason, so I have op-- I have proposed LB16, which is a robust regulatory structure that answers all of the concerns that have been raised to this point. So, concerns about advertisement being either confusing or deceptive or conflating, I think we can address that under regulatory structure. Making sure that things are what they say they are and they are under health and safety, that can be-- also be addressed under a regulatory structure. Ensuring that people under 21 don't get access to these things can be addressed under a regulatory structure. Making sure that shops are run by legitimate business people, that they meet certain standards, that they get a license through the commission, they go to their local community for approval-- all of those sorts of things are addressed

through a regulatory structure, answers all of those concerns. There is some conversation about what is "synthetic." People just want to ban just the synthetic. Oh, I would address that to Senator Sorrentino's comment about the revenue tax statement that I handed out. So, that business says that about 95% of its products are affected by this bill. So, Senator Sorrentino, you're right, not all \$96,000 a month in sales tax are not-- maybe not going to be subject to ban by this. I imagine the store would close if 95% percent of its products were, were illegal, but hypothetically, I guess it only-- it goes from about \$96,000 to then \$91,000 in monthly taxes. So, I would always encourage people to not ignore information that's being presented, which is what you were suggested to do by Senator Sorrentino in terms of the taxes. So, I would say take things for what they're worth, look at things critically, try to digest and understand them, but do not ignore facts and information presented. You can disagree with them, but I would certainly not encourage anyone to ignore. All right, so to the question of synthetic. So, I've talked about this a little bit, I read from the transcript from the chemist, a PhD in chemistry who, who described what the process is and said it was akin to processes for vitamins, melatonin, biotin-- I don't know what that is. Am I saying that right? Biotin? Biotin. Va-- vanilla flavoring, which I'm a fan of. I put that into the pancakes I make for my kids every weekend. I, I puree spinach and put it in the pancakes, and then I also include peanut butter and chocolate chips and some-- oh, bananas. And so, I try to make healthy pancakes for my kids. But anyway--including vanilla flavoring-- decaffeinated tea, coffee, aspirin, and much more. So then, the-- I also have a-- let's see-- "Green Chemistry in the Hemp Industry," in depth by Dr. Sean Norris, PhD, organic chemistry; Director of Chemistry at MC nauticals [SIC], I think is what it says. So beyond pharmaceuticals, food additives, vitamins, sweeteners are all examples of where green chemistry can be applied. Today, most items that contain wheat, corn, or rice are all fortified and added-- with added vitamins and minerals on the recommendation of the World Health Organization. Vitamins A, C, D, E, K; thiamine, B1; riboflavin, B2; niacin, B3; and "panothenic" [SIC] acid, B5; Vitamin B6; biotin, B7; folate, B9; and vitamin B12 are all needed for the human body, and the amount needed for fortification of foods goes far beyond the natur-- that-- the natural availability. This means they must be synthesized or modified from other sources. Lower-calorie sweeteners are ubiquitous in today's day and age, and almost everywhere-- every one is, is a chemical-derived or synthetic molecule. Aspartame, sucralose, saccharin, and others are synthetic or derived from sugar products, and are approved by the FDA and World Health Organization. So, what they're saying here is a

similar process that everybody is standing up and saying is so terrible, synthetic process to, to derive-- or, the concentrate the Delta-8 in the needed amount for the products here is similar to the product-- the process used to fortify things like Frosted Flakes or whatever cereal, cereals that people eat that have all of those things on the outside of the box that say it's fortified with Vitamin A, C, D, E, K, riboflavin. So, that-- all of those things, that is the same or similar process to what we're talking about here, when people stand up and say "we just want to ban the synthetics." The-- If we're going to ban things that are, are distilled or created through that process, we should be very careful, because that means we're going to be banning the artificial sweeteners that you all put in your iced tea or your coffee in the back of the room here; ban, probably, some of your breakfast cereals; ban your aspirin or melatonin or vanilla extract. So, all of that is to say the real issue presented here for folks is whether reasonable adults can, in their own way, consume something that some people don't like. Some people don't like gambling, and they've opposed expanded gambling; some people don't like alcohol and have opposed expansion of access of alcohol; some people have opposed smoking or vaping and have opposed the ability to do those sorts of things. But what we really need to do in the role of government here is not to say people can't do these things under certain circumstances. What we need to do is-- the role for government is to ensure that when people do it, that they are safe and that they have an opportunity to be safe, and that they're not being taken advantage of. And that's the reason for regulation, because an individual, sure, can go into a store, and they won't necessarily know if something has been tested and approved because there is no regulatory structure. As I've said, many of these stores that we're talking about hold themselves to a very high standard and want to be held to this standard, and want to be legitimate businesses that work with the community and the state to ensure that their customers are safe. And I think that it is a role and an obligation of the government, when we can provide that, to ensure that consumed-- consumable things, foods, are safe and they are what they say they are. And so, a ban does not do that. A ban doesn't address the advertising. There won't be any local stores that are advertising, but yes, there will be other advertisements from either internet sales or cross-border sales, or things like that. It doesn't address black markets, which other people have talked about. It, it doesn't address all of these things. And it, and it-- certainly, I know people don't want to talk about the sort of crassness of money, although we're going to spend a lot of time talking about it here, but it is a real consideration. If we adopt LB316, we are going to have to fill a hole in our budget that's even

bigger than the one we're currently having to fill, because LB316 does have a cost. And so, I have proposed a bill that answers all of the concerns that people have raised, and doesn't cause the budgetary problems, and actually provides us a little bit more cushion, a little bit more revenue. Not the reason to do it, but it is-- we should be regulating it, and if we are going to regulate it, we should also capture and derive some revenue from that. So, I would encourage your green vote on the reconsideration. I'm gonna run out of time, but we're going to keep this conversation going. I appreciate everybody's perspective on the many facets of this. And of course, you know, chemistry is not really my strong suit; I know, you guys are all shocked. So, I'm working on learning about chemistry as we progress through this debate. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Sanders has some guests in the north balcony: they are fourth graders from Birchcrest Elementary in Bellevue, Nebraska. Please stand and be recognized by the Nebraska Legislature. Senator Meyers [SIC], you're-- Meyer, you're recognized to speak.

MEYER: Thank you, Mr. President. I rise in support of LB316, and I am in opposition to the IPP and the motion to reconsider. With that, I will yield my time, the balance of my time, to Senator Kauth.

KELLY: Senator Kauth, you have 4 minutes, 35 seconds.

KAUTH: Thank you, Mr. President, and thank you, Senator Meyer. So, Senator Cavanaugh was talking about how aspirin, aspartame, and other sweeteners, those are also synthetic and use synthetic processes-- yep, they do, and they have been FDA tested, regulated, and approved. They know what happens with those, they know exactly what the processes are, they know what the chemicals are used, there's a formula, there's no variation in those. You can buy-- and you've seen me drink soda down here, Diet Coke or, or Pepsi Zero-- one is exactly like the other; they know exactly what's in it. That is not true with these Delta products, that's not true with these synthetics. That's why we need to ban them. Senator Guereca had brought up that hemp is a drought-resistant crop, and we shouldn't just ban it. And I agree, we should not be banning the hemp crop. I have an agriculturalist who emailed me and said actually, hemp is not drought-resistant. It-- that's how it was sold, that's all of this was sold in 2018, that hemp was going to be this great farm product, that it was going to save farms, it was going to help with drought, we were going to be able to make amazing things with it, so everybody jumped on the bandwagon and got into it. Well, they're finding out that's simply not true, and

more and more farmers are getting out of the production of hemp, the farm production of hemp. So, what they're finding is the great things that they thought were going to happen didn't happen. They thought it was going to be drought-resistant, that they'd be able to continue to grow crops, they'd be able to hold the moisture in their soil-- did not happen. I, I thought that was very interesting, and I can give this article to anybody who's interested in reading up more about it. I do appreciate that there are people listening to this discussion; I'm sure they're sending everybody else updates as well about their opinions. I love the fact that in this Legislature, we have the second house paying attention. I received an email from a friend of mine, his name is Lane [PHONETIC], and he said: Happy Monday. If I was a senator, you'd get my green vote on Delta-8. I work in the schools, and I have seen these products really mess our kiddos up. This is somebody who sees kids who are getting into these products. He sees what it's doing to them, he knows that they can get access to it, he knows that it is essentially unrestricted. I have just been-- I've been shocked, actually, to hear so many people on the left advocate so many bad things this year. We have senators saying we shouldn't put any restrictions on online-- kids being online, which is essentially opening them up to being preyed online by adults, and senators who say, well, that's just part of the growing-up process. We have senators who are willing to say, hey, yeah, they're really bad for you, and, you know, sure, somebody can get hurt when we're talking about these Delta, but it makes us money. We have senators who are willing to sell out the health and well-being of the citizens of this state for money that they will use for something-- you know, who knows what product or project they've got going on? Senator McKinney had made the comment that, you know, if we care about the health and safety of our residents, why would we cut services? I do agree, we need to make sure we're providing services that help people, but I think the flip side of that is, if we are allowing products that we know are dangerous and toxic and creating great harm, all we're doing is feeding into those health problems. We're essentially creating a loop, where, hey, we're going to allow and encourage all this really, really bad stuff, and then, oh, wait, we'll get a little tax money from it and we'll use that to try to help fix them. Well, it's never going to be enough. The tax money that we get from this is never, ever going to be enough to help the people who are hurt by these products. We are looking at creating an entire generation-- and my generation, my kids' generation, their kids' generations-- of people who are addicted to products that are causing them significant harm. I ask again, why haven't we regulated and taxed methamphetamines? Why haven't we regulated and taxed cocaine? How about heroin? That logic

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is absolutely bonkers, crazy, inconsistent, to use part of Senator Michaela Cavanaugh's language. It's very appropriate. We cannot say we know--

KELLY: That's your time, Senator.

KAUTH: --something is dangerous-- thank you, Mr. President.

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

DORN: Thank, thank you, Mr. Lieutenant Governor. I thank everybody for the conversation this morning. I will agree with Senator Cavanaugh-- I'm not a chemist, so I don't understand some of this stuff, but I do very much have an opportunity to read all the handouts, and my gosh, we've gotten a lot of handouts over this topic this morning or whatever. Just, I call it, kind of appalled, amazed, I don't know, whatever, at some of the handouts and some of this stuff that's going on, and finding out how, I call it, bad, some of this Delta-8 and some this stuff is. Very much for LB316 and opposed to the other two on there. One of them that really struck me was-- Senator Storm handed out, I call it, the, the colorful thing, and it said, take 1/16 of a gummy worm and wait 24 hours to determine effects before increasing the dosage. How many of us would do medicine like that? I just couldn't believe that, when it said 1/16, and on the back, you had a picture of what 1/16 was, and I go, I'm not sure you'd even know if you took that for sure or not. And yet, that's the amount that they're telling you to take, and hopefully you won't have no issues, you won't have no problems, but if you don't, then you can take more. And I go, how many of us would take medicine like that? I don't think anybody, anybody from the medical community would even suggest we do stuff like that. They, they-- some of these things, I call it, are way too lax. We have way too much, I call it, free range with some of this stuff, and I'm just kind of appalled that we haven't tried to, I call it, pull these things in more than we have. Like I said, I-- definitely for LB316, and with that, will yield the rest of my time to Senator Bosn.

KELLY: Senator Bosn, 2 minutes, 57 seconds.

BOSN: Thank you, Mr. President. Thank you, Senator Dorn. I just wanted to rise and clarify some of the statements that were made earlier on the mic about the penalties. I think there was a conversation about we were-- this was another increasing penalty and we were making more felonies. If you read the bill and the language in the bill,

essentially, what this does is it recategorizes Delta-8 and Delta-9, the synthetic cannabinoids, as marijuana. And so, by doing so, you are penalizing and criminalizing Delta-8 and Delta-9 the same as marijuana, not an enhancement over marijuana. I think there was conversation about, well, you could possess marijuana and get a reduced penalty than if you were possessing Delta-8 or -9. Well, that's not true. So, under this bill, the possession of synthetic cannabinoids and the CBD would be different; CBD would still be excluded under the statute, and the Delta-8 and Delta-9 that are synthetic would be penalized the same as marijuana. This is one-- less than an ounce is an infraction, which is a \$300 fine. The second offense for less than an ounce is a Class IV misdemeanor, which is punished by up to \$500 or five days of incarceration. A third offense would be a Class IIIA misdemeanor, which is punishable by up to 7 days or up to \$500. A less than an ounce-- excuse me. Greater than an ounce, less than a pound would be a Class III misdemeanor, which carries penalties of up to \$500 or three months incarceration, or any combination thereof. Over a pound is how you get to a felony. That would be a Class IV felony, two years or \$10,000. So, what this bill is doing is categorizing it as a Schedule I controlled substance, the same as marijuana. Unless I'm reading something wrong, I just wanted to clarify that and explain that for those of you who are concerned. Thank you, Mr. President.

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

CLERK: Mr. President, your Committee on Judiciary chaired by Senator Bosn reports LB513 to General File with committee amendments. Additionally, your Committee on Banking, Commerce and Insurance chaired Senator Jacobson reports LB77 to General File with committee amendments. Committee report from the Government, Military and Veterans Affairs Committee concerning an appointment to the Nebraska Tourism Commission. Finally, Mr. President, a, a priority motion: Senator Dorn would move to recess the body until 1:00 p.m.

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

[RECESS]

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

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

ARCH: Thank you, Mr. Clerk. Do you have any items for the record?

CLERK: I do, Mr. President. Series of motions to be printed from Senator John Cavanaugh to LB316. That's all I have at this time.

ARCH: Thank you, Mr. Clerk. We will proceed to the first item on this afternoon's agenda.

CLERK: Mr. President, General File, LB316 introduced by Senator Kauth. When the Legislature left the bill, pending was the bill itself as well as an IPP motion pursuant to Rule 6, Section 3(f), from Senator John Cavanaugh, and Senator John Cavanaugh had moved to reconsider the vote taken on that motion.

ARCH: Returning to the queue, Senator Spivey, you are recognized to speak.

SPIVEY: Thank you, Mr. President, and good afternoon, colleagues, and folks that are rejoining us. I appreciate the conversation, and I was hoping that Senator Cavanaugh-- John Cavanaugh would yield to a few questions.

ARCH: Senator Cavanaugh, will you yield?

J. CAVANAUGH: Yes.

SPIVEY: Thank you, Senator Cavanaugh. So, there's been lots of discussion around, like, what are we talking about as it relates to hemp and CBD and THC and medical marijuana, and I feel like some of the definitions are getting distorted. And so, I was hoping, if you could reground us in what we are talking about as it relates to LB316, and then what your proposed LB16 as an amendment does, as it relates to the definitions and the actual product that we are discussing.

J. CAVANAUGH: Oh, sure. That's a great question. So, my bill, LB16, doesn't address the medical cannabis at all. So, the voters passed medical cannabis; this Legislature has some regulation proposed about that. My bill speaks specifically to the, the concurrent federal definition of hemp, which is essentially the parts of the cannabis plant that have less than 0.3% THC Delta-9 by volume. So, that's what hemp is defined as in the federal statute, and then Nebraska statute mirrored that after the federal Farm Bill was passed in 2018. So, that-- that's what hemp is defined as.

SPIVEY: Hold on. Can I have a gavel, Mr. President, please? [GAVEL]
Thank you. It's hard to hear, and you're talking about definitions, so I think it's important to have some, some space to talk. OK, please continue, Senator.

J. CAVANAUGH: So-- yeah, so there's a federal definition of hemp in the federal Farm Bill from 2018; Nebraska adopted that definition, and it basically defines hemp as any part of the cannabis plant that has less than 0.3% Delta-9. Delta-9 is the psychoactive ingredient that is in, in what is traditionally called marijuana, or rec-- which is the mood-altering, we'll say, aspect. And so, medical marijuana, medical cannabis ballot initiative passed, and that includes ability to possess up to five ounces of any part of cannabis-- of the cannabis plant, so it is not restricted just to the, the hemp part. So, hemp is sort of a subset of cannabis. So, there's cannabis, which is the plant, and so when medical cannabis passed, it included a definition of cannabis and these other things. And so, then-- but under the federal Farm Bill before that, the-- it was legalized for that-- parts of the plant that had less than 0.3% THC-- Delta-9 THC. So, what we're talking about here mostly is Delta-8, and Delta-8 is just another commonly-occurring D-- THC-- I think the word is isomer-- in, in these plants, and it occurs in a higher concentration than Delta-9 does. And there's other things like CBD, and so I actually have-- one of the things I handed out is this ACS study people can look at. And I'm not quite sure, I think it's page 1 of 3-- which is not this page I signed, so that was a mistake. But anyways, it's the page behind the page I signed. It lists off what they test for: Delta-8, Delta-10, Delta-- or, potency. And so, you can go down, it has Delta-8 THC, it has CBD, CBC, CBDA, CBDV, CBG, CBGA, CBDN [SIC], Delta-10 THC, Delta-9 THC, Delta-6a-- so, it has all of these other things that are in these things, and they occur-- and so, right now under the law, anything that has-- as long as the amount of CA-- CBD or THC is less-- I'm sorry, I'm going to eat up all your time-- is less than 0.3% Delta-9, it's OK. What would happen under this bill, LB316, is it would make it cumulatively 0.3%. So, if it had 0.1% Delta-9, and then 0.1% Delta-8, then it's 0.3%, and then anything above that would make it illegal. So, it's makes it a cumulative amount of concentration of THC, which is a huge step back from what is currently legal. So, I'm sorry to take up all your time.

SPIVEY: No, I mean, that was super helpful, and, and that's what I wanted to spend time on, is just kind of resetting the definitions because we've heard so much conversation, and then of course, the recess. And so, I think this was really helpful to kind of reset the conversation and where we need to go. And then, I would love-- I'm

going to get back in, but even if you'd be open to more questions just around, again, like, what LB16 allows us to do in terms of regulation because of where we are. So, thank you, Senator Cavanaugh, and thank you, Mr. President.

ARCH: Senator Ibach, you're recognized to speak.

IBACH: Thank you very much, Mr. President. I rise in support of LB316, and I would compliment the Judiciary Committee and Senator Bosn for their work on this bill. I brought a similar bill last session, LB999, and it was coined the "Hemp Bill," and worked with the AG's office a little bit as well. It actually ended up having two parts, and, and this part did not make it out of committee, the hemp part did. But because we ultimately divided the, the bill, this portion was left in committee and died. So, I compliment the committee for listening and knowing the importance of this bill. I would just offer a little bit of my-- or, a small portion of my opening statement on LB999 which reaffirms my support for this bill. As drafted, LB999 would clarify that CBD and other products which contain any amount or concentration of THC, or any isomer, acids, salts, salts of isomers of THC, would be prohibited. The intent of this was to make it clear that products which contained Delta-8 and similar derivatives from hemp are illegal. After bill introduction, it was determined that this language was way too restrictive, so we lowered it a little bit-- we reworked it a little bit, and some true hemp products which would contain small traces of THC would be illegal. And I drafted an amendment, and in that amendment, it was based on the New York state cannabis management regulations which were adopted in November three years ago prohibiting the sale of products which we were seeking to eliminate two years ago. If adopted in my amendment, AM2198 would allow the sale of CBD products which do not contain synthetic cannabinoids. As defined, a synthetic cannabinoid means any synthetic cannabinoid, an artificially-derived cannabinoid, Delta-8 tet-- tetrahydrocannabinol, or Delta-10, which was created through isomer-- isomerization and several different methods of, of chemical extraction. And while Delta-8, Delta 10 do not occur naturally in the hemp product, the amount in the plat-- in the plant is such a minuscule amount an isomerization process is needed to artificially transform other molecules into the Delta-8 molecule. So, Senator John Cavanaugh is correct in a lot of the amounts that he's, that he's talking about. We did lower that amount. However, I think the thing to remember here is that FDA has not tested or approved these products. So, what we have to really ask ourselves-- is the health of our citizens more important than the cost of the revenue or the price of the revenue that we're

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seeking to derive? With that, I would turn the rest of my time over to Senator Storm. Thank you, Mr. President.

ARCH: Senator Storm, 1 minute, 35.

STORM: Thank you, Mr. President. I'd reiterate too what Senator Ibach was saying. There's no FDA-approved drugs containing Delta-8 THC. Any Delta-8 THC product claiming to diagnose, cure, mitigate, treat, or prevent diseases is considered an unapproved new drug. The "F-day"-- FDA has not evaluated whether these unapproved drugs-- products are effective for the use-- for use as manufacturers claim, what an appropriate dose might be, how they might interact with the FDA-approved drugs or other products, or whether they have dangerous side effects or any other safety concerns. So, this-- to try to regulate this industry would be very diff-- difficult, and like I said, you couldn't do it. It, it, it-- I mean, there's, there's no way to regulate something that's not FDA-approved, that-- that's touted as being medicinal or medicine. You know, Delta-8 THC is one of over 100 cannabinoid products in the cannabis family plant, but is not found naturally in significant amounts. Concentrated amounts of Delta-8 THC are typically manufactured from hemp-derived cannabinoid, CBD, and have psychoactive and "intoxitating" effects. Products containing Delta-8 are available in varying forms, including, but not limited to, candy, cookies, breakfast cereal, chocolate, gummies, vape cartridges, carts, dabs, shatters, smokeable hemp sprayed with Delta-8 THC extract, distillate tinctures, and infused beverages. Yeah, they're putting these products now in beverages you can drink. So, you can see how this is a huge safety concern for for, for young--

ARCH: Time, Senator.

STORM: --people especially. Thank you.

ARCH: Senator Hunt, you're recognized to speak.

HUNT: Thank you, Mr. President. Good afternoon, colleagues and Nebraskans. We're treating hemp regulation, Delta-8, THC, Delta-9, "Delta-420," "Delta-69," whatever, as if it's the biggest threat, the biggest existential threat to public safety right now, when the real challenges in our state-- healthcare, education, workforce, housing-- I guess we heard over the weekend, Friday night, we've got some shortfall that's way higher than we thought. I heard someone say \$200 million, I heard some say \$1 billion in the out years. These things continue to go unaddressed. But what's between your legs in the bathroom and the Delta-8 stuff, this is the stuff that we're taking

up. And not only taking up, but spending eight hours on it, and I cannot overstate or overemphasize what a bad mood I'm in and how much I do not want to be here. OK, people make choices. You're an adult, you have free will, go home. Yeah, I could go home, but I'm trying to be a member of the team here, and trying to help, and trying not to have it so my constituents turn on the TV and go, "What's my senator saying about another ban, yet another ban, ban, ban in Nebraska? Oh, she's not there." So, that's not going to be what happens, but I would give just about anything to be doing something else. I can't overstate how unserious this is. Term limits were a mistake. We are wasting our time on silly stuff. A lot of you are not well, by the way. You should not be here. You might be regretting being here more than any of us, because this is not the place you should be when you're dealing with the health issues that you are, talking about Delta-8. It is unserious to act like this is the defining crisis for Nebraska families right now, or to act like banning a substance is the automatic answer to every unknown or every fear, every moral panic. And it's unserious to treat every product, every new product as toxic, carcinogenic, unfamiliar, public health emergency. And some of my colleagues have stood up and said, well, no one's talking about banning aspartame; no one's talking about banning, you know, whatever chemical is in your cereal. I don't know if that's right. Some of them stood up and said that, and I thought, in this day and age, with Make America Healthy Again, with RFK and his worm running everything in the Department of Health and Human Services, HHS at the federal level-- that's who these people are. I'm not sure they don't want to ban that stuff, red dye, yellow dye, Delta-8. When you're afraid of it and you don't understand it, and the answer is to regulate it, label it, make it safe, test it-- which is happening-- I don't know why the impulse of some new thing you don't like or don't understand is always to ban it, whether we're talking about a substance or behavior or a book or a bathroom or whatever. It's a very weird theme of this Legislature, and it's not serious; it's lazy and boring, and it's a product of a Legislature that has been warped by fear and warped by term limits. We have lost institutional memory and patience and perspective, and as a result, we're this body that spends time inventing crises where nothing exists, where we're more comfortable reacting to manufactured moral panic than we are doing the slow, deliberate work of actual governance. What else did I write on here? I can't read my writing. And I knew I couldn't read it when I wrote it down, but it was before lunch, so I thought I would remember it, but-- I just can't overstate how much I don't respect this bill and don't respect the focus on it. When I see a legislative agenda dominated by fake emergencies, culture war distractions, this political scolding of imaginary problems and

enemies, I see a body that's afraid of doing its real job. We don't trust Nebraskans to make choices for themselves, again, whether that's where they go to school, what they read, who they love, what bathroom they use, you know, what kind of substance they want to use when those things are, are shown to be able to be safely regulated. We don't trust the free market, or personal responsibility, or local control, or the voters. All we want is top-down, fear-driven bans, because it's easy for y'all, because it's all you can do. It's all you guys know how to do. We have rural hospitals closing, we have families who can't find child care, we got students priced out of education, we got tuition probably going up. At the federal level, to say nothing about that, they're disappearing people every day who are--

ARCH: Time, Senator.

HUNT: --here legally. Thank you, Mr. President.

ARCH: Senator Storer, you're recognized to speak.

STORER: Thank you, Mr. President, and good afternoon. This is certainly, as are most, most debates here on the floor, educational in a variety of ways. So, I am going to spend my time on the mic talking about Delta-8 from the perspective of its effects on depression and anxiety because, as many of you are aware, my priority bill dealing with social media is focused on trying to curb the rise of depression, anxiety, and suicidal ideation of-- specifically, amongst our youth. And so, as I started to read and understand a little bit about Delta-8, which is, again, synthetic-- and, and when we listened to this bill in Judiciary, that is what kept coming to the top. We, we also, as you recall, had a bill on synthetic kratom. I don't know if we decided if it's "kraytom" or "krahtom"-- "kraytom?" And, and the two, the two commonalities there is the, is the synthetic nature in particular. But back to the issue of the effects of Delta-8 THC on depression and anxiety. With a rising tide of these mental health disorders, I want to also visit about the societal cost and why we really do need to ban synthetic Delta-8 to protect public health. Synthetic Delta-8 is a lab-made cannabinoid marketed as a legal cannabis alternative, which is far from safe. It is produced in unregulated facilities, and often contains harmful impurities and inconsistent potency. You've heard a lot of this already today. While some users seek it for anxiety and depression relief, the risks are alarming. The FDA has documented over 100 adverse events, with 22% involving severe psychiatric issues like heightened anxiety, paranoia, and a hallucinat-- hallucinations. A 2021 study linked synthetic cannabinoids, including Delta-8, to worsened depression and anxiety,

particularly in teens. Why? Because it overstimulates the brain CB1 receptors, which disrupts mood stability. Chronic use raises the risk of psychosis and suicidal ideation by 40%. 40%, per a 2021 analysis. So, these dangers make synthetic Delta-8 a hazardous option for those already battling mental health challenges. So, there's this notion that marijuana products or CBD is going to be helpful, and in this case specifically, the data demonstrates that the synthetic Delta-8 is exasperating the problem. Depression and anxiety are surging. We've talked about that in this body before. I don't think there's any argument about that. The CDC notes 8.1% of U.S. adults experience depression, and 40 million adults face anxiety disorders yearly. Teens are especially vulnerable, with a 2023-- relatively recent-- study reporting 64% prevalence of chronic depression and anxiety fueled by social media, isolation, post-COVID stressors. And in the Journal of Medicine, survey revealed 11.4% of high school seniors used Delta-8 last year, often to self-medicate, unaware that it could intensify their symptoms. So, societal-- the societal toll of all of this is enormous, and is only going to continue to grow. Depression, anxiety cost the U.S. economy over \$326 billion annually in healthcare and lost productivity, and synthetic Delta-8 worsens the crisis, driving up emergency room visits and mental health treatment costs. Poison control centers reported a 79% surge in Delta-8-related calls from 2020 to 2021, straining our public resources. Synthetic Delta-8 exasperates depression and anxiety, threatens vulnerable populations, and burdens society with escalating cost. So, the discussion that we are going to solve a budget crisis on the backs--

ARCH: Time, Senator.

STORER: --of these people is insulting. Thank you.

ARCH: Senator Dungan, you're recognized to speak.

DUNGAN: Thank you, Mr. President. Good afternoon again, colleagues. I rise today in favor of the motion to reconsider, and ultimately, if allowed to, supportive of the IPP, if we're able to reconsider that, and respectfully opposed to LB316. So, there's, there's two things I wanted to mention while I'm on the mic this time. And as you can tell, if you're watching at home, there's quite a long queue, so you don't really get to continue your thought for another two hours or so after you've spoken the time before. But there's a couple of things I just wanted to, to talk about, and, and Senator Ibach actually brought up one of those, and that is the process with which Delta-8, as we're talking about it here today, comes into being in a, in a consumable fashion. And when this bill got introduced, I, I tried to play catch

up. Believe it or not, I am also not a scientist. I don't have a background in chemistry, so I've tried to sort of read up on this in a way that I think is easy to understand with regards to what is Delta-8, Delta-9, all that jazz. We keep hearing the phrases "synthetic," and so I think there's this belief that Delta-8 is fake, right? That there's, like, real marijuana with real Delta-9, and then there's the fake lab-grown or whatever Delta-8. That's not my understanding of what that is at all. Delta-9 naturally occurs in the cannabis plant. Delta-8 also naturally occurs in the cannabis plant, but at a much smaller amount. And my understanding is that through a process where things break down, Delta-9 ultimately can become Delta-8, but there's very trace amounts of Delta-8 that you find in the cannabis plant. In addition to the Delta-8 and Delta-9, you have the "cannabinididiol"-- cannabidiol-- the CBD, right? And the CBD exists in there as well. So, what we're doing to get the Delta-8-- my understanding of the process that undergoes is this. The, the CBD undergoes a process called isomerization. And so, of course, I was-- had to remind myself, what is an isomer? An isomer, to put it as best as I can-- and again, I might butcher this; for any scientists watching, I apologize-- but an isomer-- or, isomers are two different compounds that have the same elements that make them up, the same amount of atoms, they just have different construction. So, on one hand, you'll have CBD, which has these elements that, that make it up, the, the actual isomer, and then, you have Delta-8. So, both CBD and Delta-8 are comprised of the same elements, they just are constructed differently. And so, in order to take CBD-- which, again, is naturally-occurring-- and turn it into Delta-8, which is naturally occurring, it has to go through this process called isomerization, which, as I understand it, involves a-- generally, a chemical process where there is usually pH levels that are changed-- which is the acidity level-- and in addition to that, there's oftentimes heat applied. That is the process that I think we're talking about when we talk about synthesization and synthetic-- the synthetic aspect of this. It is a lab or a scientific process to go from one CBD to the other, Delta-8. After that process takes place, there is a filtering that occurs, is my understanding, and the filtering, if done correctly-- and I want to be very clear, this is if it's done correctly in a way that would be more safe to consumers. There's a filtering that's done to remove some of the, the byproducts from that process, and then the ultimate sort of filtered-out product you have that is consumable is that Delta-8. Any of these additional chemicals that we're talking about or the, the dangerous things that are added in the lab, my understanding is that's part of the process to get from Point A to Point B, and that there's a, a filtering that can happen

afterwards to remove that. What I believe we should be doing is making sure the process to get us from Point A to Point B is safe. I don't necessarily think that we need to be in the business of banning this, because I've not been convinced, at least through the conversations I've had or from the data that I've looked at, that Delta-8, in its true form as a safe consumable product, is inherently dangerous. Certainly, I think if we leave it unregulated, and if we just leave it, you know, where you can go buy something from a gas station and not have any idea what goes into it, maybe then there's some dangers. And the dangers that everybody's talked about on this floor come not from Delta- 8; they come from an unregulated process to get to Delta-8. Now, everybody's body's different, everybody responds to compounds differently. But my understanding, too, is there are people who currently are using Delta-8 for issues like back pain or other things like that who respond to it better than Delta-9 or to CBD. So, there is a legitimate purpose for the Delta-8 to exist. It's naturally occurring; it simply, in order to be enhanced to a consumable level, has to undergo that isomerization process. And that is what I think we are seeking with Senator Cavanaugh's amendment, potentially, down the road, to regulate, is to make sure we have safe, consumer-safe products that people can then take and consume, and we can continue to regulate the industry in a way that does not result in unsafe things being out in the market. So, I just wanted to be very clear. I know there's been a lot of conflation. I'm not an expert on this issue, but the Delta-8 is a--

ARCH: Time, Senator.

DUNGAN: --naturally occurring product. Thank you, Mr. President.

ARCH: Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President, and good afternoon, colleagues. I wanted to lift up a couple of key considerations at this juncture in our debate, and there has been, perhaps, some confusion or rhetoric around whether or not this measure was implicated by Initiative 437, which was an act to create a Nebraska medical cannabis program. And of course, there was two initiatives there; one essentially to decriminalize, and, and one to regulate. But I do just want to note a couple of things. If you look at the text of the measure itself, in Section C-- Section 2, sub (c)-- 2(c)-- sorry, my eyes are trying to read this very little print here-- you can see that the citizen initiative that was passed with well over 70% of the vote just a few months ago in 2024, after an arduous decade-plus level campaign, finally, finally was able to have a vote of the people, and the people

resoundingly said-- rural, urban, conservative, liberal, moderate-- that we want to have a sensible approach to medical marijuana, we want to have access for those in need. If you look at the text of the measure, there was a specific exclusion to hemp. "Cannabis does not include hemp, as defined in Section 2-503(13) of the Nebraska Hemp Farming Act." Period. There was a reaffirmation from a vote of the people that hemp was not implicated, and was excluded to preserve the status quo in Nebraska law under the Nebraska Hemp Farming Act. So, 2018 Farm Bill essentially gave the green light and legalization to hemp, including these products. In Nebraska, a companion state-level measure brought forward, passed with wide support, signed by the governor, had the support of even then-state-Senator Mike Hilgers, created a state-level legalization pathway. So, under both federal and state law, these products and this industry today is legal, and that status quo and carve-out from the medical marijuana was reaffirmed by a vote of the people with over 70%. Additionally, this body, in passing LB1 just this year, colleagues, on a 48-0-1 vote and approved by the governor on February 25, 2025, actually reaffirmed that exact component of the law and legal framework, where we updated the new reference to the Nebraska Revised Statute which has an exclusion and an allowance for legality for the industry as it stands today. So, feds passed it in 2018, state passed it in 2019, reaffirmed by a vote of the people, 2024, reaffirmed by a vote of this Legislature a month-and-a-half ago. So, think through that. And that is where it stands today. If you're concerned about access for children, regulate, don't ban; if you're concerned about advertising, regulate, don't ban; if you're concerned about health issues, regulate, don't ban. If you don't think that adults should take this, adults don't have to take these products. It's not mandatory, and role of government is an appropriate discussion point. Finally, it's important to note, if this measure did not implicate new and expanded criminal penalties under Nebraska law, why is there a safe harbor? That doesn't happen. Go look at all the other new felonies and new crimes and enhancements that you've passed this year. There's no safe harbor. That's an admission that you're creating new penalties, that you're expanding and enhancing criminal penalties. If you weren't, you wouldn't need a "sape" harb--safe harbor.

ARCH: Time, Senator.

CONRAD: That is not pattern and practice with criminal law. Thank you, Mr. President. That's an admission.

ARCH: Senator Clouse, you're recognized to speak.

CLOUSE: Thank you, Mr. President. And I enjoyed listening to Senator Conrad's comments because, as I was reading this issue and doing a lot of research over the weekend, those were some of the things that I had looked up to and, and totally agree with, with, with the dates and the timing, and all those types of things. What my understanding is, is this bill is just simply to deal with the synthetic aspect of the CBDs, because the hemp has been approved. It is-- we did vote on it. And so, hemp is an approved product. So, I have a colleague-- or, not really a colleague; a, a, a good friend that is in the hemp business in my area. It's not in my district, but we talk a lot about medical marijuana, cannabis, those types of things. And as we were talking and sharing texts back and forth this morning, talking about what we're trying to do is, is very challenging, and, and trying to close some loopholes. And really, he said it might be impossible to try to close-- enclose-- close all of these loopholes that we're try to deal with. But as I-- there were some handouts that I handed out earlier just talking about the differences on THC, synthetic THC, and I think that's the issue that, that I'm locked in on. And THC is a primary psychoactive compound found in the cannabis plant. It's mostly associated with marijuana, but it can also be found in lower concentrations in hemp plants. And CBD is another compound found in the cannabis plants, but unlike THC, it does not produce the psychoactive effect. CBD can be derived from both marijuana and hemp, with the latter being the primary source of legally-available CBD in the U.S. And CBD is often touted for its potential therapeutic benefits, including reducing anxiety, relieving pain, and alleviating symptoms of epilepsy. It works by interacting with the body's endocannabinoid system. But unlike THC, CBD doesn't bind directly to the cannabinoid receptors, which is why it doesn't cause a high. CBD is federally legal in the United States, if it's derived from hemp and contains less than 0.3% Delta-9 THC. So, it's generally considered safe and well-tolerated, with few side effects. So, I think in my mind, what we're trying to address here is the synthetic, which has been well-documented. We don't know what's in it, we don't know-- you know, buyer beware. But honestly, a lot of folks, we can't say buyer beware, because they go in and not knowing what they're getting, not everything is labeled. If it was labeled, they might have a better idea of what they're looking at. But the synthetic can be problematic, and I think that that's an issue that we're trying to resolve. I don't think this is a, a direct attempt at eliminating medical cannabis, medical marijuana, but I think that's what this issue is. So, with that, I would yield the rest of my time to Senator Storm, if he would like.

ARCH: Senator Storm, 2 minutes, 5 seconds.

STORM: Thank you, Mr. President. This is dated April 21, 2025: THC-related overdoses. Over the weekend, deputies were dispatched to two nearly identical calls involving adult, adult males who had stripped their clothes and were naked, causing a disturbance. The individuals were exhibiting signs of excited delirium, speaking gibberish, and at least in one case, the individual's pupils were completely dilated. Both men were believed to have consumed locally-purchased THC products. In both cases, deputies were able to get them into the hospital for treatment. In one case, the individual attempted to reach for the deputy's gun as he was being detained. Medical professionals noted that the symptoms mirrored those of PCP. DCSO, Douglas County Sheriff's Office, is investigating both of these cases to determine which products were used, were they prescribed, and if any illegal or undisclosed compounds were added to these products. Please do not consume products if you are not 100% certain of what they contain, said Sheriff Han-- Aaron Hanson. Both of these individuals are very lucky that things did not end badly, and that DCSO's professional and highly-trained deputies were able to deescalate the situation and get them treatment. Medicinal products should be prescribed and obtained only through a licensed pharmacist. This is an ongoing investigation, and no further details will be provided at this time. And once again, this has nothing to do with hemp. That's the-- that's a sidetrack, that's a diversion by some in this body that want to talk about medical marijuana or hemp. This is about synthetic cannabinoids. This is about taking a little bit of Delta-8 or Delta-9, extracting it from a hemp plant, and then coating it with all kinds of, of horrible products, and then putting it out there and let people buy it in the store and see what happens. And in this case, the individuals-- one of them about got shot by a deputy as he tried to reach for a gun. So, this is a-- this is a public health crisis. This isn't something just to sweep under the rug and say, oh, don't worry about this, and we need more revenue in Nebraska, and we, we need to worry about other things. This is, this is an--

ARCH: Time, Senator.

STORM: --issue right now. Thank you.

ARCH: Senator Andersen, you're recognized to speak.

ANDERSEN: Thank you, Mr. President. I rise in opposition to both the reconsider and the IPP and support LB316, and yield the remainder of my time to Senator Bosn.

ARCH: Senator Bosn, 4:45.

BOSN: Thank you, Mr. President. I just want to provide some clarification to some of the comments, and I certainly understand the perspective that Senator Conrad is taking, that this is creating a new penalty, although I disagree with her. I would put this more akin to when we put up guardrails, when this community puts up a new stop sign. When you see a new stop sign coming up, they put flags around it so that people see it. They often issue warnings instead of citations, and that's what this safe harbor period is designed to do. The safe harbor time frame was a request made by Senator DeBoer during the committee hearing, and is actually included in the amendment, not in the originally-drafted bill. And that's not because-- I agree with-- I don't-- I disagree with Senator Conrad's comments that this is creating a new penalty. I think rather that this a clarification, that what we're saying is included in the penalties would be synthetically-modified CBD versus naturally-occurring compounds in, in regular-- or, in naturally-occurring hemp, excuse me. And so, I think there are examples where we do safe harbor periods. For example, we also have a safe harbor period in LB504, my social media bill, where we've said, OK, this is new, we're doing something new, so we're going to give people a grace period to understand. So, I, I disagree that that is-- I read it differently, I guess, is what I would say, than Senator Conrad's understanding and, and frustration with the situation. Although I certainly respect her opinion and think that she makes valid arguments, but for this particular case, I disagree. I would also like to clarify-- there were some conversations about some of the stores being good actors, and some of the information that we were provided from the attorney general in this case was that there are an estimated 300 THC stores in the state of Nebraska. The AG has represented that every store they purchased from sold at least one unlawful product. In 2025, the Douglas County Sheriff's Office and the Nebraska Attorney General's Office investigators made purchases of products from stores owned by 35 different companies in the Omaha area. Each store investigated had at least one product marketed as hemp which actually had Delta-9 concentration over the legal limit, making it marijuana, and had labels that incorrectly identified the content of the products. Many of the products purchased claimed to have certificates of authenticity, which did not provide accurate information. The attorney general has filed 15 lawsuits so far, and has sent cease and desist letters relating to 104 stores in Omaha, 7 in Kearney, 14 in Grand Island, and 3 in Nebraska City. Colleagues, I rise again in support of LB316 and in opposition to the motion to

Transcript Prepared by Clerk of the Legislature Transcribers Office
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indefinitely postpone, and would ask for your green vote on LB316.
Thank you, Mr. President.

ARCH: Senator McKinney, you're recognized to speak.

McKINNEY: Thank you, Mr. President. I rise in support of the motion to reconsider, the motion to indefinitely postpone, and I still am in opposition of LB316. If this is a clarification, then why isn't the attorney general arresting-- getting people arrested currently? Why aren't these businesses shut down currently, if it's a clarification? So, if the attorney general or law enforcement already has the authority and this is just a clarification, why ain't these stores already shut down? Why aren't people already being pursued with cases? You know, it's, it's very interesting, because I don't think it is a clarification. I think we are trying-- this is attempting to do something that isn't allowable currently, so I don't think that's a clarification; that's something new. Because if so, I think-- well, I'm, I'm going to assume the Attorney General and law enforcement would already shut these places down, if they feel as though they're harmful to our communities. So, why do you need a clarification if you can already do it? Who's misguided? And then, just the fact that we're having this conversation about shutting down an industry-- whether you for or against it, that's your, that's your vote, that your opinion-- but during a time when-- we saw the, the forecast last week, right? Wasn't the greatest, to say the least. And if we shut down this industry, whether you can say maybe we need to shut things down for the betterment of society and all those other things, and save people, I think we should let adults do what adults want to do in my opinion, and I think these people who were saying, in these situations, that were adults, took it upon their adult selves to consume things that, as an adult, they were legally allowed to do, and things happen. People have adverse of-- you know, reactions to alcohol and tobacco, but we're not shutting down those industries. We're not. There's no prohibition on alcohol, and all the people who end up in hospital rooms all the time due to intoxication or alcohol poisoning, what-- I, I don't see bills to shut down that industry. I wonder why. Is that, is that good for the health and safety of our, our constituents? Why aren't we shutting down the, the, the alcohol industry? Because that is harmful as well. I haven't seen one FDA report that said drinking alcohol is good for your health and safety. Maybe there is one out there, but I haven't seen an FDA report saying that. But we're here. You know, Senator DeBoer said we're the, the felony factory; some people call us the nanny state. It's a lot of nicknames for, for our state that-- just-- it's interesting. And we're in a budget crisis. And again, as I said earlier, if we care about the health and safety

of our people, and we shouldn't put revenue over that, then we're going to have an interesting conversation during our budget debate when we discuss basic programming for the health and safety of children and families being cut so we could cover this budget shortfall, and we're not trying to pull back income tax cuts. That's a, that's an interesting conversation, if we care about the health and safety of, of our taxpayers and our constituents. We conveniently care. And that's the problem: we conveniently care. Because we want property tax relief and we want it to look good, but if we really cared, we wouldn't be cutting budgets out of HHS and, and affordable housing and those type of things, because that deals directly with health and safety. And we're doing it because of revenue, or a lack of revenue. So, we can't pick and choose when we say these things. But if this is a clarification, why isn't these stores shut down today? Please explain that to me,--

ARCH: Time, Senator.

McKINNEY: --if this is a clarification.

ARCH: Senator Hardin, you're recognized to speak.

HARDIN: Thank you, Mr. President. Life can be a bit of an experiment. Everything we do, from our personal lives to the laws we pass, can be considered an experiment as to what the outcome might be. One of the beautiful things of working in a state government is that, as we consider our experiments in liberty, we can look to see how other states have handled the same issue. An important part of a successful experiment is looking to the states that are known to be subject-matter experts, SMEs, if you will. If the question was cheese, we would call Wisconsin; if we were considering potato legislation, we should look to Idaho; and if we were talking about peaches, we'd model Georgia. If we wanted to know the reality of a college football player's draft stock, we definitely would not look to the Colorado Buffaloes. But who is considered to be an expert when it comes to hemp? Well, that's Colorado all the way. So, what did Colorado do with Delta-8? In 2021, the Colorado Department of Public Health and Environment issued a notice stating that chemically modifying or converting naturally-occurring cannabinoids from industrial hemp is non-compliant with the statutory definition of an industrial hemp product. This effectively banned hemp-derived THC isomers such as Delta-8 THC in foods, drinks, and dietary supplements. Further solidifying these restrictions, the great conservative bastion of Colorado passed Senate Bill 23-271 in 2023. This legislation prohibits the manufacture, sale, or delivery of products containing intoxicating

cannabinoids beyond established limits. It also restricts the sale of certain hemp products to individuals under 21 years of age, especially those with a cannabidiol-THC ratio of less than 20:1, and more than 1.25 milligrams of THC. Additionally, the Colorado Marijuana Enforcement Division has banned hemp-derived and synthetic forms of THC, including Delta-8 and Delta-10, from being sold in licensed dispensaries. Now, why should Nebraska follow suit? Unregulated intoxicating hemp products pose massive potential health risks, that's what Colorado determined. By implementing a regulatory framework, we can ensure that products on the market are safe for consumption. Clear labeling and testing requirements will inform consumers about the contents and potency of products, allowing for informed choices. A well-defined legal framework will also aid law enforcement in distinguishing between legal and illegal products, facilitating more effective regulation, and providing clear guidelines for businesses will foster a stable market environment, encouraging responsible entrepreneurship and innovation. By adopting LB316, Nebraska can proactively address the challenges posed by intoxicating hemp-derived products. This legislation would protect our citizens-- especially our youth-- ensure product safety, and provide clarity for businesses operating within our state. I urge you to consider the merits of such regulation, and to take decisive action in safeguarding the health and well-being of Nebraskans. Thank you, Mr. President.

ARCH: Senator Raybould, you're recognized to speak.

RAYBOULD: Thank you, Mr. President. I want to say thank you for all the dialogue here. I spent my lunch hour reading all the online comments on this LB316, and then I went back and reread LB316, and then I also read AM1063, which is soon-to-be-proposed by Senator John Cavanaugh. And you know what? I think we're all saying the same things. Senator Hardin just spoke very well about we want common sense guidelines, we want labeling, we want testing, and we want regulations. And so, I did take all this time to really get myself educated on this subject matter, and I have to be honest-- and I encourage you to read AM1063. If you want clear, concise guidelines and regulations and specific elements of regulation and control, please read AM1063. The other thing I got hung up on, and I am still hung up on, is the fiscal note with LB316, and I referenced that in my first time on the mic, and then I reread it once again. And so, it said we estimate approximately-- and this is the Department of Revenue-- we estimate approximately \$1.6 million in General Fund reduction, and approximately \$80,000 Highway Trust Fund reduction per year. So, we're talking about \$3.2 million in our next two years of reduction, and we're dealing with a deficit. Now, this is when it's

talking about a ban, and we're losing out-- of general revenue-- \$3.2 million as well as \$160,000 in Highway Trust funds for our roadways, and so that's a big concern. But the fiscal note went on to say that there-- oh yes, there could be more. It says "If the intent of LB316 is to have consumable hemp regulated under the Pure Food Act, the Pure Food Act would require amendments. Regulation of consumable hemp products under the Nebraska Pure Food Act as defined in LB316 would create significant new duties upon the agency, requiring either contracting for testing or purchase of testing equipment and hiring of personnel." So again, we're going to be dealing with additional costs that have not yet been defined by this, this bill. So, going back to some of the comments in-- that were presented, I, I really enjoyed reading the, the concerns people raised that have a greater familiarity than I do with this industry. This individual from Omaha said: I'm writing today not as someone in a position of power or influence, but as a Nebraskan who cares deeply about our state's direction and the ripple effects of the choices made at the Capitol. I know I'm just one voice, but also I know several friends and neighbors in my district who feel the same way I do about LB316. Together, we form a part of your voting base that-- that's both paying attention and hoping to be heard. To be clear, I believe your intentions with LB316 are rooted in care and concern, but I wonder if this bill aimed at banning hemp-derived products in "Nebaska" may have moved forward a bit too quickly before a full understanding of its impact could be explored. That's not a criticism; just a request for pause and partnership. In recent years, an entirely new industry has formed around hemp-derived products in our state. It's created a legal market where jobs have been established, small businesses have grown, and tax dollars have started flowing back into our communities. That kind of organic economic development is rare, and it shouldn't be dismantled overnight. Yes, it may be our collective fault that stronger regulations didn't come sooner, but the answer to delay shouldn't be prohibition. That feels like an overcorrection; one that removes access and opportunities not just for consumers, but for business owners and even those who don't use these products but still benefit from the revenue and structure they bring. Rather than a full ban, wouldn't we be better served by clear rules, labeling, testing standards, and meaningful enforcement against bad actors? These are tools that allow the state to shape outcomes safely while maintaining oversight and economic benefit. And I have a feeling that's exactly what Senator Hardin said in speaking in support of LB316. I just wish maybe we could punt this to another summer session of just focusing on this as a study, and coming up with solutions that work "collaborately" and cooperatively together, and get labeling and

regulations and guidelines fully enacted. And I absolutely say AM1063 is the amendment that really covers it more clearly. Thank you, Mr. President.

ARCH: Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. Good afternoon, colleagues. So again, I stand in support of the motion to reconsider and opposed to LB316. It's been an interesting conversation, and there's been-- just, again-- and when I started out this whole thing, I said people are going to be talking-- like, passing like ships in the night because people are just going to talk past each other in this whole conversation. So, you have one group of people who is saying this is the process by which we are-- the, the manufacturers are enriching or distilling the Delta-8 and the other Deltas besides Delta-9 to create a marketable product, and then you have other people who stand up and say, this synthetic process is, is terrible and we don't know what's in it, and all these things. Everybody's talking about the same thing, but saying it in a different way. And we have folks who say, "I just want to ban the synthetics. I don't want to ban anything else." To be clear, when people-- the folks who are in favor of this bill say "synthetic," they are talking about these distilled products that are produced in the same way as cereal is enhanced, as aspartame is enhanced, as, as aspirin is made, as fish oil pills are, are made. All of these things that everybody has no problem with, they're made in the same process. And then, everybody-- the other folks will stand up and say that it's a very scary process, and they use these things, and it's unclear and unclear and untested. But I'm talking about a proposal where we-- if we adopt my amendment, that we would put in place the guardrails to ensure that everything on the shelf is what it says it is. So, the concerns that were just raised about some stores having things on their shelf that are not what they say they are, that would be alleviated by my bill, and by the way, would also make it easier to enforce against. So, the attorney general sends out these press releases-- I don't know if everybody knows this, but-- so, the attorney general does kind of a press tour where he goes and says "these shops are bad." And you know when the shops find out that they maybe have something that the attorney general considers dangerous on their shelf? When the press called them and asked them about it. The attorney general doesn't tell them ahead of time, doesn't go in, doesn't take a thing off the shelf, test it, and then come back and say, "Hey, this is dangerous. You should take it off your shelf." He goes and sends out a press release and says these shops aren't bad, they should take these things off their shelves, and they should shut down voluntarily. That is not regulation, that is not doing something

in the interest of the people; that is grandstanding. So, to say that there's some kind of great endeavor preserving the, the quality and purity of the food of the state of Nebraska by sending out press releases-- I would just caution against leaning too heavily on that. But again, this is, this is a clear, safe process that is used in so many other food items and many other items to distill or enhance, to get things to the level of riboflavin that we want in our Corn Flakes, right? To do that, they go through a similar process, and nobody is up here saying we should ban Corn Flake. Senator Fredrickson said he would take issue with that, if somebody started banning Corn Flakes. I was more of a Frosted Flakes man myself. But anyway, nobody's saying that. Nobody's saying we should ban aspartame, nobody's saying we should ban Advil-- or, not Advil, sorry. Aspirin. So, there's something else going on here. It's not the process that people have a problem with. You can stand up and say it has these-- there are, there are tests that show it has derivative chemicals in it as much as you want; that doesn't necessarily going to make it true, right? But again, solvable problems. We're here to solve problems, right? And it is a solvable problem to say we should set up a system where we can test, regulate, oversee these things. We can make sure, hold these shops accountable to doing things the right way; hold these shops to have things that are safe; hold the shops accountable to make sure they're selling it in proper packaging and not to, not to children, and not advertising. We can do all those things. So, the scare tactic about that is, I think, unfounded. So again, I was running out of time, I guess, on this. I'll talk some more. My bill does all of these regulations. I've, I've put up my bill as an alternative option for folks who think we should do something different, but what I'm saying is saying synthetic, only banning synthetic, is, is not an accurate statement about what we're talking about here. So, I'll talk about it a little bit more on my next opportunity on the mic. Again, I'm in favor of the reconsider, and I'm opposed to LB316, and I support my bill, LB16, which-- admittedly, I'm attempting to co-opt LB316 with LB16, which is not a generally-considered proper tactic, but I'm doing it for a point. Thank you, Mr. President.

ARCH: Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Good afternoon, colleagues. I rise in support of the reconsider motion and MO62. So, as I said this morning, I have great concerns over our deficit that we are facing here in Nebraska, and how we are going to balance our budget, so any legislation that's going to cost us more money, I think we should be seriously considering shelving for, for the time being. So, we have an over-\$300 million hole in the current budget that's going to be coming

forward from the Appropriations Committee. So, our options are-- well, there's kind of very prescribed options. There's the pot of money that's the Perkins Canal, there's the pot of the money that the prison, there's the pot of money that is the \$1.2 billion of property tax relief, a tax that we do not levy, and then there is pausing the income tax cuts. Those are kind of the big-picture things that we could be looking at, but all of those are continually evergreen, off the table, cannot be considered. And Senator McKinney was talking about our incarceration rates and felonies, and we have had a slew of bills this year that create either new crimes, enhanced penalties, or just more crimes. Basically, crime, crime, crime. So, what does that cost? Currently, we have 5,800 individuals that are incarcerated. So, there's the cost of running the prison; there's the cost of employing 2,355 employees for the prison; and then, in addition to those sort of, like, quantifiable costs that we have in our budget, then there's the cost to society. We have 5,800 people who are incarcerated, and at least a percent of those people could be in our workforce. And not only could they be in our workforce, but they are working in the penitentiary, and they are being paid slave wages, \$1 to \$1.25 an hour. But they're not even actually getting paid \$1 to \$1.25 an hour because a portion of their income is automatically taken for different funds. So, they're not even making-- they're really clearing maybe \$0.50 an hour. Now, I have a bill, and I've introduced it before, to ensure that everyone is paid, bare minimum, the minimum wage. And the fiscal note on that bill, for the Nebraska Department of Correctional Services, their fiscal note alone was \$119 million. It would cost \$119 million dollars to pay people minimum wage. That means we are underpaying \$119 million. That also means that there's \$119 million, plus whatever they are actually paid, that could be coming from people working outside for businesses. If we had any level of corrections reform, we could be putting people back into the workforce, but we're not. Instead, we're creating more crimes, more penalties, just feeding into this system. We're missing out on at least \$45 million worth of income tax revenue from that \$119 million, at least \$45 billion, in addition to spending money to incarcerate these individuals when we won't consider correction-- justice-- I'm sorry, my words are getting mixed up. We won't consider sentencing reform. We should go back and look at the report from the consultant we had a couple of years ago, and look at the Texas model. They saved a-- over a billion dollars by doing sentencing reform. If we won't touch any of these pots of money or we won't pause income taxes, we need to do something, and sentencing reform is the biggest bang for our buck. It's, it's the best thing we could possibly do for the state, and we just refuse; it's off the table, just like the Perkins Canal and the--

ARCH: Time, Senator.

M. CAVANAUGH: --property tax and the income tax. Thank you, Mr. President.

ARCH: Senator Rountree, you're recognized to speak.

ROUNTREE: Good afternoon, Mr. President. Good afternoon, colleagues, and good afternoon to all those who are watching online. I just rise today in support of the motion to reconsider the IPP. And our constituents out in-- call it out in our viewing land are watching what we're doing, listening to every word that we're saying. And I got an email over lunch; it was a very, very well-received email from a fellow veteran. And it asked about some of the things that the military doesn't allow, and if the military doesn't allow it, but myself being a military member, why would I even think about considering that for our constituency? Well, I have been serving-- and I appreciate what Senator Lonowski said earlier this morning. He talked a lot about certain items that we are not allowed to have in the military because of the great, critical need for force readiness. We recognized when we took the oath that we were going to give up some things, some opportunities, but to be ready at a moment's notice to be ready to come and support and defend the Constitution of our United States against all enemies, foreign and domestic. So, as we're looking at this particular bill and looking at how some of these items are made, I would like to ask Senator Cavanaugh if he will yield to a question.

ARCH: Senator John Cavanaugh, will you yield?

J. CAVANAUGH: Yes.

ROUNTREE: Senator Cavanaugh, can you talk to us about K2 and spice? I remember, as a first sergeant, when I first heard those terms, K2 and spice, we thought there was something else. But could you talk us about K2 and Spice?

J. CAVANAUGH: Yeah. Well, thanks for the question, Senator Rountree. So, I actually would direct folks to-- it looks like been handed out is a corrected version of "THC versus CBD versus synthetic THC, understanding the difference." So, it's a handout from-- sorry, District 37. I'm not sure who-- I don't know 37. But anyway. And then, if you go to page-- it's be the third page of this, and it says synthetic THC. Synthetic THC refers to lab-created compounds designed to mimic the effects of natural THC. These compounds are often sold

under the names like K2 and spice, and are usually sprayed onto plant material. So, what K2 or spice are, are true synthetics that are made from non-plant-based. So, what we're talking about right now is hemp-- hemp-derived stuff is made from a plant, and then it is distilled in these processes. And that is different than synthetics, which are K2 and spice, which have-- actually, have already been banned under Nebraska statute. So, Nebraska Statute 28-405(c)(14) and 28-405(c)(27) have-- where we have banned these actual synthetic forms of THC. So, I just think it's interesting to point out that in this article that was passed by one of the proponents of the bill, that THC, CBD, synthetic THC is specifically not talking about what this bill talks about. This is talking about something the Nebraskans already passed to make-- the Nebraska Legislature made it illegal more than a decade ago. So, this issue of synthetics has already been addressed; it's been addressed by the military, and it's been addressed by the Nebraska Legislature. So now, we're here having this debate where we are conflating synthetics with these hemp-derived, plant-based distilled processes. So, I do appreciate folks standing up and saying that they're opposed to synthetics, but synthetic is very specifically non-plant-based THC, and comes from something else, and that has already been addressed and banned. So, the thing we're talking about now is plant-based distilled Delta-8 and other things from hemp. Does that answer your question?

ROUNTREE: Yes, sir, it does. I appreciate that input so greatly. So, with that, sir, that's all that I have, so I'll yield back the rest of my time. Thank you so much.

ARCH: Senator Hallstrom, you're recognized to speak.

HALLSTROM: Thank you, Mr. Speaker, members. I rise in support of LB316. I will be supporting the Judiciary Committee amendment that follows later today, and opposed to the motion to indefinitely postpone. I've looked at this issue very carefully, and what it comes down to, my litmus test, is trying to determine if we can have safe utilization, and safe utilization outweighs revenue potential in my book. I've explored every way to Sunday to try and determine if there are synthetics derived from the natural hemp plant that can be utilized safely. I've asked difficult and probing questions of Senator Kauth, Senator Storm, and Attorney General Hilgers in an effort to determine if there is a broader base that we could apply excise or surcharge taxation to, and I've not found a pathway to feeling comfortable that these synthetically-derived substances are going to be safely utilized. We've got Delta-8, Delta-9, Delta-10; I've worked with the pharmacy industry throughout the years with regard to the potential for the, the bad folks to stay a step ahead of our

controlled substances laws by making a simple singular molecular change, and all of a sudden, it becomes Delta-11, Delta-12, Delta-13, or perhaps Delta Dawn, whether that song was sung by Bette Midler, Tanya Tucker, or Helen Reddy, sometimes we can't tell the difference. But I am not yet convinced that we have safe utilization of these Delta-8, -9, -10, or whatever may be derived in the future from them. And with that, I would turn the rest of my time over to Senator Storm.

ARCH: Senator Storm, 3 minutes.

STORM: Thank you, Mr. President. So, the National Poison Control Center received 2,362 exposure cases of Delta-8 THC products between January 1, 2021, and February 28, 2022. Of those 2,362 exposure cases, 58% involved adults, 41% involved pediatric patients less than 18 years of age, and 1% did not report age. 40% involved unintentional exposure of Delta-8 THC, and 82% of these unintentional exposures affected pediatric patients. 70% required health care facility evaluation, of which 8% resulted in admission to the critical care unit. 45% of the patients required health care facility evaluation were pediatric patients, and one pediatric case was coded with the medical outcome of death. The FDA has received adverse event reports involving Delta-8-THC-containing products; the FDA received 104 reports of adverse events in patients who consumed Delta-8 THC products between December 1, 2020 and February 28, 2022. Of these 104 adverse event reports, 77 involved adults, 8% involved pediatric patients less and 18 years of age, 15% did not report age. 55% required intervention, evaluation by emergency medical services, or hospital admission. 66% described adverse events after ingesting-- ingestion of Delta-8-THC-containing food products, brownies and gummies. Adverse events included but were not limited to hallucinations, vomiting, tremor, anxiety, dizziness, confusion, and loss of consciousness. And I passed out some of the, the papers to the, the body, and it showed some of packaging. And some of them look like gummies that, that any kid would say those are gummy bears and take them. They have a bag of Frito Chips, Frito-Lay Chips; look just like the regular Frito-Lay chips; brownies, cupcakes. And if I was a young adult and I went to anybody's house at a party or anywhere, and, and somebody was passing around a bowl of gummies or anything of this sort, I would never ingest anything in that scenario, because you have no idea what, what it is, and it looks just like the real, the real thing. So, you have to be really conscious of that. And I got an email sent to me that I want to read, and my time is about up here, but I'm next in the queue, so I can hopefully keep going here. I got this back in, in February. Dear Senator Jared Storm, I'm, I'm writing regarding a huge safety concern going on in our rural neighborhoods. My adult

son legally bought this product, which I-- is one of the handouts I had as well-- at one of many vape shops in southeast Nebraska.

ARCH: Time, Senator, and you are next in the queue.

STORM: OK. Thank you. And ended up in the hospital in Lincoln for a total of four days. He works a third-shift job from midnight to 8 a.m., and was off work early on Saturday, February 7. He took this gummies product at 6 a.m. That is all he can remember. He laid down at noon, and slept for at least 12 hours. Somewhere between midnight and 7 a.m., he was up in the garage. When I found him at 7:30 a.m., he was shaking, sweating profusely, and unable to speak. I don't know about this gummy product, and thought it-- he was having a stroke-- I did not know about this gummy product, and thought he was having a stroke. It was horrendous to see your adult son look at you through hollow eyes and not be able to speak. I called the rescue squad, and they transported him to CHI. His significant other, my daughter and I spent the entire day in the emergency room, but he would only open his eyes for a short time and then fall back asleep. They did many tests on him, and concluded that he ingested something. They gave him Narcan, and it did nothing. The entire day was full of tests, and finally found that he had THC in his system. He continued to be unresponsive, and the decision was made to move him to Lincoln in case-- and needed special care during the night. We were still unaware what he had taken due to the inability to communicate. On Monday morning, he finally started to come back around. He had no idea what day it was, or what had happened. He was unable to tell us about this product, and we found the jar. He was released from the hospital Tuesday, February 11. Thankfully, this story had a happy ending, but it also had a very high cost of medical care, lost wages from his unemployment, and the embarrassment of an overdose on something you can buy at the local store. The recommended dosage is 1/16 of a gummy that is the size of a LifeSaver-- that, that is the size of a LifeSaver candy, and I put a picture of that as well. I can't imagine many people cutting into this-- this into 16 pieces. I want to prevent other families from growing through what we did. I've never been in one of these vape shops, but they seem to be popping up all over the place. I believe there are four or five in my own-- my town alone now. I also realize that they are bringing revenue to the communities, but at what price? One of the nurses at St. Elizabeth said she had four patients in the last month with the same type of product. How many people need to be hospitalized or die from this unregulated product before there is some kind of regulation, or to ban the product outright? Please consider our story as this topic comes through the Legislature. These shops need regulation or a ban outright for public safety. There are no

warnings on the package at all. I would be happy to further discuss with anybody and anyone interested. I'm trying to channel my anger at these manufacturer shops into a positive step. Thank you for your time. And the one thing I would mention, we keep hearing about revenue, because that's the, that's the big buzzword now, is how we're going to get revenue for this state. So, we're going to-- we're going to-- some want to keep Delta-8 legal so we can collect a few million dollars in revenue. And what I would say is, what does this cost the state? This person here lost work time, probably can't pay his medical expenses, so who's going to pay for that? It, it, it affects the, the mental capacity of a lot of young people. Lost production. I would be-- I'd be the first to say that products like these will actually cost the state of Nebraska more than the little bit of revenue we're going to get off of it. And like I've said before, how many, how many vices in this state are we going to legalize to try to, to, to meet, meet, meet our budget deficit? And Delta-8-- if you think that Delta-8 is a, a badger of honor to wear around the state of Nebraska and say, hey, look, we have Delta-8, we're going to-- we're going to make our budget downfall with this is ridiculous. Every state around us has banned this product, in half of the United States. And if you look at the chart, every state is red, and Nebraska is yellow in the middle for not banning this product. So, I would, I would argue all day long that this costs the state of Nebraska more to have this product than it will ever realize in revenue. And once again, I'm here to protect the children and the young people of this state before revenue. Thank you, Mr. President.

ARCH: Senator Lonowski, you're recognized to speak.

LONOWSKI: Thank you, Mr. President. And thank you, Senator Storm, for carrying this bill. Epoisses cheese, silver draggies, Flamin' Hot Cheetos, Tonka beans, kangaroo meat, sassafras oil. What do these all have in common? They've all been banned in the United States. Why? Because they have some sort of carcinogen-- carcinogen, excuse me. Earlier, people argued that Delta-8 would just go to the black market if we didn't keep it legal. I don't think we have kangaroo meat on the black market right now. When I look at the opponents and the proponents, the opponents were several from Omaha, several from Lincoln, and the largest number from Colorado. Must be experts. I'm not going to say any more about that. Synthetic drug, we've had several definitions, so I thought, hmm, maybe I'll look it up to make sure we get the right definition. Synthetic drugs refers to substances that are artificially-modified from natural-occurring drugs, and are capable of, of exhibiting both therapeutic and psychoactive effects. Mom, Dad, Uncle Jack, we're not talking about ditch weed here. I would

venture to say all drugs are made with syn-- [INAUDIBLE] synthetic products these days. We've gone from a 3% potency to 80%. Ever curious about the THC flower and how it's made? Let's explore the process that transforms hemp plants into THC flowers you can find at cannabis shops. Unlike typical cannabis flowers which naturally contain THC, the flower starts with cannabis plants high in THC, a compound that doesn't produce euphoric effects on its own. But the highest quality THCA flowers are created using precise techniques such as cold-pressing or CO2 extraction, which preserve its purity-- its purity and its potency. It's important to note that all these-- that not all these THC flowers are produced in this way. My question is this: how many hospitalizations, how many deaths, how many overdoses, how many times do you have to pick a kid up off the floor in your classroom because they've done something that's not good for them? Do you know how to give Narcan or Naloxone training? You know what to do? It's not hard. The kid's down there shaking on the ground; you stick it in his nostrils, you squirt it, and you turn him on his side until the ambulance gets there. But even that will not help people with an overdose on Delta-8. Just to notify, someone said that we should be talking about health care and education issues, and I submit to you that these two issues-- or, excuse me, that Delta-8 involves both of these two issues. Thank you, Mr. President. I yield the rest of my time to Senator Storm.

ARCH: Senator Storm, 1 minute, 35.

STORM: Thank you, Mr. President. So, the Senate is having a hard time passing a farm bill, and I'm going to read a little bit about this. The Senate Farm Bill draft signals bipartisan desire to solve intoxicating hemp problem, but when it comes-- but when it does, the loophole that allowed hemp-derived products with intoxicating levels of THC to "proliferate" across the nation over the past six years will be closed. That's the, that's the understanding on Capitol Hill after Senator-- after U.S. Senator Debbie Stabenow of Michigan released a proposal on Monday that redefines hemp to address cannabinoids such as Delta-8, as well as the so-called THCA loophole. Republicans pounced on Stabenow, the ranking but retiring Democrat on the Senate Agriculture, Nutrition and Forestry Committee for releasing a draft bill 400 days after the 2018 version expired. The bill also comes nearly six months after the Republican-controlled House held hearings on this-- on their own proposal. With so little time before the new Congress is seated in early January, and with major must-pass budget bills on a short agenda, there is little hope in Washington, D.C. that the farm bill will be settled in the lame duck session. Bipartisan desire for a hemp-THC crackdown. Instead, the Farm Bill draft is

considered an agenda-setting signal, and it signals that both parties want to address the hemp question in a way that sellers of hemp-derived THC products might not like. This is a bipartisan issue on the federal level.

ARCH: Time, Senator.

STORM: Thank you.

ARCH: Senator Juarez, you're recognized to speak.

JUAREZ: Thank you very much. Good afternoon, colleagues, and good afternoon to everyone watching us online. First of all, I have heard some comments about the, you know, revenue issues coming up that exist for our state. And once again, I do want to mention that I did have a bill to increase the tax on alcohol. Where'd that go? Who knows? It's not on the floor, I can tell you that. I wanted to read a, a story, just the opposite of the negative stories we've been hearing about this product and something that was more favorable, and I'm glad to share. It says: Dear Senator, I never expected to write a letter like this, but LB316 could take away something that has made a huge difference in the lives of people I love. I'm asking you to vote no because this bill doesn't just affect products on a shelf; it affects families like mine all across Nebraska. My grandfather is 82. He's a proud, quiet man who spent his life working as an electrician. He was never one to ask for help or talk about pain, but in recent years, sleep has become almost impossible for him. It's just not age; it's the pain, the anxiety, and the kind of restlessness that comes when your body is tired but your mind won't settle down. For years, doctors prescribed sleeping pills-- first Ambien, then stronger medications, including opioids. We thought that would help, but the side effects were worse than the sleepless nights. He became confused and unsteady. One night, he fell and broke his wrist. That was the moment we knew we had to find another way. Eventually, someone recommended a semi-synthetic hemp gummy, Delta-8. He was hesitant, but he gave it a try. That night, he finally slept, not heavily or drugged, just peacefully. Since then, he hasn't touched prescription sleep aids. Hemp gave him what pharmaceuticals couldn't really without risk. My father is 59 and still works construction. About eight years ago, he injured his lower back and underwent surgery. Afterward, his doctors prescribed opioids. At first they helped, but slowly, these highly-addictive drugs started to change him. He became irritable, moody, constantly watching the clock for his next dose. He didn't feel like himself, and we didn't recognize him either. On his own, he discovered hemp products, and almost immediately, he started to come

back to life. The pain became manageable. His personality returned. He could work, connect, and live again. Without hemp, my father would not be the man he is today. Thanks to these products, my dad is still on his feet. He's not dependent on pharmaceuticals, he never had to go on disability; he's supporting his family and staying active. That would have-- wouldn't have been possible without hemp. To each of you reading this, LB316 could take away all of that. It threatens access to the very things that have helped my grandfather sleep and my father live free of addiction. These aren't people looking to get high; these are people looking for relief, for dignity, and a better quality of life. Please, I ask that you-- ask you from the heart, vote no on LB316. Thank you, and I yield the rest of my time to Senator Conrad.

ARCH: Senator Conrad, 1 minute.

CONRAD: Thank you, Mr. President, and thank you, Senator Juarez. Friends, I just wanted to contextualize quickly some of the perhaps scary-stounding statistics that some of my friends in the body have lifted. Again, if you go back and you look at the committee level, even the attorney general, the primary proponent of this legislation, recognizes and concedes there is no consensus in the scientific data. He says we have "anecdotal" at best. Period. And when you go and you look at the top causes of poisoning in the United States, it's medicine, it's cleaning products, it's pesticides, it's cosmetics, it's alcohol. We do not have a ban as to makeup; we do not have a ban as to pesticides; we do not have a ban as to cleaning products because concerns about accidental poisoning or its effects. So again, the same sort of concerns can be addressed through regulation.

ARCH: Time, Senator.

CONRAD: And that's not-- thank you, Mr. President.

ARCH: Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. So apparently, my discussion about the felony and where this bill lies on that has been put into a little bit of murkiness. Let me tell you what I know, and let me show my work, OK? This is what I know. I know that, in the hearing, when I was questioning the attorney general about whether or not this was going to be a felony, I don't believe he had an answer, and I think he said he'd get back to me, which he did not. At that point then, the committee, as I understood it, was looking for an amendment so that there would not be a felony for consumers. I even spoke to the attorney general again later, and then to his-- a staff member of his

at some point, and they said they were working on it, they were trying to figure it out. I don't know if that staff member had any, you know, context or ability to speak for the attorney general, so, bygones. But I was sort of given to believe that they were working on this problem. And then, we get to the committee hearing, we have this amendment; the amendment has a safe harbor that says until December 31, consumers basically can turn over their products and they will not be prosecuted, and then after December 31, there's no more safe harbor. So, that didn't alleviate my concerns. So, in the committee hearing, I said, we are making this-- and the term I used was much, much more, higher penalties or something like that. I said much, much more. And one senator had objection-- if you were there, you remember this-- and said, it's not much, much more, and they said it's going from zero to one for a misdemeanor, to zero to two. And I said, that is much, much more, as you will recall, because I said you also have the problem, if you are a felon, of voting rights and not being able to get housing, and checking the box, and et cetera, and all those other things. So, my understanding at that point was that people were acknowledging-- and I said those creams can have Delta-8 in them, and my understanding was-- and my memory is that that person said "Yes, that's true, that can happen, I'll admit that." So, that's what I'm coming into this debate on, is thinking it's a felony, and let me take you through the amendment and why I think that's so. If you turn to page 2 on the amendment, it strikes the language. On page two, lines 18 through 21, it says-- current law says, "Hemp shall be considered an agricultural commodity. Notwithstanding any other provision of law, hemp shall not be considered a controlled substance under the Uniform Controlled Substances Act." So, that's stricken, so that makes hemp a controlled substance. Now, if it's marijuana, the argument is that it's not. But if it's marijuana, it has to be 0.3% of a total weight basis of canna-- "cannabidoidal"-- "cannabidoil"-- "cannabidoil." Close enough. Products without THC. So, this stuff that we're talking about, the Delta-8-type stuff, is in neither category, so that reverts it to a controlled substance. That's the way I understand it. If it doesn't, we darn sure need to make that clear, because any court seeing us striking the part that says that hemp is not a controlled substance is going to say hemp is a controlled "stubble" that-- substance. The Legislature would not have stricken it unless they meant to do it. So, that's where I'm at on this. So, this is why I'm concerned. Now, let's not make it a felony; let's not make possession less than an ounce. The other thing is, how are you going to weigh this? Is-- if it's 0.3%, 0.4%, 0.5% of Delta-8 in a drink-- they sell these seltzer waters-- do you have to do the math to figure out whether or not, you know, what per-- what ounce, how much you have in there? Or is it the

total package of the seltzer water? How, how do you figure out what counts as less than an ounce? So, those are the questions and concerns that I have. I think they're real concerns. I think everyone was acknowledging they were real concerns. I feel a little bit weird now, because suddenly everyone's saying, oh, no, no, they're not real concerns. So, I don't know what to do. Thank you, Mr. President.

ARCH: Senator Kauth, you're recognized to speak.

KAUTH: Thank you, Mr. President. And Senator DeBoer, saying that word is the hardest part of this entire bill. Just to your point, it is 0.3% dry weight or 10 milligrams, total package. So, if it's in a drink and the total drink is 12 ounces, 10 milligrams-- anything more than that would be bad, so. Yes. OK, so I wanted to respond to a couple of people. So, Senator Juarez was talking about the story about how someone found-- finally found the Delta products that worked. They tried different types of drugs and, and sleeping pills, and we see this frequently, that people will try a medication or something, and then will either grow intolerant to it, will have side effects from it. Those are tested and regulated products. You actually know that a, you know, a milligram of one is the same as a milligram of another. You can actually judge what is going on and what those side effects are, and figure out how it's going to impact you. These synthetic products are completely unregulated and completely untested, and every time people say, "well, this is the next great thing and it makes me feel so good," all I can think in my head is, these are the same arguments people made about opioids. Like, these would be the greatest things ever and will finally cure the pain problem. I feel such empathy for people who are dealing with chronic pain. I have several people in my family who deal with this. It is, it is agonizing, and I do know that that's what the medical marijuana bill was supposed to be dealing with. And this bill, LB316, does not impact the medical marijuana. Medical marijuana is natural. So, going back to-- Senator Hunt was criticizing that bills are-- that the bills that we're bringing are wasting time. If you're concerned about wasting time, get out of the queue. Don't filibuster a, a bill for eight hours. If you don't like it, you could always filibuster it on the four-hour Select. But spending eight hours going after something that has the votes, that, that is what's wasting times. Apparently, she thinks that we should all be coming to her to figure out what bills are appropriate, what bills are able to be brought based on what she's feeling, and that is not our job. Our job is to bring the bills that are important to the state, and that's a decision that we have to make individually. Senator Cavanaugh, J. Cavanaugh, was saying that his bill does not address medical marijuana at all. Neither does LB316. LB316 does not

in any way, shape, or form conflict with the ballot initiative. We are talking about synthetics. And, you know, as much as I hate marijuana, it is at least natural; it is organic and it is not synthetic. I want to talk a little bit about some of our states that have allowed lots of drugs and decided not to allow Delta. So, Oregon, in 2021, they had a ballot measure that decriminalized drugs, like, all drugs. They now allowed heroin, MDMA, LSD, psilocybin, methadone, oxycodone, just, just as a sample. They wanted to collect taxes on those. That's great. We can sell them, we'll make so much money. That's what they thought. And why shouldn't these be legal? Why not? The next year-- after letting all of those very hardcore drugs be used indiscriminately-- the next year, they banned Delta products because they were synthetic and artificially-derived and had such bad side effects, no knowledge of what's in them, concerns about all of the chemicals that are used for them. And by the way, Oregon actually set aside hundreds of millions of dollars that were earmarked for treatment for drug addictions when they, when they allowed the hard drugs to be sold. So, we have a state that said, do whatever drugs you want. We're going to spend hundreds of million of dollars to treat you for making a choice to do hard drugs, because we know how bad it is and we know you're going to get hooked, and we'll then try to-- again, that cycle of violence. We get you hooked, we get you dependent, and oh, now, we're going to try to get you help. But they banned Delta products. They banned the synthetics. If synthetics are too hardcore for Oregon, why on earth do we think here in Nebraska it is OK? Senator Hardin made the very, very smart comment that we should be looking at the states that have done this work, that have tried these things and seen what they have seen. We need to pay attention. If everyone around us is banning this drug because of their experience, then we probably--

DeBOER: Time, Senator.

KAUTH: --should too. Thank you, Madam President.

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

GUERECA: Thank you, Madam President. And I hope that means we'll have Senator Kauth's vote when marijuana comes on to the, to the floor. Again, I rise in support of the reconsider motion to indefinitely postpone LB316, and stand in opposition to it. Also, someone made the comment that there's a flurry of paper this morning, the weekend after Arbor Day. Should maybe cool it a little bit on the paper. I want to read a letter that just-- email just came in to our inboxes. Dear Senators, LB316 will soon make it to the floor of this Legislature for debate and voting, which is a Nebraska ban on federally-approved

consumable hemp products. I urge you to vote no. Banning consumable hemp will drive consumers underground to an unregulated and untaxed black market. Additionally, a ban on hemp product compounds the state's fiscal problems by hurting small businesses, costing jobs, and denying Nebraska consumers federally-approved consumable hemp products. Dozens of businesses, potentially hundreds of jobs, and tens of thousands of dollars-- actually millions of dollars-- of tax revenue for the state would disappear if these hemp products are to be banned. Regulating these products actually saves jobs for Nebraskans and brings additional tax revenue into Nebraska's economy. With the state's current fiscal deficit, a tax on consumable hemp can be part of the solution. Vote no on LB316. Thank you for your consideration. Sincerely, Samantha League [PHONETIC]. And then, she had a little P.S.: for me personally, hemp products helped with my pain management for arthritis. I was diagnosed with it 10 years ago. It has helped me to not rely on medication for pain management and helped me live a normal life. Please consider voting no. Thank you. I agree, Samantha. I agree. Could-- this is something that helps people, this is something that should be further regulated, that should be further taxed. Because I believe over the next two bienniums, we're looking at upwards of an \$800 million budgetary shortfall. That's a big number, folks. It's a very big number. I yield the remainder of my time to Senator Conrad, if she'll take it.

DeBOER: Senator Conrad, you're yielded 2 minutes.

CONRAD: Thank you. Thank you, Madam President. Thank you to my friend, Senator Guereca. So, I just wanted to point out a few additional points here. Again, if you look at recent information from poison control centers, they lift up that some of the areas that they are concerned about do involve things like kratom, and yet, in Nebraska, we have taken a regulatory approach, not a ban approach, even though there's similar impacts and effects and issues in regards to accidental poisonings or poisoning in relation to kratom, so I do just want to lift that up. That was a much more sensible approach on that particular substance that my friend Senator Hallstrom brought forward, and I believe is sitting on Final Reading. Also, it's also very interesting to me that so many colleagues have talked about these are not-- these products are not approved by the FDA or the USDA or whoever, but the FDA and the USDA actually approved cultivated protein, and they banned that too. So, it's a very, very inconsistent approach. And different states have looked at these issues and taken different paths. Some have banned, some have regulated, some have no state action. And each of those actions have sparked a host of different litigation and, and cases as to whether or not it violates

federal law or interstate commerce when those states do act, including in the Eighth Circuit, and some of those cases are still moving through. We have, have over 300 of these retailers statewide; this has been the law of the land under federal law and state law for many, many years, and the status quo has not resulted in the crisis that--

DeBOER: Time, Senator.

CONRAD: --proponents would have you believe. If we're going to do anything,--

DeBOER: Time, Senator.

CONRAD: --let's regulate. Thank you, Madam President

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

MOSER: Thank you, Madam President. Good afternoon, colleagues. Good afternoon, Nebraskans. This discussion is getting kind of a circular path to it, but I couldn't resist getting up to talk about it again. We've got a product that's being sold uncontrolled, and the contents of the products are unknown. Some of the chemicals in those products they're selling have unknown effects; some of them are kind of mind-numbing, just-- I'm not going to describe it because I-- you know, I've never taken them, I'm not going to. But we've already got the medical marijuana bill to take care of the use of THC to help reduce anxiety and pain and all those things. We've heard that discussion more than once. And the people voted for it; we need to come up with some kind of a policy to institute it. But this synthetic-- these synthetic materials are really an unknown, and I think we should not regulate them, not try to monetize them. We can balance our budget in other ways. We don't need to legalize something dangerous just to make money on it. I think if you need THC to manage health issues, medical marijuana will be more of a known quality-- quantity, and of known quality, and more regulated by the traditional medical system. So, I am against the motion to indefinitely postpone, against the reconsideration motion, and stand in support of LB316. Thank you.

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

HOLDCROFT: Thank you, Madam President. First, a public service announcement from the Department of Health and Human Services. Governor Pillen shares Nebraska's measles response plan and urges Nebraskans to receive the MMR vaccine. As confirmed cases of measles

continue to rise in the United States, Governor Jim Pillen and DHHS public health officials shared highlights of Nebraska's measles response plan and the importance of staying up to date on the measles, mumps, and rubella vaccine. The state response plan includes coordinating with local health departments and other health care providers with testing, providing information on how to limit the spread of disease, and providing access to the MMR vaccine and post-exposure prophylaxis. If you are unsure about you or your children's vaccination status, please reach out to your health care provider. For Nebraskans whose primary care providers use the Nebraska State Immunization Information System, you can securely download your-- their personal or child's immunization information to their Android or iOS mobile device to confirm. If you're interested in receiving the MMR vaccine for either yourself or your children, please reach out to your health care provider or your local health departments, so. Back in my day, you didn't get vaccines, you just got the measles, so. You know, I-- up until the-- you know, last year, I had a flip phone, and, and you can, you can text from a flip phone. It's a little slower than, than normal, but I got pretty good at it. And then, my kids told me, no dad, you need to get yourself a smartphone. And so, they, they bought me one, and I started using it, and then they started loading up apps on it, and one of the apps they loaded was ChatGBT [SIC], some kind of AI something. So, I typed in, just now, arguments against Delta-8 and Delta-10, and this is what it spit out. This is from my phone: number one, safety concerns. There's a lack of regulation. Most Delta-8 and Delta-10 products are not regulated by the FDA. This leads to inconsistent quality, contaminants, or unsafe byproducts from the chemical conversion process, since most Delta-8 and Delta-10 are synthesized from CBD. This is from my phone. Also, unknown health effects. There's limited scientific research on the long-term health impacts of consuming these cannabinoids. Number two, manufacturing risks, chemical processing. Delta-8 and Delta-10 are usually made via chemical synthesis from hemp-derived CBD involving acids, solvents, and other chemicals. Poor manufacturing practices can leave toxic residues. Inaccurate labeling. Label-- lab tests have shown that many Delta-8 and Delta-10 products contain wrong potency information or unexpected compounds. Number three, legal gray area, unclear legality. While derived from hemp legal under the 2018 Farm Bill, many states have banned or restricted Delta-8 and Delta-10 because they are psychoactive. Their legal status is confusing and rapidly changing. Potential for federal action. The DEA has suggested that synthetically-derived THC could be classified as illegal under federal law. Number four, health risks to vulnerable populations, risk to teens and children. There's concern about youth

access to Delta-8 products, especially since they are often sold in the form of gummies or vapes that appeal to minors. Overdosing. Some users experience stronger-than-expected psychoactive effects, including anxiety, paranoia, and sedation, partly because dosing standards are inconsistent. And finally, five, undermining medical and recreational cannabis programs, circumventing regulations. Some argue that Delta-8, Delta-10 are ways to bypass regulated cannabis markets, undermining legitimate medical marijuana programs that require strict safety testing. And finally, consumer confusion. People might think they are consuming a natural or safe alternative when in reality they are using synthetic,--

DeBOER: Time, Senator.

HOLDCROFT: --unregulated products. Thank you, Madam President.

DeBOER: Thank you, Senator Holdcroft. Senator Moser would like to recognize 30 special guests: fourth through eighth graders from St. John's Lutheran Church, and eight teachers from Columbus, Nebraska in the north balcony. Please stand to be recognized by your Nebraska Legislature. Senator von Gillern, you're recognized. Senator Spivey, you're recognized.

SPIVEY: Bless you. Thank you, Madam President, and good afternoon, colleagues. Oh, let me grab my [INAUDIBLE]. Senator von Gillern messed up my flow not being here, so I apologize. First, I wanted to start out saying I really appreciate Senator Holdcroft's kind of commentary. I do not want measles, so I want that to be clear from his statements. And my husband also had a really old keyboard slide-up phone when we first met, and he could not receive pictures or emojis or GIFs, and that was terrible, so I am glad that your family is bringing you into the technology age as well. And be careful with ChatGPT. It's like Wikipedia; you have to use it sparingly and make sure that you still fact-check, so. Just a couple of tips, as you are navigating that new tech space. But really appreciate the conversation that we're having today, colleagues. I think it is an important one, and I appreciate the differing perspectives, too, and, and providing more facts and data and, and what does it look like. And so, I, I want to be clear, at least from my statements, that I don't believe that, as an opponent of LB316, that I'm saying that this should be legal for kids; I think it should still be illegal for children. I'm saying that it should be regulated for adults that are consenting, and just like with anything, we all have our own moral compass and we have to right-size what does that look like for us as a, a body to regulate or provide laws around. I do not drink, and I don't gamble. I had a bill to raise the tax

around skilled game machines, and would ideally like to not see them in "laundrymats" and every single grocery store, because I think that they are like a slot machine. But here we are, and I proposed legislation, and we've had conversations around not outright banning them but giving them time and further regulating them. And so, I think that approach and that mindset is what I have proposed as an opponent of LB316, and what LB16, as an amendment, gives us. It gives us an opportunity to regulate the industry, to create safety for those that use it, and to ensure that children are, are not the prime target, just like with anything. I know Senator Hughes talks a lot about vapes, and we talk again about the liquor industry, and so these are concerns around kids having access, but an outright ban doesn't mean that that is the right approach to ensuring that it is further regulated and kids will not be able to access that. And I, I also just wanted to kind of touch base on some of the fear-based language around Delta-8, or what does it look like, and some of the impacts that it causes because there's actually an FDA-approved medication that has some of the same impacts, which is hormonal birth control. So again, my work is in the maternal and child health space, and birth control was actually tested on women living in Puerto Rico. So, black and brown women were tested with what we know to be true today around hormonal birth control, and the trials showed very negative impacts of depression, some deaths, anxiety, changes in body composition, but yet, we are still here. The FDA has approved hormonal birth control; it is used every day and prescribed. There was actually a 2023 study that showed that the use of hormonal birth control causes an increase of depression by 130%. So, again, I think that we have to right-size around the language that we use and this kind of fear-based approach is that there are things that are legal now that we could say causes harm, or they're not most effective, but how do we regulate it and create an opportunity for it to be used safely in a way that makes sense for the people that are choosing to do it? And so, that is why I stand in opposition of LB316, and like the alternative that LB16 provides around the regulation and the support of hemp products that are being sold; how it can still support that industry that so chooses to participate through that work as entrepreneurs; and then, again, safely creating space for the users of that, which does not inherently mean that I want it to be accessible to children. That is not the case. And so, I appreciate, again, this dialogue that we're having and the different viewpoints. I think that this is constructive debate, and I'm hoping that as we continue the rest of the afternoon, that we can start--

DeBOER: Time, Senator.

SPIVEY: --to figure that out. Thank you, Madam President.

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

HUNT: Thank you, Madam President. You guys got to be careful with that ChatGPT, if those grandkids put that on your phone, because that will tell you some stuff that's not true from time to time. And it's also going to learn-- it's a learning model. It'll learn based on what you ask it and what you tell it, what you want to hear, and it'll start confirming things that you already believe and you'll get stuck in this echo chamber, just like you do when you get, you know, watching Fox News, which is another problem for a lot of you. So, something to think about when you're using new technology that you maybe don't understand yet. One of the main arguments that we're hearing for LB316 is that these hemp-derived products are sometimes inaccurately labeled or mismarked, or not tested, or we don't know what's in it. But let's remember that every state has the tools they need to fix this already. We already have the ability to require testing, we have the ability to require child-proof packaging, to disclose ingredients and active ingredients. We get bills like this all the time, talking about how alcopops, how different types of alcohol can be marketed, things like that, to avoid appealing to kids, and we hear bills like this every single year. The only thing we're missing is the political will to regulate something in a smart way instead of defaulting to fear, criminalization, overreach, more felonies, more penalties, et cetera. When we see misleading marketing for Delta-8 or THCA, or any other kind of hemp-derived product, that's not a reason to ban hemp products altogether. It's a reason to pass clear regulations that make sure that the labels actually mean something. And with Senator John Cavanaugh's amendment, the bill that he introduced that wasn't able to get out of committee-- as we all know, for purely political reasons because of the attorney general-- we could have those kinds of standards and labeling. If we wanted to, we could set standards that mandate independent lab testing for hemp products sold in the state, require products to disclose the exact contents, limit the dosage, ban certain types of cartoon branding and make sure that it's child-proofed. And these are things that sellers want. These are also things that consumers want. You know, nobody wants to have any kind of uncertainty around what it is they're ingesting or whatever, and certainly, what they're selling. And for the most part-- and by most, I mean 99.9%-- that is what's happening in these stores. But if you're worried about it, that's the kind of thing that we should put into law, not just an outright ban. That's how you make a safer market, and that's how you protect consumers. But banning the whole category is not a solution. I don't think it's a smart solution. I think that the

people who suffer when we go the ban route are these small business owners who have built companies around selling these products legally. And this is a big industry. I don't go into these stores. I went in-- it doesn't matter if I go in or not, of course, but I did go in once to get some CBD dog treats for my dog who is a little freak. And some of you have met her, because sometimes I bring her to the Capitol, and usually-- every time she's been here, she's been very good. But at home, we have UPS coming every day with deliveries for my shop, we got mailmen, we got FedEx, DHL-- every day, we've got stuff coming. The tariffs bill come with it and we're paying the tariffs, and I'm here talking about banning this and that when that's what I really ought to be working on, but. She does not like the delivery guys. And so, tried the CBD stuff for the dog; didn't work at all, so that's the only time I've ever been to one of these stores. But I also think this puts a burden on law enforcement, honestly, who now have to figure out how to enforce another complicated prohibition with no extra resources. And then meanwhile, the unsafe, untested black market, that gets stronger. We've seen this story before. Bans don't make substances disappear; they just push them underground where there's no regulation, no safety, no oversight. So, if your concern is about misleading labels, making sure people know what they're ingesting, I'm with you. If your concern is about kids accessing products that aren't safe, I'm with you completely. If it's about shady companies putting out junk that's dangerous, totally with you. But if your solution is to ban the entire industry, the entire product, rather than regulate it properly, you're not protecting consumers, you're not protecting businesses, you're hurting the people who are doing it right. And we've heard all kinds of anecdotes, all kinds of stories about businesses, consumers who want these products, who are using them respectfully and safely, and doing it right.

DeBOER: Time, Senator.

HUNT: And we can strengthen our system to make it easier for them. Thank you, Madam President.

DeBOER: Thank you, Senator Hunt. Senator Storer, you're recognized.

STORER: Thank you, Madam President. I stand in support, again, of LB316, and in opposition of the motions to reconsider. I'm not, I'm not going to take a lot of time on the mic, but as I sit and listen to all these continuing suggestions that we should just regulate because things that are banned become more used; we're, we're pushing that into the black market, so if we regulated everything, we'd have control over everything, and I, and I just-- it doesn't make sense.

It's just common sense. If, if that's the case, then why aren't we regulating cocaine? Why aren't we regulating heroin? Why aren't we regulating fentanyl? If we're going to use the argument that regulation is the safest way to deal with harmful products, then why don't-- why is anything illegal? Isn't that a fair question? Perhaps there are folks in this body that want to make us Amsterdam. I don't know. So, I-- so, I'm not sympathetic to this ongoing argument that, that we need to regulate it to control it. If, if the evidence is clear-- and it is-- that Delta-8 is harmful and, and very different reactions with people-- you know, we have a good family friend, and I've seen this up close and personal, and it's tragic. A young man that-- solid, solid young man. And after experimenting-- I don't know how regularly he was using the products, the product, marijuana-based products in college, but then decided to celebrate a little extra on finals week and went into a psychotic psychosis episode and murdered someone. Doesn't recall it. It is tragic. That man is paying for that for the-- will pay for that for the rest of his life, whether he's behind bars or not. His family will pay for that. That was largely a result of using these products. So, to say that we're "hyperbolizing," and we're spewing fear, and we're just a bunch of fearmongers, the people that want to ban this, is really disrespectful to the people's lives who've been changed forever in a negative way by products like Delta-8. It's pretty disrespectful. With that, I would yield the rest of my time to Senator Storm.

DeBOER: Senator Storm, you're yielded 1 minutes, 54 second.

STORM: Thank you, Madam President. In 2018, the Farm Bill passed nationally, and it passed in Nebraska. Nowhere did it explicitly discuss or explicitly approve of synthetic THC, and for good reason. Despite what others may claim, they are not safe; they are dangerous. They have been tied to deaths nationally, and have sent people to the hospital. They have included mental health breakdowns. Neither Congress nor the Legislature meant for these products to be sold under the umbrella of hemp. It's all I've been hearing today is hemp-- hemp this, hemp that. Never once did the Legislature ever think hemp would be used in this way. Nevertheless, retailers around the country took advantage of the situation, and started to aggressively sell these products and circumvent the intent of the law. Unfortunately, that has happened in Nebraska as well. At least 315 stores throughout the state now are selling these products. These retailers who can sell all manner of products, including vapes and CBD, decided to poison their own communities. This bill will stop the influx of the dangerous products masquerading as hemp. This isn't hemp. You know, and it, it-- I'm all for the hemp industry. You can use hemp for rope, textile,

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shoes; you can make food out of it, paper, bioplastics, biofuel, hempcrete-- they can make concrete out of hemp. But we don't. In this state, we make hemp into something people can get high off of, and that is-- that totally is not what the, the-- what the state ever intended to do in 2018. It totally abused the situation. And that whole industry now is dominated by the Delta-8 industry. And that's-- that was what-- Nebraska, if you truly want to help the industry, we should be focusing on how we can process the hemp pla--

DeBOER: Time, Senator.

STORM: Thank you.

DeBOER: Thank you, Senator Storer and Storm. Senator Dungan, you're recognized.

DUNGAN: Thank you, Madam President. Colleagues, I rise again in favor of the motion to reconsider, and also in favor of the notion to indefinitely postpone. So, I wanted to make a couple of points here on my, my last time on the mic, I think, on this reconsider. There is, I think, a conflation going on here definitionally between synthetic marijuana, which is often referred to as K2 or spice, or the, the sort of like man-made THC's, and Delta-8. And I, I, I have worked, again, in the criminal justice system for quite some time, and I'm very familiar with the evolution that we've seen of the illegalization-- the, the outlawing of K2 and spice. And when we talk about these synthetic, just completely chemically-based compounds where you're going into a lab, you're creating a chemically-based compound, spraying that onto some sort of plant material, and then ultimately utilizing that for some sort alleged high that you can get legally, that's what the synthetic marijuana is. And that, I know, has been found to cause a lot of these psychotic events. You know, the story that Senator Storer talks about is incredibly sad, and I'm not unfamiliar with similar stories as it pertains to K2, as it pertains to spice, these other sort of nicknames, various variations of these man-made synthetic drugs which are currently illegal. And I remember back when those used to be legal, people would, you know, get them at gas stations, and you'd hear stories about people being able to buy these synthetic marijuanas legally, and then have these terrible physical results; people would have, you know, these, these episodes where they'd go to the hospital, there'd be mental health episodes. I'm completely understanding of why that is currently illegal. That's not what we're talking about here. What we're talking about-- and I think the word "synthetic" is throwing a lot of us off-- what we're talking about is Delta-8, which is a naturally-occurring cannabinoid. It is a

naturally-occurring substance in the cannabis plant. The problem is-- and I talked about this a little bit this last time on the mic-- Delta-8 occurs at such a low level in the plant that in order to essentially get enough of it for the alleged medicinal purposes or the outcome that people are seeking, there's a chemical process, an "isomization," or isomerization, I believe, that we were talking about earlier, which takes one isomer and makes it into another. But it, it is the same thing; it is the naturally-occurring substance of Delta-8. And it is through that process where there are, I think, sometimes some chemicals that are used. And if done correctly, there's a filtering process where the end result is the naturally-occurring substance of Delta-8 that has been derived through this isomerization from the CBD. So, the end-result-- colleagues, we're not talking about synthetic marijuana like spice. We're not talking about some chemical substance that was come up with in a lab that then has these negative consequences. And I think that the, the word synthetic is where we're maybe getting a little bit hung up, but I want to make sure that's very clear. We're talking about a very different thing. And the episodes that we've heard about from other senators about that often is resulting from the synthetics like K2 and spice. Senator Storer also just mentioned sort of the difference between, you know, Delta-8 and also some of the other drugs, and why not just legalize all those? And I guess the difference would be-- and we can have a philosophical debate at some point about what the purposes are of criminalization in the first place-- but the difference is Delta-8 is being consumed in larger quantities because of the medicinal purposes and the medicinal outcomes that are being sought. Delta-9 has the really psychoactive properties where people essentially, you know, smoke marijuana to get high, right? That's what people talk about. Delta-8 is different in that it's being oftentimes utilized for any number of conditions that have been talked about here today. Senator Juarez spoke about some of the benefits, I think, that her 100-year-old mom was able to derive from that. The same way that people utilize CBD for things like rheumatoid arthritis or chronic back pain, Delta-8 is utilized for the same purposes. And part of the reason that people seek Delta-8 instead of Delta-9, which is what we often think of in regular marijuana, is because it doesn't have the properties like Delta-9 that get you as high. People are actually seeking a medicinal outcome without trying to have the recreational high portion. And so, that's where I think it's delineated and differentiated, certainly, from some of the other narcotics that are being talked about where people are, are, are seeking that recreational high at great harm to themselves and others, potentially. So, I do think Delta-8 is different; I think its important to highlight the chemical differences between that and other

substances, and to highlight yet again-- because I, I think we're conflating a bunch of these things-- that Delta-8 is a naturally-occurring substance that, through science, is then collected at a greater level, essentially. So, we can agree or disagree about whether people should use it or not, but I just want to be very clear about what it is,--

DeBOER: Time, Senator.

DUNGAN: --and to ensure that we're not talking about those synthetic marijuanas. Thank you, Madam President.

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

CONRAD: Thank you, Madam President. Good afternoon, colleagues. I want to just lift a few points here, because I think this is a very confusing debate. I've heard many proponents of LB316 say on the mic or in private conversation "I just don't think that we should legalize this stuff. I just don't think that we should generate revenue from this stuff. We shouldn't be taxing this stuff." Colleagues, we already are. These products, this industry, while quickly developed since 2000-- 2018, when the federal farm law regarding hemp moved forward; in 2019 when the companion piece in Nebraska moved forward with broad support-- this industry, these products have been legal since that time, and subject to taxation. They are legal. We are taxing them. We are deriving revenue from them. There is a consumer demand. It has generated jobs, it has generated economic activity. So, it's not accurate to say I think we should legalize-- I don't think we should legalize this and tax this, because that's the status quo. What LB316 is, is a ban. It is a ban. It is a recriminalization of a legal product and a legal industry, and that is government overreach with scant evidence as to public health or scientific consensus in the public record. Go back and read the committee transcript. Again, there was two proponents, two; one a practitioner in behavioral health from a local nonprofit who had great feedback, and her particular concern was about access to children, and the attorney general. And the attorney general noted on the record multiple times there were no specific-- there was no specific data for Nebraska. They were drawing upon general national data, and what they had at best was quote-- his words-- "anecdotal." A combination, a conflation of "anecdote" and "data" for Nebraska. And indeed, there were some sad, very sad cases and issues. But they-- we have no clarity as to whether or not it's widespread enough to necessitate a ban. Additionally, there have been concerns. Is this criminalization? Is this not a criminalization? Look at page 2 of AM944, the committee amendment. Lines 18 through 21

strike existing language. This is the language stricken: "Hemp shall be considered an agricultural commodity. Notwithstanding any other provision of law, hemp should not be considered a controlled substance under the Uniform Controlled Substance(s) Act." That's existing law; that is stricken in the committee amendment. Then, turn to the very next page, page 3, Section 3, where there's a new excise tax structure. So, proponents of this measure have said that there is no criminalization; it's absolutely not the case when you look at the language of the committee amendment. And they have said we don't think we should tax these issues, [INAUDIBLE] this industry and these products. We are taxing these indus-- this industry and these products, and it establishes an excise tax by the very terms of the committee amendment, undercutting proponents' arguments yet again. Additionally, there is-- I have deep concerns about the safe harbor component, which seems to indicate that there will be a period of time where Nebraskans who are currently possessing legal materials now will be subject to criminalization, if LB316 moves forward. And it says, hey, don't worry about it, we're not going to prosecute you while you turn in your existing legal products over the next year or so. Friends, that's an admission that there's an expansion of criminal penalties in regards to existing legal behavior, and it's aspirational at best. Under the separation of powers, a legislature cannot restrict or prescribe prosecutorial discretion on a criminal matter in this way. It makes no sense, it's not in line with our approach to criminal justice, and again, it is an admission that what currently consumers in Nebraska have--

DeBOER: Time, Senator.

CONRAD: --in their pantry or their medicine cabinet is subject to criminal prosecution in a few months if LB316 passes. Thank you, Mr. Pre-- Madam President.

DeBOER: Thank you, Senator Conrad. Senator McKinney, you're recognized.

McKINNEY: Thank you, Madam President. Would Senator Kauth yield to some questions?

DeBOER: Senator Kauth, will you yield?

KAUTH: Yes. Who's asking a question?

McKINNEY: Me. Thank you.

KAUTH: Oh, there you are! Hi.

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McKINNEY: How you doing?

KAUTH: I'm good, how are you?

McKINNEY: Good. So, first question: under current Nebraska law, are hemp consumable beverages, irrespective of the type of-- irrespective of the type of THC, that meet the federal guidelines by 0.3% by dry weight, are they-- standard, are they legally for sale now?

KAUTH: I think stores are selling them, but I don't think that they are legal. And that's, that's kind of the whole thing, is we don't know what is or isn't. I've had a lot of the lobbyists out in the rotunda saying, oh gosh, this is, this no big deal. Everybody's doing it. That's what this bill is trying to clarify.

McKINNEY: OK. Also, under proposed LB316, which clearly seeks to ban the synthetic hemp products and provides a dosage limit of 10 milligrams per container, does that mean that naturally-occurring Delta-9 consumable products would be legal for retail sale in Nebraska?

KAUTH: Delta 9 is currently-- that's marijuana, correct?

McKINNEY: Yeah.

KAUTH: Because it's naturally occurring? So, marijuana is not legal right now. So, the medical marijuana is what was passed on the ballot initiative, and this bill does not conflict with what was written in the ballot Initiative. So, you're asking if recreational marijuana is legal, and it's not.

McKINNEY: Not, not recreational marijuana, but just kind of to the standards of what's in the Farm Bill.

KAUTH: No, because it is-- well, it's-- that is still illegal, the, the Delta-9. So whatever's illegal now is still illegal, even if it's natural and it's illegal.

McKINNEY: But if it's 0.3-- 0.03%, it's not, right? Under the Farm Bill?

KAUTH: So, so, yeah, that's what-- you didn't say the 0.3%. So, anything-- here. I know I'm not supposed to use props, so I'm just going to talk you through it. Did it-- did you get this on your--

McKINNEY: Yeah. No, I don't--

KAUTH: OK. OK.

McKINNEY: Yeah. No, I was just--

KAUTH: So, the first question I ask is, is it a canna-- cannabidiol product? If it is, the next question to ask, is it free of any synthetics or modified cannana-- cannabidoi-- dials? And then, does it comply with the THC limits of less than 0.3% total weight or 10 milligrams per package? And those are legal. So, as long as it's natural, no synthetics put in it, and it meets those weights, those are absolutely legal.

McKINNEY: OK. That's what I was getting to.

KAUTH: OK.

McKINNEY: Thank you.

KAUTH: You're welcome.

McKINNEY: All right. And again, I am in support of the motion to reconsider and the motion to indefinitely postpone. This has been an interesting conversation and debate about things we want and things we don't want. Then, it was a comment about "should we be Amsterdam?" And I thought about that. I was like, maybe if we were Amsterdam, you know, our state population would grow. People might want to come to Nebraska, and Nebraska wouldn't be for limited people, because we did have a slogan that said Nebraska isn't for everybody. So, maybe we might want to consider being Amsterdam. I don't know. It's just an interesting thing to think about, you know? How to attract people to the state. But neither here or there. I think the question we should be asking ourselves is at what point do we allow adults to be adults? And secondly, what's wrong with regulations around this? I mean, just practically speaking, what are the real numbers on people who may have had an adverse reaction? People have bad reactions to a lot of things. Everything is not for everybody. I would never say that or advocate for everybody to use these things. But everything isn't for everybody, but that doesn't mean we ban everything because somebody has a negative reaction. People have negative reactions to alcohol and tobacco; we're not banning those industries, we're not shutting those industries down. And some might argue that alcohol is worse than Delta-8, but we're not banning alcohol. Nobody even wants to entertain that conversation. You know, think about all the things that alcohol causes throughout the year. I guarantee it's--

DeBOER: Time, Senator.

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McKINNEY: --more than Delta-8. Thank you.

DeBOER: Thank you, Senator McKinney. Senator Hardin, you're recognized.

HARDIN: Thank you, Madam President. Again, I rise in support of LB316, and yield my time to Senator Kauth.

DeBOER: Senator Kauth, you're yielded 4 minutes, 50 seconds.

KAUTH: Thank you very much, Madam President, and thank you, Senator Hardin. So, as we talk about kind of the costs of, of this kind of drug use, everybody's saying, well, let's tax it. We can get some tax money, and, you know, that's-- I think people are saying that because they know, yeah, we are in a difficult position, and so they're saying, well, of course we can do this and tax something that's bad. Which has always been the response, is to say, well, we'll, we'll say it's fine if we can get some money for it. That is not the right thing to do. If you know something is wrong, if you know something is dangerous, if you know something harms people, saying, well if I can make some money from it, then it's OK. As a state, we pay a lot of money for substance abuse treatment. 2021, we paid \$30.1 million; 2022, it went up to \$40.6 million; 2023 was \$47.4 (million); 2024 was \$46.4 (million). We are spending hundreds of millions of dollars on treatment for drug abuse and substance abuse, and now we're saying, well, gosh, but if we tax it, then we'll be able to pay for that drug abuse. That's not the way it works. You can't charge enough in taxes. And I've heard some people talking about-- we'll create a black market. If you tax something so much that it becomes more expensive than people can afford, you're also creating a black market, and your tax base collapses on that product. So, taxing something that we know is bad, that we know is harming people, that we know is toxic doesn't make it the right thing to do. I'm going to read you some stuff from Missouri. Let's see here. Delta-8 is generally less potent than Delta-9, but synthetically made Delta-8 found in products such as gummies and drinks has research to show it is more dangerous than Delta-9. Since it currently remains an unregulated product, unlike marijuana, this allows teenagers or children to purchase items containing Delta-8 at their leisure. So, in Missouri, they have legalized marijuana, but kids can't get it, but they can get the Delta products, and that is why Missouri went to ban it. From 2021 to 2022, over 3,300 calls were made, a spike of 82%, to America's poison centers concerning specifically the Delta-8 products. The FDA has released a warning about Delta-8 products, stating the public health is at risk and should especially be kept out of reach of children and

pets. So, not only has the FDA not done any sort of regulation or testing, they're saying, hey, listen, this is really bad stuff. All we can tell you about it is, it's bad for you, don't do it. In February 2024, 10 students at Sumner High School in St. Louis became ill after eating Delta-8 gummies purchased-- purchased from a local gas station. It's like purchasing gas station sushi. Four of the students were hospitalized before being released. A month later, six elementary-aged children ingested Delta-8 products that were labeled as "Nerd Ropes Bites" and "Mad Monkey Sour Strawberry Premium Gummies." Tell me that that is not labeling designed to attract children. One young girl had trouble walking, and when her parents came to pick her up, she believed she was being kidnapped. That is psychosis and delusions. So, in response to these events, Missouri officials and departments took action. One of the last acts of his time in office, Governor Mike Parsons [SIC] issued an executive order to remove hemp-derived THC products from stores, as well as threatened legal penalties against those who sold the intoxicating products. We are trying to do this through our Legislature. We need a law that sticks, not an executive order. The Missouri Department of Health and Social Service [SIC] issued a statement urging Missouri residents to avoid products containing Delta-8. Multiple departments in Missouri are warning about the unregulated Delta-8 and hemp products. Policymakers should agree that these products don't go to kids, should be lab-tested, should pay the same as marijuana taxes.

DeBOER: Time, Senator.

KAUTH: Thank you.

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

J. CAVANAUGH: Thank you, Mr. President-- Madam President, sorry. Sorry. Thank you, Madam President. OK, so I rise in support of the reconsider and opposed to LB316. And I mean, there's a lot of points to be made on this, and, you know, there's just a lot going on here. But one thing I did want to continue talking about: I had a conversation with Senator Rountree on the mic about synthetics, what are true synthetics, which are things like K2 and spice, which have already been banned in the state of Nebraska. So, when people are talking about synthetics, that's what a synthetic is; it's something that is not derived from the plant. And so then, I-- actually, there were these two handouts. Senator, Senator Clouse is the one who handed these out. I didn't know District 37. And both of those handouts-- one is THC and CBD versus Synthetic THC: Understanding the Difference

specifically calls out that synthetics are things like K2 and spice, which are not derived from a plant. And then additionally, there is Natural versus Synthetic CBD. Wait, what's a synthetic CBD? And it says synthetic CBD is considered an active pharmaceutical ingredient which is made by chemically indenti-- to be chemically identical to hemp-derived CBD, which is natural. So, it's specifically saying synthetics are not hemp-derived, meaning not derived from the plant. So, to call what we're talking about here in Nebraska "synthetic" is, is just a mischaracterization. These are plant-derived processes to increase the concentration for usefulness, like so many other things, like riboflavin in cereal. So again, this-- the processes are something that is common and is not synthetic. So, that's one point. To the other point Senator Kauth was just making about all of these different candies and things that look like they would appeal to children, I don't disagree that regulating it and ensuring that things are not meant to appeal to children and are kept away from children is a good idea. I-- that's why I brought LB16. It has a specific prohibition in distance from schools, saying you can't be too close to a school. It has a requirement in it that all of these things to be sold in Nebraska have to be tested in an approved-- federally-approved lab to determine what is in the, in the substance or in the, you know, candy or whatever, treat or oil or whatever you want to call it, but to ensure that it is tested and conforms with the standard. So, these things people are talking about, about concerns that they don't meet these standards, it's because currently, there is no standard. So, there's no standard to meet. But if we pass LB16, there will be a standard that they would need to meet before they can sell it. And then, people will know and be confident that what they are buying meets the standard of safety and dosage level, and the processes are the ones that we set out as safe for being consumed by consumers in the state of Nebraska. So, I did circulate earlier a lab test showing some of the things that it's tested for, and this is a conversation I've had with a few people that I think maybe bears repeating on the microphone. So, right now, under the federal Farm Bill from 2018 and in the, the companion Nebraska statute, hemp is legal as long as it doesn't have more than 0.3% Delta-9 THC. So, then it-- you know, the other-- can have higher concentrations of other deltas of THC. Delta-8 is the one we're talking about most today, but there's a lot of other ones. What this bill does is strikes out the Delta-9 part, and just says that it is not legal if you have more than 0.3% of any delta or any THC. So, what that would mean is you have a cumulative amount of 0.15% Delta-8, 0.15% Delta-10, 0.15% Delta-9, that would be in violation of the statute, even though they're still-- all of those are low. So, it becomes a cumulative amount, and makes basically every

item illegal. So, I've got more things to say about that. I'll push my mic because I'll probably get to talk again here. But there are lots-- this essentially would ban all of the products in the state. It's not just banning some of them and saying, well, we're OK with the other ones; we are banning all products regardless of the process by which they are produced. If you want to go after the process, that's a different bill, and my bill is actually probably better-suited to address the process than this bill is, because it puts into place--

DeBOER: Time, Senator.

J. CAVANAUGH: --a system to oversee that. Thank you, Madam President.

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

JACOBSON: Thank you, Madam President. I don't have a lot to say on this bill. I would just note that we are learning one thing about Delta-8, that it is to be-- today, it is being sold to those underage, because there aren't any age requirements, and that it's known to be harmful. Now, everybody can come up with some one-off example where it was wonderful, but there are countless other problems out there that demonstrate to us that this is indeed harmful. I always get a kick out of-- well, this-- we can tax it, but what about the health care costs? To simply deny the fact that there are going to be health-related costs with this particular product would be a mistake. I would also tell you that I've heard how it can be regulated, and we just need to regulate it, but that regulation comes at a cost. The testing isn't free, and you're going to need to continue to regulate it, which means you're going to have a fiscal note to pay for the regulation that's going to more than offset any tax revenues that we could generate from this particular product. There are a number of these stores that have many, many other products that they sell, so it's not going to take away all the tax-- sales tax revenue that those sales-- that those particular stores are generating. When I look at CBD, and you look at how many times has there been a raid on a store, and oh, guess what, the product exceeded what they legally were allowed to sell, even if it's regulated. Regulation isn't the cure-all. So, from that standpoint I remain opposed to the motion to reconsider, opposed to the motion indefinitely postpone, and I support LB316. And with that, I would yield the remainder of my time to Senator Storm.

DeBOER: Senator Storm, you're yielded 2 minutes, 55 seconds.

STORM: Thank you, Madam President. Are synthetic cannabinoids more harmful than grown cannabis? Yes. Short answer is yes. While synthetic cannabinoids are produced, some effects similar to cannabis, such as relaxation, euphoria, and loss of coordination and tension, they impact upon the cannabinoid receptors in your brain with much greater force than THC in cannabis-- than cannabis does. This makes them more potent and more capable of producing strong effects on your mental and physical state, and there are often many different types of synthetic cannabinoids, even in one batch. And this is why I don't-- you know, Senator Cavanaugh keeps talking about regulating this industry. How are you going to regulate something when each batch has different doses in it? Each packet of the product is likely to be unique, containing a range of strong chemicals and unpredictable effects. So, like I said, I, I don't know how you would regulate that. And the cost and the time and the amount of money for the state of Nebraska to go into 315 different vape shops and test every pack of gummies is-- it just would never work. You couldn't do that. The only thing you can do is ban these products. You can't regulate that. And then, the-- some-- I'm going to-- some of the symptoms, I'm going to say side-effects of Delta-8. Let's start with your heart, OK? Some of the symptoms that you can have is chest pain, fast and irregular heartbeat, hypertension, raised blood pressure; lungs, breathing difficulties; kidneys, acute kidney injury; brain, seizures, stroke; psych-- physiologically, agitation, anxiety, paranoia, aggressive and violent behavior, psychosis, and the other one, severe hypothermia. Think of that taking, something having severe hypothermia from it. Break down of muscle tissue. For all the guys that want to lift weights and get big and buff, this can break down your muscle tissue. Vomiting. Some of these side effects, like anxiety, paranoia, and psychosis can occur with cannabis use, but this is way more common in people who have not used cannabis much before in a-- in vulnerable individuals. Someone with a pre-existing mental health condition or someone with a family history of mental health condition is way more likely to suffer from psychosis and schizophrenia, and that's true with cannabis as well. Other synthetic "cannaboid" side-effects, such as irregular heartbeat, strokes, hypothermia, acute kidney injury, are very unlikely to occur with cannabis use, but after taking a large amount, you're more susceptible with Delta-8. If I have time here-- might not-- I wanted to read about-- Senator Conrad talked about the prevention specialist that came in and spoke at the hearing, and this is what she had to say. As a certified--

DeBOER: Time, Senator.

STORM: OK. Thank you.

DeBOER: Thank you, Senator Storm. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Madam President. I'd like to yield my time to Senator Conrad.

DeBOER: Senator Conrad, you're yielded 4 minutes, 40-- 50 seconds.

CONRAD: Thank you, Madam President. Thank you to my friend, Senator Machaela Cavanaugh. So, friends, I-- let me just be clear here, too, in terms of where we are with role of government and our approach to these issues. I am a strong proponent of a sensible approach to medical cannabis, and facilitating and implementing the will of the people as expressed through the ballot initiative as swiftly and as robustly as possible. And if that is not possible through this Legislature, the measure is self-executing and robust, and in effect, and that's a, a great fallback position because that's a good position to be in. But knowing that the political leaders in this state will stop at nothing to thwart not only the will of the people but also a sensible approach to medical cannabis or recreational, recreational cannabis, or to these products and CBD, CBD products, et cetera. So, the same folks pushing this ban-- Senator Storm, Senator Kauth, Attorney General Hilgers-- are the same people who are bringing forward efforts to undercut the will of the people in regards to medical marijuana, and who are thwarting an opportunity to have a swift and robust implementation thereof. So, the political agenda in that regard is clear, undeniable, and needs to be put into context. Also, the kind of hysteria that we've heard on the floor here today-- and I'm, I'm not here to give a free pass to the industry or every product that's out there, but my contention is, if there are issues, they can be resolved by labeling, by regulation, as is our approach to other things like cigarettes, or to alcohol, et cetera, et cetera, and that have a proven path that meets consumer needs and demand, generates economic activity, and helps to ensure that we don't continually increase our approach to mass incarceration. I am a strong proponent for a sensible approach to medical marijuana. I am strong proponent for a sensible approach to recreational marijuana. The people of Nebraska are way out in front of the politicians on this, and we need to learn the exam-- from the examples of our sister states and the great laboratories of democracy which show us a path forward that's rooted in the practical realities of the real world; that recognize we live in a vibrant economy and a vibrant democracy that also has interstate commerce protections, that also has an intranet available; that recognizes that the present status quo, in terms of the law under both federal and state law in Nebraska, these products

are currently legal and subject to taxation. And colleagues, don't forget, about 200 days ago in the special session, my good friend Senator Linehan introduced LB1 at the request of the governor to tax this exact industry and these exact products at 30%. 200 days ago. There wasn't a moral panic; there was an effort to regulate and tax. 200 days ago. That approach was championed by my friend Senator Kauth, who advanced an amendment to LB34 that had the same components in August of 2024, and other members of this body that are now pushing for the ban in LB316. My friend Senator Storm was not yet a member of the body yet, and some of the other folks that are pushing that. But friends, do not divorce this from reality. 200 days ago, the governor, his allies in the Legislature, including the proponent of this bill, voted to support and introduce a measure to tax this industry and these products. Period. There-- the sky has not fallen in the past 200 days that would necessitate nor dictate nor show a dramatic need for a dramatic change in policy over the last 200 days. I know in politics you need to have a thick skin and a short--

DeBOER: Time, Senator.

CONRAD: --memory, but that's incredibly short, friends. Thank you, Miss-- Madam President.

DeBOER: Thank you, Senator Conrad. Senator Andersen, you're recognized.

ANDERSEN: Thank you, Madam President. I oppose the reconsider and the IPP motions, and I support LB316, and yield the remainder of my time to Senator Kauth.

DeBOER: Senator Kauth, you're yielded 4 minutes, 45 seconds.

KAUTH: Thank you, Madam President. Thank you, Senator Andersen. Senator Conrad keeps talking about thwarting the will of the people. She's deliberately conflating the issues to confuse people who are watching. LB316 has nothing to do with the ballot. That is a totally separate story, has no impact on the ballot initiative. And I think when-- she talks about "we need to learn from our sister states," I agree. We've been saying that. Look at our states around us who have banned these synthetic products. So, I'm going to go through kind of the, the-- an exhibit of how you determine what products are. I'm going to talk about the "cannabinoid," what its nature is, whether it's synthetic or natural, if it's illegal, and then some comments about it. So, the first one, THC-P, that is a synthetic and it is illegal; it's created through a synthetic process. THC-B: it is

synthetic, so it is illegal. It does not actually even exist in hemp; it's created solely through a synthetic process. THC-H, synthetic. It is illegal. Again, it doesn't actually exist in hemp. THC-X, synthetic, doesn't exist in hemp. THC-JD, synthetic; created through a synthetic process. It is illegal. Are you, are you catching kind of the, the vibe here? These people who produce this can change one molecule, change one little bit of it. That's why this is so hard to say no to Delta-8, because then they pop up with Delta-10. No to THC-X, then they'd pop up with THC-H. HHC-P is synthetic, it is illegal. HHC, synthetic, illegal. THC-O, synthetic. It is also illegal. PHC is synthetic. It is illegal. Delta-9 is natural. It is only illegal if it's above 0.3%. The Nebraska Hemp Farming Act allowed hemp with less than 0.3% Delta-9 THC, but if it is above that 3% [SIC], it is marijuana and that is illegal. Delta-8 can either be natural or synthetic. If it's natural, it's not illegal, but if it is synthetic, it is illegal. Trace amounts of the Delta-8 appear naturally in hemp, but commercial quantities are synthetically produced. Commercially impractical to produce large quantities of natural Delta-8. Delta-10 can be natural or synth-- synthetic. So, if it's natural, you're not illegal, but if it's synthetic, it would be illegal. Delta-6 can be natural or synthetic. If it's natural, it's not illegal; if it is synthetic, it is. THCA is a natural product, and it is only illegal to the extent it contributes to the Delta-9 concentration. THCA is the chemical precursor to Delta-9 in the cannabis plant, so products advertised as THCA will most likely have a Delta-9 THC concentration above 0.3%. The AG's office has purchased and tested hundreds of products from retail stores throughout the state which claim to be hemp or hemp-derived. We've heard a lot of people saying, "Well, if it's bad, why haven't they been shut down before?" Well, this is a process. It's a process that takes time. It takes investigation, it takes research; it takes trying to work with these retailers, trying to get them to comply. In Omaha, there are 104 of these stores, and when the Attorney General's office and the sheriffs went through, every single store was selling illegal products. These products are almost uniformly mislabeled. Far from containing hemp or hemp-derived compounds, they contain commercial quantities of synthetically-produced canna-- "cannabinoids." Any product containing any of the "cannabinoids" listed in that table that I just read through are illegal under the Controlled Substances Act. What we are seeing here is the ability of retailers, of producers, to create an evasion to a law, and that's why--

DeBOER: Time, Senator.

KAUTH: --we need to ban the synthetics. Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 28, 2025

DeBOER: Thank you, Senator Kauth and Anderson. Senator DeKay, you're recognized.

DeKAY: Thank you, Madam President. I rise today in support of LB316, and I will yield my rest of my time to Senator Storm.

DeBOER: Senator Storm, you're yielded 4 minutes, 46 seconds.

STORM: Thank you, Madam President. And I would respond to Senator Conrad, and she said I wasn't here in the body. That's right, I wasn't here when they wanted to raise revenue off of taxing items like Delta-8, and I'll never vote to raise revenue off items that are going to hurt the citizens of this state. But I want to finish this letter. So, at the hearing on, on LB316, one of the proponents of the bill is a prevention specialist, and I'm going to read this again, where I have time to do that. I am here on behalf of our agency as a strong proponent of LB316, and want to thank Senator Kauth for bringing this bill forward. As a certified prevention specialist, my job is to prevent people from having problems with alcohol, THC, and other drugs. This bill is long overdue. We have shops selling THC derivatives all over our communities and state, and these products need to go. They are addictive, cause impairment, and are causing harm to the public health and safety in Nebraska. They come in in the form of THC-infused seltzers that are marketed as an alternative to alcohol, cookies, candy, gummies, capsules, vape cartridges, flower products, and more. They are called "Bliss Bar," "Carmel Bites," "Delta Ice Pops," "FruitFulls," "Numb Brownies," "Atomic Bombs," "Blast Off Gummies," "Sugar," "Wax," "Moon Rocks," "Pineapple Breeze Express," "Apple Tartz," "Passion Fruit," "Jamaican Dream," are just a few of the products I can find in stores across Nebraska. With names like those, anyone can see that these products are marketed to people under the age of 21. Other drug culture words and phrases that go with "syntenic"-- synthetic THC are THC-A, flower, super chronic, dabs, D-10, D-8, THCP, and the list goes on. I work in middle and high school across the metro-- Omaha metro area. Students are using these products. There is no age limit; anyone can go into these stores and purchase these products. Even though some stores might have some age limits, some don't. In addition to the impairment wrist [SIC] that these products pose, they also pose a health risk because these products are not regulated. We have absolutely no idea what is in them. These unregulated and not FDA-approved products are being marketed to our youth and other, other vulnerable Nebraskans. These products are unsafe and a risk to public safety-- health and safety. I want to thank Senator Kauth for introducing this bill, and I urge you to support LB316 to pass it out of committee. And she attached a flyer

from one of our stores, again, that has 27 locations in the state, and as I read these, you can get THC flower, regular chronic, premium chronic, super chronic, THCA flower, "Lights Out" gummies, cookies, crispy-- Rice Krispie treats, D-8 gummies, D-9 gummies, D-9 gummies. On the back side, we have THCA flower, Ice Cream Cake, Papaya, Runtz, Sherbert, Purple Legendary. So, that's what we have out there in these stores, totally regulated towards the, the youth of our America, our youth of this state. Delta-8 THC use is reported by 11% of 12th graders in 2023. So, 11% percent of seniors in high school are reporting using Delta-8. And we go around, like I've said before, and talk about a health crisis, mental health crisis in our state. You have young kids taking Delta-8, smoking it, eating edibles. What do you think that is doing to their mental health? Approximately 11% of 12th grade students across the United States reported last year use of Delta-8, according to the analysis of the data from the 2023 Monitoring the Future Survey, which is funded by the National Institute of Health. Delta-8 is a psychoactive substance that is typically derived from hemp, a variety of cannabis. Delta-8 has intoxicating effects similar to Delta-9, and Delta-9, the primary THC component responsible for the high people may experience from using cannabis. The researchers measured Delta-8 use for the first time in 2023 to investigate the drug's popularity among teens as more hemp-derived THC products entered the market and became more accessible. Studies show an association between--

DeBOER: Time, Senator.

STORM: --cannabis-- thank you.

DeBOER: Thank you, Senator Storm. Senator Hunt, you're recognized, and this is your third opportunity.

HUNT: Thank you, Madam Chair. I think that's a good argument, but I don't think it's reaching me, and it's not reaching a lot of people. Because the argument that if a Delta-8 or a THC product is supposed to taste like pineapple or chocolate, I don't know what, anything but tar and nicotine, that it's for kids-- you know, adults want to use products like that too, and that's what we need to be regulating, is adult use of products that are already legal in Nebraska. But over and over and over again in this session, when we look back at the work that we've done, increasingly over the years, by the way, the pattern emerges that we are turning ourselves away from the real challenges facing Nebraskans, not addressing housing, healthcare, education, workforce, the things that at the state level we can do that are really impactful while the federal government falls apart around us.

We have spent our days chasing political grievances, criminalizing more behavior, creating more felonies, and banning anything new or unfamiliar. You know, I was talking to Senator Conrad, maybe we're in some kind of political realignment. That's becoming clear, because it seems like the party that used to stand for small government, that used to stand for individual liberty, personal freedom, economic growth, has given up on that, and replaced it all with one instinct only, which is ban. Ban it, ban it; create chores for teachers, create chores for law enforcement, throw people in jail, and if we don't get it, just ban it. Ban hemp, ban Delta-8, ban books we don't like, ban meat-- fake meat that we don't understand, ban bathrooms, ban speech, ban medical care, ban the acknowledgement that different types of people even exist. Ban, ban, ban. And that's what LB316 is; it's another attempt to take something that could and should be handled with regulation, oversight, and common sense, and instead, slap a ban on it, declare it dangerous, criminalize it. And what does that do? It grows government and bureaucracy, and it just creates more felonies, it creates more criminals in this industry that you might not agree with, you might not support. That's OK. I mean, I don't, I don't really support it. I don't love it. But it doesn't affect my life. It doesn't bother me, and even less, less, less so once we introduce an amendment or we pass a bill and get it out here on the floor that actually regulates this industry; makes sure that some of the, the bad actors are out of here, that the people who are running these stores really well, you know, requiring ID, only letting people 21 and over in, having everything sealed, childproofed, labeled. Those stories exist in Nebraska, and we don't need to punish them because we don't understand the industry, or because we have this moralistic panic about it that people are taking gummy bears that taste like pineapple and getting high off it. All of these parade of terrible stories that we've heard today about, they were in psychosis, they had a gummy bear and laid on the ground and didn't know where they were-- like, who among us-- you're just telling me you're a nerd who's never gotten out and, like, experienced different things. But when you talk about that, OK, next talk about alcohol. Because the way I've seen 15% of you in this room act after a night at Billy's, after the statehood dinner, after something over at the governor's mansion, to say nothing of him, I know that you've done some things you wouldn't be too proud of under the influence of alcohol, intoxicated. We're not ever going to have a serious conversation about banning that. You want to talk about protecting kids? Maybe we should talk about the fentanyl crisis, maybe we should talk about mental health services, the fact that kids in rural Nebraska are growing up without access to a pediatrician, that we've got senators who think it's better to put a priest or a pastor

in their school than a counselor or a social worker, that they're afraid to grow up gay in this state. You know, take it, take it whatever way you want to go, but the crisis we're pretending is most urgent is not so. These products are sold in adult stores with age limits already posted on the doors, and what this bill really does is it hurts small businesses, it hurts producers and consumers, it hurts entrepreneurs who want to do something new here, it kills opportunity before it even has a chance to grow. And we don't have to keep falling this; this isn't our values or what we stand for. Let's stop standing up and talking about how afraid we are of these products and just regulate it, just like we do alcohol, which most of you have no problem abusing. Thank you, Madam Chair.

DeBOER: Time, Senator. Thank you, Senator Hunt. Senator Juarez, you're recognized.

JUAREZ: Thank you very much. I-- you know, I've only been here since January. I have said that more than once. And I've not been involved in an interim study, and I'm thinking that, with this topic today on whether or not we should ban the product, you know, and all the different opinions that exist, even out, you know, in external resources that I'm looking at, to me, it seems that we still need to continue to study this further instead of an outright ban. So, I do support the postponement, and I am against LB316, and I wanted to show that on the record. And I know that Senator Storm has brought up questions about, you know, how do you possibly regulate this? Well, I don't know the-- excuse me. I don't know the answer to that, but there are states that do. For example, we have California, Connecticut, and Tennessee that have regulations, and there are limited regulations in many other states. So, why don't we interact or go visit those states more so that we can find out about how to approach this with regulation, if we don't know what the answer is? And I also want to read a conclusion of a report that I have. And this is the 2023 National Cannabinoid Report with Beau Whitney, who is the chief economist. And I do want to be transparent, because it says that Whitney Economics doesn't take a position on the legalization of cannabis, nor does it take positions on proposed reg-- legislation. However, it does derive revenue from cannabis and hemp-related companies and stakeholders. The views, opinions, and positions expressed in the paper are those of its author, Beau Whitney, and does not necessarily reflect the views, opinions, or official positions of any of our affiliated organization groups or clients. And I just wanted to read the conclusion that was mentioned here. It says: the passage of the 2018 Farm Bill is considered by many observers to be a major success for the U.S. hemp industry. Many new opportunities were

born from the de-scheduling of hemp, and from allowing for the legal sales of products that are derived from hemp. Many new markets have been formed as a result of the Farm Bill; the hemp-derived "cannaboid" market is just one of them. Few would have suspected that the hemp-derived industry would blossom into a 28-billion-year [SIC] industry that would have a national supply chain spanning in all 50 states. While the emergence of this market has opened the door for many operators, a more robust federal regulatory structure is clearly needed. So, it also says without federal standardizations and regulatory structures, state legislatures felt compelled to intervene. This intervention has addressed some issues successfully, but has also created distortions in the market. Due to the lack of data, no one realized the impact these policies were having on businesses. These market distortions continue to have unintended consequences that cannot effectively be addressed at the state level; they must be addressed federally. Data was provided by a statistically viable sample of more than 800 operators from 45 states. For the first time, policymakers, regulators, and operators have a comprehensive data set with which they could analyze the U.S. market for hemp-derived "cannaboids." With data, informed decisions are possible. Thank you, and I yield my time to Senator Conrad.

DeBOER: Senator Conrad, you're yielded 23 seconds.

CONRAD: Thank you to my friend Senator Juarez. I-- you all know me. That is an absolutely impossible task to only have 20 seconds on the mic, so I will be grateful for the time. I see that I am coming up in the queue, and am--

DeBOER: Time, Senator.

CONRAD: --happy to reaffirm some of the points and, and draw out some new ones. Thank you, Madam President.

DeBOER: Thank you, Senator Juarez and Conrad. Senator Dungan, you're recognized. This is your third opportunity.

DUNGAN: Thank you, Madam President, and thank you again, colleagues. I rise again in favor of the motion to reconsider and against LB316, so also in favor of the IPP motion. One thing I wanted to talk about as well that's been touched on here a little bit is the, the fiscal impact of this. I know there's been a lot of concerns raised, I think, of people saying, oh, well, you know, we don't want to implement this new industry and raise money and, and-- on something that hurts people. I want to be very clear about this, colleagues: this industry

exists today, and it exists today in an unregulated manner, but there is currently sales tax being derived from the sales of this cannabinoid-derived products. Senator John Cavanaugh provided us with a, a tax return, a Nebraska local and sales use tax return from a company called The Cannabis Factory, and my understanding from reading this is, this is the amount of sales tax that were remitted in one month. One month, between all of their different stores, was \$96,353.83. If you take a look at the fiscal note on LB316-- the newest one, which was an updated fiscal note-- at a very bare minimum estimates that this is going to create a deficit of \$1.6 million. That's not-- let me be very clear. \$1.6 million is the low figure, the low-ball figure of what implementing LB316 is going to cost us. The same report that was being quoted by Senator Juarez earlier does sort of this objective analysis of the potential sales tax revenue that could be derived from these stores, or might be derived from these stores; it's upwards of \$7 million in Nebraska, and that is what we could be currently collecting. So, I think \$1.6 million is a very conservative estimate over the impact that passing LB316 would have. Colleagues, if I brought a bill before you that cost us \$1.6 million dollars, it would never get scheduled. Right? Like, the idea that we're going to cost \$1.6 million in the middle of this budget crisis is, to quote Senator Kauth earlier, bonkers to me, right? Like, it makes no sense. And I understand the hesitation that some people have about the quote-unquote balancing the budget, or, you know, raising taxes off these products, because they think the products themselves are problematic. But if that's the case, I would also point out that LB316, the bill that these people are supporting, has in it a 10% excise tax on CBD products. So, I don't think you get to have it both ways. You can't say, "Oh, why are we raising any kind of revenue off of these derived products from cannabis?" and still vote for LB316, because you're still trying to raise money off of an entire industry in a budget deficit year based off cannabis products. So, I just-- I don't find that argument compelling, and I don't think it's really what people are objecting to. I also don't find it compelling to have this constant barrage of potential sort of "anecdotal" about the science behind this, because it's not-- people aren't objecting to this because it's done in a lab, people aren't objecting this-- to this because it's synthetic. If that was the case, those same people would be supporting medical marijuana so long as it's naturally-derived. But the people who are saying we're against this bill because it's all synthetic are the same people who are supporting a bill to ban the flower portion of marijuana and only have it be tinctures and edibles and things like that, all of which are synthetically-derived. Make it make sense. Either you're for it or

you're against it. And so, I-- I'm just pushing back, because if the actual concern you have is that the derivative Delta-8, which is a naturally occurring substance, is being enhanced through a laboratory-based process, then it would follow that you would be supportive of all naturally-grown cannabis and the THC that comes from that. If you're just against drugs that get people high, you can say that, and that's fine. Right? Like, I, I-- reasonable minds can disagree, but that's what we're actually debating here. So, again, if we want to pass LB316, understand that it's going to create a deficit even further than what we currently have, looking at over probably \$2 million that we have to make up annually. And please understand that the actual objections, it sounds like, that are underlying your entire point are not necessarily to the synthetic component. So, we can continue to have conversations about this. I would again want to highlight for the record-- I think this is my last time on the mic on this-- there is a difference between synthetic marijuana and the naturally-derived Delta-8 that simply goes through a laboratory process to exist. To continue to conflate the two is problematic, and is simply not accurate because the "anecdotal" that supports a lot of these negative reactions to the so-called synthetic marijuana are about spice, they're about K2; they're not about Delta-8. And I also appreciate the point that others have made that everybody reacts differently to different substances.

IBACH: Time, Senator.

DUNGAN: Thank you, Madam President.

IBACH: Senator Spivey, you're recognized to speak, and this will be your third time on the mic.

SPIVEY: Thank you, Madam President, and I yield my time to Senator Conrad.

IBACH: Senator Conrad, you've yielded 4 minutes, 50 seconds.

CONRAD: Thank you, Madam President. Thank you to my friend, Senator Spivey. Friends, I want to reaffirm a, a few existing points here. So, again, I know my friend Senator Kauth and others who are pushing this measure are taking great pains to separate this measure from the widely-popular citizen initiative that just passed a few months ago with over 7-- 70% vote in support by the people of Nebraska, after a dizzying array of political obstacles put forward by political opponents, and litigation and multiple petition drives-- finally, finally finally, when Nebraskans had a chance to vote on a medical

marijuana program, they voted in spades, over 70%. Republicans, Democrats, independents, Libertarians, rural, urban, women, men, black, white, Latino, voted in support of a sensible approach to marijuana. We know that. We know that is a definitive vote. That's why members of this body who are seeking to push this measure forward want to distance this measure from the vote of the people. But again, you cannot. The text of the measure is a reaffirmation of existing law, which makes these products and this industry legal under federal and state law. If you look at the text of measure, quote, "cannabis does not include hemp, as defined in Section 2-503(13) of the Nebraska Hemp Farming Act" which is the authorization for this industry and these products. There is a reaffirmation by the people to leave the status quo in place in regards to this component of the law, and to stand up a medical marijuana program, which is self-executing and in place. Nevertheless, I understand why people want to distance this measure from that measure, because that measure has a support of over 70% of the vote of the people. They're also working to undermine that directly, right? So, so, let's, let's also be, be clear about that with Senator Storm's measure and, and litigation and legislative efforts that Attorney General Hilger are-- is bringing forward as well. So, the other thing that I want to point out is, after a lot of bluster, after a lot of press conferences, after a lot of press releases-- and we have some updated information from just about a month ago from the attorney general that said that he's sending out letters to people; 35 or 37 owners about-- of about 104 different stores in the Omaha area. They've filed about 15 lawsuits after, again, a lot of political bluster based upon aspects of the Nebraska food regulatory acts and consumer protection acts; they've settled some, some are ongoing. But friends, there are no criminal charges. There's no criminal charges. There's been some civil action, there have been some settlements in terms of practice or modest monetary penalties, perhaps. There have been no criminal prosecutions, and here's why: because this industry and these products are legal under federal and state law. That's the current law. That's the definition of hemp. That was reaffirmed by a vote of the people. The definition in Senator Kauth's LB316 amends the definition to redefine hemp as marijuana and a controlled substance to de facto ban consumable hemp and bring with it criminal penalties, thus necessitating the concession of a safe harbor for consumers to be protected against criminal prosecution when the products that are in their pantry, on their shelves, or by their nightstand or in their fridge become criminalized with the passage of this bill. Because they're not criminalized now; they weren't sought--

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IBACH: Time, Senator.

CONRAD: --to be criminalized 200 days ago. They were sought to be taxed, and that's the approach we should take. Thank you, Madam President.

IBACH: Thank you, Senator Conrad. Mr. Clerk, for items.

CLERK: Thank you, Madam President. Your Committee on Enrollment and Review reports LB645, LB645A, and LB650 as correctly engrossed and placed on Final Reading. Your Committee on Judiciary chaired by Senator Bosn reports LB530 to General File with committee amendments. Amendments to be printed from Senator Bosn to LB 530, and Senator John Cavanaugh, amendments to be printed to LB316. That's all I have at this time.

IBACH: Thank you, Mr. Clerk. Senator Conrad, you're next in the queue, and this is your third time at the mic.

CONRAD: Thank you, Madam President. Thank you, members. Again, I just want to reaffirm that I'm happy to stand with the majority of Nebraskans that want Nebraska to take a sensible approach to this issue, that want Nebraska to take a sensible approach to medical marijuana, that want Nebraskans to take a sensible approach for adult use of recreational marijuana. These are widely popular issues. We don't need to guess about it. Our sister states have moved in this direction either through legislative action or through citizen initiatives. We have good models out there to address the concerns of members that are bringing forth this and other bills that undercut a sensible approach to these issues. We can take a regulatory approach that ensures appropriate guardrails and safeguards in terms of keeping these products out of the hands of kids; we can have appropriate labeling or packaging in play, as we do with other substances like cigarettes or alcohol; to ensure that the products are safe, that the products are tested, that they're subject to taxation, that they are only being available to adults. Because you know what? In a free society, in a democracy, we don't need the government to step in with a heavy hand every time to tell us what we, as discerning adult consumers, can do or can't do. If these products were banned tomorrow, it wouldn't make a difference to my life. They're not of interest to me as a consumer. They're presently available; I know very, very little about them other than what I have heard from my constituents who do utilize these products for different reasons, and shouldn't be demonized. I've also heard from small business owners in my district whose businesses would be impacted by these bans. They are willing to

come to the table. They are saying we want to be-- we are responsible actors. We're happy to work with the Legislature to codify our practices, to ensure age controls, to ensure labeling, to ensure education, to ensure testing, to even bring in more revenue than we are currently subjected to. We are happy to do that. We recognize the dangers that some of these fly-by-night operations pose to consumers. We want to work collaboratively with policymakers to take a smart approach, just as we have for cigarettes, just as we have for alcohol, just as we did for kratom, just as we should have done for cultivated protein, but I think I've lost that battle. Nevertheless, this is a sensible approach. That's a way to help us move forward. That's a way to address the serious public policy concerns that you've brought forward. You don't need to expand criminalization and mass incarceration to keep these products out of the hands of kids; you can do that by checking IDs. I stand in support of the small business folks in my district. I stand in support of the consumers in my district and across the state that presently have the right, under both federal and state law, to utilize these products as they see fit, either to treat their medical condition or to help them relax or address anxieties, or because they're adults and they're curious and they want to learn more about these products, or they want try a different product because they've read about it or they've heard about it, or they think it might have less negative aspects than the opioids that they're trying to get off of, or the alcohol that they're trying to off of. These are real emails that are coming into our inboxes wherein Nebraskans who are adults, who are taxpayers, who are consumers, have the discernment to decide whether or not these products seem safe or right for them. And if they aren't, they aren't, but we don't need government to step in with scant evidence and initiate a ban, which also expands our--

IBACH: Time, Senator.

CONRAD: --approach to criminalization and mass incarceration. Thank you, Madam President.

IBACH: Thank you, Senator Conrad. Senator McKinney, you're next in the queue. And as a reminder, this is your third time on the queue-- on the mic.

McKINNEY: Thank you, Madam President. Rise still in support of the motion to reconsider and the IPP motion, and against LB316. There's not a lot that I think can be added to this conversation besides "What are we doing here?" You know, we talk about we, we need to pass this to protect people in our state and youth. That's a fair argument on

the surface. Nobody can argue with that. But we're not consistent about health and safety, making sure we keep things in place that assist with health and safety across the board. That's my issue. It's not-- my issue isn't even that the proponents of this bill want to pass it; my issue is the lack of consistency across issues pertaining to health and safety, protecting youth and kids, making sure families are safe. Those type of things is why the, the arguments for fall on deaf ears because of lack of consistency pertaining to these issues. You know? Again, if this was illegal currently, then these stores would be shut down, but they're not. And it's a process to-- that's the argument. It's a process to get rid of these places. If they're illegal, they're illegal. Why do we need clarification for something to be illegal? If it's illegal, I thought it was illegal. And if it was so illegal, why is the attorney general's office buying the products? Why is the attorney general's office buying illegal products if it is illegal, and we just need this bill for clarification? [INAUDIBLE] those are really actually some just basic logical questions we should ask ourself. Why is the attorney general's office buying illegal products if they're already illegal? I'm-- it's kind of confusion. And, you know, everything's been confusing this, this session on this-- on everything, honestly. And we just keep going along to get along, and pretty soon, nobody's going to be in Nebraska. And the other problem, which I think was brought up, I think, by Senator Dungan-- if we want to get rid of these products and ban them, why are we trying to tax them at the same time? And the crazy thing about this is, the language in this bill makes some-- like, you're trying to tax something that you can't tax according to this bill. It's like trying to have your cake and eat it too, but there will be no cake to eat because you've banned it. It-- it's just another day, "As the Legislature Turns." And I'll yield my time to Senator Conrad, if she wants it.

IBACH: 1 minute, 25 seconds, Senator "Conrad." [SIC]

CONRAD: And thank you to my friend, Senator McKinney. Sorry, I was touching base in the lobby with colleagues and stakeholders to try and kind of assess where we were strategically, politically, substantively, so that's why I'd stepped away from my lectern for a moment. But again, colleagues, I just want to reiterate a couple of points here. Right now, this industry operates over 300 stores all across Nebraska. Thousands and thousands of jobs, a significant amount of economic activity. And we've even seen, because of the Farm Bill, because of the Nebraska law in 2018 and 2019, and where we are today as this industry develops, we've seen people come in to different districts, including in rural Nebraska, and make significant

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investments in hemp farming. Significant investments. Payroll, land, taxes. There is an important opportunity--

IBACH: Time, Senator.

CONRAD: --to develop rural Nebraska, and we shouldn't close the door. Thank you, Madam President. Thank you, Senator McKinney.

IBACH: Senator Kauth, you're recognized to speak.

KAUTH: Thank you, Madam President. I wanted to address Senator McKinney first. I think it's getting close to dinner because he's talking about cake, and now I'm hungry. I did want to point out-- so, the tax that is in LB316 is an excise tax on the legal CBD products. So, we're making sure that we are trying to replace some of that tax that, that will no longer be collected from the sales of the ill-- illegal products. And the AG is going around buying these to test them, to see if they are. Of the 300 stores that Senator Conrad mentioned, every single one of them is selling illegal products. So, going back to Senator Hunt. She was talking about how we're afraid of what we don't know. No, we're smart enough to see something that is very dangerous, and we're smart enough to put in guardrails for it. She was talking about how alcohol-- you know, 15% of the people after Billy's are, are drinking alcohol. Well, alcohol is the same alcohol content in every can. It's labeled. A Miller Lite in one store is the exact same as a Miller Lite in the other store. There is no confusion with what you are getting, with how much alcohol you are consuming. It says it right on the label, and you get exactly that. I think Senator Dungan's clever "anecdotes" is a little bit dismissive of some of the anecdotes when you hear-- on both sides-- people who are being helped by products, but then people who are being incredibly harmed by these products. The other thing is, with alcohol, we can test for alcohol intoxication. When you get pulled over for a DUI, as a senator here on the floor has been. You can get tested, and you can see what level of intoxication you actually have. We can't do that with these synthetic "cannabinoids." We don't know. We could do a field test and see if you can walk in a straight line, but there's no way of saying you are now 0.15%. This is not something that we are, we are capable of even doing yet. Senator Conrad stated that she also supports a strong approach to recreational marijuana. This is very telling. So, this is what my colleagues are attempting. They're attempting a backdoor regulation scheme for recreational marijuana. That's the ultimate goal here. The first step was what they call quote-unquote medical marijuana, which a doctor cannot prescribe for you; you just take it if you're feeling bad. And Senator Conrad did point out that the

medical marijuana program is self-executing. So, it is set up, based on the ballot initiative, exactly how it's supposed to be executed. Discerning adults can decide-- well, I originally got involved with looking at this because of Senator Blood. Senator Blood was very, very vocal about how bad these Delta-8 shops are, these synthetic "cannabinoids." She was very adamant that this stuff was harmful to people. I then had a-- someone in my district who contacted me and said, hey, listen, we've got to do something, and this is somebody who's an elected official, not from my party. This has been a bipartisan effort of people who are looking at it, saying these are dangerous, these are unregulated, they're uncontrolled; there's absolutely no way to tell what people are ingesting, and there's no way to tell how intoxicated it has made them. So, as, as we get closer to finishing up voting on this bill and getting closer to dinner-- again, Senator McKinney has mentioned cake, and now I'm hungry-- I just want to encourage people to think about the effects of something that is so dangerous, so unknown, so unregulated, and having that be the template we use to bring more drugs into the system. And when Senator Conrad says we should follow what our sister states do, I agree. Our sister states, the 21 that have banned synthetic "cannabinoids," they were onto something. And again, those 21 states are some of the, the states that are the most liberal with drugs in our country. And even for them, this is a bridge too far. Being unable to tell what it is you're consuming, having massive doses of carcinogenic chemicals that are used to jack it up, and not knowing what those chemicals are, with every bite you take, with everything you put into your body. That is not healthy. That is not good for us. It feeds into long-term--

DeBOER: Time, Senator.

KAUTH: Thank you.

DeBOER: Thank you, Senator Kauth. Senator Machaela Cavanaugh, you're recognized. This is your third opportunity.

M. CAVANAUGH: Thank you, Madam President. I'm the last one, so. You know, I-- I'm, I'm listening to the debate today. There's, there's definitely different styles in the Legislature of how we address and handle the debate. And some people come up and they say their piece, and then they move on, and then others come up and, you know, maybe respond to some of the things that were said on the floor. And then others just attack, personally, each other, colleagues, and that's unfortunate. I have people ask me all the time-- they watch this at home and they ask me all the time what, what it's like in here.

[INAUDIBLE] you know, It's kind of like what you might think it's like. Try to have nice interactions with people, and some people that make that easier than others. Personal attacks on colleagues on the microphone is, you know, difficult to listen to, and doesn't really feel productive, but there we have it. So, I am still in support of the reconsider motion, and I am still opposed to LB316. I mean, obviously, we're taking this eight hours, which I would also like to speak to, that this is-- it's inappropriate to get on the mic and say you're not going to filibuster something for eight hours on General File because it's easier to do it on Select. And it's not a waste of time to do it on General File. A filibuster is supposed to cost something. It costs time. It's not supposed to be easy. You're only supposed to do it if you really, really oppose something, and that's why it's so difficult; that's why you take eight hours. So, this notion that it's OK to not filibuster something for eight hours and to just be lazy and only do it on Select File because that takes less time and that is easier on you is really misguided, and in previous Legislatures, would not have been allowed; you would have still had to take it eight hours on Select if you did that. Because, again, a filibuster is supposed to cost something. So, I just hope that moving forward, colleagues will keep that in mind; that that's a much-- it's really just disrespectful to the body to do things like that. So, yeah. This bill-- I, I don't really understand why we are trying to make something illegal that we, just a few months ago, were trying to tax at, I think it was, like, 30%. I'm not really sure. Yeah? 30%? So, I, I don't understand that. I mean, we-- and then, not only are we trying to make something that we were trying to tax illegal, but then we also, in doing that, would lose tax revenue, so that additionally doesn't make sense to me, especially considering our budget situation. I know people like to say we have a deficit, but we actually have a manufactured deficit, and we have choices to make. And so far, we seem to be making the choice to stick our heads in the sand and ignore that what we are doing is not sustainable. But cutting tax revenue is not sustainable, this is not a good idea, and creating more criminal penalties is just going to cost us more as a state. We need to be working to decriminalize addiction and work towards finding solutions to support addiction, not criminalize it. So, with that, I guess I am about out of time, and I will sit down. Thank you, Madam President.

DeBOER: Thank you, Senator Cavanaugh. Seeing no one else in the queue, Senator John Cavanaugh, you're recognized to close on your motion to reconsider.

J. CAVANAUGH: Thank you, Madam President. Well, good afternoon, colleagues. It's 4:46. I think we have, I don't know, three hours left

or so on this bill. But I, I do appreciate the conversation from everybody. And so, the reconsider is to reconsider your vote on the IPP. The IPP would indefinitely postpone this bill, which I do think we should do because I don't support the idea of LB316, which is to outright ban access to all products that have more than 0.03% [SIC] THC. So, doesn't take into account the process by which the item is made; it talks about the concentration. And so, there are a lot of folks who've talked about specifically the process where hemp-derived products are produced and increased in terms of the, the concentration of Delta-8 THC. But again, that's not what this bill does. It doesn't address the process by which they're produced, it doesn't specifically ban synthetics, because synthetics were already banned by this Legislature 10 years ago. This specifically takes the definition of hemp and says that hemp excludes things that have more than 0.3% Delta-9 right now and crosses out Delta-9; just says more, more than 0.3% THC. So, of course, what that means is cumulative level of THC-- so, if it has Delta-9 and Delta-8, that would make it a violation. So, I'll put out one example, aside from all the consumable stuff we've been talking about. If somebody grows-- starts growing hemp in, I don't know, we'll say Jefferson County, where Senator Brandt is. So, he makes an investment to start farming hemp in their district, and the hemp-- they grow it and it has a concentration of 0.3% Delta-9-- which is under the federal Farm Bill, the intention-- but it also has some concentration of others that are naturally-occurring in it. That field of hemp would be illegal and a violation under the statute because of it, it exceeding the total cumulative amount in the definition. So, that is maybe a good example of why, if your attempt is to get at the process by which these are made, this isn't it. This is the wrong way to go about it. But if your attempt is just to say, "I'd like to destroy this entire industry," this does it. This, this bans-- I know Senator Storm talked about rope and things like that. This would also affect those things, because the reason they specifically, in the Farm Bill, excluded out 0.3% Delta-9 is because you could pretty confidently keep it that low on the-- in the production for hemp. But you can't keep all of them down and all those things, and, and certainly, there are times where it gets above 0.3% based off of whatever natural factors cause the concentration. So, this will have the effect of causing a great amount of problem for folks who are even producing those textile "stipe"-- type cannabis plants that we call hemp. So, I would, I would certainly caution you about that as we're going forward, and maybe you want to reconsider-- after all this debate, you do want to consider your vote on the IPP, so I'd encourage your green vote on reconsider. So, other parts. People have been talking about synthetics; I appreciate Senator Clouse

handed out those two articles that clearly lay out that synthetic is something, cannabis or THC-- THC and CBD that are not derived from the plant but are derived from some other process that doesn't include a plant, and that the articles clearly state that plant-derived or hemp-derived THC and CBD are natural. That's the words in the article handed out by Senator Clouse. So, I appreciate that. Thank you, Senator Clouse. We've had some conversation about the cost here, and obviously, this bill has a cost because of the loss in sales tax by destroying this industry. My proposal increases revenue because it just taxes and regulates, and there have been a lot of people who said, well, that's really gross that you want to tax this industry. I would point out to all of you that the committee amendment to LB316 includes an excise tax. So, I don't know if that's in there as a red herring to say, well no, we're not actually going to cost the state money, or if you genuinely think you are going to raise some revenue on this product that you have extolled as a scourge of society. So, I guess-- I don't know what the word-- well I do know what it is, but I'm not going to use it, for, for that particular approach to legislating. So, I encourage your green vote on the motion to reconsider. I would certainly encourage your green vote on the motion to definitely postpone, and I would encourage your red vote on cloture and on the bill, finally. I think there is a much more reasoned approach to this.

DeBOER: Time, Senator.

J. CAVANAUGH: Thank you, Madam President.

DeBOER: Thank you, Senator John Cavanaugh. Colleagues, the question before us is the motion to reconsider. All those in favor, vote aye. There's been a request to place the house under call. The question is, shall the house go under call? All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 31 ayes, 2 nays on the call of the house.

DeBOER: The, the motion to place the house under call is successful. The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Dover, Senator Hunt, the house is under call. Please return to the Chamber. The house is under call. All unexcused members are now present. The question is the adoption of the motion to reconsider. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

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CLERK: 13 ayes, 33 nays on the motion to reconsider.

DeBOER: The motion is not successful. I raise the call. Senator Bosn, as chair of the Judiciary Committee-- Mr. Clerk.

CLERK: Madam President, General File, LB316 introduced by Senator Kauth. It's a bill for an act relating to cannabis; to amend Section 2-503, 2-505, 2-515, and 28-401; redefines hemp under the Nebraska Hemp Farming Act; defines terms; prohibits conduct relating to hemp other than "cannabidiol"-- cannabidiol products as prescribed; changes provisions relating to transportation of hemp; provides for regulation of cannabidiol products; redefines terms in the Uniform Controlled Substance Act; harmonizes provisions; repeals the original section. Bill was read for the first time on January 16 of this year and referred to the Judiciary Committee; that committee placed the bill on General File with committee amendments.

DeBOER: Now, Senator Bosn, as chair of the Judiciary Committee, you are recognized to open on the committee amendments.

BOSN: Thank you, Madam President and members of the Legislature. AM944 is the Judiciary Committee amendment to LB316. It is a white-copy amendment that strikes and replaces. It amends Section 28-503 [SIC] of the Nebraska Hemp Farming Act to further define "cannabidiol" product. LB316, as introduced, defines "cannabidiol" product as a finished hemp consumer product that contains as a primary ingredient "cannabidiol" extracted or derived from hemp. AM944 adds the requirements that "cannabidiol" products comply with the THC limits provided in the newly-added subdivisions, which are 5(a)(ii) or "ii" of this section, and that they do not contain any "cannabidiols" created through chemical conversion, modification, or synthesis including, but not limited to-- whoa. "hexahydrocannabidiol"-- "cannabinol", in order to meet the amended definition. Subdivision 5(a)(ii) refers to the definition of hemp, and identifies specific THC limits for processed hemp in order to comply with the definition. As amended, the THC limit for the processed hemp, including "cannabidiol" products, is not more than the lesser of a total THC concentrate of 0.03% [SIC] on a total weight basis, or 10 milligrams of total THC per package. AM944 also adds a new section to the Nebraska Hemp Farming Act establishing an excise tax to be levied on the resale-- excuse me. Retail sale of "cannabidiol" products to consumers beginning January 1, 2026; that tax rate is 10% of the retail purchase price, and shall be collected by the Department of Revenue. Finally, AM944 provides for a consumer safe harbor period to begin on the effective date of this act and ending on December 31, 2025, during which period an individual consumer shall

not be subject to prosecution for possession of illegal hemp which is defined as hemp products or "cannabidol" products that do not comply with the THC limits, or are otherwise not lawful under the Nebraska Hemp Farming Act. The attorney general may coordinate with law enforcement agencies to establish appropriate locations where consumers may drop off illegal hemp for destruction during the consumer safe harbor period without prosecution for transporting or handling such illegal hemp. This new provision does not prevent prosecution for the cultivation, possession, handling, transportation, processing, use, sale, or other distribution of raw materials or products with a Delta-9 THC concentration of more than 0.3% on a dry-weight basis. I ask for your support on AM944 to LB316. Thank you, Madam President.

DeBOER: Thank you, Senator Bosn. Turning to the-- Mr. Clerk, for a priority motion.

CLERK: Madam President, Senator John Cavanaugh would move to bracket the bill until June 9.

DeBOER: Senator John Cavanaugh, you are recognized to open on your priority motion.

J. CAVANAUGH: Thank you, Madam President. June 9. Seems like so long from now. It is the-- what we call "Veto Override Day." So, we all finish on June 2, and then we would wait and come back to override any vetoes. So, we could all be done on June 2 if the governor doesn't veto anything, which would be nice. But OK. So, we voted on the motion to IPP, and now we're on to the bracket motion. And actually, I was correct on this last time: the date on the bracket is actually when it's bracketed until. That technically means it can't be taken up until June 10th, which-- we won't be here. So, I-- I'm all for it. Let's do it. June 10. Sounds great. OK. So, the committee amendment does-- makes a few changes, but it still has the same fundamental problems that LB316 has, which is that it, it changes the limit for all hemp products, hemp products to include all deltas of THC. So, that effectively bans everything that-- of any kind of delta. So, Delta-9 is the one that people think about when you think recreational or whatever, and even, actually, medicinal cannabis as well. But that has a, you know, higher concentration in a different strain of the plant, but this plant has a lower concentration of Delta-9, and then it also has naturally-occurring Delta-8, Delta-10 and all these other deltas, and also CBD. And so, there is, you know, people who are saying they oppose this product because of the process by which it is produced. But what this does, is it, it eliminates the actual product,

not the process. And so, I think that-- that's problematic. So, I brought a bill that I have, have brought to the committee, I brought and attached here, that is LB16, that creates a robust regulatory structure. So, everybody that has gotten up and said that they want LB316 has said they want it because kids are getting access to it. Well, my LB16 has this mechanism in there to ensure that it's-- both that the advertising is under, is under control, that the products are approved as to their potency, quantity, their design and things like that, and that there's an age requirement, 21, for shops to have to check ID for sales, and then they have to have packaging that would prevent it from being able to easily be accessed by children. So, it answers a lot of these questions that people have raised on, on that front. And then, as to the verification that it is safe and that we know what's in it, and that we know the dosage, and we know all of these things that people have said you don't know how potent it is. Well, all of those analogies are in a place and a market where there is no regulation. Nobody's standing up and saying I don't know how much alcohol is in a bottle of Bud Light, nobody's saying I don't know how much alcohol is in a, you know, 750 milliliters of Crown Royal, or something like that. The-- it's because we have a robust regulatory structure you know how much is in there. We know that because of the regulatory structure and the requirements of verification and testing, and all of that, which is what we are proposing in LB16, is to answer those questions so that people can be confident when they buy something, that they know how much it is. And of course, we can't tell everybody-- can't say how many beers somebody would drink before they become intoxicated or impaired, so I couldn't tell you what's the right number of, you know, gummies for somebody to eat before they're going to be impaired. But that's something people find out for themselves when they choose to consume these reasonably-regulated, approved, clean products. And that's up to those people, but our job is not to determine how much they should be able to consume; our job is to make sure that they know, when they look at it and say, well, I had X number of milligrams last time, and that was, you know, enough for me, and so now, I'm going to have X number of milligrams again, and then that, that means the same thing. Right? So that there's consistency in the products, there's consistency in the marketplace. That is what a regulatory structure does, and that's what I have proposed. And then, we have a requirement in LB16 that all of the places that sell these get licensed, get approved, go through a process, and make sure that they are on the level. And that, again, requires that they can't put a shop next to a school; that you have a-- background checks, and that you have-- you know, that you actually get your things tested and you do all of the things that you have to

do in the same way as getting a liquor license, so we require all that approval. And to that point, we worked with the Liquor Control Commission to create the regulatory structure here, and they did say that they are capable of undertaking this endeavor. They are capable of creating a tracking system that tracks the quality, cleanliness, efficacy of these items. They have a computer system that we just bought them, I think, a year or two ago, for this exact purpose, for all the different alcohols out there, all the, the different new SKUs of, you know, off-brands and not-- you know, one-offs and things like that, to be able to make sure they're tracking all that. So, they are up to the task. And to the point of, you know, how do you keep up with all this ever-evolving market? That's the, the same question we were trying to answer with alcohol in that session, or with that, with that new system, is that to sell it, it does have to go through a process and be approved. So, it's-- that, that answers that question, of course, is you can't just-- if we get into a regulatory structure, you can't just sell anything you want; you have to register and, and approve, make sure that the product is what it says it is, and that we understand that before you can start selling it. So, it's not this whack-a-mole that people are setting up and saying is going to happen; it is-- you can't sell it unless it meets the regulatory standard. It is-- this is a classic regulatory system scheme to be able to in-- put in place for a very complicated field, and the Liquor Control Commission is capable of doing that. They have done this for years to-- for the health and safety of intoxicating beverages. The conversation about money, raising money and, and losing money and those sorts of things, I, I would say that the-- there were a lot of folks who said we shouldn't be basically, you know, raising money doing something that we think is bad. I mean, for one, just because we don't want to consume these gummies or whatever, or maybe some people here do, or whatever. It's all up to you, whatever you want to do. But just because you don't like it doesn't make it bad, it just makes it not your preference. And so, we shouldn't be banning these things; we should be regulating it and facilitating it, helping people do it in a safe way. And so, it's not bad to tax something just because some people don't like it. But I would point out that, that the amendment does have a, a portion in there for an excise tax on ca-- "cannabidoil" items that are-- that do remain legal. So again, raising revenue on some aspect of this that I'm not sure where everybody's moral compass lies on CBD and on hemp and on these other things. So, I, I don't-- but I don't know if that's up to us, in terms of what we think is the morally right intoxicant for people to consume, or which one's OK. I think our job is just to set up a structure to make sure that it is clean, safe, and it is what it says it is, and that's what

my amendment does. So, I do think that there is a-- that it is a serious concern that this Legislature does have to contend with. If we're going to pass something that is going to decrease revenue, we will have to factor that in when we pass, pass any bills going forward. We'll have to either make up for this revenue, or we'll have to take it out of some other fund. And so, my LB16, as proposed, does-- not only doesn't lose revenue, it raises revenue. And I know-- I think Senator Jacobson was the one who was saying that the regulatory scheme has an ongoing cost, but I would point you to the fiscal note of LB16 where it says even with the ongoing costs, it raises \$4 million a year. That-- so, that includes the cost of administering the system, we bring in the extra money. And again, I said that, that the bill was my first attempt at the regulatory scheme. I'm obviously open to suggestions. If that is really where people are at and are concerned, we can make it more robust, even, than, than what I proposed. And if folks want to raise more revenue, we can talk about what is the right tax, excise tax. I know in this bill, it's proposed at 10%; I believe mine's at 3%. If we move mine up to 10%, then it, it really raises somewhere, probably three times as much, so \$12 million. But I don't know, I'm just sort of back-of-the-envelope math while I'm standing here. So, I would encourage people to seriously take consideration about this. I know people are learning as this debate goes on; it's complicated, the science is complicated, the vocabulary can be complicated and hard to understand. And then, of course, there are the pressures that come from the external process here. But there are Nebraskans who are starting businesses based off the current scheme, and they are interested in being regulated in a safe and effective way so that their customers are protected, so that they are protected, so that they can have a legitimate business in the state of Nebraska, and so adults can make these decisions for themselves, and we have an obligation--

DeBOER: Time, Senator.

J. CAVANAUGH: --to help them. Thank you, Madam President.

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

KAUTH: Thank you, Madam President. I think Senator John Cavanagh's word "schemes" is very appropriate, because this is a scheme; this is a scheme to get recreational marijuana set up in this state, as Senator Conrad has said. You know, Senator John Cavanaugh had made some mistakes, or possibly was misleading. The excise tax is for those

products that are legal, the CBD products that are deemed legal by this bill. So, we're not taxing something that we're also banning, because that would be kind of redundant. AM944, on page 1, it talks about the "cannabidoil" product means a finished hemp consumer product that does not contain any "cannanabinoids" created through chemical conversion, modification, or synthesis, including, but not limited to, hexahydrocannabinol. So, we're not talking about the hemp plants, the ropes, the clothes, all of those other things that you can make with hemp, so I think that was, that was very confusing, when he was talking about that. And also, he was-- Senator John Cavanaugh was talking about how LB16, his bill, would eliminate the process, but not the product. It is a, a, a whack-a-mole. That is the only way to describe this. The second you say, well, this particular one is not allowed, they change one molecule, and then, boom, you have a whole other thing, which sends the Legislature chasing down that rabbit hole. The big question is, what will the regulatory burden to the state be? I think Senator Cavanaugh was indicating that all of the taxes you're going to make from it would cover the regulatory, and perhaps that's right, but the taxes are not factored into the health costs; the people who are having psychotic breaks, the people who are stripping themselves naked and trying to take guns away from police, the people that are in three-day comas after taking something they bought over the counter. And one of the questions that has been brought up, is why haven't they arrested anyone yet? So, for a year-and-a-half, the AG's office has been trying to work with these businesses, these businesses that everyone says are, are, you know, honest and doing the right thing, and, and they're good people, and they just want to earn a living. Well, that is probably true, but they are also selling products that they know are illegal. 100% of the stores in this state are selling illegal products. The Omaha Police Department's narcotics unit and field investigations unit recently, as of today-- this is a press release-- concluded an ongoing investigation with the arrest of 31-year-old Abdulmalek Nagi. Nagi was suspected of operating an illegal THC distribution warehouse at 4891 F Street. On Thursday, April 24, OPD narcotics and fielding [SIC] investigations unit detectives, assisted by OPD SWAT team, K-9 unit, Sarpy County Sheriff's Office, and the Nebraska Attorney General's Office, executed a search warrant at the warehouse location. Officers located Nagi and took him into custody without incident. Detectives discovered a large-scale illegal THC sales operation inside the warehouse. Evidence indicated the facility was supplying numerous area smoke shops with illegal-- the Delta-9-- THC products. Detectives also seized thousands of Delta-9 THC vape pens and cartridges, THC waxes, THC-infused candies, leafy marijuana, khat-- which I don't even know

what that is-- psychedelic mushrooms, and a significant amount of cash. He has been booked into the Douglas County Correctional Center for possession of a scheduled drug with intent to distribute. We are going to see more of these arrests. They are going to have to crack down. These products are dangerous, and it's the fact that they are synthetic. And so, again, if you have-- and I know several people are having constituents reach out to them and say, OK, is this bottle illegal? I would encourage you, take a picture of the stop sign chart that I've put on everyone's desk, tell them to go through the list. First of all, is a product a "cannanabidoil" product? If it is, is it free of any synthetic or modified "cannanabinoids?" If yes, does it comply with the THC limits of 0.3% total weight or under, or 10 milligrams per package? And if you can answer yes to all three of those questions, then your product is legal. This is not difficult. We can check these things. Again, we have so much deliberate confusion being put into this body and being put out into the airwaves. So people, if you have questions, reach out to your senator.

ARCH: Time, Senator.

KAUTH: Thank you, Mr. President.

ARCH: Senator McKinney, you're recognized to speak.

McKINNEY: Thank you, Mr. President. I yield my time to Senator Dungan.

ARCH: Senator Dungan, 4 minutes, 50.

DUNGAN: Thank you, Mr. President, and thank you, Senator McKinney. I appreciate the opportunity to continue this conversation today. And just to respond briefly, I think, to some of the things that were brought up by Senator Kauth, it sounds like these products that they were arrested for are already illegal. And if that's the case, then it sounds like the issue that we have here is not the further necessity to ban certain products, but it's more of an enforcement issue. And so, I, I guess these are, these are two separate conversations. If in fact the debate that we're having is whether or not there are currently shops in the state of Nebraska that are providing substances that are, under Nebraska statute, currently illegal, that's one problem versus a different issue that I think we could be addressing, which is if there's shops here in the state of Nebraska that are providing things that are currently legal. And I understand that there have been allegations made by, I think, the attorney general's office and others that Delta-8 is illegal under the current statute, but again, if that were the case, then these individuals who are selling

simply Delta-8 that abides by the farm act [SIC] would be arrested and charged. That's not happening, and that's not happening because they know that they can't. What is happening, it sounds like, is there are circumstances in smoke shops or things where there are allegations that the products that are being sold do not abide by the farm act [SIC], and in fact, actually, are selling Delta-9 THC, essentially, which would be currently illegal under the statutes for recreational use, assuming they don't meet all the other standards currently with the medical cannabis and things like that. So, I, I just want to be very clear. I think we're conflating a lot of different problems here. If our concern is there are issues with Delta-8, that is what this bill is seeking to ban, which I think is problematic and I oppose, but don't be, I guess, confused or unintentionally, I think, conflate the issues of people selling products that are currently illegal, like Delta-9, of certain amounts. So, I, I just want to make sure that that point is made. Additional to that, I want to go back to one of the conversations that I think was happening earlier, while we're talking about legality, and that has to do with the criminal penalties that one could potentially be charged with if they are in possession of certain quantities of Delta-8 pursuant to an adoption of AM944 and LB316. So, as I think Senator DeBoer pointed out, my concern is that we are taking a product that is currently legal, and is currently legal under federal law with the Farm Bill, and taking it from being available and taxed and legal under sales tax, and then ultimately, if you are found in possession of it in certain quantities, being charged, if we adopt this bill, with a Class IV felony possession of a controlled substance. And for those who have been following along with our lengthy debates over the vast number of new felonies we continue to move forward in this Legislature, you'll remember that a Class IV felony is punishable by up to two years in prison or up to a \$10,000 fine, or some combination of those things, and you could potentially be sentenced to up to 12 months of post-release supervision, which is sort of like probation after you're released from custody, if you get any time in custody at all. And each of those charges can and often are charged for every circumstance of possession, right? So, if somebody is found, for example, with two pills in their pocket of a controlled substance, they are often charged with two separate Class IV felonies, one for each individual pill that they have. And so, the question, I think, that Senator DeBoer was, was talking about earlier-- and I've been trying to parse it apart over here, looking at the bill as well-- is whether or not the elimination of the exemption of hemp in the Controlled Substances Act means that in fact possession of Delta-8 ultimately-- which is derived from CBD and the cannabidiols from that-- if that results in it being a felony. I understand this

three-point test that has been laid out, I think, by the, the diagram that Senator Kauth handed out, is intended to, I think, direct us in that direction of what to look at in determining if it's a felony or not. But to be very clear, colleagues, my read of the statute is that if you possess-- if this is adopted-- if you possess Delta-8 that is over 0.3% THC by dry weight, it would be a felony. Because in order for it to fall under whatever exemptions there are for hemp in the definition of marijuana, it has to be under 0.3% of THC by dry weight. So, if it's 0.4% THC by dry weight and Delta-8, I believe at that point it likely would be a controlled substance.

ARCH: Time, Senator.

DUNGAN: Thank you, Mr. President.

ARCH: Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President, and good evening colleagues. I know we're fast approaching our dinner break, and hopefully rounding the, the corner in regards to the conclusion of at least this round of debate on this measure. So, again, I, I think it's-- I know everybody gets passionate when they work hard on a bill and we kind of get into the tussle of floor debate, which sometimes comes with sharp elbows, and, and that's OK. But just to be clear, the reason I'm opposed to LB316 and the committee amendment and in support of the bracket motion isn't because I think it's a backdoor attempt to legalize recreational marijuana. I wish it was; I, I wish that this Legislature had the courage to bring forward a measure to allow for adult use and regulation and taxation of recreational marijuana, and I think that most Nebraskans share that feeling. I know that at least 70% of my fellow Nebraskans who had an opportunity to cast a vote in the most recent general election voted in support of joining the vast majority of our sister states that have established a medical marijuana program on the books. So, I-- these, these are widely-popular issues. Again, the people are, are far, far out in front of the politicians in this state on this issue. They see a responsible, sensible approach that comes with regulation that's mirrored in our approach to cigarettes and alcohol and other things, that brings in taxation, and that lets adults make choices as discerning adults in a free, fair society, which is a critical component of our democracy. So, this isn't a backdoor opportunity to regulate either-- to, to, to bring in recreational marijuana. It's not. Senator McKinney, Senator Wayne, others have brought forward those measures. At some point, I think the citizens of Nebraska will organize a citizen initiative on that topic, as has been successful in our sister states. But I'm, I'm not against

this measure because I support a sensible approach to medical marijuana or to recreational marijuana; I'm against this approach because it criminalizes Nebraska consumers and Nebraska businesses that are currently operating legally under both federal and state law for other products, CBD, THC, et cetera, et cetera. And it's important that we act carefully, because not only is this presently authorized under federal and state law, and Nebraska consumers are fully able to discern whether or not these products are right for them. And they're not just sold at fly-by-night corner stores or out of the back of a van or whatever. I had a constituent just email in to say that you can buy these kind of hemp-infused drinks at Total Wine. I mean, that's a, a pretty reputable nationwide retailer, which I think is somewhat new to Nebraska, but, I mean, let's, let's not forget, again, the reality of this. And one reason that I think that the bracket motion is particularly in order at this juncture of debate is because some of these issues-- in terms of how similar bans like this are presently moving through the courts, including right here in the Eighth Circuit. And there's kind of a split in thinking amongst how the court is looking at some of our sister states in the Eighth Circuit who've moved forward with restrictive measures to discern whether or not they do violate federal law, or the Interstate Commerce Clause, or the Dormant Commerce Clause. And you can see some of that in the definitions contained in the committee amendment, which I think do not exactly comport to federal law, but we'll have an opportunity to [INAUDIBLE] get a resolution on those cases, probably in the next year or so, so that should provide Nebraska with some clear indications of, if we're going to move down this road, is it permissible? And if we do so, what is the appropriate technical language? So, there's no reason to rush forward with this ban at this time because very similar challenges are presently making their way through the courts in the Eighth Circuit, and there's a split in terms of how the court has looked at those. So, it was-- be important--

ARCH: Time, Senator.

CONRAD: --learning for Nebraska to wait for resolution. Thank you, Mr. President.

ARCH: Senator Spivey, you're recognized to speak.

SPIVEY: Thank you, Mr. President, and I yield my time to Senator Dungan.

ARCH: Senator Dungan, 4 minutes, 50

DUNGAN: Thank you, Mr. President, and thank you, Senator Spivey. Appreciate that. Appreciate the shout out to Total Wine, Senator Conrad. That did just open up in my district, up in the great LD26, which I know is adjacent to your district up there in north Lincoln. And I did have an opportunity to actually attend the, the opening of Total Wine. It was a great event. There was actually, like, hundreds of people there that showed up, which was fantastic, and I was kind of blown away by the selection. But as I was walking through the store, to Senator Conrad's point, there was a section of these THC beverages, and it was, it was interesting to kind of sit there and, and parse them apart and try to understand what all, what all goes into them. And I think that's indicative of the fact that this is a wide-ranging and, I think, booming industry, not just in Nebraska, but in the country as a whole. And let me be very clear that that doesn't necessarily mean that it is the right thing to do in its current state, but what I do think it says is that that is indicative of a direction that this entire industry is going. And we see state after state after state implement either medical cannabis or recreational cannabis by votes of the people, by acts of the legislature. I constantly hear from people in my community and constituents questions as to which direction we're going to go in as a state, and there's a fear that's out there that we're going to be the last one just sort of holding on by our, by our fingertips and white-knuckling our way through this, this world where these things slowly but surely become normalized and become legalized throughout the country. And if there's one thing I don't want for Nebraska, it's certainly that I don't want us to be dragging our feet in an industry that does continue to grow that could be creating jobs, that could be creating an industry where there is going to be some revenue from it here in Nebraska. But if we're going to do that, colleagues, we have to do it in a way that is responsible, and the fact that a lot of these businesses currently exist without any kind of state regulation is surprising to a lot of people when we talk about this. Certainly, I've heard from a number of these, these businesses, these companies that are small businesses creating jobs in Nebraska-- not just in Lincoln and Omaha, by the way; this is all across the entire state-- who are good actors, who are doing everything they can to ensure that there is regulation, that they're self-imposing regulation in a way that they are not required to do by state or by federal law, which I appreciate because they're trying to demonstrate to the people in their community and to the folks that are buying products from them that they are reputable sellers of, of various products. And what I think Senator John Cavanaugh's been speaking about here today, the reason that he continues to push back on this-- which I, I very much appreciate his,

his leadership on that-- is because there is another way. There is a better way to handle what this industry looks like as it's moving forward. And his LB16, which seeks to regulate and create an entire structure within which we as a state of Nebraska can ensure consumer protection, where we can ensure revenue is being raised, I think, is the better way to go. And to simply adopt LB316 along with AM944, we are telling people here in Nebraska who are working in these industries, who are trying to self-regulate-- we're telling them we don't want them to do their business here, and they need to leave. And all of the, you know, very concerning facts that we've heard here today when it comes to the results of maybe overdosing on certain products, all of that, I think, implies that we should be regulating this more than simply seeking to ban it. And so, I was on the Revenue Committee; this year, we heard a number of folks come in who talked about their shops. There was two gentlemen in particular-- I want to say it was Grand Island. I apologize if I'm incorrect about that. But they came in, and they were talking about their shop and how they card as people come in, and you have to be 21 to come in. And they sell products in this incredibly professional manner, they sell them in these, these actually really interesting, amazing bags where you can't see what's inside, and they're reusable, so they're child protected, which I think is fantastic. So, we have people in the industry seeking to self-regulate. And what they're asking us, colleagues, is to act as a state in a way that is responsible, in a way that I think protects consumers and specifically protects kids, but also does that in a way that says Nebraska is open for growth, we're open for business, and we're going to continue to say, if you're from-- if you're a part of this industry, we will support you, but only if you follow the rules. And so, I, I do hope that we are able to bracket--

ARCH: Time, Senator.

DUNGAN: --this and move on to a regulatory structure. Thank you, Mr. President.

ARCH: Mr. Clerk, for items.

CLERK: Thank you, Mr. President. Amendments to be printed from Senator, Senator John Cavanaugh to LB316; Senator Quick to LB647; Senator Conrad, LB644; Senator Bostar, LB644; Senator Andersen, LB644. New LR: LR141 from Senator Quick; that will be laid over. That's all I have at this time, Mr. President.

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ARCH: Colleagues, the body will stand at ease now until 6:00. When we return, Senators Hunt, Dungan, John Cavanaugh, and Machaela Cavanaugh are in the queue.

Speaker 8: You You

Speaker 9: Attention Senators, the legislature is scheduled to resume in five minutes.

DeKAY: The Legislature will now reconvene. Mr. Clerk, for an announcement.

ASSISTANT CLERK: Thank you, Mr. President. Banking, Commerce and Insurance Committee will hold an executive session at 6:15 under the south balcony. Again, the Banking, Commerce and Insurance, under the south balcony at 6:15. That's all I have, Mr. President.

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

HUNT: Thank you, Mr. President. Colleagues, as I was sitting in my office over the dinner break-- no time to eat, you know? But sometimes, I wonder if we should even bother fighting bills like this. I'm sure everybody would love us to quit all of these ticky-tacky little slight infringement, breaking it down brick-by-brick, cut-by-cut, these things we spend eight, four, two hours on. Maybe we should just let it go. Maybe, we should just let the people who push these bad policies learn the hard way what it means to govern from fear and shortsightedness and being reactionary, and then they can deal with the economic collapse, the public outrage, the court challenges, and all the other consequences that inevitably follow when you pass laws that are unworkable and unpopular, and disconnected from reality, because LB316 is all of those things. This bill would ban 99% of the federally legal hemp products currently available in Nebraska. It would wipe out an industry that contributes \$139 million in revenue and growing, supports over 1,600 jobs, and generates millions in sales tax every year, all without a single case of a public health crisis that justifies this kind of extreme reaction. There are health crises in Nebraska that we aren't reacting to, but we're doing this because it's the easy one, because it's the one we have moral outrage about. The products that we're talking about are legal under the federal Farm Bill, they are legal under Nebraska law today, and they're used by Nebraskans for real medical conditions like epilepsy, chronic pain, arthritis, anxiety, and cancer. What's the plan, when we rip all of that away? When small business owners lose everything they've built? When desperate patients who voted overwhelmingly for medical cannabis

in this state are pushed into this illicit market and forced to drive out of state to get what they need? They won't do that, they'll just go to the black market. When tax revenue dries up and the property tax relief everyone was promised gets even further out of reach. So, I don't think that we are banning these products because they're causing harm; we're banning them because some politicians got spooked about something they didn't understand. And instead of taking the time to regulate thoughtfully, they went straight to prohibition, and that's the pattern of this entire session: fear instead of facts, bans instead of balance, and then government micromanagement chipping away at the freedom, scolding, we-know-best type stuff when what the people really deserve is freedom. We should stay out of their business, honestly. The same people who run for office talking about big government and nanny state are now standing up to say the only solution to every problem they don't understand is to ban it, and I'm serious about that. I know I've talked about that almost every time on the mic here, but-- I mean, I feel like I talk about it every time I get on the mic, because that's just such a theme with every single bill that, that comes up for serious discussion. And it's un-serious, it's bad governance, and it's going to hurt the Nebraskans who trusted us to do better. If we pass LB316, we're not going to see a solution through that passage to the problems we're seeking to address with this bill. We're just pushing commerce underground, we're inviting legal chaos, and handing an entire industry to out-of-state operators and unregulated online sellers and people who are selling this stuff illegally. We're creating a bigger enforcement burden on our already-strained agencies, and for what? To make it look like you did something, so you can put something on a mailer that says you passed a bill that your constituents are not even going to dig into or understand what that means or what you did until they realize they can't get the products that they were using? This is all just moral panic. If you want to regulate hemp, then regulate it; support LB16, or some other reasonable framework. But this ban is reckless. And frankly, it's embarrassing that we're wasting time on it when we have real issues to address. Housing shortages, rural health care access, water sustainability, workforce development. I don't want to sit here a year from now hearing the same people who voted for this bill wonder why these small businesses are struggling, why our tax base is shrinking, why trust in government is eroding-- actually, that's dumb to even say. You're not going to be wondering; you're going to be on the same tack, doing the same type of stuff, passing the same kind of bills as Nebraska shrinks, gets smaller, less interesting, less welcoming, less open to innovation and industry. So, maybe we should

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just make the mistake. Maybe we should learn the hard way what happens when we legislate out of fear--

DeKAY: That is your time, Senator.

HUNT: --instead of facts. Thank you, Mr. President.

DeKAY: Thank you. Senator Dungan, you are recognized to speak.

DUNGAN: Thank you, Mr. President, and good evening, colleagues. Here we are, after the dinner. It's always fun to come back from the brief dinner break that people take and it's kind of quiet in the Chamber, as people are kind of making their way back in. I had a couple more things that I wanted to mention on this, though, and concerns that have been raised to me about what exactly would be banned by adopting AM944. We received this, this chart that I think Senator Kauth has, has referenced in the past, where it's essentially, like, a three-step checklist to determine whether or not something would be legal under LB316, if we adopt this, this regulatory fra-- or, this banning framework. In that, one of the boxes is, "is it free of any synthetic or modified cannabinoids?" And I think that's referencing page 1 of the amendments, where one of subparagraphs-- and the definition of [INAUDIBLE]-- cannabidiol specifically says that it can't contain any cannabinoids created through chemical conversion, modification, or synthesis, including, but not limited to, "hexhydrocannabinol." So, I was wondering if Senator Kauth would be willing to yield to a brief couple of questions.

DeKAY: Senator Kauth, would you yield to a question?

KAUTH: Yes.

DUNGAN: Thank you, Senator Kauth. And I, I gave you a heads up about this, so I promise this isn't going to be a, a line of gotcha questions. But in your flow chart, the question is, is it free of any synthetic or modified cannabinoids? Is that referencing what I just talked about, which is that definition of the chemical conversion portion?

KAUTH: Yes. So, when they talk about the synthetic or modified, what they're saying is if it has synthetics or if it's been modified in any way using those chemicals, it's no longer natural, and so yes, that is correct.

DUNGAN: OK. And so, when we're talking about, like, chemical conversion or modification or synthesis, does that include what I've

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spoken about previous on the mic? Not sure if you heard that part or not, but the process of getting the CBD to the Delta-8 includes oftentimes applying heat and using maybe some sort of pH change. So, would that count as a chemical change, under that ban?

KAUTH: It-- yes. And I-- I'm not a chemist, so I'd have to look at that.

DUNGAN: Me either.

KAUTH: Yeah, there's-- I do like how you did pronounce cannabinoids. That was very well done, and I actually spelled it out phonetically here. So, you know, that's-- that is part of what we would have to investigate. I can't give you a direct answer if just heat is enough to do it. From my understanding, they take solvents that are-- that's where you have the reagents, the toxic product.

DUNGAN: OK. Thank you, Senator Kauth, I appreciate that.

KAUTH: You are welcome.

DUNGAN: So, colleagues, the reason I bring this up is in sort of a further review of the statute here, during this brief break that we had, and in conversations, I think, with people who do know a little bit more about this than I do, there's a great concern that if we adopt this framework of banning all of these substances under AM944 and LB316, you are going to, perhaps inadvertently, maybe advertently, ban any and all CBD products whatsoever. So, I think the bill seeks to keep CBD legal, but there's this concern, right, that I have that any CBD lotion, any CBD topical application, whatever that CBD is that's currently legal-- you could go buy it from, like, Walmart, right? But there's these CBD topical things that you can buy; it takes some sort of chemical involvement in so far as heat or turning it into a paste or a cream. There has to inherently be some scientific process to get you from the, the CBD that you have from the original derivative of the plant into these lotions and these topical applications, or perhaps even the tinctures, whatever, that, that it sounds like the proponents of this bill are trying to protect. I don't know how you can possibly address that with any modifications or changes. One of the questions-- the first question in this flow chart, is it a "cannabidiol"-- cannabidiol product? And if yes, is it free of any synthetic or modified cannabinoids? I mean, synthetic, modified-- any process that you have to undergo to get a lotion or any kind of other CBD product is going to make it modified. So, I don't know if it was the intention of AM944 to do this, but colleagues, I genuinely think

the plain language of this bill, within the four corners of the statute, this bans any and all CBD product that is currently legal because those inherently have to involve some chemical or modification in order to make it whatever substance it is. So, I don't know if that was the intention or not; if it wasn't, then there are some serious issues, I think, with this definition, that I don't think can be cleaned up. This is the third or fourth version of this I think they've come up with in an effort to address these problems, and I just think it simply--

DeKAY: That is your time, Senator.

DUNGAN: --can't be fixed without a regulatory structure. Thank you, Mr. President.

DeKAY: Thank you. Senator John Cavanaugh, you are recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. I appreciate the conversation, Senator Dungan and Senator Kauth, and I thought that is very interesting, that it does probably unintentionally affect that, as well as probably the, the drinks, the-- that are being sold at places like Total Wine and other stores I've seen. I wanted to talk a little bit more about the textile portion. So, I did-- I have here the list from the USDA of the hemp farms, and I'm not going to list exactly where they are, but in Nebraska, we have one in Lincoln County-- oh, I'm sorry, city. This is Lincoln city, so they must have their address as Lincoln-- Osmond, Hay Center, Culbertson, another one in Culbertson, another in Hay Center, another one listed as in Lincoln, another Culbertson, Wellfleet, Gretna, Omaha, Omaha, Omaha, Omaha, Papillion, Beatrice, Lincoln, Pleasant, Kimball, Chadron, Lincoln. So, that's the list of all of the-- USDA's listed, I guess, address for hemp farms in Nebraska. And I bring that up because the last time, before dinner, there was a conversation about whether the amendment catches up textiles. And to this conversation with Senator Kauth and Senator Dungan a moment ago, that there may be, the way the bill is drafted, have this unintentional consequence of banning these things. Because my read of the bill, or at least the amendment, lists that hemp is anything-- let's see. Raw hemp, a total of THC, crosses out Delta-9. So, raw-- for raw hemp, a total THC concentration for no more than 0.3% on dry-weight basis. So, no more than 0.3% of all THC on dry-weight basis. Raw hemp means hemp that has been harvested and dried but not otherwise processed, or is otherwise unprocessed. And there are other definitions in here, but there's no exception that I can find for textiles. So-- or for rope or cloth, or anything like that. So, I guess I, I don't see any other exception there that would

say that when the field is harvested and dried and weighed, that-- tested, that if it is higher than 0.3 percent of total THC, not Delta-9, which is what they measure it for now, that it would be fit for Nebraska. And I think they'd probably at that point be destroyed under this, and not be able to be sold. So, all of those businesses that I just listed off-- and I know there are others who are also looking at this point because of the current permissive climate in Nebraska, people are looking to invest in growing this product-- they are going to be-- either change their plan to not do this, or they're not going to be able to grow hemp, or they're going to have to grow it for, you know, a shorter period, so, you know, get a smaller product. I'm sure anybody here could tell you that things grow, and if-- you want to cut them at an optimum time, and if you cut them too soon, you maybe are going to have a less-marketable product. That's exactly what is happening-- going to happen under this bill. Under LB316, AM944 is going to require farmers in an abundance of caution to harvest their rope hemp or cloth hemp, or whatever the textile hemp they may decide to grow, early because of the fear that if they let it grow too long, the concentration of Delta-9 will get too close to, to 0.03-- or, 0.3%, that then the other deltas that are in it will push it above 0.3%. Because the whole reason the feds set the limit at 0.3% for Delta-9 and didn't address anything else-- that was on purpose, to say most of this textile hemp is not going to get out-- above 0.3% if you grow it, you know, in a certain time scale, but anybody who's worked in that industry in the state could probably tell you there are times where it does; if it's a particularly sunny year, I guess, that they will grow and increase its concentration of Delta-9, and they will lose some portion of their crop. That is going to be the state of affairs going forward for these farmers, so it's going to have a serious impact on this ability for somebody to go into this field. So, again, I am in favor of the bracket motion. I'm opposed to LB316 for any number of reasons. I think it's wrong to criminalize or to outlaw something when we could just regulate it and do a very good job of regulating it, a very robust regulatory scheme. But I think the unintended consequences-- or, perhaps, intended consequence-- of just shutting down this entire industry of hardworking Nebraskans trying to make their way in an emerging market is the wrong approach. So, I encourage your green vote on the bracket motion and red vote on LB316, and if we get to-- when we get to cloture, if we get to cloture-- I probably won't get to talk again, so red vote on cloture, and then we can go back to the drawing board and work on the regulatory structure. I'm here for it. I've got a proposal. Let's do it. Let's regulate this. Thank you, Mr. President.

DeKAY: Thank you. Senator Machaela Cavanaugh, you are recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Good evening, colleagues. Good evening, Nebraska. I rise in continued support of M063 and in opposition to LB316. I started to look at the online comments, and-- well, I pulled it up, but-- technical difficulties. I can't actually access the actual comments, just the list of people who commented. But I did see that there is a group that came and testified for pet relief. I thought that was kind of interesting. A lot of people-- you know, we've done bills around pet insurance. I think that was Senator Ballard's bill last year. I tried to-- or the year before, I wanted to amend it to include unicorns. Do you remember? He remembers. I know he does. But you know, this could be another, like, natural way to give pets pet relief. And when you have an aging pet, which is a member of your family-- and I know my neighbor had a golden retriever, Ruby, who passed away a couple years ago. And she took her for walks every day, and Ruby was always-- you know, she was getting pretty old and she was really hobbling along towards the end there, so I can imagine that some CBD-type product-- products might be good for pets. I mean, really, a more natural way of easing pain. But that's more medical marijuana, not-- that's different conversation than this one. But I will just continue to reiterate that we continually are creating new crimes, enhanced penalties, which is just going to exasperate our already-overcrowded prison system. Taking people out of the workforce instead of looking for solutions for decriminalization and keeping people in community, we're just going to create more crimes, which is going to cost us more. And I heavily encourage colleagues to look at the Texas model that the organization ALEC did a report-- has actually done several reports about over the years, and how when they did a sentencing reform, it resulted in massive savings for the state, like, billions. So, something that I personally think is very worth looking into, especially if we want to be serious about being good stewards of taxpayer dollars. But yes, so this bill costs money-- or, well, it takes away revenue, and that's something that we can't afford to do right now. And, you know, creating additional penalties-- not great. I-- I'm not sure what it does for age limit. I would like to see legislation that puts in guardrails similar to tobacco products because right now, we-- children can access these things, and I've heard from lots of people about having, you know, these Delta-8 stores next to child care facilities. And without us doing anything to regulate, then that's going to keep happening. And it's not that those, that those businesses want to sell to toddlers or anything, but they can. I mean, not toddlers, but you know, they can sell to

underage children; there's nothing prohibiting that. And so, I would really like to see us as a body looking to regulate this; not criminalize it, not lose the taxable income, but to regulate it in a way that makes common sense. And we've talked about other substances, including alcohol, that is regulated; tobacco, regulated, but not outlawed. And, you know, people have vices, and who are we to dictate whether or not this vice is OK or this vice is OK? I think there's a saying in the Bible, living in glass houses-- maybe that's not the Bible. Well, whoever among us has, has not sinned can throw the, the first stone. Which I always thought was interesting, because if you're throwing stones at another human being, isn't that a sin? So. So, kind of. Anyways. All right, I think I'm about out of time. Thank you, Mr. President.

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

JUAREZ: Thank you very much, and good evening, colleagues. I can't believe how fast our dinner time goes, but here we are. And good evening to everyone who's watching online. First, I wanted to start out by asking Senator Bosn if she would yield to a question.

DeKAY: Senator, would you yield to a question?

BOSN: I apologize. If you already asked the question, I need you to repeat it. I didn't hear it.

JUAREZ: No, I haven't asked it yet.

BOSN: OK. Yes, I'll yield.

JUAREZ: OK, so I just have a simple question, and that is, you know, I've received an email from someone that says your amendment is banning 99% of hemp products. Was that your intent of your amendment, or do you not see it that way?

BOSN: So, your question is my amendment-- first, this-- those-- the committee amendment, but whether or not the committee amendment bans 99% of hemp products?

JUAREZ: Yes, I was told that that's what-- and I-- excuse me, you're right. Your committee amendment, that that's what it does. Do you agree with that?

BOSN: I don't know the answer to that percentage-wise, without looking at it more deeply. So, the intentions of the amendment are to ban

consumable hemp products, such as Delta-8 and Delta-9. Whether or not that makes up 90%, I couldn't answer without more time.

JUAREZ: OK, thank you. So, the feedback that I've received is that because all cannabinoids must undergo a chemical synthesis or modification to be separated from each other and put into products, that's why it says AM944 is banning 99% of hemp products. You know, one of the concerns that I have about this bill-- and I have a concerns like this on other bills that we're still yet to consider-- is, how many people will actually leave our state if we pass this bill? I don't think that we should be naive to think that people are not going to exit, because I think that they definitely will, because there are other states, you know, that allow the products. And if someone's making a livelihood from this, and it's supporting their families, you know, providing jobs, I definitely think that people will pick up and leave, I'm-- and I'm very concerned about it. From the report that I had mentioned earlier, on the 2023 National "Cannabinoid"-- Cannabinoid Report, it says here about employment and wage analysis: with an extensive supply chain and significant revenue generation, the hemp-derived cannabinoid industry creates employment opportunities in multiple industries. With segments including farming, biomass processing, product manufacturing, distribution, and retail, the hemp-derived "cannabinoid" industry has proven to be a major source of employment. The industry employs over 325,000 workers. Now, mind you, this is a 2023 report. It pays an excess of \$13.2 billion in wages. The average hemp operator employs 12.6 employees, paying each one between \$35,000 and \$50,000 a year. I'm definitely in the wrong industry. Distributors and manufacturers employ more people on average than retailers. The average distributor employs approximately 20 employees; some distributors employ more than 200 workers. Manufacturers employ more than 25 workers on average. Some large manufacturers in Wisconsin, Indiana, Florida, and Texas employ between 125 and 250 workers. The forecast on the employment is \$28.4 billion; jobs, 328,989; wages, \$3.2 billion. Given the level of employment nationally and the level of interstate commerce, regulators and legislators are challenged to strike a balance between public safety priorities--

ARCH: Time, Senator.

JUAREZ: Thank you.

ARCH: Senator Hansen, you're recognized to speak.

HANSEN: Thank you, Mr. Speaker [SIC]. I just want to just very briefly get up here and talk about-- one of the reasons for me voting for this bill is Senator-- and I discussed this with Senator Kauth as well beforehand, that-- and she agreed that on Select File, we're going to work on getting an amendment on LB316 with some specific language to provide some protection for the Nebraska Medical Cannabis Act [SIC]. So, this bill, or the language in this bill will then not negatively affect the medical cannabis ballot initiative that the 72% of people voted for. So, I've got some language for that. We're going to run it by her, we're working on some more specifics for that, but she can redo that on Select File. And so, with that, I'll vote here to move it forward so we can kind of make sure there's some protections in place so this bill does not affect a ballot initiative that went through last year, so. Thank you, Mr. President.

ARCH: Senator Bosn, you're recognized to speak.

BOSN: Thank you, Mr. President. I just want to provide some clarification. I did have a chance to, for Senator Juarez's question, confirm that it would not make 99% of hemp products illegal. There are-- there's a significant market for fiber, rope, textiles, all of which would be-- still be legal, as well as other things. So, I don't think the-- I don't know where the 99% came from, and I'm happy to follow up that conversation, but I just want to make sure and get that on the mic. I'd like to take a moment to read from an article that was passed out earlier today by Senator Clouse, and a signific-- a specific portion of that under the synthetic CBD. This is the Natural versus Synthetic CBD: Wait, What is Synthetic CBD? Article dated-- well, it's dated today's date on that page, but looks like it came out April 4, 2022. Be wary of synthetic CBD; better yet, avoid it. Synthetic cannabinoids, including CBD, can be dangerous and pose serious health risks, including increased heart rate, seizures, vomiting, and even death. Because they are cheaper to make, and malicious dealers and manufacturers can make a quick buck out of selling synthetic CBD, there is still a proliferation of these out there, so consumers have to make conscious, data-driven decision. Here's where we are. The FDA has still not come up with regulations to oversee the sale of CBD products, which is dangerous. Colleagues, that's where we're at today. I also want to take a moment to read from a letter from a proponent, Lorelle Mueting, on behalf of Heartland Family Service, and I'll try and go through this as quickly as I possibly, possibly can. My name is Loretta [SIC] Mueting. I am the prevention director at Heartland Family Services [SIC]. I'm here on behalf of our agency as a strong proponent of LB316. As a certified prevention specialist, my job is to prevent people from having

problems with alcohol, THC, and other drugs. This bill is long overdue. We have shops selling THC derivatives all over our communities, and-- she's from Omaha-- and state, and these products need to go away. They are addictive, cause impairment, and are causing harm to public health and safety in Nebraska. They come in the form of THC-infused seltzers that are marketed as an alternative to alcohol, candies, cookies, gummies, capsules, vape cartridges, flower products, and more. She goes on to list all the reasons. So, this is another reason for the red flags and the concerns. She attached to that one of the multitude of mailers that she was receiving from these distributors. The other concern that we're hearing about how this is going to cause mass migration out of the state of Nebraska-- if you look at the handout from Senator Kauth entitled Delta-8 THC crazy concerns chem, that was dated August 30, 2021, the last page of that handout-- and it does provide a citation-- shows you a map in red and green-- or, excuse me, red and blue. Wow. I'm not colorblind. It's blue. The only state around us-- we, we are the only state in the Midwest that is blue, showing that we don't have a ban. So, those people won't be migrating to South Dakota or North Dakota, Montana or Wyoming, Colorado or Kansas, Arkansas, Missouri or Iowa, because these are banned in all of those states as well. Look no further than our very liberal-leaning states of California, Oregon, New York, Vermont, all of whom have also banned Delta-8 and synthetic Delta-9 and -10. These are states that have recognized the significant health risks of Delta-8 and similar synthetic cannabinoids. I, I can't even imagine how, in states that have predominantly Democrat-led houses and, and Senates, that these were ideas they could all wrap their head around and support. And we are standing here, saying, "Well, I don't know. What if this makes the sky fall tomorrow?" The sky is not falling tomorrow. These are dangerous substances, and they are different and distinct from medical marijuana for a whole host of purposes. These compounds are, are manufactured for the purposes of getting kids addicted and involved in using these substances, and the downstream effects of that are so significant. Please do not be distracted by those arguments. This is a dangerous substance, and it is time to ban it. Thank you, Mr. President.

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

HOLDCROFT: Thank you, Mr. President. I have here an article from the Partnership to End Addiction that's entitled "Delta-H [SIC] THC: What You Need to Know About 'Cannabis Light.'" When most people talk about marijuana, they were referring to Delta-9 THC, the ingredient in marijuana that is responsible for the high. Delta-H [SIC] THC, also known as "weed light" or "diet weed" is Delta-9 THC's chemical cousin.

It gets its nickname because it isn't quite as strong or potent. Delta-8 can be found in drinks, gummies, tinctures, cookies, vapes, blunts, and more for sale across the country. How potent or strong is it? People using Delta-8 report that it is about half as potent as Delta-9. That said, it's fairly easy to use enough to get the same effect. According to one website, 60 milligrams of Delta-8 gummies is about the same as 30 milligrams of Delta-9 gummies. They suggest that Delta-8 is a great option for people looking for a gentler high, or beginners who are not experienced in using marijuana products. Where do kids get it? Well, Delta-8 is for sale in gas stations, vape shops, hemp or CBD stores, and other outlets. It's also marketed on social media, and it's fairly easy to buy online. And, as with other substances like alcohol, people over the age of 18 or 21 can buy it and sell it to younger kids. Often, the packaging isn't child-resistant, and may picture cartoon characters, bright colors, and flavors like "grape ape," "Girl Scout cookie," "pineapple express," strawberry, and cherry also attract teen-- teens and young children. What are the signs of use? Signs of Delta-8 use are the same as for other marijuana products; they can include changes in appearance, behavior, and mood. Will it show up in a drug test? The short answer is that it can. When the body breaks down and processes marijuana, THC metabolites are produced. Urine screens look for these metabolites. Since Delta-8 creates THC metabolites, a positive test can occur. Also, it isn't unusual for products to be mislabeled. Delta-9 has been found in some products labeled as Delta-8 or hemp; this will result in a positive urine screen as well. Is it legal? While many companies are marketing Delta-8 as a legal high, its legal status is in question. People in favor of Delta-8 argue that it is part of the hemp plant, which is a legal crop. The U.S. Drug Enforcement Administration sees things differently. The agency considers it to be a Schedule I controlled substance since it is produced synthetically. A Schedule I drug is viewed as having no medical use, and places people at risk of developing a substance use disorder. Some states have restricted or banned Delta-8 sales, while others are considering bans. There are also states that offer it under their recreational marijuana laws. Still other states have not taken steps one way or the other. Why are there concerns about Delta-8 [SIC] THC? In addition to the concerns about its illegal status, none of the Delta-8 products for purchase have been evaluated for safety by the Food and Drug Administration. The Center for Disease Control recently issued a health alert, raising several concerns, including limited research on the health impacts of Delta-8, marketing products for medical use with no evidence to back up claims, mislabeling of products in terms of the amount of Delta-8 present or other

ingredients, confusion with CBD and hemp products that are not intoxicating, lack of consistent testing for heavy metals, solvents, or pesticides, and product sales in places where there is limited or no oversight as compared to marijuana dispensaries. And finally, calls to poison control and hospitalizations, especially for children exposed to Delta-8. Thank you, Mr. President.

ARCH: Senator Guereca, you're recognized to speak.

GUERECA: Thank you, Mr. President. Good afternoon, colleagues. Again, I, I rise in support of the bracket motion, in opposition to the committee amendment and to the underlying bill, LB316. Thought it kind of funny that all morning, we heard from proponents of this bill that it had nothing to do with the medical marijuana ballot initiative, but now we're going to be getting some language to clarify that. Yes, a lot of very blue liberal states have been banning these, these products, but those were due to lobbying efforts by a lot of these large medical-- marijuana companies, true weed companies that are pushing out these alternatives, so. That's the situation that happened in California. I know a lot of other liberal states where recreational marijuana has been legalized. Reading through this article that was distributed by one of my colleagues, Natural versus Synthetic CBD-- it's a great line right here: additionally, synthetic CBD-- which is banned in Nebraska-- is considered an active pharmaceutical ingredient which is made to be chemically identical to hemp-derived CBD, which is natural. So folks, let's-- you know, the, the, the-- this is a product that is being used. Could be further regulated, absolutely. And I know my, my colleague Senator Cavanaugh has a great bill that would do just that, to put guardrails, to make sure that the labeling is very clear, to make sure that our kids aren't getting into it. All valid concerns, and there's a bill to address that. But the reality is, colleagues, this is not the, the solution. It's just not. And-- but I also wanted to rise in recognition of, of something else. So I-- my, my name is Basque, my paternal grandfather was born in the Basque country, and-- this was as close to the anniversary as, as possible, but on April 26, 1937, in the middle of the, of the Spanish Civil War, fascist forces bombed a little-known town of Guernica. The town had very little military value, but what it did have was symbolic meaning to the Basque people, an ancient people that have a language that is unrelated to any other language in the world. The-- there was a, an English journalist that happened to be leaving the town, and came back and witnessed the, the, the devastation, the carnage that was nothing else but to break the Basque fighting spirit, who had stopped the fascist advance into their home-- into their homeland. And that depiction, that article that was written by this English journalist

inspired Pablo Picasso to paint the anti-war painting "Guernica." So, just a little history lesson, there; a little bit about my culture and my background. And with that, I will yield the remainder of my time. Thank you.

ARCH: Senator Storer, you're recognized to speak.

STORER: Thank you, Mr. President. It was good morning earlier, now it was good afternoon, now it's good evening. I'm just going to visit a couple of the things, and, and this may seem a bit repetitive with some of the points that Senator Bosn was making earlier, because I do think it's very important. You know, it's easy-- easier when you're on the floor here. We sit in the committee hearings, we have the, the discussions amongst ourself to understand the nuances of, of these bills and what we're talking about. And sometimes, I know, for our constituents that, that are listening and trying to follow this, it, it can get even a bit more confusing. And as I've "sitten"-- sat here all day and listened to the debate and the discussion and the comments made, it would be very easy for those listening to be confused about what LB316 is and what it is not. We are not talking about banning naturally-derived THC products, under the, under the limit, of course; we are not talking about naturally-- natural CBD. There's-- there-- the clear distinction, for, for those listening, in terms of what are we talking about banning and what are we not talking about banning, is synthetic versus natural. This is not-- and, and I, too, heard that there may be some clarifying language to make certain that there's no unintended consequences of LB316 on the ballot initiatives regarding medical marijuana, and certainly, if there needs to be certainty and clarification, I think that's a positive thing. But, but LB316 is not reflecting medical marijuana and the will of the voters on the ballot initiative. These are two separate and distinct products. 17 states-- and it's been said, but, but sometimes people pop on and listen, maybe, for, for 30 minutes, so maybe they have not heard this-- but 17 states have already banned Delta-8, synthetic Delta-8. 17 other states. And as Senator Bosn pointed out, Colorado has banned Delta-8. Montana, South Dakota. Again, we are, we are becoming the island in the middle. So, we're not breaking new ground here, people. And sometimes, I do get a little frustrated when, when we, we have those discussions here in Nebraska, and we're a little nervous to do something anyway if it hasn't already been done. It's OK to be a leader sometimes, too. But 17 other states have already done this. So, again, just easy differentiation, synthetic versus natural. LB316 is dealing with the banning of synthetic products. Seventeen other states have already banned this. And no, before we get any emails or phone calls being upset that perhaps this is going to affect medical

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marijuana, this is not. So, with that, I will yield the rest of my time to Senator Storm.

ARCH: Senator Storm, 1:25

STORM: Thank you, Mr. President. So, I wanted to read-- during the attorney general's testimony on LB316, he had a segment in here that I wanted to read. It said: these products are harmful to Nebraskans, particularly children and vulnerable adults. During our efforts to eradicate Delta-8, we have heard from individuals and families whose lives have been negatively affected by these products. Here is an excerpt from a letter from one mom sent to us about her son. My husband and I spent nine days in our son's hospital room. EEG sensors were glued to his head; he couldn't speak. When not tearing apart his room, he stared with vacant eyes. My husband planned his funeral. That was the fourth hospitalization. The first was the hardest. His psychosis was severe, and we understood little about addiction and psychosis. He was in a graduate program and engaged to his high school sweetheart. We were proud of him. He was everything we hoped for a son. Then, COVID hit. He began using marijuana, and more often, particularly Delta-8. We sensed something was off, but then again, the whole, whole world was off. I got [INAUDIBLE] read, but I'll move on for now. Thank you, Mr. President.

ARCH: Senator Rountree, you're recognized to speak.

ROUNTREE: Good evening. Thank you, Mr. President. Good evening, colleagues, and all that have stayed watching online. I just rise very quickly to say I still appreciate all of the discussion that's gone on. I do support the bracket motion. But as we've been in discussion, I reflected back on my campaign, and I did run into one of our constituents that has a CBD shop down in the district. We had a chance to talk some today as we have been debating this particular bill, and, you know, he stated that he has all of his protections and everything in place that protects our children. That's one of the great things that we're looking at and thinking about is the protection, not only of our children, but for all of our constituents. He just kind of walked me through the process of how they do business, and really, we have more good actors out here than we do bad actors. I believe that everyone wants to come to work and do a great job, and they want to protect those that are in our neighborhoods and not do things that are going to denigrate and tear our neighborhoods apart. So, I appreciated having that conversation with him. We did talk about the things that the attorney general's doing, as far as the letters that have been sent out. He did receive one of those letters. One of the products

taken out of his store was a gummy that was a Delta-9 gummy, but it had a trace amount of a naturally-occurring Delta-8 in that. But nevertheless, they're not selling any products that would go out and intentionally harm our public. So, I appreciate the business model that he has, and I believe there are more of us in Nebraska that have those great business models. So, I appreciate, as we discuss in here, we talking about the effects of unintended consequences, looking at the amendments that are coming forth. So, I want to stay on top of those and protect our businesses here in Nebraska, as well as protecting our constituents. And with that, I'm going to yield the rest of my time to Senator Brandt in the spirit of the Unicameral and the institution. Thank you, Mr. President.

ARCH: Senator Brandt, 3 minutes.

BRANDT: Thank you, Mr. President. Thank you, Senator Rountree. This is the first time I've spoken on the mic on this today, and there's just a, a couple of things. Much like Senator Hansen, I'm willing to vote this through to Select if we get rid of the possession penalty on Select. The way it's set up now, if you've got a gummy, an eyedropper with a little bit of solution in it, a partial tube of cream on a hemp product that's legal today, that, effective January 1, you could be facing a felony. That's ridiculous. I-- you know, I-- this is hemp; this is not marijuana, guys. So, I just want to make that point and have it clear on the mic. I have talked to the AG's office, Senator Kauth, Senator Bosn on this. Everybody kind of seems in agreement in the spirit of collegiality. They are willing to look at this and work with me on this, and hopefully we can come to a, a solution on this. I will be voting for LB316 this round, and the amendment. Thank you, Mr. President.

ARCH: Senator Hardin, you're recognized to speak.

HARDIN: Thank you, Mr. President. I'm not fond of gateway drugs. I'll share with you why I'm not fond of gateway drugs. In 1989, I managed a little apartment complex in kind of a rough section of Denver, Colorado. I was going to grad school. One afternoon, I got a knock at the door, an excited knock at the door. I opened it. It was one of the people from the apartment complex who invited me to come to his apartment because he had a surprise waiting for me. A woman was thrown out of the third story of that apartment complex, and she hit the ground. She climbed through the garden screen into his apartment. They did not know each other, and she kind of crashed onto the floor. And she said her boyfriend threw her out of the third story, and that he was coming to get her. And so, I picked her up, took her into my

apartment to hide. Shortly after I got her into my apartment, she started shaking and convulsing and biting her tongue off, and I forced her mouth open and gave her CPR. That was back in the days where we did both mouth-to-mouth as well as compression. She revived for a little bit. I called 911, and we waited. Unfortunately, when I was giving her mouth-to-mouth, she became violently ill. We had in 1989 what was called an exchange of body fluids. She would die there, on the world's ugliest couch. Paramedics arrived and took her away, and because it was a domestic violence situation, Denver homicide was there. A few days later, I get another knock at the door, and it's a Denver homicide officer, and he said: I was here a few days ago. That woman who passed away here the other day, he said, had AIDS. Because of that exchange of body fluids, I spent the next nine years doing blood testing every three months. We put off having a family. A few days later, there's another knock at the door, and by that point, I'm fearful of knocks at the door. It was an older lady I'd not seen or met before, and she was actually the mother of the young woman who died. And she shared with me that her daughter overdosed on cocaine, but she'd had a life of gateway drugs. I volunteered in AIDS hospices and centers because I wondered what my future might hold. I think it's a good idea, with all of the challenges that the world can bring, that we avoid the ones that are unnecessary. Thank you, Mr. President.

ARCH: Senator Andersen, you're recognized to speak.

ANDERSEN: [MALFUNCTION] you, Mr. President. I oppose the bracket motion, I support AM944 and LB316, and wish to yield my time to Senator Kauth.

ARCH: Senator Kauth, 4 minutes, 50.

KAUTH: Thank you, Mr. President, and thank you, Senator Andersen, and thank you, Senator Hardin, for sharing that story. I think that is incredibly illustrative of what it is we are trying to prevent. And Senator Hardin is exactly right; if you can see danger ahead, if you can see something that you know will harm people, it is our job in this Legislature to make sure that we are putting those guardrails up. I wanted to respond to an email I got from someone who is a-- she is in psychiatry. She very much agrees with this bill, but it's driving her nuts because we're saying "synthetic," and there is a difference between K2 and Delta-8, because Delta-8 is quote-unquote naturally-occurring. But when we're talking about synthetic, we are actually talking about the finished product on the shelf. It may have started out natural, but when you add upwards of 35 chemicals and reagents to it, those synthetic byproducts or isomers that not even

chemists can identify-- I'm going to keep going back to that, because chemists are really smart. They're also very curious. They want to know what things are. And when they look through their tools and they say, hey, we can't identify something new that has been created by a certain process, that should worry us all. These synthetics, in addition, contain acids and heavy metals from the manner the finished product was created. It's the actual synthetic process of creating the cannabinoid that matters. The reactions necessary to make the product contain marketable amounts of THC is what makes it synthetic. And this is different from CBD, which is extracted from hemp without chemical modifications or synthesis. The other thing I wanted to point out is we're talking about consumables, and I think Senator Dungan had a question about a lotion or the CBD products that, that are topical. That's not what we're talking about. We're talking about the products that you consume. You know, the, the AG's office has, has been trying to work on this; they've been talking with people, they have been trying to make sure that people are following the law, with very, very little effect. So, there are, there are a couple of ways we can go about it. If we here in the Legislature are not willing to do the very difficult job of putting restrictions on this, then the attorneys general will keep suing. So, impact on retailers if the attorney general has to continue doing this. Continued litigation, significant fines and penalties is going to be putting these retailers out of business, and they will have a lot of legal bills for it. However, if they obey the law, if we're able to get this put in place and they choose to obey the the law and sell just those products which are legal, which go through that step process, they don't have those fines, they don't have those legal fees, they can continue to make money and earn a living. The impact on families if we have to-- if the AG's office has to continue suing-- it's going to take longer. It's a slow process. More people will wind up hurt, more people will wind up, as Senator Hardin said, experimenting with a gateway drug. Children are going to continue to be injured. I told you I had a teacher sending me an email earlier today saying that he had seen the damage these drugs are wrecking on our students. It's in the schools, and there's nothing teachers can do about it. If they see somebody holding a bag of Delta-something, they purchased it over the counter because we, in this state, have not made it illegal. We need to be quicker about this. We need to put this in place, and put those protections in place for kids. The impact on taxpayers, if we have to continue suing and trying to do this through the lawsuit process-- taxpayer resources are going to be taken up for this fight. It is a fight worth having, don't get me wrong. But it's a fight we're having that we here in the Legislature can make much simpler. The impact on communities-- local

law enforcement, mental health providers, mental health resources, medical resources will all continue to be strained specifically because of these products. If we can restrict these products now, we help preserve our medical community, we help preserve our public safety community. So, I don't know that I'll get back up, but I ask for your green vote--

ARCH: Time, Senator.

KAUTH: --on AM944.

ARCH: Senator Storm, you're recognized to speak.

STORM: Thank you, Mr. President. I want to address-- Senator Juarez pointed out that there's some states that had Delta-8 legal, and she said California and Virginia. And she thought maybe we need to take a field trip there and, and check out how they regulate their products. And I would just say, California, all hemp-derived Delta-8 THC is currently banned for sale in the state of California. Virginia has banned the sale of hemp-derived Delta-8. The crackdown on Delta-8 was prompted by health concerns for children. So, I'm all for taking that field trip. Want to read another letter here from a, a parent. This is, once again, from the AG's testimony on LB316, and it says: another child's concerned parents shared this with us. The year 2024 was a year from hell for our family. In January, we're learned that our child, at the age of 14, had begun using THC and delta products. In December 2023, we began to notice that our child would come home in states of paranoia and very anxious. These instances would become increasingly worse as the weeks passed by. The fact that these products are still readily available to our youth is appalling. Our child, at the age of 15 and 16, was able to purchase these products at several locations in town. We know this is true because our child had their store punch cards for repeated purchases. Any healthcare provider that we have visited throughout this ordeal have stated that vaping delta products has increased youth admissions to healthcare facilities, who is exhibiting schizophrenic/manic behaviors. And the AG goes on to say, we believe these products are already illegal under the number of state laws, and have filed 15 lawsuits in 10 counties under the Nebraska Consumer Protection Act, Uniform Deceptive Trade Practices Act, and the Nebraska Pure Food Act. We have entered into the final or near-final settlement agreements in 12 cases. Because of the very unique way that this industry sprung up, there really are two options available to states where these retailers are popped up. The first option is to sue these stores; the second option is do what every other state around Nebraska has done, and that is just to be

explicit. It's a Legislature's choice. The Legislature-- the Unicameral last year did not make the choice, so the AG ramped up our litigation campaign; more people got hurt, more stores spent money on legal fees. It truly is the Legislature's choice once again. The longer the body waits, the more painful this becomes. The choice that is not available to us is just to let this sit. We will fight any attempt to legalize this, and if legislation doesn't pass, LB13 [SIC], the suits will be more aggressive. The, the Legislature passing LB13 [SIC] is a much more efficient solution to what has become a widespread problem in this state. Because these products are still proliferating, this bill will make crystal clear that these products are not to be possessed or used in the state of Nebraska. And I think that's key. You know, we came here-- I became a state senator to come here and serve my district and serve the state for the greater good. Like I mentioned before, I'm a conservative. The last thing I want to do is overregulate business and impose regulations on, on small business, for sure. But this is a health crisis, this is a health epidemic for young children, young adults. So, we have to act, and that is why we have to pass LB13 [SIC] with AM944. And that's what we plan to do here in a few more minutes, hopefully. Thank you, Mr. President.

ARCH: Senator Strommen, you're recognized to speak.

STROMMEN: Thank you, Mr. President. I just wanted to talk for a second. There was some conversation earlier about how this may affect the hemp industry, and I'm not sure if everybody knows this, but we had a Hemp Commission for the state of Nebraska, and that Hemp Commission has been shut down due to not only lack of funds but to the fact that there really is no production of hemp in this state. According to the university, currently, there are only 280 acres, 280 acres planted to hemp in the state of Nebraska. Anybody that's involved in agriculture or lawn management understands that 280 acres is not a substantial amount of property to grow any crop. You're looking at a quarter section, maybe half a quarter section. So, I just wanted to bring up the fact that really, the industry hasn't blossomed the way individuals thought that this industry might blossom. Part of the problem, I think, is also-- and I'm not sure if this is accurate, but there are no processing facilities in this state. Most of the product that had been produced had to be taken out of state, and those logistic costs made it, again, more difficult for people to get product from point A to point B. So, I just wanted to sort of touch on that fact. I'd like to yield the rest of my time to Senator Kauth, if she's available to speak.

ARCH: Senator Kauth, 3 minutes, 20.

KAUTH: Thank you, Mr. President. Thank you, Senator Strommen. There was a question about, would an individual in possession of products that violate the standards set forth in LB316, AM944 be charged with a felony? I want to clear that up. So, depending on the facts of the case, including the amount in possession, for anyone is-- who is in possession of more than a pound, they would be subject to a felony. Now, the gentleman-- Mike Marcheck, I believe, is his name-- who was arrested last week here in Lincoln with 237 grams of marijuana-- that's only half a pound. Now, that is enough to make about 14,000 joints, but it's a lot of product. So, to be charged with a felony under this bill, you would have to have more than a pound. The law "remated" to-- related to amounts of possessions, charges, infractions or misdemeanors has not been changed by this law. It's important to note that this law does not substantively change the law on this; synthetic THC is already illegal under Schedule I. Given the confusion, this bill will make it clear to the public that these are not legal products. Some of the stories that we have heard in the research for this-- middle-aged consumer took Delta-8 gummies for knee pain, had a bad reaction, wound up in the ER. A consumer walked into one of these stores. They're brightly lit, they look like they should know what they're doing. People trust the salespeople when they go in. They assume that it's-- if it is an over-the-counter product, if it's there in a store, someone somewhere-- usually in the government-- has made sure that that product is safe. The young store clerk who was in the mid-20s recommended a Delta-8 gummy, and one hour after usage, the consumer felt dizzy, fell in and out of consciousness, was unable to walk. The consumer could not stay awake. Their family member called an ambulance, and at the hospital, the individual began vomiting. He remained in the ER for seven hours, and was given IV fluids and medication for nausea and vomiting. Another middle-aged consumer took Delta-8 for back pain, had a bad reaction, and wound up in the ER. You see a pattern here. It's this-- the middle age. We've got aches, we've got pains, because that's part of life. And so, aches and pains, you don't necessarily need to medicate away; there are probably some better ways to deal with it. But people are going in and saying, hey, this will, this will work; I'm used to popping an aspirin, maybe this will help. This individual experienced intense psychological reaction, was temporarily unable to speak or move. They thought they were dying, and were taken to the ER and thought the nurses were trying to kill him. Multiple parents have reported that their adult children in their 20s and 30s having psychotic episodes, evidence of a psychotic break after regular use of Delta-8. These were reportedly normal young

adults whose lives were derailed due to the psychological effects. Parents witnessed their kids' reactions to Delta- 8, including breakdowns and public psychotic reactions. Multiple episodes say their kids got rejected from hospital ERs during these psychotic incidents; they were temporarily insane, but not actively hurting themselves. A parent of a young adult who wound up staying in a crisis center reports--

ARCH: Time, Senator.

KAUTH: Thank you, Mr. President.

ARCH: Senator Raybould, you're recognized to speak

RAYBOULD: Thank you, Mr. President. Good evening, colleagues. You know, I've, I've paid close attention to the debate, and I feel like we agree on more things rather than disagree on things, and I just want to do a quick wrap-up and a quick summary. One thing that we can agree, based on the Department of Revenue, that there will be a loss of revenue for the next-- this year and next year of about \$3.2 million in sales tax, and then also approximately \$160,000 loss of revenue for the Highway Trust Fund. We can also agree that there will be additional expenses if we implement LB316. It's not yet known, and I-- we most likely will hear from the Department of Revenue, but it did say again, regulation of, of consumable hemp products under the Nebraska Pure Food Act as defined in LB316 would create significant new duties upon the agency, requiring either contracting for testing or purchase of testing equipment, and hiring of personnel. The one thing that we-- is-- all agree on is we, we want regulation, we need a regulatory body, we want clear guidelines, we want restrictions, we want penalties, we want safeguards to prohibit any sale of any type of these consumables to anyone under the age of 21, we want enforcement regulations. And I ask you, colleagues, really take a look at LB316 and AM944, and compare it and contrast it with AM1063. They're, they're-- they couldn't be more different. If you're really serious about control and regulation and guidelines and protections, it is sorely missing in AM944. But if you take a look at AM1063 proposed by Senator Cavanaugh, it is thorough, it is detailed; it creates a regulatory body, the Nebraska Consumable Hemp Control Act [SIC]. It'll be under the auspices of the Nebraska Consumer-- Consumables Hemp Control Commission, which will be affiliated with the Nebraska Liquor Control Commission, which has years and years of experience in control, compliance, monitoring and enforcement, and penalties. And it's very clear what it is-- in AM1063, what it intends to do: "promote adequate, economical, and efficient service by licensees

selling consumable hemp products within the state without unjust or undue discrimination, preference, or advantage." And it also says "generate revenue by imposing an excise tax" but promote the health and safety and welfare of the people of the state by sound and careful control and regulation of the sale of consumable hemp. The most important thing, it creates the mechanism, and then it goes on in great detail, page after page after page, on really the control mechanisms that they put in place, the guidelines, the enforcement. The one thing it also talks about-- which we have talked about-- both sides have talked about labeling to make sure that there is no item that is unclear in what the ingredients are in it, and I think that is one of the most important things. Labeled with consumer protection warnings in the form of a statement that cover all of the following: "A listing of the major cannabinoids in the product;" "a listing of ingredients and possible allergens and a nutritional fact panel for edible products or a code that can be scanned" and "that directs consumers to a website containing the list of ingredients and allergens and a nutritional fact panel;" "a statement that the consumption of certain cannabinoids may impair your ability to drive and operate heavy machinery;" "a statement that the product is not approved by the United States Food and Drug Administration;" "a statement to keep out of" the "reach of children." So, it goes on and on and about the detailing of the specific codes and the elements and ingredients that can be harmful if ingested. It also has a warning, and again, because the Liquor Control Commission has had to dealt with, the penalties are severe. If you as an operator, retailer sell to a person younger than 21 years of age, a "violation"-- violation of this law may result in a fine up to 1,006 months in jail-- \$1,000, six months in jail, or both. It goes on to talk about knowingly-- no person shall knowingly give away or exchange any of this to a minor, and that can be a Class II misdemeanor. So, it goes on, and I find that there is more stringent application and restrictions in Senator Cavanaugh's proposal than what is found in AM944, and I certainly will not support LB316 unless they take a deep dive into the serious penalties and enforcement, creating a regulatory body.

ARCH: Time, Senator.

RAYBOULD: Thank you, Mr. President.

ARCH: Senator von Gillern, you're recognized to speak.

von GILLERN: Thank you, Mr. President. I rise against the bracket motion, in, in favor of AM944 and LB316. It's been mentioned by a number of others throughout the debate today, and I just want to throw

my hat in the ring. I fall in the category of not willing-- being willing to surrender the safety of our families, our children, of all Nebraskans for a revenue source. This is not the way to generate revenue. We-- I understand that there's a loss coming, or there's projected loss coming in revenue if this bill passes. And, being the chair of the Revenue Committee, and of course being one of those that's working hard to balance our state budget, I can't say that lightly. But this is not the way to balance-- to, to raise money to help balance our budget, and I will not stand in, in support of, of doing that. So, I do stand in support of the bill, LB316, and yield the remainder of my time to Senator Kauth.

ARCH: Senator Kauth, 3 minutes, 50.

KAUTH: Thank you, Mr. President, and thank you, Senator von Gillern. Thank you for everyone who got on the mic and talked today. I very much appreciate the support. I appreciate the discussion. I think we had a lot of very good conversations. I'd like to go back a little bit to what I spoke about with the Medicaid numbers. Those Medicaid numbers-- in 2021, we spent \$30.1 million from Medicaid on drug and alcohol abuse. And one year later, in 2022, that number jumped up by \$10 million to \$40.6 (million). What happened in that year? That's the year that I started noticing these pot shops literally popping up everywhere. Billboards, bus signs, stores-- bright, beautiful, shiny stores being built all over the place, a lot of them very close to schools, a lot of them with very flashy designs, a lot them saying, hey, it's legal, come on in. Maybe once we eradicate this, our Medicaid spending on drug and alcohol abuse will go down. Maybe we will prevent kids from getting started. Maybe we will prevent young adults from thinking that this is a temporary solution, or it's just as safe as a glass of wine or a can of beer. It can't possibly be a hard drug, it can't possibly be something that's going to hurt me, because if it was, it would be illegal. What this will do-- we probably won't stop black market, but people who are going to the black market to buy things that they know are illegal are choosing to buy an illegal product. That's a choice that a lot of people won't take that step over that line. By banning it, we are protecting those people who can recognize it and say, oh, they just made this illegal because it is so dangerous. Thank goodness I have senators down in Lincoln who are willing to look out for me and let me know-- who did the research, who've talked to the other states, who've looked around, and have seen that 21 other states have banned these products because they are so dangerous, they are toxic, they will hurt us, and I'm really glad that my Senator is down in linking-- Lincoln looking out for me. I very much hope that that is what we leave here today with.

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Very grateful for all the senators who have agreed to vote for this, and to working with Senator Brandt and Senator Hansen to make sure that their questions are answered and that we have the clarify-- clarification needed to continue on and make this vote count. Again, we're putting in place protections because that is our job. It's our job to be-- consumer protection is a huge part of what we are supposed to do in the government. When people walk into the store, they don't have the time to do all the research and dig through piles of articles to see whether this is or is not something that is going to be good for them. They will listen to the 20-year-old who's trying to make a sale who says, "oh yeah, this is great for back pain;" "my grandma takes it, it's fine." These are unregulated, untested, completely indiscriminately-created drugs, and they will harm you. And it's our job to make sure that they are no longer on the market. I yield my time. Thank you, Mr. President.

ARCH: Mr. Clerk, you have a motion on the desk?

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

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

KAUTH: I would ask for a vote on LB316, AM944 green votes, and a red vote on the cloture and bracket. Call of the house.

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

CLERK: 34 ayes, 1 nay to place the house under call.

ARCH: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Hunt, please return to the Chamber, the house is under call. All unexcused members are now present. Members, the first vote is the motion to invoke cloture. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

CLERK: 33 ayes, 11 ayes to invoke cloture.

ARCH: The motion to invoke cloture is successful. The next vote is the bracket motion. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

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CLERK: 11 ayes, 33 nays on the motion to bracket, Mr. President.

ARCH: The bracket motion is not successful. The next vote is the adoption of AM944 to LB316. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

CLERK: 33 ayes, 7 nays on adoption of the committee amendment.

ARCH: The committee amendment is adopted. The next vote-- the next vote is the advancement of LB316 to E&R Initial. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

CLERK: 33 ayes, 13 nays on advancement of the bill, Mr. President.

ARCH: LB316 does advance. I raise the call. Mr. Clerk, for items.

CLERK: Mr. President, amendments to be printed from Senator Kauth to LB316. That's all I have at this time.

ARCH: Mr. Clerk, please proceed to the next item.

CLERK: Mr. President, next item on the agenda: General File, LB468 introduced by Senator Clements. It's a bill for an act relating to revenue and taxation; amends Sections 33-110, 60-158, 60-3,186, 76-901, 76-903, 77-684, 77-912, 77-1327, 77-1720, 77-1804, 81-12,146, and Sections 8-1120, 77-2005, 77-2006, 77-6203, 77-6815, 77-6831, 77-6833; distributes certain funds to counties as prescribed; changes provisions relating to certain fees and the motor vehicle tax; changes the amount of distribution of the documentary stamp tax; changes the distribution of taxes relating to car line companies and insurance premiums; changes fees provisions relating to real estate sold for delinquent taxes; changes provisions relating to inheritance tax and the nameplate capacity tax; changes provisions of the Imagine Nebraska Act; eliminates sales tax exemption, exemption and a definition relating to data centers; harmonizes provisions; provides an operative date; repeals the original section; outright repeals Section 77-2701.54 and 77-2704.62; and declares an emergency. The bill was read for the first time on January 21 of this year and referred to the Revenue Committee; that committee placed the bill on General File with committee amendments, Mr. President.

ARCH: Senator Clements, you're recognized to open on LB468.

CLEMENTS: Thank you, Mr. President. The inheritance tax bill is my personal priority bill this session. I want to thank the Revenue Committee for advancing it to General File. And there is a handout

coming around that-- my first comments are going to be more general, and then later on, I'll get into the details of explanation. During my time at the Legislature, I've worked to improve Nebraska's tax structure to make us more competitive as a state. Addressing Nebraska's inheritance tax is a significant part of improving Nebraska's tax structure. It also helps our families and fellow Nebraskans by preserving family assets and increasing private capital formation. Nebraska and only four other states still collect an inheritance tax; these are Kentucky, Pennsylvania, New Jersey, and Maryland. The Iowa Legislature eliminated their inheritance tax completely on January 1 this year. Nebraska now remains a tax island in the Midwest for collecting the inheritance tax. Nebraska is the only state where the inheritance is paid to the counties. Values and timing of the states vary greatly, and as such, inheritance tax revenue is very inconsistent revenue for counties from year to year, especially in smaller counties. Most counties are unable to rely on this inconsistent tax for budgeting, so they use it as a side fund for special purchases. LB310 in 2022 took a small bite out of our most extreme inheritance tax rates; we lowered Class II niece and nephew rates from 13% to 11%, and Class III non-relative rates from 18% to 15%. We are now-- now tied for the third-worst instead of the first-worst rates in each of those categories. Nebraska has a 1% rate for immediate relatives, children, but an 11% rate for distant relatives, like nieces and nephews, and an even higher 15% rate for non-relatives. I don't believe any of this is in the spirit of our Nebraska Constitution, when it refers to "uniform and proportionate" taxation. People without children lose at least 11% of their life savings to taxes rather than leaving it all to their loved ones. Their simplest solution for this is to move out of Nebraska. That is what LB468 hopes to prevent. In 2024, I brought LB1067 to phase out Nebraska's inheritance tax gradually over five years, but with no revenue replacement. Due to the likelihood of increasing property taxes, it was filibustered, and died on General File. Since last May, I have worked with NACO on a solution that the counties would accept. NACO supports removing the inheritance tax as long as replacement revenue is included. I thank them for hosting several stakeholder meetings last interim to identify issues and find possible funding sources. LB468 provides \$34 million in new revenue for the counties; this is enough to reduce Class I slightly, and Class II and Class III significantly. I would like to do more, but the current budget doesn't permit that. I plan to do much more next year, if possible. Page 2 of the information packet shows the revenue sources identified for counties in LB468. It increases the county's share of motor vehicle tax, insurance premium tax, Securities Act, documentary stamp, and

train car line taxes, while maintaining the current tax rates for all of those. The nameplate capacity tax, which is in, in lieu of property tax, is increased with inflation, as it has not increased since 2011. As I get up later on, I'll go into more detail on those items. The bill go-- also increases county fees for marriage licenses, advertising of taxes, vehicle inspections, and distress warrants. NACO requested these changes to better cover the cost of providing these services. These excess costs are currently paid from property taxes. The revenue this bill provides will be much more stable than the inheritance tax it replaces. Pages 3 and 4 show the estimated new revenue-- revenue for every county and the amount retained compared to their five-year average. The committee amendment, AM754, will take Nebraska's three inheritance tax rates down to two different but much closer rates. A 1% rate with a \$150,000 exemption will imply to immediate Class I relatives, children; a 3% rate with a \$50,000 exemption will apply to Class II, nieces and nephews and Class III non-related beneficiaries. Some of the changes lower state revenues. This revenue is replaced by eliminating the Imagine Nebraska Modernization Tier 5 credit and the data center sales tax exemption. Ongoing corporate income tax reductions and our property tax relief should offset much of these credit losses. LB468 doesn't repeal the inheritance tax, but does cut it by approximately 36%, and makes it much more fair. If the budget was not short, more could be done this year. Nebraska is losing retirees faster than we are gaining population from other states; our inheritance tax contributes to this outmigration. I believe we can do better as a state in this area, and give people more reasons to stay in our state and not leave. I'll be happy to answer any questions. Thank you, Mr. President.

DeKAY: As the, as the Clerk stated, there are committee amendments. Senator von Gillern, you're "rep"-- ready to open on the amendment.

von GILLERN: Thank you, Mr. President. I stand in support of LB468, and opening on AM874, which is a white-copy amendment that the Revenue Committee advanced. The-- this is-- as was mentioned, this is Senator Clements' priority bill. It was heard in committee on February 5, had numerous testifiers on that bill, and you can refer to the committee statement for further details on that. I know Senator Clements worked for months in order to determine the revenue sources on this, in order to balance out the, the difference in revenue for the counties, in order to decrease the impact of the inheritance tax. And I'm a, I'm a fan of eliminating the inheritance tax completely. That would have been my first preference, but that's-- the fiscal challenge for both the counties, and replacing the revenue is a serious fiscal challenge to the state, if we were to do that. So, that would have been my first

preference, but I know Senator Clements is making a step here, and I want to encourage him in, in that process. So, with that, I will yield the remainder of my time to Senator Clements.

DeKAY: Senator Clements, you're yielded 8 minutes.

CLEMENTS: Thank you, Mr. President. I'd like to get into some of the details in the handout. If you go to-- go look at page 2, titled statewide revenue sources, there's items 1 through 10, you'll see the first one is motor vehicle tax administration fee. The change I proposed to the motor vehicles tax administration fee doubles the county fee from 1% to 2%. Slight changes in the distribution amounts in the bill will hold cities harmless. The change to school funding would cost local schools about \$2 million, but these losses are made up in other parts of the bill. The second line is insurance premium tax. I propose lowering the state's share of insurance premium tax from 40% to 30% and increasing counties from 5% to 15% of the \$148 million annual amount. Prior to 1985, counties received 25% of the premium taxes. Then, fund shares were increased for cities and schools, and the counties were reduced to 5%. My change replaces 10%-- increases in 10% in some of the revenue the counties lost by reducing the state's share. Line 3 is the Securities Act Cash Fund. The Securities Act Cash Fund receives revenues under the Nebraska Securities Act. The fund has been used in recent years to supplement the state General Fund; LB468 allocates \$5 million of the approximate \$40 million a year in that fund to reach the goals of the bill. The fourth line is train car line tax. Currently, \$3 million of car line tax is distributed according to property tax distributions, so counties only receive about \$600,000 of this amount, however, counties receive 100% of air carrier taxes. I propose to distribute the car line tax like the air carrier tax so counties would receive all of the \$3 million. There would be no change in the tax rate. Schools would lose about \$1.8 million statewide, but other parts of the bill offset this loss-- namely, the next item. Item five is the nameplate capacity tax. The nameplate capacity tax was started in 2011 at a rate of \$3,518 per megawatt in lieu of property taxes to help renewables start up, so they don't have to pay tax until they have revenue. Since then, property taxes then increased an average of 4.55% per year, but this tax rate has never changed. If the nameplate tax had increased the same as property taxes, it would be \$6,560 per megawatt. With the current distribution of the tax, counties would receive \$2.5 million of this new revenue. This figure is based on 2023 reports, and likely would be higher. Schools would gain \$8.5 million, more than offsetting their other revenue losses previously mentioned. Item 6 is documentary tax stamp reallocation. The documentary stamp tax funding of 25

cents per thousand going to site and building fund would be transferred to the counties. The fund would have continued to function, but received new revenue from Department of Economic Development General Fund requests or individual bills, or other funds they have on hand. This fund has functioned mostly as a pass-through fund for bills, with \$47 million of flow-through from bills in the last few years. Counties would receive \$4.1 million from this item. Items 8 through 11 are four other fees. NACO pointed out four fees which have not been updated in many years; these include marriage license, advertising, motor vehicle inspections, and distress warrant fees. NACO estimates these fee updates would produce an extra \$2.1 million of revenue for counties, and come closer to the actual cost of these services. These services are currently funded, funded partly by property taxes. Then, down below, the next section-- let's see-- the Imagine Nebraska modernization tier, item 11. My bill would remove the modernization tier of the Imagine Nebraska Act for new applicants. This tier is projected to cost the state \$9 million a year. This tier applies to companies offering \$50 million or more in new capital expansion, but not necessarily hiring any new employees. This tier is a sales tax refund through state tax credits. Lower corporate income tax rates and lower property taxes make up for most of this change, in my opinion. Current applicants for the program are still eligible, but it would terminate new applicants. Item 12 is the data center sales tax. Data center sales tax exemptions totaled \$7 million last year; LB468 would remove this exemption and save the state this amount, offsetting losses from other provisions in the bill. Again, lower corporate income and property taxes should offset most of this amount as well. And finally, I'd like to-- if you'd turn to page 1, it gets into the actual rates, what the current rates are and the exemptions, and the proposal in the committee amendment. Currently, exemption for children is \$100,000, with a 1% rate; the new exemption is \$150,000 for-- per child beneficiary and a 1% rate. That will be a savings to beneficiaries of \$6.8 million. Class II is nieces and nephews, distant relatives; currently have a \$40,000 exemption, then they pay 11% of the rest. This bill would give them a \$50,000 exemption and a 3% rate. That would save them \$17.8 million. And non-relatives, or Class III, currently have a \$25,000 exemption and pay 15% of the excess; this would change them to a \$50,000 exemption and 3% percent rate, saving them \$9.6 million. So, all together, those savings for beneficiaries are what the county would be, be reduced, which is \$34.3 million, and then the next line on the table shows county revenue increases \$34.8 million. So, that is how this bill works with reducing the tax rates and replacing the lost revenue by county revenue increases. So, I

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thank you for your attention, and be glad to answer questions. Thank you, Mr. President.

DeKAY: Thank you, Senator. Mr. Clerk.

CLERK: Mr. President, Senator Clements, I have FA113 with a note that you would withdraw that amendment.

DeKAY: So ordered. Mr. Clerk.

CLERK: In that case, Mr. President, Senator Bostar would move to amend with AM1069.

DeKAY: Senator Bostar, you are welcome to open.

BOSTAR: Thank you, Mr. President, and good evening, colleagues. This amendment-- well, it would strike the context-- the contents of the committee amendment and replace it with legislation that would phase out the inheritance tax over 10 years. Essentially, for each tier of the current tax, it would remove 10% of that tax every year for a decade until there was none remaining. You know, when I initially filed this amendment, I know Senator Clements was opposed to it, but then I, I also know that, upon further consideration, he is still opposed to the amendment. I think this is a cleaner way to go, and I know that everyone is very excited to continue on with this debate. So, with that, thank you, Mr. President, and thank you, colleagues.

DeKAY: Thank you, Senator. Turning to the queue. Senator Dungan, you're welcome to open-- speak.

DUNGAN: Oh, I was going to say, I don't think I have an amendment. You don't want to give me 10 minutes, do you? Colleagues, I've rise today opposed respectfully to AM1069, AM874, and LB468. I want to start by saying I'm on the Revenue Committee, obviously, and in my three years that I've been here, Senator Clements has worked incredibly hard on the issue of inheritance tax. And I've now seen hearings multiple times, including an interim study that we had where a number of folks came in and talked about potential revenue replacers. And it's, it's rare that you see a bill where somebody's worked so hard and with so many different stakeholders, and so I just want to make sure that when I situate my opposition, it has nothing to do with the, I'm sure, arduous task that Senator Clements and others have had to go through in trying to write this bill and the amendments. My issue with it is somewhat multifaceted. Big picture, colleagues, I don't have an opposition to getting rid of the inheritance tax. And that is, I think, a theme that you'll hear from a lot of folks on this bill, is

that, in theory, I would love to get rid of it. But the reality of the situation is, if we get rid of it and don't replace the revenue, you end up ostensibly seeing an increase in property taxes because this revenue that goes to counties is something that they rely on. And every county, my understanding is, handles it certain-- somewhat differently in terms of how they work it into their budget and their projections, and what kind of fund it goes into. But at the end of the day, especially when you're talking about Lancaster County where I come from, Douglas County, Sarpy-- all of those counties around me, but frankly all of them, this is money that they need in order to continue to operate. And so, the question I think always becomes "what do we do about replacing the revenue? How do we make it up?" And that's, I think, where the rub always comes in. My issue is when we replace the revenue in such a way that I fear it's going to have a regressive or disadvantageous effect on everyday working people, and at the same time, then, doesn't raise enough revenue to actually offset the impact of the inheritance tax. So, so, frankly, my, my concern, I guess, with AM874 in particular is-- what we end up with is trying to find replacement revenue in a way that harms people and harms certain industries that are vital to creating jobs here in Nebraska, and growing industries like renewable energy here in Nebraska. We harm those, and only make up enough revenue through that harm to offset a very small portion of the inheritance tax, and we still end up inflicting the inheritance on people that I know a number of folks in this body want to try to help. And so, it's, it's not to say that we're not trying to make some steps, but when you look at this sheet of all of the, the replacement revenue that we have in front of us, there's a number of concerns that pop out at me, not the least of which, colleagues, lines 7 through 10, which is the fees and fines that are going to be increased. I understand that NACO wants to see an increase, or counties in general want to see an increase in certain fees, because they've said those haven't been increased for a long time and they want to make sure those fees pay for the service that they are actually-- that you pay the fee for, right? So, if you're issuing a marriage license, the whole concept is the fee that you're giving is going to pay for the actual process of issuing that marriage license. But if we're increasing it simply to pay for the service that it's providing, it doesn't make sense to then also say there's additional revenue that the county is collecting which can offset another revenue stream. Right? So, to say that we're increasing these fees and using that revenue to offset inheritance tax is to imply that you are raising them higher than would be necessary in order to administer the cost of that service. And as we've talked about time and time again, increasing fines and fees, or specifically

fees, in this circumstance, like motor vehicle inspection, marriage licenses, distressed warrant fees, and advertising fees for delinquent property tax, all four of those tend to affect everyday people. The amount of folks who are going to be impacted by that is much larger than I think people are, are maybe realizing. And then, I-- I'll punch in again here to make sure I have enough time to talk about this, but I also have some serious concerns around the nameplate capacity tax. We're almost doubling the name-- the nameplate capacity tax, which goes directly as an impact to renewable energy here in Nebraska. And regardless of how you personally may or may not feel about things like wind turbines, it is a blossoming industry in Nebraska that provides jobs, and it provides a real benefit to our state. And to double, double the nameplate capacity tax without having a conversation with the industry about what an appropriate increase might be, you are essentially going to be driving that industry away, and we'll be losing jobs, and we'll be losing additional revenue. So, there's a couple of concerns I have, which we can talk about in a little bit more detail,--

DeKAY: That is your time, Senator.

DUNGAN: --and I would encourage your red vote on the amendments. Thank you, Mr. President.

DeKAY: Thank you, Senator. Senator Raybould, you're welcome to speak.

RAYBOULD: Thank you, Mr. President. Good evening, colleagues. You know, as long as I've been an elected official, for 15 years, I have been standing in opposition to eliminating the inheritance tax. And there is no doubt-- and I know Senator Dungan spoke directly to this-- that Senator Clements has worked tirelessly in his efforts to eliminate it, and I have to commend him. And he's worked with NACO, Nebraska Association of County Officials, to really come up and, and really scrounge and, and look under the cushions to find revenue that would supplant and replace the loss of revenue that the counties have depended on and have used for capital investment projects for more than 15 years. And, you know, I feel that I have been literally fighting this and trying to get folks to understand what the inheritance stack-- tax is. It, it is a, a progressive tax, and progressive means that it impacts a small number of Nebraskans and their estate. Absent this source of income, absent the source of revenue, the greater number of Nebraskans will share in the cost of any property tax increase. This bill, if enacted, would increase property taxes, as counties would likely have to rely on them to make up the lost revenue. And in the handouts, and if you look at the

fiscal note, Senator Clements, in his amazing efforts working with NACO, was able to scrounge up \$42 million. But the reality is, in fiscal year 2024, Nebraska inheritance tax raised nearly \$94 million for the county, and that's according to the Nebraska Department of Revenue. The inheritance tax is similar to an estate tax; the difference is who pays the tax. For example, the inheritance tax, the estate pays it, or the person inheriting the property. The estate pays the tax before the property is distributed. So, we're looking at a number of things, but a survey was done in 2023 that clearly shows all Nebraskans overwhelmingly hate taxes of all kinds, but in particular, property taxes. We've all heard that many times. The survey that was done in 2023 demonstrates that, once Nebraskans understand the mechanics of inheritance tax, more than 60%-- and this is across party lines-- support it, as it helps maintain the services and provides the communities much-needed financial funding for public safety and costly infrastructure projects. Several of my colleagues in this Chamber have served as county commissioners and county supervisors, understand this issue very well. You know, last year, we implemented lid limitations on an ability of the counties to tax based on valuation increases. And of course, that will have severe impacts, and it acts like a handcuff to them if they acquiesce and agree to some of these changes as proposed in AM1069 and AM874, in LB468. You know, the state of Nebraska has multiple revenue sources, such as sales and use tax, individual income taxes, corporate income taxes, gas and fuel taxes; the majority of the revenue in the state comes from individual income taxes and sales taxes. Counties, on the other hand, have really one primary source of revenue, and that is property taxes, and, to a lesser extent, fees for services. Counties also have bonding authority, but only with majority vote. In Lancaster County, for an example, we approved a bond for a new jail that is now 10 years old. So, my concern is that if we vote to approve eliminating the inheritance tax and, having implemented the lid limitations last year, we are actually handcuffing, handcuffing counties in making good fiscal decisions and efficiently spending for their communities and funding. If you vote in support of this, you could be capping any additional revenue grew-- even-- any additional revenue growth that the counties might be able to, to work with. The state cannot afford LB468, given the current budget shortfall. Last Friday, April 25, the Nebraska Economic Forecasting Advisory Board reduced the state's revenue forecast.

DeKAY: Time, Senator.

RAYBOULD: Thank you, Mr. President.

DeKAY: Thank you. Senator Hallstrom, you are recognized to speak.

HALLSTROM: Mr. President, colleagues, thank you. I will seriously join the love-fest for Senator Clements' efforts. I know he's worked tirelessly in trying to provide a reasonable replacement revenue source of funding for the changes that he's proposing in the inheritance tax, both in terms of the exemption levels and the rate of taxation. I have LR13CA, which is pending on General File, which would basically put to a vote of the people whether or not we should prohibit the state and any political subdivision from imposing an inheritance tax into the future. That may, at the end of the day, be my preferred way to address this. However, I had worked with Senator Clements in terms of trying to take his approach of providing replacement revenue. Appreciate the fact that NACO has jumped on board in, in trying to resolve this issue in this fashion. Unfortunately, we've got some of the larger counties who are not on board with NACO in that regard, so that makes the lift a little more difficult. I think the issue in looking at the elimination of inheritance tax is that it is a significant factor in the competitiveness of Nebraska vis-a-vis other states. At the committee hearing on LR13CA, I had mentioned that, according to the publication "Rich States, Poor States," that making this change by eliminating the inheritance tax would move the needle for Nebraska from rank-- being ranked 28th to being ranked 16th. And while I think there's a, a, a good deal of consensus around wanting to eliminate the inheritance tax, the looming question is, how do we get there? What's the best way to provide the solution or the path forward? We've got Senator Clements' approach on the board, which is to provide replacement revenue to the counties. It reduces the inheritance tax exemption-- or, increases the exemption level for Class I beneficiaries from \$100,000 to \$150,000, and increases the exemption level and reduces the tax rate for so-called Class II and Class III beneficiaries. Then, we've got AM1069, Senator Bostar's approach, which is to eliminate the inheritance tax by 1,000 or at least 10 cuts, if you've read his amendment, with no replacement revenue. I referenced LR13CA, which would put us in a position to let the people decide, and I guess a fourth alternative would be simply to go in and repeal the existing statute and do away with the inheritance tax completely, with or without replacement revenue. And I think rather than stand here and bloviate any longer, I do want to do a little pushback to Senator Dungan. Senator Dungan talks about the increase in county fees; my reading of what NACO put together is that the county fees' increases are designed not to build any, any excess profit, but simply to bring the cost of those services and fees paid therefor up to what the cost serv-- of providing the service is. The

obvious corollary to that is, if we don't allow them to reduce the fees independent of this issue, they are using property tax revenue to make up the difference when they are not charging or able to charge statutorily an amount required to cover their fees. The other issue that I'd push back on is the nameplate capacity tax. I'm not going to stand here and suggest whether that's a good idea or not, but what I will indicate, from what I've read, is that the nameplate capacity tax was designed initially to be an in-lieu-of property tax for those entities. That was put in place, if I understand correctly, in 2011, and has not been altered since that time, a 14-year period. I just pose the question as to whether or not our taxpayers-- property tax payers would believe that, if they had not seen an increase in their property taxes in the last 14 years, whether they would think that that's a good idea. And in fact, if we had had that environment, we probably wouldn't be getting the pressure to make changes and provide property tax relief. So, if we can keep the industry competitive with other states and make a change and go to a good purpose, I think it's at least worthy of taking a look at. And with that, I'd send my time back to the Speaker.

DeKAY: Thank you, Senator. Senator Dover, you are recognized to speak.

DOVER: Thank you, Mr. President. I just want to thank Senator Clements' tenacity as far as trying to eliminate a tax that isn't found in many other states. And I think the, the challenge always is, the devil's in the details of how are we going to go about doing that, and is it a good combination of this or that. And, and I was just back talking to Senator Clements; I was asking him about a bill he had previously that-- it basically phased out the inheritance tax, and I was kind of thinking at the time back then, it wasn't probably a good idea because how you need replacement costs. And then, came back with another bill, and basically was raising the doc stamps, which, which was-- as far as being a past Realtor, the Realtors Association, that was [INAUDIBLE] a no-no, and I spent the last day session last, last session filibustering that increase. And looking at the bill the way it's written, I think probably finding some replacement costs-- and I really think maybe eliminating over a number of years, slowly, while the appreciation helps give the counties a little bit more money to spend, I think, could be a possible solution. The problem I really have with the bill, though, is the Site and Building Development Fund; that's currently, I believe, funded about 25 cents, and that actually eliminates the site and building fund, and that, I, I, I just have a problem with. I don't think that's a, a wise thing. You know, when we're cutting costs-- and I see it, being on Appropriations, that we're, we're cutting things. I think the main thing that we don't cut

is our future and things that will lead to economic development, and I would say that the Site and Building Development Fund definitely is one of the best economic development tools that we have that can be proven and, and actually can specifically shown to help businesses locate here, build here, and those kind of things. It cuts \$4.2 million annually from one of Nebraska's most effective economic development tools. The, the Site and Building Development Fund helps communities across Nebraska prepare industrial-ready sites that attract businesses, investment, and create jobs. The fund, which requires at least a one-to-one match dollars-- and I, and I really think that's important. When you see a fund that actually requires matching funds, that's a lot better than actually giving the funds, and that's the minimum requirement, so it could actually ask for more. But it helps with land acquisition and site preparation, building construction and rehabilitation, infrastructure upgrades, engineering, planning, and design work, and pre-development costs critical to securing projects. By leverage-- leveraging state dollars with private investment, which again, I believe that's what we should-- you know, brought kind of private-public investment is the best investment-- that the, the, Site and Building Development Fund empowers communities, especially smaller and rural ones. In fact, I'm going to do a short list of those communities who have, have had that fund help grow their economy. But it helps with major economic opportunities. So, what are some real results from across Nebraska? Since 2017, the Small Business Development Fund-- excuse me, Site and Building Development Fund has spurred hundreds of millions in private investment and job creation, and the examples include Buffalo County-- I have a number here, let's see here-- Buffalo County, which was \$900,000 in the Site and Building Development Fund grants, and it resulted in a \$15.5 million private investment and with 150-plus jobs. So, \$900,000, a \$15.5 million private investment, and 150-plus jobs. It sounds kind of like-- isn't that what we're trying to do here in Norf-- excuse me, in Nebraska? I mean, really, the only way we're going to get out of the tax problems that we find ourselves in and the, and the budget shortfalls are going to be through economic development, and the other side of economic development, which I believe in also, is housing. So, that's a fantastic return on investment. And in Norfolk, we had a \$1.4 million Site and Building Development Fund, which resulted in a \$400 million business expansion. So, if I could repeat that, \$1.4 million return, \$400 million in business expansion in my hometown of Norfolk, Nebraska. In Lincoln, \$1.8 million. The Site and Building Development Fund resulted in a \$450 million investment in-- excuse me, by Hudl, Spreetail, Duncan Aviation, Neogen, Tractor Supply, Monolith, ADM, Instinct, and Timpte.

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And I, I think, you know, if we can grow communities like these examples are, I think this will be one tool we don't want to get out of the toolbox. We have South Sioux City; supported multiple expansions in new-- in, in new industries. I'm trying to get the name of those companies, and I apologize I don't have them.

DeKAY: Time, Senator.

DOVER: Thank you.

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

DORN: Thank you, Mr. President. I, too, like everybody else, would really like to get up and thank Senator Clements for all of the hard work he's put in in the last-- well, basically since last session. And working on this bill, working to bring something that maybe enough people in this body can support. I think one of the things we hear quite often in, in this body or from people is that property taxes are too high, and that many people would like to, I call it, reduce or get rid of the inheritance tax. Well, I, like Senator Raybould, like Senator Storer-- I'm a former county commissioner, which most of you know, so dealt with this on the local level, of the importance of the inheritance tax, what that means to counties, what that means to-- many of them use it for, I call it, road projects or things, and one-time costs. Some few of the counties use it for ongoing expenses, but many of the counties are having this in their, I call it, revenue stream. And with what we put on for caps and other things for property taxes, this has become, I call it, more important instead of less important than inheritance tax. Yet, at the same time, on the other side of the ledger is \$94 million, as Senator Raybould said, \$94 million in inheritance tax was collected in the last year, or the year before-- inheritance tax in the state of Nebraska. How do we-- as a state, how do we come up with solutions? How do come up workable solutions to replace some of that revenue? Because we, the state of Nebraska, not one dollar of the inheritance tax, if we eliminate it today, not one dollar affects the Nebraska budget. No impact at all. Zero impact. 100% on the counties. That's the way it's set up. So, how do we, I call it, balance this, or whatever? Senator Clements, as I looked at some of these proposals, I guess I was kind of surprised by some, kind of shocked by some. The nameplate capacity tax-- when I was on the county board in Gage County, which was now over seven years ago, it was probably 10, 12 years ago that we had a wind farm come in down there. This was the same amount, as Senator Hallstrom said, as 2011, this came into being, the nameplate capacity tax. We have not-- that has not been increased since then. To me, that means we're

subsidizing very much that industry. If we could sit there and tell people in the state of Nebraska "your property taxes haven't gone up for the last 14 years," I don't think people would care about the inheritance tax; I don't think they'd have the same outlook on it, or whatever. But property taxes in the state of Nebraska, in those same 14 year-- years, have probably gone up, oh, I don't know, 200%, 300% or whatever. Well, not, not, not that much, but they have gone up by a long ways. Just got an email this last-- this morning from one of the superintendents that I meet with. He sent an email later out that our valuations this next year in the state of Nebraska are going up in the neighborhood of 10% on the property, the-- all of the property valuations. Ag land in my county, in Gage County, is going up 24%. And yet, the "nameplate"-- "nameplate"-- nameplate capacity on the wind towers in that county haven't gone up since 2011. So, some of these things, I, I-- I look at it, yes, why are we increasing it? But I also look at it-- we are subsidizing many of these-- for the last 14 years, we've been subsidizing them. Are we treating everybody equally, or the same? I also look at lines 7 through 10 down there, which have costs for some of those different things that the counties do for us. Marriage license, I was told that one hasn't gone up in 40 years. I don't know if that's true or not, but that's what I was told. We have some of these things that we are not adjusting with the times, that maybe we shouldn't adjust with the times. I don't know. That's a decision this body gets to make. But some of this are, I call it, more-- do we want to sit here and subsidize certain things and not other things? I very much support LB468 and AM874, and I'm opposed to AM1089 [SIC]. Thank you.

DeKAY: Thank you, Senator. Senator Storer, you are recognized to speak.

STORER: Thank you, Mr. President. Yeah, in the, in the first few of us to get, get up, I think three of us have been county commissioners, so obviously, this is something that we, we have dealt with and, and I think understand pretty well. I will tell you, on the surface, I do not think inheritance tax is-- it's pretty difficult to defend the, the reality of, of inheritance taxes. You're being-- you get taxed on your income, you're taxed about two or three times along the way; ultimately, you're tasked to die. So, the concept of getting rid of inheritance taxes, I, I support, and I would say most of my constituents support. I have had heartburn about its elimination through the last few years, and in part, when I was serving as a county commissioner, for the very reason that you've heard both Senator Raybould and Senator Dorn speak to, which is just eliminating it would ultimately result in a property tax increase to your

counties. Now, every county certainly can choose-- they have quite a bit of freedom in terms of how they choose to budget for and spend those inheritance tax dollars, and there is no certainty year-to-year as to what that income stream will be. There may be some years, theoretically, a small county may get nothing in a given year in inheritance taxes. So, in Cherry County, for example-- and I think this is pretty common for how counties choose to spend that, but those dollars are spent for sort of the one-offs, the things that are not a regular, recurring budget item. Again, if there's a, a vehicle, the sheriff's department needs a vehicle, if the clerk's office needs to replace a printer, or, in the case of a disaster. In 2019, many of our counties experienced unexpected costs due to the flooding, the bomb cyclone, and I know that Cherry County leaned on the-- those-- some of those dollars to help get us through those times. So, my opposition to the pure elimination was that, that we needed to find some sort of backfill, we needed to find some revenue that would help make those counties whole, and you're never going to make a county completely whole, again, because the, the income is going to vary year to year, county to county. So, it's-- what, what Senator Clements has done here-- and I told him this after the briefing-- you know, I highly complement his efforts and what, what he has been able to identify for funding to help backfill some of those dollars that counties will lose in inheritance tax. And he provided us a sheet for all counties in terms of an estimation of whether or not they would gain, be sort of made whole, flat, maybe lose a little. I mean, you're not going to get that just 100% for every single county, but by and large, I think most counties are pretty much going to maintain the revenue source that they would be losing under LB468 with the-- and this is not the elimination at this point, by the way, of inheritance taxes; this is a reduction. So, I think this is definitely a move in the right direction. NACO is, is supportive of LB468; they, I know, have some good members on their board that, that represent counties of all sizes. And so, I do stand in support of LB468 and AM874. While I appreciate Senator Bostar's approach to stepping this out, which, which is certainly thoughtful, it still leaves the problem of no revenue to backfill that lost, lost revenue to counties. And so, with that, I will yield the rest of my time back. But again, want to just thank Senator Clements for his efforts, and I think what he's come up with here is a very reasonable approach. We will not find perfect, but I don't think we want to overlook good for perfect. So, thank you.

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

LIPPINCOTT: Thank you, sir. I support Senator Clements' LB468. With a bill to eliminate Nebraska's inheritance tax, sometimes referred to as the "death tax," this is a good time to take a close look at this tax that's been impacting our state's families for more than 120 years. Nebraska's inheritance tax began in 1901, and is levied by county governments. For many years, it was used exclusively to fund county road repairs and construction. And then, in 1982, the law was changed to allow the revenues from the tax to be used without restrictions. The inheritance tax is often confused with the estate tax, but they are different. As of 2007, Nebraska no longer has an estate tax, and only 12 states now have it. Estate taxes are levied on the net value of an estate before distribution to heirs. The inheritance tax, however, is determined by the relationship to the decedent and paid by the heir. In Nebraska, all cases must go through probate court, and the tax is paid to the county where the deceased owned real property. Currently, Nebraska is the only state to use the inheritance tax as a local revenue source, and it had formerly been the nation's highest tax rate at 18%. We are also the only one of five states to still levy this tax, and the only state west of the Mississippi River to do so. Our neighbor to the east, Iowa, fully phased out the inheritance tax last January; only Kentucky, Pennsylvania, New Jersey, Maryland, and Nebraska have the inheritance tax. Reports show people literally move out of our state to avoid having their descendants pay this tax. Overall, 78% of Nebraska voters support repealing the county inheritance tax, including 86% of Republicans, 64% of Democrats, and 78% percent of independents. 70% of survey respondents agree that with the historic amount of federal money that came into the state with the pandemic relief, now is a great time to end the inheritance tax. The inheritance tax creates a financial burden on families at a time when they are grieving the loss of a family member. Often, this burdensome tax forces surviving family members to sell family assets like homes, land, farm machinery, and livestock simply to pay the inheritance tax bill. Additional costs include legal representation and court fees, since the inheriting party must first go through probate court. This creates an unnecessary hardship for those left behind who are going through a time of grief and loss. With the inheritance tax, as with all other forms of taxation and regulation, one should ask themselves the time-honored principle, "does government promote productivity, or does it penalize productivity?" Thank you, sir.

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

MEYER: Am I up? OK, thank you. I didn't hear him. Sorry, Mr. President. Appreciate, appreciate the opportunity to speak to this tonight. I, too, want to thank Senator Clements and Jon Cannon for

working with-- Jon Cannon with NACO, working through this. This has been kind of a thorn in the side of the state of Nebraska for quite some time. Senator Storer, Senator Raybould, Senator Dorn, we-- we've all been part of a county board prior to coming down here. That's exactly where I was at. And it represents essentially about 10% of the county revenues year-over-year. I took some exception with Senator Clements calling it a side fund. It is not a side-fund; it is instrumental in, in funding the county. Once again, about 10% of county revenues year-over-year come in through the inheritance tax. That is budgeted, many cases, buying down the levy, using, using those funds for infrastructure. I appreciated Senator Lippincott's history lesson. It was enacted in 1901, and it primarily was used for infrastructure, culverts, bridges, things of that nature, roads. And I'd like to point out, in 124 years of so-called tax reform, it's still on the books. That tells me that, over the years, it has served a very valuable purpose, certainly, for the counties. We can pick apart the revenue streams in LB468; I'm sure they worked very, very hard on it in, in trying to come up with, with sources of alternative revenue. And so, once again, I very much appreciate those efforts. From the county's perspective, in the district county meetings, state county meetings, things that I've attended, I think there's been a consensus that if we could find an alternative source of revenue, in general, the counties are OK with, with getting rid of the inheritance tax. This is a partial, a partial alternative source of revenues for us, and I think it's a real good start. We focus quite a little on this body-- in this body dealing with property taxes and finding some way to reduce property taxes. As Senator Lippincott pointed out, and some of the others, if we get rid of the inheritance tax, the direct result will be an increase in property taxes, and I'm pretty sure that's not what we want to accomplish. So, once again, I-- I'll probably get back on the mic a little bit later, collect my thoughts a little more. But this is, this is extremely important to the counties, the inheritance tax. I think this is a very strong good-faith effort on the part of Senator Clements, NACO, Jon Cannon. I think overall, there's a great deal of support in the counties for this particular type of legislation, and I fully support LB468 and AM874, and I am opposed to AM1069. Thank you.

DeKAY: Thank you, Senator. Senator Clements, you are recognized to speak.

CLEMENTS: Thank you, Mr. President. Thank you for your comments, especially Senator Meyer. AM1069 is an unfriendly amendment. It is a phase-out over 10 years of inheritance tax with no revenue replacement. It would, as he said, increase property taxes around 10%

over that period of time because of the loss of revenue to the counties, and NACO tells me they also oppose it and see it as an unfriendly amendment, so I would ask for a red vote on AM1069. And I appreciate some of the history. There are only five states still have this tax, so 45 states have eliminated this tax, and so you have-- if, if you're worried about paying this tax, you have 45 different states you could move to and not have this tax, if you're thinking about your future and you're saving assets in your estate for your loved ones. And all the assets in an estate that are subject to inheritance tax have already been taxed. Next item, Senator Dover talked about the Site and Building Development Fund. It was suggested-- I-- I'd received that suggestion to divert that 25 cents of doc tax to the counties. That fund would still be active; it's not closing out the Site and Building Development Fund. DED has other sources for funding the site and building development, I've been told. And for an example of how this fund is used, it's being used this year as a pass-through. The NC3 project in Bellevue-- Nuclear Command and Control Center-- our budget has \$25.5 million going into the Site and Building Development Fund, and then transferring out to fund the state's share of a major addition to a, a building or [INAUDIBLE] operation that will support STRATCOM. And so, we've been-- we saw that Site and Building Development Fund is used for large projects like that, going in and out, and that there are other opportunities for people to, to get a DED help. Then, I want to talk about the Imagine Act, Tier 5. There are seven other Imagine tiers for companies to choose from. Many of these are duplicative, and Tier 5 has the highest requirement of \$50 million of capital investment to qualify, but Tier 5 does not require any job creation; it doesn't bring any new employees, necessarily. It gives them a sales tax credit on the equipment they buy, but by my calculations, \$50 million in new investment would give them a one-time sales tax exemption of about \$2.75 million, but if the company makes \$72 million in profits and we've reduced their corporate tax rate down to 3.99%, they'll be seven-- savings \$2.75 million every year, and that's why I say that our income tax reductions offset much of the losses of that tier of credits. Then, finally, there is-- Senator Raybould is talking about-- it shows-- my handout shows the state losing \$3.2 million. My opinion, that's a small revenue loss for a large savings to taxpayers of \$34 million. But I will work on a Select File amendment to reduce the General Fund losses, if possible. I'll work on that, because I'm definitely very sensitive to General Fund losses. And I was hoping there wouldn't be quite this tight of a budget at this point, but I-- everybody knows that's where we are. So, the final thing is, this can keep a hundred-year farm in the family. An estate with land and little cash often requires a sale of land, and

I've seen that in my own business, where somebody inherits land and are hardly able to keep it. Thank you, Mr. President.

ARCH: Senator Clouse, you're recognized to speak.

CLOUSE: Yes, thank you, Mr. President. I must say that's-- in my short time here, that's the most I've ever heard Senator Clements speak, so I, I appreciate that. When I first saw this spreadsheet that was put together, I can honestly say that it-- I totally did not like it, and I think I've, I've mentioned that to a few folks. Some of the discussion that's been taking place here this evening brought some clarity to some of those items, and I know that one of the issues that I had, had-- has to do with the site and building fund, as Senator Dover brought up, and Senator Clements just talked about that. With the inheritance tax, I would say too that as I did my campaigning and I was talking to, you know, the groups in my community, my county, that was one of the issues that most people felt that it should go away. And then, when you talk to the county commissioners, of course, we joke around saying, well, we won't be able to buy any gravel, you know, because that's what it's for. But I do have some information from my county that it's much more than that; it goes to the interoperability radio system, some pretty large investments that we made in Buffalo County. And so, those funds are pretty important to our county. I do support phasing it out. I know that Senator Bostar's bill or his amendment is 10 years. I think that's too long; I think we need to shorten that up somehow, but hopefully we can work through that. This is just one of those areas where our citizens have said, you know, we need to make some changes here and do it in a way that doesn't impact our taxes. One of the areas, too, that I noticed was the item dealing with the nameplate capacity tax, and we talked about that last week when Senator Clements presented it to the, to the smaller group. And that's a pretty significant, pretty significant jump. So, I had to wonder-- and I don't have the answers yet, but it's-- some of the questions I'm going to be asking is about the purchase power agreements. What's that impact look like? What about landowner contracts with regard to revenue? You know, do they have their contracts based on revenue for these renewables, and what does that look like going forward? And then, the bigger issue that I have is, how does this impact counties when they zone out renewables and they zone out livestock, and they have a lot of these zoning restrictions that they put that would actually give them an opportunity to increase their revenue and really utilize their county as a revenue generator? So, I have some issues about that, that I, I wonder how this is going to impact some of those counties. Are they paying attention? Are they watching what's going on? Because you just

don't want to hand money over to them when they have opportunities that they could do some other things. That's, that's my personal view on that. So, I'm going to sit and listen to a few more presenters or senators as they come to the mic, but I would say the biggest issue we have is the site and building fund, and I want some assurances that that will still be an adequate economic development tool that we can use in our counties, because obviously, counties benefit from that when we have significant investments and we're able to use those economic development funds to improve our counties. So, with that, I will yield the rest of my time, and pay more attention to some of the discussion that takes place. Thank you, Mr. President.

ARCH: Mr. Clerk, for items.

CLERK: Thank you, Mr. President. Amendments to be printed from Senator Bosn to LB3-- LB530 and Senator Bostar to LB468. Name adds: Senator Rountree, name added to LB693. And finally, a priority motion: Senator Dungan would move to adjourn the body until Tuesday, April 29 at 9:00 a.m.

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