

ONE HUNDRED EIGHTH LEGISLATURE

SECOND SESSION

**LEGISLATIVE RESOLUTION 332**

Introduced by Cavanaugh, J., 9; Brandt, 32; Ibach, 44.

PURPOSE: The purpose of this resolution is to propose an interim study to consider changes to Nebraska law relating to Legislative Bill 999, introduced in the One Hundred Eighth Legislature of Nebraska, Second Session, hemp, controlled substances, and related areas of the law. The study should also examine whether a regulatory framework of hemp-related retail businesses would be appropriate or justified.

Hemp, also called industrial hemp, is a plant and agricultural commodity cultivated for use in the production of a wide range of products. The federal Agriculture Improvement Act of 2018 became law on December 20, 2018, and categorizes hemp as an agricultural commodity and removes hemp and tetrahydrocannabinols in hemp from scheduled control under the federal Controlled Substances Act. The federal Agriculture Improvement Act of 2018 also modified and conformed the federal Controlled Substances Act to recognize hemp as a new commodity by expressly removing hemp from the definition of marijuana and exempted tetrahydrocannabinols in hemp from the definition of tetrahydrocannabinol.

Nebraska changed its laws in 2019 in order to be consistent with federal law and to provide for the production of hemp. In the time since the changes, many businesses that are involved in the hemp-marketing business have been established. At present, the hemp industry generates over one hundred million dollars annually in the Nebraska economy.

Nebraska does not have regulatory authority over the sale or marketing of hemp products and the Department of Agriculture only issues licenses for the growing and cultivation of hemp pursuant to the Nebraska Hemp Farming Act. However, the sale of hemp products or similar items may be subject to other

state laws, such as food laws, controlled substances laws, or deceptive trade practice laws despite the lack of hemp-specific regulations or laws. This state of affairs has allowed for some flexibility for retailers.

Legislative Bill 999, introduced in the One Hundred Eighth Legislature, Second Session, would make significant changes to Nebraska law and the hemp retail market. The bill received a public hearing conducted by the Judiciary Committee of the Legislature and was opposed by the hemp and hemp-retail industry. However, opponents of the bill expressed a willingness to discuss state regulation of the hemp and hemp-retail industry to address the motivation for the bill.

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

1. That the Judiciary Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.