

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 336

Introduced by Halloran, 33.

Read first time January 11, 2023

Committee: Agriculture

1 A BILL FOR AN ACT relating to agriculture; to amend sections 2-501,
2 2-509, 2-517, 2-518, and 2-958, Reissue Revised Statutes of
3 Nebraska, and section 81-2,162.27, Revised Statutes Cumulative
4 Supplement, 2022; to change provisions of the Nebraska Hemp Farming
5 Act; to terminate the Nebraska Hemp Commission; to create the
6 Nebraska Hemp Advisory Board; to change the use of a fund; to
7 eliminate a fee, a penalty, and obsolete fund provisions; to
8 harmonize provisions; to repeal the original sections; to outright
9 repeal section 2-519, Reissue Revised Statutes of Nebraska; and to
10 declare an emergency.

11 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 2-501, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 2-501 Sections 2-501 to 2-518 and sections 4 and 5 of this act ~~2-519~~
4 shall be known and may be cited as the Nebraska Hemp Farming Act.

5 Sec. 2. Section 2-509, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 2-509 The Nebraska Hemp Program Fund is established. The fund shall
8 be administered by the department for the purpose of covering the costs
9 of the department in administering sections 2-504 to 2-516 and 2-5701.
10 The fund shall consist of money transferred ~~may receive appropriations~~ by
11 the Legislature, gifts, grants, federal money funds, and any other money
12 ~~funds~~ both public and private. All fees collected by the department under
13 sections 2-508 and 2-5701 shall be remitted to the State Treasurer for
14 credit to the fund. ~~Transfers from the Nebraska Hemp Program Fund to the~~
15 ~~Noxious Weed Cash Fund may be made as provided in section 2-958.~~
16 ~~Transfers from the Nebraska Hemp Program Fund to the Fertilizers and Soil~~
17 ~~Conditioners Administrative Fund may be made as provided in section~~
18 ~~81-2,162.27.~~ Any money in the fund available for investment shall be
19 invested by the state investment officer pursuant to the Nebraska Capital
20 Expansion Act and the Nebraska State Funds Investment Act.

21 Sec. 3. Section 2-517, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 2-517 (1) The Nebraska Hemp Commission is created. The commission
24 shall consist of the following members:

25 (a) The dean of the University of Nebraska College of Agricultural
26 Sciences and Natural Resources or his or her designee;

27 (b) One member representing postsecondary institutions other than
28 the University of Nebraska; and

29 (c) Three members appointed by the Governor representing the
30 following interests:

31 (i) Two Nebraska farmers with an interest in cultivating hemp; and

1 (ii) A manufacturer of hemp products.

2 (2) Members appointed pursuant to subdivisions (1)(b) and (c) of
3 this section shall serve a term of four years and may be reappointed. A
4 majority of the members of the commission shall constitute a quorum. The
5 commission shall annually elect one member from among the remaining
6 members to serve as chairperson. The commission shall meet quarterly and
7 may meet more often upon the call of the chairperson or by request of a
8 majority of the members. The commission shall be appointed no later than
9 sixty days after July 1, 2021, and conduct its first meeting no later
10 than thirty days after appointment of the commission. The members of the
11 commission shall serve without pay but shall receive expenses incurred
12 while on official business as provided in sections 81-1174 to 81-1177.

13 (3) The commission shall have primary responsibility for promoting
14 the Nebraska hemp industry and shall have the following powers and
15 duties:

16 (a) To appoint and fix the salary of such support staff and
17 employees, who shall serve at the pleasure of the commission, as may be
18 required for the proper discharge of the functions of the commission;

19 (b) To prepare and approve a budget;

20 (c) To adopt and promulgate reasonable rules and regulations
21 necessary to carry out this section ~~and section 2-519;~~

22 (d) To contract for services and authorize the expenditure of funds
23 which are necessary for the proper operation of this section ~~and section~~
24 ~~2-519;~~

25 (e) To keep minutes of its meetings and other books and records
26 which will clearly reflect all of the acts and transactions of the
27 commission and to keep such records open to public examination by any
28 person during normal business hours;

29 (f) To prohibit using any funds collected by the commission to
30 directly or indirectly support or oppose any candidate for public office
31 or to influence state legislation; and

1 (g) To establish an administrative office at such place in the state
2 as may be suitable for the proper discharge of commission functions.

3 (4) The commission shall periodically report to the Governor and to
4 the Legislature on hemp policies and practices that will result in the
5 proper and legal growth, management, marketing, and use of the state's
6 hemp industry. Any report submitted to the Legislature shall be submitted
7 electronically. Such policies and practices shall, at a minimum, address
8 the following:

9 (a) Federal laws and regulatory constraints;

10 (b) The economic and financial feasibility of a hemp market in
11 Nebraska;

12 (c) Nebraska businesses that may potentially utilize hemp;

13 (d) Examination of research on hemp production and utilization;

14 (e) The potential for globally marketing Nebraska hemp;

15 (f) The feasibility of private funding for a Nebraska hemp research
16 program;

17 (g) Law enforcement concerns;

18 (h) Statutory and regulatory schemes for the cultivation of hemp by
19 private producers; and

20 (i) Technical support and education about hemp.

21 (5) The commission is authorized to develop and coordinate programs
22 to research and promote hemp, including, but not limited to, cultivating,
23 handling, processing, transporting, marketing, and selling hemp and
24 preserving and developing Nebraska heirloom hemp varieties that possess
25 characteristics of a unique and specialized cannabis sativa L. seed
26 variety that exist as uncultivated, naturalized plants in the environment
27 or historically have been commercially cultivated in Nebraska.

28 (6) The commission shall establish such programs with the goal of
29 securing at least twenty percent participation by small and emerging
30 businesses in the Nebraska hemp industry, including, but not limited to,
31 cultivating, handling, processing, transporting, marketing, and selling

1 hemp.

2 (7) The Nebraska Hemp Commission terminates on the effective date of
3 this act.

4 Sec. 4. (1) The Nebraska Hemp Advisory Board is created. The
5 advisory board shall be composed of the following members:

6 (a) The dean of the University of Nebraska College of Agricultural
7 Sciences and Natural Resources or the dean's designee;

8 (b) One member appointed by the Governor representing postsecondary
9 institutions other than the University of Nebraska; and

10 (c) Three members appointed by the Governor representing the
11 following interests:

12 (i) Two Nebraska farmers with an interest in cultivating hemp; and

13 (ii) A manufacturer of hemp products.

14 (2) Members of the Nebraska Hemp Advisory Board appointed pursuant
15 to subdivisions (1)(b) and (c) of this section shall serve for a term of
16 four years and may be reappointed. Members of the Nebraska Hemp
17 Commission duly appointed and serving upon the termination of the
18 Nebraska Hemp Commission pursuant to section 2-517 and who meet the
19 qualifications for membership on the Nebraska Hemp Advisory Board shall
20 constitute the initial membership of the board and shall serve until
21 their commission terms expire. The Governor shall make any appointments
22 as necessary to fill any vacancies on the board existing on the effective
23 date of this act and for any vacancies that occur.

24 (3) The board shall meet as often as necessary to carry out its
25 duties. Members of the board shall serve without compensation but shall
26 be reimbursed for their expenses as provided in sections 81-1174 to
27 81-1177.

28 Sec. 5. (1) The Nebraska Hemp Advisory Board shall make
29 recommendations to the department and to the Legislature regarding the
30 implementation of the Nebraska Hemp Farming Act and the state plan as
31 described in section 2-516, including:

1 (a) The expenditure of any money from the Hemp Promotional Fund to
2 promote research regarding hemp production and development of markets for
3 Nebraska-grown hemp; and

4 (b) Any rules and regulations necessary to carry out the Nebraska
5 Hemp Farming Act and revisions to the state plan.

6 (2) The department may approve and implement any recommendations of
7 the Nebraska Hemp Advisory Board consistent with the Nebraska Hemp
8 Farming Act.

9 Sec. 6. Section 2-518, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 2-518 The Hemp Promotion Fund is established. The fund shall be
12 administered by the department ~~commission~~ for the purposes set forth in
13 sections 4 and 5 of this act ~~section 2-517~~. The fund shall consist of
14 money transferred ~~may receive appropriations~~ by the Legislature and
15 gifts, grants, federal money funds, and any other money funds both public
16 and private. ~~All fees collected as set forth in section 2-519 shall be~~
17 ~~remitted to the State Treasurer for credit to the fund.~~ Any money in the
18 fund available for investment shall be invested by the state investment
19 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
20 State Funds Investment Act.

21 Sec. 7. Section 2-958, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 2-958 (1) A noxious weed control fund may be established for each
24 control authority, which fund shall be available for expenses authorized
25 to be paid from such fund, including necessary expenses of the control
26 authority in carrying out its duties and responsibilities under the
27 Noxious Weed Control Act. The weed control superintendent within the
28 county shall (a) ascertain and tabulate each year the approximate amount
29 of land infested with noxious weeds and its location in the county, (b)
30 ascertain and prepare all information required by the county board in the
31 preparation of the county budget, including actual and expected revenue

1 from all sources, cash balances, expenditures, amounts proposed to be
2 expended during the year, and working capital, and (c) transmit such
3 information tabulated by the control authority to the county board not
4 later than June 1 of each year.

5 (2) The Noxious Weed Cash Fund is created. The fund shall consist of
6 proceeds raised from fees imposed for the registration of pesticides and
7 earmarked for the fund pursuant to section 2-2634, funds credited or
8 transferred pursuant to sections 81-201 and 81-201.05, any gifts, grants,
9 or donations from any source, and any reimbursement funds for control
10 work done pursuant to subdivision (1)(b)(vi) of section 2-954. An amount
11 from the General Fund may be appropriated annually for the Noxious Weed
12 Control Act. The fund shall be administered and used by the director to
13 maintain the noxious weed control program and for expenses directly
14 related to the program. ~~Until January 1, 2020, the fund may also be used~~
15 ~~to defray all reasonable and necessary costs related to the~~
16 ~~implementation of the Nebraska Hemp Farming Act. The Department of~~
17 ~~Agriculture shall document all costs incurred for such purpose. The~~
18 ~~budget administrator of the budget division of the Department of~~
19 ~~Administrative Services may transfer a like amount from the Nebraska Hemp~~
20 ~~Program Fund to the Noxious Weed Cash Fund no later than October 1, 2022.~~

21 (3) Any money in the fund available for investment shall be invested
22 by the state investment officer pursuant to the Nebraska Capital
23 Expansion Act and the Nebraska State Funds Investment Act.

24 Sec. 8. Section 81-2,162.27, Revised Statutes Cumulative Supplement,
25 2022, is amended to read:

26 81-2,162.27 (1) All money received under the Nebraska Commercial
27 Fertilizer and Soil Conditioner Act and the Agricultural Liming Materials
28 Act shall be remitted to the State Treasurer for credit to the
29 Fertilizers and Soil Conditioners Administrative Fund, which fund is
30 hereby created. Money so received shall be used by the department for
31 defraying the expenses of administering the Nebraska Commercial

1 Fertilizer and Soil Conditioner Act and the Agricultural Liming Materials
2 Act. The fund may also be used to defray costs incurred by the department
3 directly related to administrative and budgetary support of the Healthy
4 Soils Task Force pursuant to sections 2-401 to 2-404, except that no more
5 than ten thousand dollars may be expended by the department from the fund
6 for such purpose. ~~Until January 1, 2020, the fund may also be used to~~
7 ~~defray all reasonable and necessary costs related to the implementation~~
8 ~~of the Nebraska Hemp Farming Act. The Department of Agriculture shall~~
9 ~~document all costs incurred for such purpose. The budget administrator of~~
10 ~~the budget division of the Department of Administrative Services may~~
11 ~~transfer a like amount from the Nebraska Hemp Program Fund to the~~
12 ~~Fertilizers and Soil Conditioners Administrative Fund no later than~~
13 ~~October 1, 2022. Transfers may be made from the fund to the General Fund~~
14 ~~at the direction of the Legislature. The State Treasurer shall transfer~~
15 ~~two hundred seventy-five thousand dollars from the Fertilizers and Soil~~
16 ~~Conditioners Administrative Fund to the General Fund on or before June~~
17 ~~30, 2019, on such dates and in such amounts as directed by the budget~~
18 ~~administrator of the budget division of the Department of Administrative~~
19 ~~Services.~~

20 (2) Any unexpended balance in the Fertilizers and Soil Conditioners
21 Administrative Fund at the close of any biennium shall, when
22 reappropriated, be available for the uses and purposes of the fund for
23 the succeeding biennium. Any money in the fund available for investment
24 shall be invested by the state investment officer pursuant to the
25 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
26 Act.

27 Sec. 9. Original sections 2-501, 2-509, 2-517, 2-518, and 2-958,
28 Reissue Revised Statutes of Nebraska, and section 81-2,162.27, Revised
29 Statutes Cumulative Supplement, 2022, are repealed.

30 Sec. 10. The following section is outright repealed: Section 2-519,
31 Reissue Revised Statutes of Nebraska.

1 Sec. 11. Since an emergency exists, this act takes effect when
2 passed and approved according to law.