

AMENDMENTS TO LB316

(Amendments to Standing Committee amendments, AM944)

Introduced by Cavanaugh, J., 9.

1 1. Strike amendment 1 and insert the following new amendment:

2 1. Strike the original sections and insert the following new  
3 sections:

4 **Section 1.** Sections 1 to 55 of this act shall be known and may be  
5 cited as the Nebraska Consumable Hemp Control Act.

6 **Sec. 2.** It is declared to be the policy of the Legislature to:

7 (1) Promote adequate, economical, and efficient service by licensees  
8 selling consumable hemp products within the state without unjust or undue  
9 discrimination, preference, or advantage;

10 (2) Generate revenue by imposing an excise tax upon consumable hemp  
11 products; and

12 (3) Promote the health, safety, and welfare of the people of the  
13 state by sound and careful control and regulation of the sale of  
14 consumable hemp products.

15 **Sec. 3.** For purposes of the Nebraska Consumable Hemp Control Act:

16 (1) Cancel means to discontinue all rights and privileges of a  
17 license;

18 (2) Commission means the Nebraska Consumable Hemp Control  
19 Commission;

20 (3) Conviction includes a plea or verdict of guilty or a conviction  
21 following a plea of nolo contendere;

22 (4) Covered offense means:

23 (a) A felony under the laws of any state or the United States; or

24 (b) A Class I misdemeanor pursuant to Chapter 28, article 3, 4, 7,  
25 8, 10, 11, or 12, or any substantially similar offense under the laws of  
26 another state or the United States.

1           (5) Hemp has the same meaning as in section 2-503;

2           (6)(a) Consumable hemp product means a product which includes hemp  
3 and which is intended for human or animal consumption by inhalation or  
4 ingestion.

5           (b) Consumable hemp product does not include (i) hemp products  
6 intended for topical application or (ii) seeds or seed-derived  
7 ingredients that are generally recognized as safe by the United States  
8 Food and Drug Administration. Such products are not regulated by the  
9 Nebraska Consumable Hemp Control Act;

10          (7) Identification document means any of the following:

11          (a) Driver's or operator's license;

12          (b) State identification card;

13          (c) Military identification card;

14          (d) Alien registration card;

15          (e) Passport; or

16          (f) Tribal enrollment card;

17          (8) Licensee means a person licensed as a retailer under the  
18 Nebraska Consumable Hemp Control Act;

19          (9) Local governing body means (a) the city council or village board  
20 of trustees of a city or village within which the licensed premises are  
21 located or (b) if the licensed premises are not within the corporate  
22 limits of a city or village, the county board of the county within which  
23 the licensed premises are located;

24          (10) Manager means a person appointed by a corporation or limited  
25 liability company to oversee the daily operation of a business licensed  
26 in Nebraska. A manager shall meet all the requirements of the Nebraska  
27 Consumable Hemp Control Act as though such person were the applicant,  
28 including residency;

29          (11) Minor means any individual under twenty-one years of age;

30          (12) Ordinance means any ordinance, resolution, rule, or regulation  
31 of a local governing body;

1           (13) Retailer means a person who sells or offers for sale consumable  
2 hemp products for use or consumption and not for resale in any form;

3           (14) Revoke means to permanently void and recall all rights and  
4 privileges of a license;

5           (15) Sale means any transfer, exchange, or barter in any manner or  
6 by any means for consideration and includes any sale made by any person,  
7 whether principal, proprietor, agent, servant, or employee;

8           (16) Sell means to solicit or receive an order for, to keep or  
9 expose for sale, or to keep with intent to sell;

10           (17) Sell at retail and sale at retail means sale for use or  
11 consumption and not for resale in any form;

12           (18) Suspend means to cause a temporary interruption of all rights  
13 and privileges of a license; and

14           (19) Tribal enrollment card means an identification document:

15           (a) Issued by a tribe which is recognized by a state or the federal  
16 government; and

17           (b) Which contains a photograph of the person identified and such  
18 person's date of birth.

19           **Sec. 4. (1)** The Nebraska Hemp Control Commission is created. The  
20 commission shall consist of the members of the Nebraska Liquor Control  
21 Commission.

22           (2) A majority of the Nebraska Hemp Control Commission shall  
23 constitute a quorum to transact business, but no vacancy shall impair the  
24 right of the remaining commissioners to exercise all of the powers of the  
25 commission. Every act of a majority of the members of the commission  
26 shall be deemed to be the act of the commission.

27           (3) The executive director of the Nebraska Liquor Control Commission  
28 shall also serve as executive director of the Nebraska Hemp Control  
29 Commission. The executive director shall keep a record of all  
30 proceedings, transactions, communications, and official acts of the  
31 Nebraska Hemp Control Commission. The executive director shall be the

1 custodian of all records and perform such other duties as the commission  
2 may prescribe.

3 **Sec. 5.** (1) The commission may, with the advice and approval of the  
4 Governor, appoint or employ such clerks and other employees as may be  
5 necessary to carry out the Nebraska Consumable Hemp Control Act or to  
6 perform the duties and exercise the powers conferred by law upon the  
7 commission.

8 (2) Employees of the commission who are accountable for public funds  
9 shall be bonded or insured as required by section 11-201 to secure the  
10 safety of such funds. The premium shall be paid by the State of Nebraska  
11 out of the General Fund.

12 **Sec. 6.** The commissioners, the executive director of the  
13 commission, and all employees of the commission shall be reimbursed for  
14 expenses incurred in the discharge of their official duties as provided  
15 in sections 81-1174 to 81-1177. The commission may also incur necessary  
16 expenses for office furniture and other incidental expenses. No  
17 commissioner, executive director, or employee of the commission shall  
18 request or be allowed mileage or other traveling expenses unless such  
19 sections are strictly complied with.

20 **Sec. 7.** (1) The office of the commission shall be in Lincoln, but  
21 the commission may, with the approval of the Governor, establish and  
22 maintain branch offices at places other than the seat of government.

23 (2) The commission shall hold regular meetings at least once a month  
24 and may hold such special meetings as it deems necessary at any time and  
25 at any place within the state.

26 (3) The commission may, for authentication of its records, process,  
27 and proceedings, adopt, keep, and use a common seal, of which seal  
28 judicial notice shall be taken in all of the courts of the state. Any  
29 process, notice, or other paper which the commission is authorized by law  
30 to issue shall be deemed sufficient if signed by the chairperson and  
31 executive director of the commission and authenticated by such seal. All

1 acts, orders, proceedings, rules, regulations, entries, minutes, and  
2 other records of the commission and all reports and documents filed with  
3 the commission may be proved in any court of this state by copy thereof  
4 certified to by the executive director attached.

5 **Sec. 8.** The Attorney General of Nebraska shall designate an  
6 assistant attorney general or assistant attorneys general, when requested  
7 by the commission and directed by the Governor, and the services of such  
8 assistant attorney general or assistant attorneys general shall be  
9 available to the commission whenever demanded. The compensation of such  
10 assistant attorney general or assistant attorneys general as are assigned  
11 to the commission shall be paid by the office of the Attorney General.

12 **Sec. 9.** The power to regulate all phases of retail sale of  
13 consumable hemp products, except as specifically delegated in the  
14 Nebraska Consumable Hemp Control Act, is vested exclusively in the  
15 commission.

16 **Sec. 10.** The commission has the following powers, functions, and  
17 duties:

18 (1) To receive applications for and to issue licenses to and  
19 suspend, cancel, and revoke licenses of retailers in accordance with the  
20 Nebraska Consumable Hemp Control Act;

21 (2) To call upon other administrative departments of the state,  
22 county and municipal governments, county sheriffs, city police  
23 departments, village marshals, peace officers, and prosecuting officers  
24 for such information and assistance as the commission deems necessary in  
25 the performance of its duties;

26 (3) To recommend to local governing bodies rules and regulations not  
27 inconsistent with the law for the distribution and sale of consumable  
28 hemp products throughout the state;

29 (4) To inspect or cause to be inspected any premises where  
30 consumable hemp products are sold and, when sold on unlicensed premises  
31 or on any premises in violation of law, to bring an action to enjoin the

1 use of the property for such purpose;

2 (5) To hear and determine appeals from orders of a local governing  
3 body in accordance with the act;

4 (6) To conduct or cause to be conducted an audit to inspect any  
5 licensee's records and books;

6 (7) In the conduct of any hearing or audit authorized to be held by  
7 the commission (a) to examine or cause to be examined, under oath, any  
8 licensee and to examine or cause to be examined the books and records of  
9 such licensee, (b) to hear testimony and take proof material for its  
10 information in the discharge of its duties under the act, and (c) to  
11 administer or cause to be administered oaths;

12 (8) To investigate the administration of laws in relation to  
13 consumable hemp products in this and other states and to recommend to the  
14 Governor and through the Governor to the Legislature amendments to the  
15 act;

16 (9) To receive, account for, and remit to the State Treasurer state  
17 license fees and taxes provided for in the act; and

18 (10) When the commission finds that the administration of the  
19 Nebraska Consumable Hemp Control Act might be more efficiently and  
20 economically conducted, the commission may require or allow for rounding  
21 of all amounts on returns or reports, including amounts of tax. Amounts  
22 shall be rounded to the nearest dollar with amounts ending in fifty cents  
23 or more rounded to the next highest dollar.

24 **Sec. 11.** The commission may adopt and promulgate rules and  
25 regulations to carry out the Nebraska Consumable Hemp Control Act. The  
26 rules and regulations may include, among such other things as the  
27 commission may determine, provisions:

28 (1) Prescribing conditions as to the issuance of duplicate licenses  
29 in lieu of those lost or destroyed;

30 (2) Determining for which violations of the rules and regulations  
31 licenses shall be suspended, canceled, or revoked;

1       (3) Establishing standards of purity, sanitation, honest  
2 advertising, and representation; and

3       (4) Covering any and all the other details which are necessary or  
4 convenient to the enforcement of the intent, purpose, and requirements of  
5 the act.

6       **Sec. 12.** (1) The commission shall provide without charge to any  
7 licensee a set of rules and regulations adopted and promulgated by the  
8 commission, a copy of the Nebraska Consumable Hemp Control Act, and any  
9 other information which the commission deems important. The information  
10 may be printed in a booklet, a pamphlet, provided electronically, or  
11 provided in any other form the commission may determine to be  
12 appropriate.

13       (2) The commission may update such material as often as it deems  
14 necessary.

15       (3) The commission may provide such material to any other person  
16 upon request and may charge a fee for the material. The fee shall be  
17 reasonable and shall not exceed any reasonable or necessary costs of  
18 producing the material for distribution.

19       **Sec. 13.** A local governing body shall have the following powers,  
20 functions, and duties with respect to retail licenses within its  
21 jurisdiction:

22       (1) To cancel or revoke for cause retail licenses, subject to the  
23 right of appeal to the commission;

24       (2) To enter or to authorize any law enforcement officer to enter at  
25 any time upon any licensed premises to determine whether any provision of  
26 the Nebraska Consumable Hemp Control Act, any rule or regulation adopted  
27 and promulgated pursuant to the act, or any ordinance has been or is  
28 being violated and at such time examine the premises of such licensee in  
29 connection with such determination. Any law enforcement officer who  
30 determines that any such violation has occurred or is occurring shall  
31 report such violation in writing to the executive director of the

1 commission within thirty days after the latest of the following:

2 (a) Determining that such violation has occurred;

3 (b) The conclusion of an ongoing police investigation; or

4 (c) The verdict in a prosecution related to such an ongoing police  
5 investigation if the prosecuting attorney determines that reporting such  
6 violation prior to the verdict would jeopardize such prosecution;

7 (3) To receive a signed complaint from any resident within its  
8 jurisdiction that any provision of the act, any rule or regulation  
9 adopted and promulgated pursuant to the act, or any ordinance relating to  
10 consumable hemp products has been or is being violated and to act upon  
11 such complaints in the manner provided in the act;

12 (4) To receive retail license fees and pay the same, after the  
13 license has been delivered to the applicant, to the city, village, or  
14 county treasurer;

15 (5) To examine or cause to be examined any applicant or any retail  
16 licensee, upon whom notice of cancellation or revocation has been served  
17 as provided in the act, to examine or cause to be examined the books and  
18 records of any applicant or licensee, and to hear testimony and to take  
19 proof for its information in the performance of its duties. For purposes  
20 of obtaining any of the information desired, the local governing body may  
21 authorize its agent or attorney to act on its behalf;

22 (6) To cancel or revoke on its own motion any license if, upon the  
23 same notice and hearing as provided in section 44 of this act, it  
24 determines that the licensee has violated any of the provisions of the  
25 act, any rule or regulation adopted and promulgated pursuant to the act,  
26 or any ordinance relating to consumable hemp products. Such order of  
27 cancellation or revocation may be appealed to the commission within  
28 thirty days after the date of the order by filing a notice of appeal with  
29 the commission. The commission shall handle the appeal in the manner  
30 provided for hearing on an application in section 23 of this act; and

31 (7) To impose an occupation tax on licensees, subject to the limit



1 provided in section 21 of this act.

2 **Sec. 14.** (1) Local governing bodies shall only have authority to  
3 approve applications and deny licenses pursuant to the Nebraska  
4 Consumable Hemp Control Act.

5 (2) The governing bodies of cities and villages are authorized to  
6 regulate by ordinance, not inconsistent with the Nebraska Consumable Hemp  
7 Control Act, the business of all retail licensees carried on within the  
8 corporate limits of the city or village.

9 **Sec. 15.** The commission and local governing bodies shall cause  
10 frequent inspection to be made on the premises of all licensees. If it is  
11 found that any such licensee is violating any provision of the Nebraska  
12 Consumable Hemp Control Act or the rules and regulations of the  
13 commission adopted and promulgated under the act or is failing to observe  
14 in good faith the purposes of the act, the license may be suspended,  
15 canceled, or revoked after the licensee is given notice and an  
16 opportunity to be heard.

17 **Sec. 16.** (1) In the discharge of any duty under the Nebraska  
18 Consumable Hemp Control Act the commission may issue subpoenas and compel  
19 the attendance of witnesses and the production of any papers, books,  
20 accounts, documents, and testimony.

21 (2) In case of disobedience on the part of any person to any  
22 subpoena issued by the commission or the refusal of any witness to  
23 testify on any matters regarding which such witness may be lawfully  
24 interrogated, it shall be the duty of the district court for the county  
25 in which such hearing was convened, on the application of a member of the  
26 commission, to compel obedience by proceedings for contempt as in the  
27 case of disobedience to the requirements of a subpoena issued from such  
28 court or a refusal to testify therein.

29 **Sec. 17.** (1) The commission may issue a retailer license to any  
30 person to sell and offer for sale at retail either in the original  
31 package or otherwise, as prescribed in the retail license, on the

1 premises specified in the retail license, any consumable hemp product.  
2 This shall not authorize resale in any form.

3 (2) An applicant for a license shall submit an application to the  
4 commission in a form and manner prescribed by the commission. The  
5 application shall contain:

6 (a) The name and residence of the applicant and how long the  
7 applicant has resided within the State of Nebraska;

8 (b) The particular premises for which a license is desired  
9 designating the same by street and number if practicable or, if not, by  
10 such other description as definitely locates the premises;

11 (c) The name of the owner of the premises upon which the business  
12 licensed is to be carried on;

13 (d)(i) Except as provided in subdivision (2)(d)(ii) of this section,  
14 a statement that the applicant is a resident of Nebraska and legally able  
15 to work in Nebraska, that the applicant and the spouse of the applicant  
16 are not less than twenty-one years of age, and that such applicant has  
17 never been convicted of a covered offense.

18 (ii) The manager of a corporation applying for a license shall  
19 comply with subdivision (2)(d)(i) of this section as though the manager  
20 were the applicant, except that such subdivision shall not apply to the  
21 spouse of the manager-applicant;

22 (e) A statement that the applicant intends to carry on the business  
23 authorized by the license for the applicant and not as the agent of any  
24 other persons and that, if licensed, the applicant will carry on such  
25 business for the applicant and not as the agent for any other person;

26 (f) A statement that the applicant intends to superintend in person  
27 the management of the business licensed and that, if so licensed, the  
28 applicant will superintend in person the management of the business; and

29 (g) Such other information as the commission may from time to time  
30 direct.

31 (3) The applicant shall also submit two legible sets of fingerprints

1 to be furnished to the Federal Bureau of Investigation through the  
2 Nebraska State Patrol for a national criminal history record check and  
3 the fee for such record check payable to the patrol.

4 (4) The application for initial issuance shall also be accompanied  
5 by the following fees:

6 (a) A licensing fee of five hundred dollars which shall be returned  
7 if the application is denied; and

8 (b) A nonrefundable application fee of four hundred dollars.

9 (5) If any false statement is made in any part of such application,  
10 the applicant shall be deemed guilty of perjury, and upon conviction  
11 thereof the license shall be denied or revoked and the applicant  
12 subjected to the penalties provided by law for that crime.

13 (6) The license year shall commence on May 1 of each year and shall  
14 end on the following April 30.

15 (7) A licensee may renew a license by filing with the commission an  
16 application and the following fees:

17 (a) A licensing fee of five hundred dollars which shall be returned  
18 if the application is denied; and

19 (b) A nonrefundable application fee of forty-five dollars.

20 (8) The applicant shall pay any licensing fee required by this  
21 section:

22 (a) In the case of a premises located inside the corporate limits of  
23 a city or village, directly to the city or village treasurer; and

24 (b) In the case of premises located outside the corporate limits of  
25 a city or village, directly to the county treasurer.

26 (9) When delivering any type of license under the Nebraska  
27 Consumable Hemp Control Act to a licensee, the commission may use mail or  
28 electronic delivery.

29 **Sec. 18.** (1) The commission shall not issue a license to, or renew  
30 a license for, any individual who:

31 (a) Is not a resident of Nebraska;

1       (b) Is not of good character and reputation in the community in  
2 which such person resides;

3       (c) Is not lawfully able to work in Nebraska;

4       (d) Has been convicted of a covered offense, unless such individual  
5 has received a pardon for such offense;

6       (e) Has had a license issued under the Nebraska Consumable Hemp  
7 Control Act revoked for cause;

8       (f) Except as provided in this subdivision, is the spouse of an  
9 individual who is ineligible under this section to receive and hold a  
10 license. Such applicant shall become eligible for a license only if the  
11 commission finds from the evidence that the public interest will not be  
12 infringed upon if such license is granted. It shall be prima facie  
13 evidence that when a spouse is ineligible to receive a license the  
14 applicant is also ineligible to receive a license. Such prima facie  
15 evidence shall be overcome if it is shown to the satisfaction of the  
16 commission (a) that the licensed business will be the sole property of  
17 the applicant and (b) that such licensed premises will be properly  
18 operated;

19       (g) Is a law enforcement officer; or

20       (h) Is younger than twenty-one years of age.

21       (2) The commission shall not issue a license to, or renew a license  
22 for:

23       (a) A partnership unless one of the partners is a resident of  
24 Nebraska and unless all the members of such partnership are otherwise  
25 qualified to obtain a license;

26       (b) A limited liability company, if any officer or director of the  
27 limited liability company or any member having an ownership interest in  
28 the aggregate of more than twenty-five percent of such company would be  
29 ineligible to receive a license under this section for any reason other  
30 than the reasons stated in subdivisions (1)(a) and (c) of this section,  
31 or if a manager of a limited liability company licensee would be

1 ineligible to receive a license under this section for any reason;

2 (c) A corporation, if any officer or director of the corporation or  
3 any stockholder owning in the aggregate more than twenty-five percent of  
4 the stock of such corporation would be ineligible to receive a license  
5 under this section for any reason other than the reasons stated in  
6 subdivisions (1)(a) and (c) of this section, or if a manager of a  
7 corporate licensee would be ineligible to receive a license under this  
8 section for any reason; or

9 (d) A corporation, unless such corporation is duly registered with  
10 the Secretary of State to transact business in this state. If such  
11 corporation is owned by a corporation, the owning corporation shall also  
12 be duly registered with the Secretary of State to transact business in  
13 this state.

14 (3) The commission shall not issue a license to, or renew a license  
15 for a person:

16 (a) Whose place of business is conducted by a manager or agent  
17 unless such manager or agent possesses the same qualifications required  
18 of the licensee; or

19 (b) Who does not own the premises for which a license is sought or  
20 does not have a lease or combination of leases on such premises for the  
21 full period for which the license is to be issued.

22 (4) When a trustee is the licensee, the beneficiary or beneficiaries  
23 of the trust shall comply with the requirements of this section, but  
24 nothing in this section shall prohibit any such beneficiary from being a  
25 minor or a person who is mentally incompetent.

26 **Sec. 19.** (1) A retail license shall apply only to that part of the  
27 premises described in the application approved by the commission and in  
28 the license issued on the application.

29 (2) After such license has been granted for the particular premises,  
30 the commission, with the approval of the local governing body and upon  
31 proper showing, may endorse upon the license permission to add to, delete

1 from, or abandon the premises described in such license and, if  
2 applicable, to move from the premises to other premises approved by the  
3 local governing body. In order to obtain such approval, the licensee  
4 shall file with the local governing body a written request and a  
5 statement under oath which shows that the premises, as added to or  
6 deleted from or to which such move is to be made, comply in all respects  
7 with the requirements of the Nebraska Consumable Hemp Control Act. No  
8 such addition, deletion, or move shall be made by any such licensee until  
9 the license has been endorsed to that effect in writing by the local  
10 governing body and by the commission and the licensee furnishes proof of  
11 payment of the renewal fee prescribed in section 17 of this act.

12 **Sec. 20.** Upon receiving an application for a license, the  
13 commission shall notify the clerk of the city or village in which such  
14 license is sought or, if the license sought is not sought within a city  
15 or village, the county clerk of the county in which such license is  
16 sought, of the receipt of the application and shall include one copy of  
17 the application with the notice. No such license shall be issued or  
18 denied by the commission until the expiration of the time allowed for the  
19 receipt of a recommendation of denial or a resident objection requiring a  
20 hearing under subsection (1) or (2) of section 23 of this act. During the  
21 period of forty-five days after the date of receipt by mail or electronic  
22 delivery of such application from the commission, the local governing  
23 body of such city, village, or county may make and submit to the  
24 commission recommendations relative to the granting or denial of such  
25 license to the applicant.

26 **Sec. 21.** (1) If no hearing is required pursuant to subsection (1)  
27 or (2) of section 23 of this act and the commission has no objections  
28 pursuant to subsection (3) of such section, the commission may waive the  
29 forty-five-day objection period and, if not otherwise prohibited by law,  
30 cause a retail license to be signed by its chairperson, attested by its  
31 executive director over the seal of the commission, and issued in the

1 manner provided in subsection (4) of this section as a matter of course.

2 (2) A retail license may be issued to any qualified applicant if the  
3 commission finds that:

4 (a) The applicant is fit, willing, and able to properly provide the  
5 service proposed within the city, village, or county where the premises  
6 described in the application are located;

7 (b) The applicant can conform to all provisions and requirements of  
8 and rules and regulations adopted pursuant to the Nebraska Consumable  
9 Hemp Control Act;

10 (c) The applicant has demonstrated that the type of management and  
11 control to be exercised over the premises described in the application  
12 will be sufficient to ensure that the licensed business can conform to  
13 all provisions and requirements of and rules and regulations adopted  
14 pursuant to the act; and

15 (d) The issuance of the license is or will be required by the  
16 present or future public convenience and necessity.

17 (3) In making its determination pursuant to subsection (2) of this  
18 section, the commission shall consider:

19 (a) Any recommendation of the local governing body;

20 (b) Any resident objection made in accordance with section 23 of  
21 this act;

22 (c) The existing population of the city, village, or county and its  
23 projected growth;

24 (d) The nature of the neighborhood or community of the location of  
25 the proposed licensed premises;

26 (e) The existence or absence of other retail licensees within the  
27 neighborhood or community of the location of the proposed licensed  
28 premises and whether, as evidenced by substantive, corroborative  
29 documentation, the issuance of such license would result in or add to an  
30 undue concentration of licenses;

31 (f) The existing motor vehicle and pedestrian traffic flow in the

1 vicinity of the proposed licensed premises;

2 (g) The adequacy of existing law enforcement;

3 (h) Zoning restrictions;

4 (i) The sanitation or sanitary conditions on or about the proposed  
5 licensed premises; and

6 (j) Whether the type of business or activity proposed to be operated  
7 in conjunction with the proposed license is and will be consistent with  
8 the public interest.

9 (4) Retail licenses issued or renewed by the commission shall be  
10 mailed or delivered electronically to:

11 (a) The clerk of the city, village, or county who shall deliver the  
12 same to the licensee upon receipt from the licensee of proof of payment  
13 of:

14 (i) The license fee;

15 (ii) Any fee for publication of notice of hearing before the local  
16 governing body upon the application for the license;

17 (iii) The fee for publication of notice of renewal as provided in  
18 section 26 of this act; and

19 (iv) Occupation taxes, if any, imposed by such city, village, or  
20 county; or

21 (b) The licensee, upon confirmation from the clerk of the city,  
22 village, or county that the necessary fees and taxes described in  
23 subdivision (4)(a) of this section have been received.

24 (5) Notwithstanding any ordinance or charter power to the contrary,  
25 no city, village, or county shall impose an occupation tax on the  
26 business of any person, firm, or corporation licensed under the act and  
27 doing business within the corporate limits of such city or village or  
28 within the boundaries of such county in an amount which exceeds twenty  
29 percent of the excise tax imposed pursuant to section 51 of this act.

30 (6) Each license shall designate the name of the licensee, the place  
31 of business licensed, and the type of license issued.



1           **Sec. 22.** (1) Except as otherwise provided in subsections (2) and  
2 (3) of this section, no retail license shall be issued for a premises  
3 located within one hundred fifty feet of any church, school, hospital, or  
4 home for indigent persons or for veterans and their spouses or children.

5           (2) Subsection (1) of this section does not apply to:

6           (a) An established retail business selling consumable hemp products  
7 that was in operation and selling consumable hemp products prior to the  
8 effective date of this act; or

9           (b) To a retail licensee in operation before any such church,  
10 school, hospital, or home was established in such location.

11           (3) If a proposed location for a retail license is within one  
12 hundred fifty feet of any church, a license may be issued if the  
13 commission gives notice to the affected church and holds a hearing as  
14 prescribed in section 23 of this act if the affected church submits a  
15 written request for a hearing.

16           **Sec. 23.** (1) The commission shall hold a hearing on an application  
17 for a retail license if, within forty-five days after the date the  
18 application was received by the city, village, or county clerk, the  
19 commission receives a recommendation of denial from the city, village, or  
20 county.

21           (2)(a) The commission shall hold a hearing on an application for a  
22 retail license if it receives written objections from at least three  
23 persons residing in the city, village, or county where the licensed  
24 premises will be located and such objections are received by the  
25 commission within the following deadlines:

26           (i) If the city, village, or county provides the commission with a  
27 recommendation that the application be granted, the objections must be  
28 received no later than ten days after the commission receives such  
29 recommendation; or

30           (ii) In all other cases, the objections must be received no later  
31 than forty-five days after the date the city, village, or county clerk

1 received the application.

2 (b) The commission may conduct a hearing even though a resident  
3 objection has been withdrawn. In such case the commission may conduct the  
4 hearing based upon the objection as originally filed and may make  
5 independent findings as to whether the license should be issued.

6 (3) The commission shall hold a hearing on an application for a  
7 retail license if, within forty-five days after the date the application  
8 was received by the city, village, or county clerk, the commission itself  
9 objects to the issuance of the license or receives an objection from any  
10 employee of the commission.

11 (4) The commission shall hold a hearing on an application for a  
12 retail license if the application indicates that the licensed premises  
13 will be within one hundred fifty feet of a church as described in section  
14 22 of this act and, within forty-five days after the date the application  
15 was received by the city, village, or county clerk, the commission  
16 receives a written request by the church for a hearing.

17 (5)(a) Hearings upon such applications shall be conducted as  
18 provided in this subsection.

19 (b) At least fifteen days prior to such hearing, the commission  
20 shall by mail or electronic delivery provide notice indicating the time  
21 and place of such hearing to the applicant, the local governing body,  
22 each resident objector, and any church described in subsection (4) of  
23 this section that has requested a hearing. The notice shall state that  
24 the commission will receive evidence for the purpose of determining  
25 whether to approve or deny the application. Mailing or electronic  
26 delivery to the attorney of record of a party shall be deemed to fulfill  
27 the purposes of this section.

28 (c) The commission may receive evidence, including testimony and  
29 documentary evidence, and may hear and question witnesses concerning the  
30 application.

31 (d) The commission shall not use electronic delivery with respect to

1 an applicant, an objector, or a church under this section without the  
2 consent of the recipient.

3 **Sec. 24.** (1) When a local governing body receives from the  
4 commission the notice and copy of application as provided in section 20  
5 of this act for a retail license within the jurisdiction of the local  
6 governing body, the local governing body may fix a time and place for a  
7 hearing at which the local governing body shall receive evidence, either  
8 orally or by affidavit from the applicant and any other person, bearing  
9 upon the propriety of the issuance of a license.

10 (2) Notice of the time and place of such hearing shall be published  
11 in a legal newspaper in or of general circulation in such city, village,  
12 or county one time not less than seven and not more than fourteen days  
13 before the time of the hearing.

14 (3) Such notice shall include, but not be limited to, a statement  
15 that all persons desiring to give evidence before the local governing  
16 body in support of or in opposition to issuance of such license may do so  
17 at the time of the hearing.

18 (4) Such hearing shall be held not more than forty-five days after  
19 the date of receipt of the notice from the commission, and after such  
20 hearing the local governing body shall cause to be recorded in the minute  
21 record of their proceedings a resolution recommending either issuance or  
22 denial of such license.

23 (5) The clerk of such city, village, or county shall mail to the  
24 commission by first-class mail, postage prepaid, a copy of the resolution  
25 which shall state the cost of the published notice, except that failure  
26 to comply with this provision shall not void any license issued by the  
27 commission.

28 (6) If the commission refuses to issue such a license, the cost of  
29 publication of notice shall be paid by the commission from the security  
30 for costs.

31 **Sec. 25.** (1)(a) A retail license issued by the commission and

1 outstanding may be automatically renewed by the commission without formal  
2 application upon payment of the renewal fee and license fee if payable to  
3 the commission prior to or within thirty days after the expiration of the  
4 license. The payment shall be an affirmative representation and  
5 certification by the licensee that all answers contained in an  
6 application, if submitted, would be the same in all material respects as  
7 the answers contained in the last previous application.

8 (b) The renewal privilege provided for in this section shall not be  
9 construed as a vested right and shall not prevent the commission from  
10 decreasing the number of licenses.

11 (2)(a) The commission may renew the license if the licensee is  
12 qualified to receive a license, the location of the licensed premises has  
13 not changed, and the licensed premises remain suitable to be used as  
14 such.

15 (b) The commission may also at any time require a licensee to submit  
16 an application.

17 (c) Upon written request by the local governing body, the commission  
18 shall require a licensee to submit an application.

19 (3) If a licensee files an application form upon seeking renewal of  
20 his or her license, the application shall be processed as set forth in  
21 section 20 of this act.

22 **Sec. 26.** The city, village, or county clerk shall cause to be  
23 published in a legal newspaper in or of general circulation in such city,  
24 village, or county, one time between January 10 and January 30 of each  
25 year, individual notice of the right of automatic renewal of each retail  
26 license. The notice shall be in substantially the following form:

27 NOTICE OF RENEWAL OF CONSUMABLE HEMP PRODUCTS RETAIL LICENSE

28 Notice is hereby given pursuant to section 26 of this act that a  
29 consumable hemp products retail license may be automatically renewed for  
30 one year from May 1, 20...., for the following retail licensee:

31 (Name of Licensee) (Address of licensed premises)

1        Notice is hereby given that written objections to the issuance of  
2 automatic renewal of license may be filed by any resident of the city  
3 (village or county) on or before February 10, 20...., in the office of  
4 the (city, village, or county) clerk. If written objections are filed by  
5 at least three residents, the commission will hold a hearing to determine  
6 whether the license should be renewed.

7        (Name)

8        (City, village, or county) Clerk

9        **Sec. 27.** Upon the conclusion of any renewal hearing required by  
10 section 26 of this act, the local governing body may request a licensee  
11 to submit an application as provided in section 25 of this act.

12        **Sec. 28.** (1) The city or village treasurer shall credit any retail  
13 license fees received by the city or village to the school fund of the  
14 district lying wholly or partially within the corporate limits of such  
15 city or village.

16        (2) The county treasurer shall credit any retail license fees  
17 received by the county to the school fund of the county.

18        (3) The commission shall distribute civil penalties and license fees  
19 received by the commission to the State Treasurer for distribution in  
20 accordance with Article VII, section 5, of the Constitution of Nebraska.

21        **Sec. 29.** (1) A license issued under the Nebraska Consumable Hemp  
22 Control Act terminates immediately upon the sale of the licensed premises  
23 named in such license. The purchaser or transferee may submit an  
24 application for a license prior to closing such sale or transfer. While  
25 such application is pending, the purchaser may request and obtain a  
26 temporary operating permit from the commission which shall authorize the  
27 purchaser to continue the business which was conducted on the purchased  
28 premises under the terms and conditions of the terminated license for  
29 ninety days or until the purchaser has obtained a license in the  
30 purchaser's own name, whichever occurs sooner.

31        (2) In the absence of such temporary operating permit, the purchaser

1 shall not store or sell consumable hemp products on the premises until  
2 the purchaser has obtained a license in the purchaser's own name.

3 (3) If the application is withdrawn by the applicant or is denied by  
4 the commission, the previous license may be reinstated at the discretion  
5 of the commission upon request by the previous licensee.

6 **Sec. 30.** (1) A retail license shall be purely a personal privilege,  
7 valid for one year after issuance unless sooner revoked as provided in  
8 the Nebraska Consumable Hemp Control Act.

9 (2) A retail license shall not:

10 (a) Constitute property;

11 (b) Be subject to attachment, garnishment, or execution;

12 (c) Be alienable or transferable, voluntarily or involuntarily; or

13 (d) Be subject to being encumbered or hypothecated.

14 (3) A license shall not descend by the laws of testate or intestate  
15 devolution, but it shall cease upon the death of the licensee, except  
16 that:

17 (a) Executors or administrators of the estate of any deceased  
18 licensee, when such estate consists in part of consumable hemp products,  
19 or a partnership or limited liability company upon the death of one or  
20 more of the partners or members, may continue the business of the sale of  
21 consumable hemp products under order of the appropriate court and may  
22 exercise the privileges of the deceased or deceased partner or member  
23 after the death of such decedent until the expiration of such license,  
24 but if such license would have expired within two months following the  
25 death of the licensee, the license may be renewed by the administrators  
26 or executors with the approval of the appropriate court for a period not  
27 to exceed one additional year; and

28 (b) When a license is issued to spouses, as co-licensees with rights  
29 of survivorship, upon the death of one spouse the survivor may exercise  
30 all rights and privileges under such license in the survivor's own name.

31 (4) The trustee of any insolvent or bankrupt licensee, when such

1 estate consists in part of consumable hemp products, may continue the  
2 business of the sale of consumable hemp products under order of the  
3 appropriate court and may exercise the privileges of the insolvent or  
4 bankrupt licensee until the expiration of such license.

5 **Sec. 31.** (1) A consumable hemp product sold in this state shall:

6 (a) Satisfy the child-resistant effectiveness standards under 16  
7 C.F.R. 1700.15(b)(1) when tested in accordance with the requirements of  
8 16 C.F.R. 1700.20; and

9 (b) Be labeled with consumer protection warnings in the form of  
10 statements that cover all of the following:

11 (i) A listing of the major cannabinoids in the product;

12 (ii) A listing of ingredients and possible allergens and a  
13 nutritional fact panel for edible products or a code that can be scanned  
14 that directs consumers to a website containing the list of ingredients  
15 and possible allergens and a nutritional fact panel;

16 (iii) A statement that consumption of certain cannabinoids may  
17 impair your ability to drive and operate heavy machinery;

18 (iv) A statement that the product is not approved by the United  
19 States Food and Drug Administration;

20 (v) A statement to keep out of reach of children;

21 (vi) The total amount of hemp-derived cannabinoids in the entire  
22 package; measured in milligrams for edible products;

23 (vii) The recommended serving sizes for edible products;

24 (viii) The net weight of the product; and

25 (ix) A code that can be scanned to access a certificate of analysis.

26 (2) A licensee shall only sell consumable hemp products that are  
27 obtained from a manufacturer or distributor that uses or contracts with  
28 an independent testing laboratory that tests such products to ensure  
29 compliance with section 10113 of the federal Agriculture Improvement Act  
30 of 2018, Public Law 115-334, and any regulations adopted and promulgated  
31 under such section, as such section, act, and regulations existed on

1 January 1, 2025.

2 **Sec. 32.** (1) A licensee shall display at all times in a prominent  
3 place a printed card with a minimum height of twenty inches and a width  
4 of fourteen inches, with each letter to be a minimum of one-fourth inch  
5 in height, which shall read as follows:

6 WARNING TO PERSONS UNDER 21: It is a crime for a person younger than  
7 21 years of age to consume, purchase, attempt to purchase, or possess any  
8 consumable hemp product. Violation of this law may result in a fine of up  
9 to \$500, 3 months in jail, or both. Your parents or guardian will be  
10 notified of this violation.

11 WARNING TO ADULTS: It is a crime to provide consumable hemp products  
12 to a person younger than 21 years of age. Violation of this law may  
13 result in a fine of up to \$1000, 6 months in jail, or both.

14 (2) The commission may provide such warning signs to licensees by  
15 electronic delivery.

16 **Sec. 33.** To establish proof of age for the purpose of purchasing  
17 consumable hemp products, a person shall present or display only a valid  
18 identification document.

19 **Sec. 34.** (1) No person shall knowingly sell, furnish, give away,  
20 exchange, or deliver, or permit the sale, gift, or procuring of, any  
21 consumable hemp product to a minor.

22 (2) It is an affirmative defense to a violation of this section if  
23 the minor was a purchaser who provided a licensee with an identification  
24 document showing the purchaser to be of age and bearing a physical  
25 description or depiction reasonably describing or depicting the  
26 purchaser.

27 (3) A violation of this section is a Class II misdemeanor unless the  
28 violation is also a minor, in which case it is a Class III misdemeanor.

29 **Sec. 35.** (1) Except as provided in subsection (3) of this section,  
30 a minor shall not obtain, or attempt to obtain, consumable hemp products  
31 by misrepresenting such minor's age or by any other method. A violation



1 of this subsection is a Class III misdemeanor.

2 (2) Except as provided in subsection (3) of this section, no minor  
3 may sell, dispense, consume, or have in such minor's possession or  
4 physical control any consumable hemp product. Except as provided in  
5 section 28-1701, a violation of this subsection is a Class III  
6 misdemeanor.

7 (3) An individual who is at least nineteen years of age may be  
8 employed by a retail licensee.

9 **Sec. 36.** A local governing body may enact ordinances to regulate,  
10 suppress, control, and penalize the transportation, consumption, or  
11 knowing possession of consumable hemp products by minors.

12 **Sec. 37.** A parent or guardian of a minor shall not knowingly suffer  
13 or permit such minor to violate section 35 of this act. A violation of  
14 this section is a Class III misdemeanor.

15 **Sec. 38.** A person shall not knowingly manufacture, create, or alter  
16 any form of identification to falsely represent a person's age for the  
17 purpose of selling or delivering such identification to a minor. A  
18 violation of this section is a Class I misdemeanor.

19 **Sec. 39.** When a minor is arrested for a violation of section 35 or  
20 38 of this act, the law enforcement agency employing the arresting peace  
21 officer shall make a reasonable attempt to notify such minor's parent or  
22 guardian of the arrest.

23 **Sec. 40.** (1) A person shall not:

24 (a) Sell consumable hemp products at retail without a valid retail  
25 license under the Nebraska Consumable Hemp Control Act; or

26 (b) Make any false statement or otherwise violates any of the  
27 provisions of the act in obtaining any license under the act.

28 (2) A licensee shall not violate any provision of the Nebraska  
29 Consumable Hemp Control Act with respect to the possession, distribution,  
30 or sale of consumable hemp products or with respect to the maintenance of  
31 the licensed premises.

1           (3) A violation of this section or of any provision of the Nebraska  
2 Consumable Hemp Control Act for which a penalty is not otherwise provided  
3 shall be a Class IV misdemeanor for a first offense and a Class II  
4 misdemeanor for any subsequent offense.

5           (4) Each day any person engages in business as a retailer in  
6 violation of the act shall constitute a separate offense.

7           (5) In any prosecution in which a person is charged with an offense  
8 arising out of the failure to obtain a valid license, the fact that such  
9 person failed to produce such license upon demand is prima facie proof  
10 that the commission has not issued a license to such person.

11           **Sec. 41.** Any licensee who permits, assents, or is a party in any  
12 way to any violation or infringement of the Nebraska Consumable Hemp  
13 Control Act shall be deemed guilty of a violation of the act. Any money  
14 loaned contrary to a provision of the act shall not be recovered back.  
15 Any note, mortgage, or other evidence of indebtedness, any security, or  
16 any lease or contract obtained or made contrary to the act shall be  
17 unenforceable and void.

18           **Sec. 42.** If the owner of the licensed premises or any person from  
19 whom the licensee derives the right to possession of such premises, or  
20 the agent of such owner or person, knowingly permits the licensee to use  
21 such licensed premises in violation of the terms of the Nebraska  
22 Consumable Hemp Control Act, such owner, agent, or other person shall be  
23 deemed guilty of a violation of the act to the same extent as such  
24 licensee and be subject to the same punishment.

25           **Sec. 43.** Every act or omission of whatsoever nature constituting a  
26 violation of any of the provisions of the Nebraska Consumable Hemp  
27 Control Act by any officer, director, manager, or other agent or employee  
28 of any licensee, if such act is committed or omission is made with the  
29 authorization, knowledge, or approval of the licensee, shall be deemed  
30 and held to be the act of such employer or licensee, and such employer or  
31 licensee shall be punishable in the same manner as if such act or

1 omission had been done or omitted by him or her personally.

2 **Sec. 44.** (1) Any five residents of a city or village shall have the  
3 right to file a complaint with the local governing body of such city or  
4 village stating that any retail licensee subject to the jurisdiction of  
5 such local governing body has been or is violating any provision of the  
6 Nebraska Consumable Hemp Control Act or the rules or regulations adopted  
7 and promulgated pursuant to the act.

8 (2) Such complaint shall be in writing in the form prescribed by the  
9 local governing body and shall be signed and sworn to by the parties  
10 complaining. The complaint shall state the particular provision, rule, or  
11 regulation believed to have been violated and the facts in detail upon  
12 which belief is based.

13 (3) If the local governing body is satisfied that the complaint  
14 substantially charges a violation and that from the facts alleged there  
15 is reasonable cause for such belief, it shall set the matter for hearing  
16 within ten days after the date of the filing of the complaint and shall  
17 serve notice upon the licensee of the time and place of such hearing and  
18 of the particular charge in the complaint.

19 (4) The complaint shall in all cases be disposed of by the local  
20 governing body within thirty days after the date the complaint was filed  
21 by resolution thereof, which resolution shall be deemed the final order  
22 for purposes of appeal to the commission as provided in section 46 of  
23 this act.

24 **Sec. 45.** (1) The commission may, after notice and hearing, suspend,  
25 cancel, or revoke the license of any person who violates:

26 (a) The Nebraska Consumable Hemp Control Act;

27 (b) Any rules and regulations adopted and promulgated by the  
28 commission; or

29 (c) Any lawful ordinance of the local governing body relating to  
30 consumable hemp products.

31 (2) If any licensee is convicted of a violation of the act, the

1 court shall immediately notify the local governing body and the  
2 commission.

3 **Sec. 46.** (1) A copy of the rule, regulation, order, or decision of  
4 the commission denying an application or suspending, canceling, or  
5 revoking a license or of any notice required by any proceeding before it,  
6 certified under the seal of the commission, shall be served upon each  
7 party of record to the proceeding before the commission. Service upon any  
8 attorney of record for any such party shall be deemed to be service upon  
9 such party. Each party appearing before the commission shall enter an  
10 appearance and indicate to the commission such person's address for such  
11 service. The mailing of a copy of any rule, regulation, order, or  
12 decision of the commission or of any notice by the commission, in the  
13 proceeding, to such party at such address shall be deemed to be service  
14 upon such party.

15 (2) Within thirty days after the service of any rule, regulation,  
16 order, or decision of the commission denying an application or  
17 suspending, canceling, or revoking any license upon any party to the  
18 proceeding, as provided for in subsection (1) of this section, such party  
19 may apply for a rehearing with respect to any matters determined by the  
20 commission. The commission shall receive and consider such application  
21 for a rehearing within thirty days after its filing with the executive  
22 director of the commission. If such application for rehearing is granted,  
23 the commission shall proceed as promptly as possible to consider the  
24 matters presented by such application. No appeal shall be allowed from  
25 any decision of the commission except as provided in section 47 of this  
26 act.

27 (3) Upon final disposition of any proceeding, costs shall be paid by  
28 the party or parties against whom a final decision is rendered. Costs may  
29 be taxed or retaxed to local governing bodies as well as individuals.  
30 Only one rehearing referred to in subsection (2) of this section shall be  
31 granted by the commission on application of any one party.

1           (4) For purposes of this section, party of record means:

2           (a) In the case of an administrative proceeding before the  
3 commission on the application for a retail license:

4           (i) The applicant;

5           (ii) Each individual protesting the issuance of such license  
6 pursuant to subsection (2) of section 23 of this act;

7           (iii) The local governing body if it is entering an appearance to  
8 protest the issuance of the license or if it is requesting a hearing; and

9           (iv) The commission;

10          (b) In the case of an administrative proceeding before a local  
11 governing body to cancel or revoke a retail license:

12          (i) The licensee; and

13          (ii) The local governing body; and

14          (c) In the case of an administrative proceeding before the  
15 commission to suspend, cancel, or revoke a retail license:

16          (i) The licensee; and

17          (ii) The commission.

18          **Sec. 47.** Any order or decision of the commission granting, denying,  
19 suspending, canceling, revoking, or renewing or refusing to suspend,  
20 cancel, revoke, or renew a license may be appealed, and the appeal shall  
21 be in accordance with the Administrative Procedure Act.

22          **Sec. 48.** (1) On or before January 1, 2026, the commission shall  
23 adopt and promulgate rules and regulations governing programs which  
24 provide training for persons employed in the sale of consumable hemp  
25 products and the management of licensed premises. Such rules and  
26 regulations may include, but need not be limited to:

27          (a) Minimum standards governing training of sales personnel,  
28 including standards and requirements governing curriculum, program  
29 trainers, and certification requirements;

30          (b) Minimum standards governing training in management of licensed  
31 premises, including standards and requirements governing curriculum,

1 program trainers, and certification requirements;

2 (c) Minimum standards governing the methods allowed for training  
3 programs which may include the Internet, interactive video, live training  
4 in various locations across the state, and other means deemed appropriate  
5 by the commission;

6 (d) Setting enrollment fees. Such fees shall be in an amount  
7 determined by the commission to be necessary to cover the administrative  
8 costs, including salary and benefits, of enrolling in a training program  
9 offered by the commission pursuant to subsection (2) of this section but  
10 shall not exceed thirty dollars; and

11 (e) Procedures and fees for certification. Such fees shall be in an  
12 amount determined by the commission to be sufficient to defray the  
13 administrative costs, including salary and benefits, associated with  
14 maintaining a list of persons certified under this section and issuing  
15 proof of certification to eligible individuals but shall not exceed  
16 twenty dollars.

17 (2) The commission may create a program to provide training for  
18 persons employed in the sale of consumable hemp products and management  
19 of licensed premises. The program shall include training on the issues of  
20 sales of consumable hemp products to minors. The commission may charge  
21 each person enrolling in the program an enrollment fee as provided in the  
22 rules and regulations, but such fee shall not exceed thirty dollars. All  
23 such fees shall be collected by the commission and remitted to the State  
24 Treasurer for credit to the Nebraska Consumable Hemp Control Commission  
25 Cash Fund.

26 (3) A person who has completed a training program which complies  
27 with the rules and regulations, whether such program is offered by the  
28 commission or by another organization, may become certified by the  
29 commission upon the commission receiving evidence that he or she has  
30 completed such program and the person seeking certification paying the  
31 certification fee established under this section.

1           **Sec. 49.** Any money collected by the commission pursuant to section  
2 48 of this act shall be credited to the Nebraska Consumable Hemp Control  
3 Commission Cash Fund, which fund is hereby created. The purpose of the  
4 fund shall be to cover any administrative costs, including salary and  
5 benefits, incurred by the commission in carrying out section 48 of this  
6 act and to defray the costs associated with electronic regulatory  
7 transactions, industry education events, enforcement training, and  
8 equipment for regulatory work. Transfers may be made from the fund to the  
9 General Fund at the direction of the Legislature. Any money in the  
10 Nebraska Consumable Hemp Control Commission Cash Fund available for  
11 investment shall be invested by the state investment officer pursuant to  
12 the Nebraska Capital Expansion Act and the Nebraska State Funds  
13 Investment Act.

14           **Sec. 50.** For purposes of sections 50 to 55 of this act:

15           (1) Affiliated means entities that are owned or controlled by the  
16 same or related interests;

17           (2) Average market rate means the average price, as determined by  
18 the commission on a quarterly basis, of all consumable hemp products that  
19 are sold or transferred from distributors to retail licensees in this  
20 state, less taxes paid on the sales or transfers;

21           (3) Contract price means the invoice price charged by a distributor  
22 to each retail licensee for each sale or transfer of consumable hemp  
23 products, exclusive of any tax that is included in the written invoice  
24 price, and exclusive of any discount or other reduction. In the case of  
25 multiple invoices reflecting multiple prices for the same transaction,  
26 contract price is the highest such price;

27           (4) Distributor means any person, other than a retail licensee,  
28 selling or transferring consumable hemp products to a retail licensee,  
29 and includes, but is not limited to, distributors, manufacturers,  
30 producers, and wholesalers;

31           (5) Excise tax means the tax imposed by section 51 of this act; and

1       (6) Related interests includes individuals who are related by blood  
2 or marriage or entities that are directly or indirectly controlled by an  
3 entity or individual or related individuals.

4       **Sec. 51.** (1) There is levied and shall be collected an excise tax  
5 on the first sale or transfer of consumable hemp products by a  
6 distributor to a retail licensee. The tax shall be at a rate of three  
7 percent of:

8       (a) The average market rate of the consumable hemp products if the  
9 transaction is between affiliated licensees; or

10       (b) The contract price for consumable hemp products if the  
11 transaction is between unaffiliated licensees.

12       (2) The excise tax imposed by this section shall be in addition to  
13 all other occupation or privilege taxes imposed by this state or by any  
14 political subdivision of the state, subject to section 21 of this act.

15       **Sec. 52.** (1) Every retail licensee shall keep at each licensed  
16 premises complete and accurate electronic records for that licensed  
17 premises, including itemized invoices of all consumable hemp products  
18 purchased by such licensee.

19       (2) The records required by subsection (1) of this section shall  
20 include the inventory of all consumable hemp products on hand and any  
21 other pertinent papers and documents relating to the sale or transfer of  
22 consumable hemp products as the commission may by rule and regulation  
23 require.

24       (3) The licensee shall provide a copy of such records to the  
25 commission if so requested. The commission may establish the acceptable  
26 form of such records.

27       **Sec. 53.** (1) Every retail licensee shall file a return with the  
28 commission by the twentieth day of the month following the month reported  
29 and with the report shall remit the amount of excise tax due.

30       (2) The return, which shall be upon forms prescribed and furnished  
31 by the commission, shall contain, among other things, the total amount of



1 consumable hemp products purchased or transferred during the preceding  
2 month from a distributor and the amount of tax due thereon.

3 (3) The commission may require licensees to file tax returns  
4 electronically and to remit payments due by electronic funds transfers.

5 **Sec. 54.** The commission shall collect the excise tax and shall  
6 account for and remit to the State Treasurer at least once each month all  
7 money collected pursuant to such tax for credit to the General Fund.

8 **Sec. 55.** It shall be unlawful for any person to evade or attempt to  
9 evade the payment of the excise tax. A violation of this section is a  
10 Class II misdemeanor and the violator shall forfeit and pay, as a part of  
11 costs in such action, double the amount of the tax so evaded or attempted  
12 to be evaded.

13 **Sec. 56.** Section 28-1701, Revised Statutes Cumulative Supplement,  
14 2024, is amended to read:

15 28-1701 (1) A person shall not be arrested or prosecuted for an  
16 eligible alcohol or drug offense if such person witnessed or was the  
17 victim of a sexual assault and such person:

18 (a) Either:

19 (i) In good faith, reported such sexual assault to law enforcement;  
20 or

21 (ii) Requested emergency medical assistance for the victim of the  
22 sexual assault; and

23 (b) Evidence supporting the arrest or prosecution of the eligible  
24 alcohol or drug offense was obtained or discovered as a result of such  
25 person reporting such sexual assault to law enforcement or requesting  
26 emergency medical assistance.

27 (2) A person shall not be arrested or prosecuted for an eligible  
28 alcohol or drug offense if:

29 (a) Evidence supporting the arrest or prosecution of the person for  
30 the offense was obtained or discovered as a result of the investigation  
31 or prosecution of a sexual assault; and

1 (b) Such person cooperates with law enforcement in the investigation  
2 or prosecution of the sexual assault.

3 (3) For purposes of this section:

4 (a) Eligible alcohol or drug offense means:

5 (i) A violation of subsection (3) or (13) of section 28-416 or of  
6 section 28-441;

7 (ii) A violation of section 53-180.02 committed by a person older  
8 than eighteen years of age and under the age of twenty-one years, as  
9 described in subdivision (4)(a) of section 53-180.05;

10 (iii) A violation of subsection (2) of section 35 of this act;

11 (iv) ~~(iii)~~ A violation of a city or village ordinance similar to  
12 subdivision (3)(a)(i), ~~or (ii), or (iii)~~ of this section; or

13 (v) ~~(iv)~~ Attempt, conspiracy, solicitation, being an accessory to,  
14 aiding and abetting, aiding the consummation of, or compounding a felony  
15 with any of the offenses in subdivision (3)(a)(i), (ii), ~~or (iii), or~~  
16 (iv) of this section as the underlying offense; and

17 (b) Sexual assault means:

18 (i) A violation of section 28-316.01, 28-319, 28-319.01, 28-320,  
19 28-320.01, 28-320.02, 28-322.01, 28-322.02, 28-322.03, 28-322.04,  
20 28-322.05, 28-703, or 28-1463.03, sex trafficking or sex trafficking of a  
21 minor under section 28-831, or subdivision (1)(c) or (g) of section  
22 28-386 or subdivision (1)(d), (e), or (f) of section 28-707; or

23 (ii) Attempt, conspiracy, solicitation, being an accessory to,  
24 aiding and abetting, aiding the consummation of, or compounding a felony  
25 with any of the offenses listed in subdivision (3)(b)(i) of this section  
26 as the underlying offense.

27 **Sec. 57.** Section 53-105, Reissue Revised Statutes of Nebraska, is  
28 amended to read:

29 53-105 There is hereby created the Nebraska Liquor Control  
30 Commission, consisting of three members to be appointed by the Governor,  
31 subject to confirmation by a majority of the members elected to the

1 Legislature, no more than two of whom shall be members of the same  
2 political party, and no two shall be citizens of the same congressional  
3 district. The members of the Nebraska Liquor Control Commission shall  
4 also serve as the members of the Nebraska Consumable Hemp Control  
5 Commission as provided in section 4 of this act.

6 **Sec. 58.** Section 53-106, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 53-106 The Governor shall appoint three members of the commission,  
9 one of whom he shall designate as chairman. One member shall be appointed  
10 every two years and shall hold office for a period of six years. Any  
11 appointee may be removed by the Governor, after an opportunity to be  
12 heard, for malfeasance, misfeasance or neglect in office. No person shall  
13 be appointed to the commission, or continue to hold that office after  
14 appointment, while holding any other office or position under the laws of  
15 this state, any other state, or of the United States, except that the  
16 commissioners shall also serve as the members of the Nebraska Consumable  
17 Hemp Control Commission as provided in section 4 of this act.

18 **Sec. 59.** Section 53-110, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 53-110 (1) For purposes of this section:

21 (a) Commission means the Nebraska Liquor Control Commission and the  
22 Nebraska Consumable Hemp Control Commission;

23 (b) Consumable hemp product has the same meaning as in section 3 of  
24 this act;

25 (c) Conviction includes a plea or verdict of guilty or a conviction  
26 following a plea of nolo contendere, payment of a fine or penalty in  
27 settlement of any prosecution, or forfeiture of a bond to appear in court  
28 to answer charges;

29 (d) Covered offense means:

30 (i) A felony; or

31 (ii) A violation of any federal or state law concerning the

1 manufacture or sale of alcoholic liquor, consumable hemp products, or  
2 marijuana; and

3 (e) Marijuana has the same meaning as in section 28-401.

4 (2) (1) No person shall be appointed as a commissioner, the  
5 executive director of the commission, or an employee of the commission  
6 who is not a citizen of the United States and who has not resided within  
7 the State of Nebraska successively for two years next preceding the date  
8 of his or her appointment.

9 (3) (2) No person (a) convicted of a covered offense or who has  
10 pleaded guilty to a felony or any violation of any federal or state law  
11 concerning the manufacture or sale of alcoholic liquor prior or  
12 subsequent to the passage of the Nebraska Liquor Control Act, (b) who has  
13 paid a fine or penalty in settlement of any prosecution against him or  
14 her for any violation of such laws, or (c) who has forfeited his or her  
15 bond to appear in court to answer charges for any such violation shall be  
16 appointed commissioner.

17 (4)(a) (3)(a) Except as otherwise provided in subdivision (b) of  
18 this subsection, a commissioner or employee of the commission shall  
19 not may, directly or indirectly, individually, as a member of a  
20 partnership, as a member of a limited liability company, or as a  
21 shareholder of a corporation; ~~have~~

22 (i) Have any interest whatsoever in the manufacture, sale, or  
23 distribution of alcoholic liquor or consumable hemp products; ~~or~~

24 (ii) Receive receive any compensation or profit from such  
25 manufacture, sale, or distribution; ~~or~~

26 (iii) Have ~~or have~~ any interest whatsoever in the purchases or sales  
27 made by the persons authorized by the Nebraska Liquor Control Act ~~act~~ to  
28 purchase or to sell alcoholic liquor; ~~or~~

29 (iv) Have any interest whatsoever in the purchases or sales made by  
30 the persons authorized by the Nebraska Consumable Hemp Control Act to  
31 purchase or to sell consumable hemp products.

1 (b) With the written approval of the executive director, an employee  
2 of the commission, other than the executive director or a division  
3 manager, may accept part-time or seasonal employment with a person  
4 licensed or regulated by the commission. No such employment shall be  
5 approved if the licensee receives more than fifty percent of the  
6 licensee's gross revenue from the sale or dispensing of alcoholic liquor  
7 or consumable hemp products.

8 (5) ~~(4)~~ This section shall not prevent any commissioner, the  
9 executive director, or any employee from purchasing and keeping in his or  
10 her possession for the use of himself, herself, or members of his or her  
11 family or guests any:

12 (a) Alcoholic ~~alcoholic~~ liquor which may be purchased or kept by any  
13 person pursuant to the Nebraska Liquor Control Act; or ~~act.~~

14 (b) Consumable hemp products which may be purchased or kept by any  
15 person pursuant to the Nebraska Consumable Hemp Control Act.

16 **Sec. 60.** Section 53-111, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 53-111 (1) A commissioner, the executive director of the commission,  
19 or any person appointed or employed by the commission shall not solicit  
20 or accept any gift, gratuity, emolument, or employment from any person  
21 subject to the Nebraska Liquor Control Act or the Nebraska Consumable  
22 Hemp Control Act or from any officer, agent, or employee thereof or  
23 solicit, request from, or recommend, directly or indirectly, to any such  
24 person or to any officer, agent, or employee thereof the appointment of  
25 any person to any place or position. Any such person and every officer,  
26 agent, or employee thereof may not offer to any commissioner, the  
27 executive director, or any person appointed or employed by the commission  
28 any gift, gratuity, emolument, or employment. If a commissioner, the  
29 executive director, or any person appointed or employed by the commission  
30 violates this section, he or she shall be removed from his or her office  
31 or employment. Every person violating this section shall be guilty of a

1 Class II misdemeanor.

2 **Sec. 61.** Section 81-1021, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4 81-1021 (1) All motor vehicles acquired by the State of Nebraska  
5 except any vehicle rented as a bureau fleet vehicle shall be indelibly  
6 and conspicuously lettered, in plain letters of a contrasting color or  
7 reflective material:

8 (a) On each side thereof with the words State of Nebraska and  
9 following such words the name of whatever board, department, bureau,  
10 division, institution, including the University of Nebraska or state  
11 college, office, or other state expending agency of the state to which  
12 the motor vehicle belongs; and

13 (b) On the back thereof with the words State of Nebraska.

14 (2) This section shall not apply to motor vehicles used or  
15 controlled by:

16 (a) The Nebraska State Patrol, the Public Service Commission, the  
17 Game and Parks Commission, deputy state sheriffs employed by the Nebraska  
18 Brand Committee and State Fire Marshal for state law enforcement  
19 purposes, inspectors employed by the Nebraska Liquor Control Commission  
20 or the Nebraska Consumable Hemp Control Commission, and persons employed  
21 by the Tax Commissioner for state revenue enforcement purposes, the  
22 exemption for state law enforcement purposes and state revenue  
23 enforcement purposes being confined strictly to the seven agencies  
24 specifically named;

25 (b) The Department of Health and Human Services or the Department of  
26 Correctional Services for the purpose of apprehending and returning  
27 escaped offenders or parole violators to facilities in the Department of  
28 Correctional Services and transporting offenders and personnel of the  
29 Department of Correctional Services and patients and personnel of the  
30 Department of Health and Human Services who are engaged in off-campus  
31 program activities;

1 (c) The Military Department;

2 (d) Vocational rehabilitation counselors and the Department of  
3 Health and Human Services for the purposes of communicable disease  
4 control, for the prevention and control of those communicable diseases  
5 which endanger the public health, or used by the Department of Health and  
6 Human Services in the enforcement of drug control laws or for other  
7 investigation purposes;

8 (e) The Department of Agriculture for special investigative  
9 purposes;

10 (f) The Nebraska Motor Vehicle Industry Licensing Board for  
11 investigative purposes;

12 (g) The Insurance Fraud Prevention Division of the Department of  
13 Insurance for investigative purposes; and

14 (h) The Department of Justice.

15 **Sec. 62.** Original sections 53-105, 53-106, 53-110, 53-111, and  
16 81-1021, Reissue Revised Statutes of Nebraska, and section 28-1701,  
17 Revised Statutes Cumulative Supplement, 2024, are repealed.