

AMENDMENTS TO LB677

Introduced by Hansen, 16.

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

3 **Section 1.** Section 1, Initiative Law 2024, No. 438, is amended to
4 read:

5 Section 1. Sections 1 to 5 ~~6~~ of this act and sections 2 to 81, 84 to
6 107, and 109 to 198 of this act shall be known and may be cited as the
7 Nebraska Medical Cannabis Regulation Act.

8 **Sec. 2.** For purposes of the Nebraska Medical Cannabis Regulation
9 Act, the definitions found in sections 3 to 65 of this act apply.

10 **Sec. 3.** (1) Additive means any non-cannabis derived substance added
11 to cannabis to achieve a specific technical or functional purpose during
12 processing, storage, or packaging.

13 (2) Additives may be direct or indirect. Direct additives are used
14 to impart specific technological or functional qualities. Indirect
15 additives are not intentionally added but may be present in trace amounts
16 as a result of processing, packaging, shipping, or storage.

17 (3) Botanically derived compounds which have been isolated or
18 enriched and subsequently added back into cannabis products are
19 additives.

20 **Sec. 4.** (1) Advertising means the act of providing consideration
21 for the publication, dissemination, solicitation, or circulation of
22 visual, oral, or written communication to directly induce any person to
23 patronize a particular licensee or purchase particular cannabis for
24 medical purposes.

25 (2) Advertising does not include packaging and labeling, or
26 branding.

27 **Sec. 5.** (1) Allowable amount of cannabis means up to five ounces of

1 cannabis.

2 (2) Allowable amount of cannabis does not include the weight of any
3 other ingredient combined with cannabis as part of topical or oral
4 administrations, food, drink, or other preparations.

5 **Sec. 6.** Cancel means to discontinue all rights and privileges of a
6 license.

7 **Sec. 7.** (1) Cannabis means all parts of the plant of the genus
8 cannabis whether growing or not, the seeds thereof, the resin extracted
9 from any part of the plant, and every compound, manufacture, salt,
10 derivative, mixture, or preparation of the plant, its seeds, or its
11 resin.

12 (2) Except as otherwise provided in the Nebraska Medical Cannabis
13 Regulation Act, cannabis includes cannabis in all forms, including, but
14 not limited to, cannabis products and cannabis concentrate.

15 (3) Cannabis does not include the mature stalks of the plant, fiber
16 produced from such stalks, oil or cake made from the seeds of the plant,
17 the sterilized seed of the plant which is incapable of germination, or
18 cannabidiol contained in a drug product approved by the federal Food and
19 Drug Administration.

20 (4) Cannabis does not include hemp as defined in section 2-503.

21 **Sec. 8.** Cannabis accessories means any equipment, products, or
22 materials of any kind that are used, intended for use, or designed for
23 use in storing, vaporizing, smoking, or containing cannabis, or for
24 ingesting, inhaling, or otherwise introducing cannabis into the human
25 body.

26 **Sec. 9.** (1) Cannabis concentrate means a subset of cannabis product
27 that is made by separating cannabinoids from cannabis and that results in
28 a higher concentration of cannabinoids than naturally occur in the
29 cannabis plant.

30 (2) Cannabis concentrate contains cannabinoids and may contain
31 terpenes and other chemicals that are naturally occurring in cannabis

1 plants that have been separated from cannabis.

2 (3) Cannabis concentrates includes inhalable concentrates which may
3 be comprised of cannabis and other ingredients inside a device that uses
4 a heating element to create a vapor, including, but not limited to,
5 vaporizer cartridges and vaporizer pens.

6 **Sec. 10.** Cannabis for medical purposes means cannabis and cannabis
7 accessories intended for use by qualified patients and registered
8 caregivers pursuant to the Nebraska Medical Cannabis Regulation Act for
9 the alleviation of a qualifying medical condition.

10 **Sec. 11.** Cannabis product means a product comprised of cannabis and
11 other ingredients. Cannabis product includes, but is not limited to,
12 cannabis edible products, cannabis concentrate, ointments, and
13 transdermal patches.

14 **Sec. 12.** Caregiver means:

15 (1) In the case of a qualified patient who is eighteen years of age
16 or older and is not under the protection of a legal guardian, a person
17 who:

18 (a) Is at least twenty-one years of age; and

19 (b) Has been designated by a qualified patient in a signed
20 affidavit;

21 (2) In the case of a qualified patient who is younger than eighteen
22 years of age or a qualified patient under the protection of a legal
23 guardian:

24 (a) The legal guardian or a parent with authority to make health
25 care decisions for the qualified patient; or

26 (b) A person designated in a sworn affidavit by the legal guardian
27 or parent with authority to make health care decisions; or

28 (3) A health care facility or a home health agency, if the facility
29 or agency has been designated by a qualified patient or the legal
30 guardian or parent with authority to make health care decisions for a
31 qualified patient in a sworn affidavit and if the facility or agency has

1 agreed in writing to serve as a caregiver for the qualified patient.

2 **Sec. 13.** Commission means the Nebraska Medical Cannabis Commission.

3 **Sec. 14.** Conviction includes a plea or verdict of guilty or a
4 conviction following a plea of nolo contendere.

5 **Sec. 15.** Cultivator means a person licensed by the commission to
6 cultivate cannabis plants pursuant to the Nebraska Medical Cannabis
7 Regulation Act for sale and distribution to dispensaries, to products
8 manufacturers, and to other cultivators, but not to qualified patients or
9 registered caregivers.

10 **Sec. 16.** Decontamination or decontaminate means the process of
11 neutralization or removal of dangerous substances or other contaminants
12 from cannabis that:

13 (1) Follows a failed test; and

14 (2) Does not change the product type of the cannabis.

15 **Sec. 17.** Dispensary means a person licensed by the commission to:

16 (1) Purchase cannabis from cultivators;

17 (2) Purchase cannabis products from products manufacturers and other
18 dispensaries; and

19 (3) Sell cannabis and cannabis products to qualified patients,
20 registered caregivers, and other dispensaries.

21 **Sec. 18.** (1) Disqualifying offense means a felony that is:

22 (a) A violent offense; or

23 (b) A violation of subdivision (4)(a)(i) or subsection (5) of
24 section 28-416 or a violation of a substantially equivalent law of
25 another jurisdiction in the United States.

26 (2) An offense is not a disqualifying offense if it has been
27 pardoned, expunged, or set aside.

28 (3) For purposes of this section:

29 (a) Serious bodily injury has the same meaning as in section 28-109;

30 (b) Sexual contact and sexual penetration have the same meanings as
31 in section 28-318; and

1 (c) Violent offense means:

2 (i) A felony violation of any of the following: Section 28-303,
3 28-304, 28-305, 28-306, 28-308, 28-309, 28-310.01, 28-311, 28-311.01,
4 28-311.03, 28-311.08, 28-313, 28-314, 28-316.01, 28-319, 28-319.01,
5 28-320, 28-320.01, 28-320.02, 28-322.02, 28-322.03, 28-322.04, 28-322.05,
6 28-323, 28-324, 28-386, 28-391, 28-392, 28-393, 28-394, 28-397, 28-398,
7 28-502, 28-503, 28-507, 28-703, 28-707, 28-813.01, 28-831, 28-833,
8 28-904, 28-905, 28-912, 28-929, 28-930, 28-931, 28-931.01, 28-932,
9 28-933, 28-934, 28-1005, 28-1009, 28-1105.01, 28-1205, 28-1212.02,
10 28-1212.04, 28-1221, 28-1222, 28-1223, 28-1224, 28-1351, 28-1463.03,
11 28-1463.05, or 42-924;

12 (ii) An offense which is a Class IIIA felony or higher which
13 includes, as an element of the offense:

14 (A) Sexual contact or sexual penetration; or

15 (B) The threat to inflict serious bodily injury or death on another
16 person, the infliction of serious bodily injury on another person, or
17 causing the death of another person;

18 (iii) Consists of attempt, conspiracy, being an accessory to, or
19 aiding and abetting a felony with any of the offenses described in
20 subdivision (3)(c)(i) or (ii) of this section as the underlying offense;
21 or

22 (iv) A felony offense that is substantially equivalent to an offense
23 described in subdivision (3)(c)(i), (ii), or (iii) of this section under
24 the laws of another jurisdiction in the United States.

25 **Sec. 19.** Edible cannabis product means any cannabis product for
26 which the intended use is oral consumption, including, but not limited
27 to, any type of food, drink, tincture, pill, or capsule.

28 **Sec. 20.** Entity means:

29 (1) A domestic or foreign corporation, cooperative, general
30 partnership, limited liability partnership, limited liability company,
31 limited partnership, limited liability limited partnership, limited

1 partnership association, nonprofit association, or nonprofit corporation;

2 (2) Any other organization or association that is:

3 (a) Formed under a statute or common law of this state or any other
4 jurisdiction, which laws govern relations among owners and between the
5 owners and the organization or association; and

6 (b) Recognized under the laws of this state or the other
7 jurisdiction as a separate legal entity.

8 **Sec. 21.** Extraction means a process by which cannabinoids are
9 separated from cannabis plant material through chemical or physical
10 means.

11 **Sec. 22.** Final product means the finished product that is available
12 for transport to a dispensary and ready for consumption by qualified
13 patients.

14 **Sec. 23.** Harvested cannabis means cannabis flower reported as a
15 package in the inventory tracking system or post-harvest cannabis not
16 including fresh frozen, trim, concentrate, or waste that remains on the
17 premises of the medical cultivator.

18 **Sec. 24.** Health care facility has the same meaning as in section
19 71-413.

20 **Sec. 25.** Health care practitioner means a physician, an osteopathic
21 physician, a physician assistant, or a nurse practitioner licensed under
22 the Uniform Credentialing Act or who is licensed in any state and
23 practicing in compliance with the Uniform Credentialing Act.

24 **Sec. 26.** Home health agency has the same meaning as in section
25 71-417.

26 **Sec. 27.** Infused pre-rolled cannabis means cannabis that was
27 produced by rolling, filling, or stuffing harvested cannabis flower,
28 shake, or trim with cannabis concentrate into paper, leaves, or an
29 equivalent wrapper and that is intended for consumption by inhalation.

30 **Sec. 28.** Ingredient means any non-cannabis derived substance that
31 is added to a cannabis product to achieve a desired effect. The term

1 ingredient includes all additives.

2 **Sec. 29.** License means a license issued by the commission pursuant
3 to the Nebraska Medical Cannabis Regulation Act.

4 **Sec. 30.** Licensed premises means the premises specified in an
5 application for a license under the Nebraska Medical Cannabis Regulation
6 Act, which are owned by or in the possession of the licensee and within
7 which the licensee is authorized to cultivate, process, manufacture,
8 distribute, transport, sell, or test cannabis in accordance with the
9 Nebraska Medical Cannabis Regulation Act.

10 **Sec. 31.** Licensee means a person licensed by the commission
11 pursuant to the Nebraska Medical Cannabis Regulation Act.

12 **Sec. 32.** Local governing body means (1) the city council or village
13 board of trustees of a city or village within which the licensed premises
14 are located or (2) if the licensed premises are not within the corporate
15 limits of a city or village, the county board of the county within which
16 the licensed premises are located.

17 **Sec. 33.** Location means a particular parcel of land that may be
18 identified by an address or other descriptive means.

19 **Sec. 34.** Manager means a person appointed by a corporation or
20 limited liability company to oversee the daily operation of a licensee in
21 Nebraska. A manager shall meet all the requirements of the Nebraska
22 Medical Cannabis Regulation Act as though such person were the applicant.

23 **Sec. 35.** Ordinance means any ordinance, regulation, resolution, or
24 other law duly enacted by a local governing body.

25 **Sec. 36.** Person means an individual or an entity.

26 **Sec. 37.** Premises means a distinctly identified and definite
27 location, as required by the commission, and may include a building, a
28 part of a building, a room, or any other definite contiguous area.

29 **Sec. 38.** Pre-rolled cannabis means cannabis that was produced by
30 rolling, filling, or stuffing harvested cannabis flower, shake, or trim
31 into paper, leaves, or an equivalent wrapper and that is intended for

1 consumption by inhalation.

2 **Sec. 39.** Process or processing means to harvest, dry, cure, trim,
3 and separate parts of the cannabis plant by manual or mechanical means.

4 **Sec. 40.** (1) Process validation means a systematic approach that:

5 (a) Provides documented evidence showing that a specific process
6 consistently produces results meeting predetermined quality
7 specifications;

8 (b) Incorporates Hazard Analysis and Critical Control Points (HACCP)
9 standards, thereby identifying potential hazards, determining critical
10 control points, establishing critical limits, and validating that control
11 measures effectively control the hazards at each critical control point;
12 and

13 (c) Uses standards defined in the American Society for Testing and
14 Materials' (ASTM) publication ASTM D8250-19 Standard Practice for
15 Applying a Hazard Analysis Critical Control Points (HACCP) System for
16 Cannabis Consumable Products.

17 (2) Process validation may allow a licensee to conduct less testing
18 than otherwise required by the commission's rules and regulations upon
19 demonstrating that the licensee's standard operating procedures and
20 production practices result in consistent passing test results over a
21 timeframe established in the commission's rules and regulations.

22 **Sec. 41.** Production batch means:

23 (1) Any amount of cannabis concentrate of the same category that is
24 produced:

25 (a) Using the same extraction methods and standard operating
26 procedures; and

27 (b) From an identical group of harvest batches of cannabis;

28 (2) Any amount of cannabis products of the same exact type that is
29 produced:

30 (a) Using the same ingredients and standard operating procedures;
31 and

1 (b) From the same harvest batches of harvested cannabis (single
2 strain or multiple strains) or production batches of cannabis
3 concentrate; or

4 (3) Any amount of pre-rolled cannabis or infused pre-rolled cannabis
5 of the same exact type that is produced:

6 (a) Using the same ingredients and standard operating procedures;

7 (b) From the same harvest batches of cannabis concentrate.

8 **Sec. 42.** Products manufacturer means a person licensed by the
9 commission to conduct extraction and to manufacture cannabis products
10 pursuant to the Nebraska Medical Cannabis Regulation Act for sale and
11 distribution to dispensaries and other products manufacturers, but not to
12 qualified patients or registered caregivers.

13 **Sec. 43.** (1) Publicly traded company means any entity:

14 (a) That has a class of securities registered pursuant to 15 U.S.C.
15 77a et seq.; and

16 (b) Such securities either:

17 (i) Constitute covered securities; or

18 (ii) Are qualified and quoted on the over-the-counter quotation
19 exchange (OTCQX) or over-the-counter qualified bid (OTCQB) tier of the
20 over-the-counter (OTC) markets if the entity:

21 (A) Is required to file reports and does file reports on a current
22 basis with the United States Securities and Exchange Commission pursuant
23 to 15 U.S.C. 78a et seq., as if the securities constituted covered
24 securities; and

25 (B) Has established and is in compliance with corporate governance
26 measures pursuant to corporate governance obligations imposed on
27 securities qualified and quoted on the OTCQX tier of the OTC markets.

28 (2) Publicly traded company includes an entity regardless of whether
29 it is organized under the laws of this state, another state, or any
30 foreign jurisdiction, and regardless of where its principal place of
31 business is located.

1 **Sec. 44.** Qualified patient means an individual who:

2 (1) Has been diagnosed with a qualifying medical condition;

3 (2) Has a written recommendation from a registered health care
4 practitioner;

5 (3) In the case of an individual younger than eighteen years of age,
6 has the written permission of a legal guardian or parent with authority
7 to make health care decisions for the individual;

8 (4) In the case of an individual eighteen years of age or older who
9 is under the protection of a legal guardian, has the written permission
10 of such guardian;

11 (5) In the case of an individual eighteen years of age or older, is
12 a resident of Nebraska;

13 (6) In the case of an individual under eighteen years of age, either
14 such individual is a resident of Nebraska or the legal guardian or parent
15 described in subdivision (3) of this section is a resident of Nebraska;
16 and

17 (7) Is enrolled in the registry program by the commission.

18 **Sec. 45.** Qualifying medical condition means a condition for which a
19 registered health care practitioner has determined, based on a
20 professional medical assessment of the patient's health status:

21 (1) That the condition, its related symptoms, or side effects of the
22 condition's treatment can be appropriately treated or alleviated with
23 medical cannabis; and

24 (2) That, in the practitioner's professional judgment, and in
25 accordance with the accepted standards of care that a reasonable and
26 prudent practitioner would apply when recommending any medication or
27 course of treatment, the potential benefits of medical cannabis outweigh
28 the potential harms.

29 **Sec. 46.** Registered caregiver means a caregiver who is enrolled in
30 the registry program.

31 **Sec. 47.** Registered health care practitioner means a health care

1 practitioner who is registered with the commission pursuant to section 70
2 of this act.

3 **Sec. 48.** Registry card means a document issued by the commission
4 pursuant to section 76 of this act that identifies a person as a
5 qualified patient or registered caregiver.

6 **Sec. 49.** Registry program means the registry of qualified patients
7 and caregivers operated by the commission under section 72 of this act.

8 **Sec. 50.** Remediation means the process of neutralization or removal
9 of dangerous substances or other contaminants from cannabis:

10 (1) That follows a failed test; and

11 (2) That changes the product type of the cannabis.

12 **Sec. 51.** Responsible individual means:

13 (1) A chief executive officer or chief operating officer of a health
14 care facility or a home health agency; or

15 (2) An administrator, a director, or another individual designated
16 by a health care facility or a home health agency pursuant to rules and
17 regulations adopted and promulgated by the commission.

18 **Sec. 52.** Revoke means to permanently void and recall all rights and
19 privileges of a license.

20 **Sec. 53.** Secondary tracking system means a seed-to-sale tracking
21 system that:

22 (1) Is designed to track cannabis from either seed or immature plant
23 stage until the cannabis is transferred to a licensee, sold to a
24 qualified patient or registered caregiver, or destroyed by a licensee;

25 (2) Meets the requirements of section 162 of this act; and

26 (3) Is approved by the commission.

27 **Sec. 54.** Security means any:

28 (1) Note, stock, treasury stock, security future, security-based
29 swap, bond, debenture, evidence of indebtedness, certificate of interest
30 or participation in any profit-sharing agreement, collateral-trust
31 certificate, preorganization certificate or subscription, transferable

1 share, investment contract, voting-trust certificate, or certificate of
2 deposit for a security;

3 (2) Fractional undivided interest in oil, gas, or other mineral
4 rights;

5 (3) Put, call, straddle, option, or privilege on any security,
6 certificate of deposit, or group index of securities, including any
7 interest therein or based on the value thereof;

8 (4) Put, call, straddle, option, or privilege entered into on a
9 national securities exchange relating to foreign currency;

10 (5) Interest or instrument commonly known as a security; or

11 (6) Certificate of interest or participation in, temporary or
12 interim certificate for, receipt for, guarantee of, or warrant or right
13 to subscribe to or purchase, any of the foregoing.

14 **Sec. 55.** Suspend means to cause a temporary interruption of all
15 rights and privileges of a license.

16 **Sec. 56.** Test batch means a group of sample increments that are
17 derived from a single harvest batch, production batch, or track and trace
18 system package, and that are collectively submitted to a testing facility
19 for testing purposes.

20 **Sec. 57.** Testing facility means a person licensed under the
21 Nebraska Medical Cannabis Regulation Act to analyze, test, and certify
22 cannabis, including for purity and the presence of contaminants.

23 **Sec. 58.** THC means tetrahydrocannabinol.

24 **Sec. 59.** Total cannabinoids means the combined concentration of all
25 cannabinoid compounds present in a cannabis test batch. This measurement
26 shall account for both the neutral (active) cannabinoids and their acidic
27 precursors.

28 **Sec. 60.** Total THC means the sum of the following amounts:

29 (1) The percentage by weight of delta-9 tetrahydrocannabinolic acid
30 (D9-THCA) multiplied by 0.877;

31 (2) The percentage by weight of delta-8 tetrahydrocannabinol (D8-

1 THC);

2 (3) The percentage by weight of delta-9 tetrahydrocannabinol (D9-
3 THC);

4 (4) The percentage by weight of exo-tetrahydrocannabinol (Exo-THC);
5 and

6 (5) The percentage by weight of delta-10 tetrahydrocannabinol (D10-
7 THC).

8 **Sec. 61.** Track and trace system means the system created by the
9 commission under section 162 of this act.

10 **Sec. 62.** (1) Transfer means to grant, convey, hand over, assign,
11 sell, exchange, or barter, in any manner or by any means, with or without
12 consideration.

13 (2) With respect to a transfer of cannabis, the term includes:

14 (a) Any transfer of cannabis from one licensee to another or to a
15 qualified patient or registered caregiver;

16 (b) The movement of cannabis from one licensed premises to another,
17 even if both premises are contiguous, and even if both premises are owned
18 by a single person or group of persons; and

19 (c) A virtual transfer that is reflected in an inventory tracking
20 system, even if no physical movement of the cannabis occurs.

21 **Sec. 63.** (1) Transporter means a person licensed by the commission
22 to:

23 (a) Transport cannabis, cannabis products, and cannabis accessories
24 from one licensee to another licensee or from a dispensary to a qualified
25 patient or registered caregiver; and

26 (b) Temporarily store cannabis, cannabis products, and cannabis
27 accessories being transported at its licensed premises.

28 (2) A transporter shall not sell cannabis, cannabis products, or
29 cannabis accessories to any person.

30 **Sec. 64.** Unreasonably impracticable means that the measures
31 necessary to comply with the rules and regulations adopted and

1 promulgated pursuant to the Nebraska Medical Cannabis Regulation Act or
2 the ordinances enacted by a local governing body pursuant to the act
3 would subject a licensee to unreasonable risk or require such a large
4 investment of risk, money, time, or any other resource or asset that a
5 reasonably prudent businessperson would not operate as a licensee.

6 **Sec. 65.** Written recommendation means a valid signed and dated
7 declaration from a registered health care practitioner that complies with
8 section 71 of this act.

9 **Sec. 66.** (1) Subject to the requirements of the Nebraska Medical
10 Cannabis Regulation Act, a qualified patient or registered caregiver
11 shall not be subject to citation, arrest, prosecution, or penalty in any
12 manner, or denied any right or privilege, including, but not limited to,
13 any civil penalty or disciplinary action by a court or occupational or
14 professional licensing board, for engaging in conduct protected by this
15 section.

16 (2) A qualified patient may use, possess, and acquire an allowable
17 amount of cannabis and cannabis accessories for the alleviation of a
18 qualifying medical condition.

19 (3) A registered caregiver may assist a qualified patient with the
20 activities set forth in subsection (2) of this section by possessing and
21 acquiring an allowable amount of cannabis and cannabis accessories on
22 behalf of the qualified patient, delivering an allowable amount of
23 cannabis and cannabis accessories to the qualified patient, and providing
24 assistance in administering or consuming such cannabis.

25 (4) There is a presumption that a qualified patient or registered
26 caregiver is engaged in conduct protected by the act if the person
27 possesses an amount of cannabis that does not exceed the allowable
28 amount. The presumption may be rebutted by evidence that conduct relating
29 to cannabis was not for the purpose of treating or alleviating a
30 qualified patient's qualifying medical condition.

31 (5) If a qualified patient or registered caregiver is cited,

1 arrested, or prosecuted for possession or consumption of an allowable
2 amount of cannabis pursuant to the act at a time when the person does not
3 have the registry card in his or her possession, the prosecution, civil
4 offense, or disciplinary proceeding shall be immediately dismissed upon
5 production and verification of the registry card.

6 (6) Conduct protected by the Nebraska Medical Cannabis Regulation
7 Act shall not be subject to the Uniform Controlled Substances Act.

8 **Sec. 67.** No person may be subject to arrest, prosecution, or
9 penalty in any manner, or denied any right or privilege, including any
10 civil penalty or disciplinary action by a court or occupational or
11 professional licensing board, for:

12 (1) Being in the presence or vicinity of the use or possession of
13 cannabis that is permitted under the Nebraska Medical Cannabis Regulation
14 Act; or

15 (2) Allowing the person's property to be used for activities that
16 are permitted under the act.

17 **Sec. 68.** (1) Nothing in the Nebraska Medical Cannabis Regulation
18 Act permits any person to engage in or prevents the imposition of any
19 civil, criminal, or other penalties for:

20 (a) Undertaking any task that would constitute negligence or
21 professional malpractice due to the use of cannabis;

22 (b) Possessing or engaging in the use of cannabis:

23 (i) On a school bus or van;

24 (ii) On the grounds of any preschool or primary or secondary school
25 except as provided in section 69 of this act;

26 (iii) In any jail, adult or juvenile correctional facility, or youth
27 rehabilitation and treatment center; or

28 (iv) On the grounds of any child care facility or home day care
29 except as provided in section 69 of this act;

30 (c) Smoking cannabis or inhaling cannabis by means of vaporization:

31 (i) Where the smoke or vapor would be inhaled by a nonpatient minor

1 child; or

2 (ii) In any public place, including any indoor or outdoor area used
3 by or open to the general public or a place of employment as defined in
4 section 71-5724, other than with an aerosol inhaler;

5 (d) Inhaling or consuming cannabis in a motor vehicle; or

6 (e) Operating, navigating, or being in actual physical control of
7 any motor vehicle, aircraft, train, or motorboat, or working on
8 transportation property, equipment, or facilities, while under the
9 influence of cannabis.

10 (2) Nothing in the Nebraska Medical Cannabis Regulation Act:

11 (a) Requires an employer to permit or accommodate the growing,
12 possession, consumption, use, distribution, display, transfer,
13 transportation, or sale of cannabis;

14 (b) Affects the ability of an employer to restrict the use of
15 cannabis by employees;

16 (c) Requires any employer to accommodate the use of cannabis; or

17 (d) Requires the medical assistance program or any employer or
18 insurance carrier pursuant to the Nebraska Workers' Compensation Act to
19 reimburse a person for costs associated with the medicinal use of
20 cannabis.

21 (3) Nothing in the Nebraska Medical Cannabis Regulation Act shall be
22 construed to:

23 (a) Prohibit an employer from including in any contract a provision
24 prohibiting the use of cannabis;

25 (b) Permit a cause of action against an employer for wrongful
26 discharge or discrimination;

27 (c) Prohibit a person, an employer, a corporation, or any other
28 entity which occupies, owns, or controls property from prohibiting or
29 otherwise regulating the growing, possession, consumption, use,
30 distribution, display, transfer, transportation, or sale of cannabis, on
31 or in that property; or

1 (d) Prohibit an employer from establishing and enforcing a drug-
2 testing policy, drug-free workplace policy, or zero-tolerance drug
3 policy.

4 (4) An employee who is discharged from employment for misconduct
5 relating to (a) the consumption or use of cannabis, (b) working while
6 under the influence of cannabis, or (c) testing positive for a controlled
7 substance shall be disqualified from receiving benefits under the
8 Employment Security Law as provided in section 48-628.10.

9 **Sec. 69.** (1) Any school, health care facility or health care
10 service licensed pursuant to the Health Care Facility Licensure Act,
11 licensed child care facility as defined in section 43-4308, or foster
12 care facility as defined in section 43-1301 may adopt reasonable
13 restrictions on the use of cannabis by students, residents, or persons
14 receiving care or services, including that:

15 (a) The school, facility, or service and agents thereof are not
16 responsible for providing the cannabis;

17 (b) Cannabis may not be smoked;

18 (c) Cannabis may not be inhaled using vaporization, except that this
19 shall not prohibit the use of an aerosol inhaler; and

20 (d) Cannabis may be consumed only in a place specified by the
21 school, facility, or service.

22 (2) Nothing in this section requires a school, facility, or service
23 listed in subsection (1) of this section to adopt restrictions on the
24 medicinal use of cannabis.

25 (3) A school, facility, or service listed in subsection (1) of this
26 section shall not unreasonably limit a patient's access to or use of
27 cannabis authorized under the Nebraska Medical Cannabis Regulation Act or
28 the Nebraska Medical Cannabis Patient Protection Act unless failing to do
29 so would cause the school, facility, or service to lose a monetary or
30 license-related benefit under federal law or regulations.

31 **Sec. 70.** (1) Before a health care practitioner may issue a written

1 recommendation, the practitioner shall register with the commission. To
2 register, the practitioner shall submit an application to the commission
3 in a form and manner prescribed by the commission. The application shall
4 be accompanied by a fee as provided in subsection (2) of this section.

5 (2) The commission shall set the fee in an amount necessary to carry
6 out this section, but such fee shall not be more than one hundred
7 dollars.

8 (3)(a) The commission shall approve or deny an application for
9 registration within thirty days after receipt of a completed application.
10 The commission shall only deny an application if:

11 (i) The application is incomplete or not accompanied by the fee;

12 (ii) The applicant knowingly makes a false statement of material
13 fact in the application; or

14 (iii) The applicant does not meet the requirements of this section.

15 (b) If the application is denied, the notice of denial shall state
16 the reason for denial.

17 (c) A denial under this section may be appealed. The appeal shall be
18 in accordance with the Administrative Procedure Act.

19 (4) A registration under this section shall continue to be valid
20 unless:

21 (a) The registrant requests that the registration be terminated;

22 (b) The registrant is deceased; or

23 (c) The commission revokes the registration.

24 (5) Following notice to the registrant and an opportunity to be
25 heard, the commission may revoke or discipline a registration under this
26 section for the following reasons:

27 (a) The registrant has violated the Nebraska Medical Cannabis
28 Regulation Act or the rules and regulations of the commission; or

29 (b) The registrant is no longer a health care practitioner in good
30 standing.

31 (6) A registrant shall notify the commission within fourteen

1 business days if the registrant ceases to be a health care practitioner
2 in good standing, is no longer in compliance with section 71 of this act,
3 or is otherwise not in compliance with the Nebraska Medical Cannabis
4 Regulation Act.

5 **Sec. 71.** (1) Before an individual may enroll in the registry
6 program as a qualified patient, the individual shall receive a written
7 recommendation from a registered health care practitioner as provided in
8 this section.

9 (2) A registered health care practitioner may issue a written
10 recommendation to an individual if:

11 (a) Either:

12 (i) The individual is eighteen years of age or older and does not
13 have a legal guardian;

14 (ii) If the individual is younger than eighteen years of age, the
15 individual has the written permission of a legal guardian or parent with
16 authority to make health care decisions for the individual; or

17 (iii) If the individual is eighteen years of age or older and has a
18 legal guardian, the individual has the written permission of such
19 guardian; and

20 (b) The individual has a qualifying medical condition.

21 (3) A written recommendation shall be signed and dated by the
22 practitioner and shall include the practitioner's mailing address,
23 telephone number, and email address.

24 (4) A practitioner may issue a written recommendation that is valid
25 only for a limited period of time. A practitioner may also issue a
26 written recommendation without an end date. However, a qualified patient
27 wishing to renew a registry card is still subject to the requirements of
28 subsection (3) of section 73 of this act.

29 (5) For the purposes of this section, the term written shall be
30 construed to include electronic records, documents, or communications
31 generated, transmitted, or stored using software applications or digital

1 platforms that are customarily utilized within the health care industry.
2 Such electronic documentation shall be deemed equivalent to traditional
3 paper documents, provided that it complies with all applicable standards
4 for security, confidentiality, authenticity, and integrity as prescribed
5 by the commission by rule and regulation.

6 (6) A registered health care practitioner that issues written
7 recommendations shall maintain a record-keeping system that includes a
8 copy of each written recommendation issued by the practitioner. The
9 practitioner shall, with a qualified patient's permission, provide the
10 written recommendation and any related medical records to any other
11 health care practitioner or other person.

12 **Sec. 72.** (1) The commission shall establish and maintain a registry
13 program for qualified patients and registered caregivers. The registry
14 shall include:

15 (a) The name, address, telephone number, email address, digital
16 photograph, and the unique identification number assigned to each
17 qualified patient and registered caregiver;

18 (b) The expiration date for each registry card;

19 (c) The allowable amount of cannabis each qualified patient or
20 registered caregiver, on behalf of the registered patient, may possess;
21 and

22 (d) The name, address, telephone number, and email address of the
23 registered health care practitioner that provided the written
24 recommendation for each qualified patient.

25 (2) The commission shall ensure that information in the registry
26 program and from applications under sections 73 and 74 of this act is
27 kept confidential to protect the privacy of applicants and people
28 enrolled in the registry.

29 (3) The commission shall make available on its website and through a
30 telephone system a method through which a person can easily validate the
31 authenticity and status of a registry card by providing its unique

1 identification number.

2 **Sec. 73.** (1) An individual may apply to the commission to be
3 enrolled in the registry program as a qualified patient by submitting an
4 application to the commission in the form and manner prescribed by the
5 commission. The application shall be accompanied by a fee in an amount
6 determined by the commission, not to exceed forty-five dollars.

7 (2) An application under this section shall include the following:

8 (a) The name, mailing address, telephone number, email address,
9 current photograph, and date of birth of the individual;

10 (b) If applicable, the name, mailing address, telephone number,
11 email address and date of birth of the individual's registered caregiver
12 or person seeking such registration;

13 (c) If the individual is younger than eighteen years of age:

14 (i) Written permission from the individual's legal guardian or
15 parent with authority to make health care decisions for the individual;
16 and

17 (ii) The name, mailing address, telephone number, email address and
18 date of birth of such guardian or parent;

19 (d) If the individual is eighteen years of age or older and has a
20 legal guardian:

21 (i) Written permission of such guardian; and

22 (ii) The name, mailing address, and date of birth of such guardian;

23 (e) Proof that the applicant or the applicant's parent or guardian
24 satisfies the residency requirements of subdivision (5) or (6) of section
25 44 of this act. The commission shall prescribe by rule and regulation the
26 permissible forms of such proof. These may include, but are not limited
27 to, proof that the individual holds a Nebraska motor vehicle operator's
28 license or state identification card or copies of utility bills for a
29 Nebraska address;

30 (f) A copy of a written recommendation dated less than sixty days
31 before the date the application is submitted;

1 (g) If the individual requests more than one registered caregiver at
2 any given time, documentation demonstrating that additional caregivers
3 are needed due to the individual's age or medical condition;

4 (h) An oath, affirmation, or statement to the effect that the
5 representations are true as far as the individual executing the
6 application knows or should know; and

7 (i) Any other information as prescribed by the rules and regulations
8 of the commission.

9 (3)(a) Except as provided in subdivision (3)(b) of this section,
10 enrollment in the registry program as a qualified patient shall be valid
11 for a period of two years.

12 (b) If the patient's written recommendation has been issued for a
13 shorter period of time as provided in subsection (4) of section 71 of
14 this act, the enrollment shall expire on the same date as the written
15 recommendation.

16 (c) A qualified patient may renew such registration by submitting a
17 renewal application in a form and manner prescribed by the commission
18 within ninety days before the registration will expire. The application
19 shall be accompanied by a fee in an amount determined by the commission,
20 not to exceed forty-five dollars, and by a written recommendation dated
21 within ninety days preceding the date the application is submitted.

22 (4) The commission shall provide a method of applying for issuance
23 and renewal of a registration on the commission's website. The online
24 application shall be easily accessible and shall allow for online payment
25 of the application fee.

26 **Sec. 74.** (1) An individual may apply to the commission to be
27 enrolled in the registry program as a registered caregiver by submitting
28 an application to the commission in the form and manner prescribed by the
29 commission. The application shall be accompanied by a fee in an amount
30 determined by the commission, not to exceed forty-five dollars.

31 (2) An application under this section shall include the following:

1 (a)(i) If the applicant is an individual, the name, mailing address,
2 telephone number, email address, current photograph, and date of birth of
3 the individual; or

4 (ii) If the applicant is a health care facility or a home health
5 agency:

6 (A) The name and mailing address of the facility or agency; and

7 (B) The name, mailing address, telephone number, email address,
8 current photograph, and date of birth of the designated responsible
9 individual;

10 (b) The name, mailing address, and date of birth of any individual
11 for whom the person will serve as a registered caregiver. If the
12 individual is already a qualified individual, the application shall
13 include the name of the individual and the unique identification number
14 of such individual's registry card;

15 (c) An oath, affirmation, or statement to the effect that its
16 representations are true as far as the individual executing the
17 application knows or should know; and

18 (d) Any other information as prescribed by the rules and regulations
19 of the commission.

20 (3) Enrollment in the registry program as a registered caregiver
21 shall be valid for a period of two years. A qualified patient may renew
22 such registration by submitting a renewal application in a form and
23 manner prescribed by the commission within ninety days before the
24 registration will expire. The application shall be accompanied by a fee
25 in an amount determined by the commission, not to exceed forty-five
26 dollars.

27 (4) The commission shall provide a method of applying for issuance
28 and renewal of a registration on the commission's website. The online
29 application shall be easily accessible and shall allow for online payment
30 of the application fee.

31 **Sec. 75.** (1) Within thirty days after receipt of an application for

1 initial enrollment or renewal of enrollment in the registry under section
2 73 or 74 of this act, the commission shall either enroll the person as a
3 qualified patient or registered caregiver, renew such enrollment, or give
4 written notice of denial.

5 (2) An application shall only be denied if:

6 (a) The application fails to include the information and materials
7 required by section 73 or 74 of this act; or

8 (b) The applicant knowingly makes a false statement of material fact
9 in the application.

10 (3) If the application is denied, the notice of denial shall state
11 the reason enrollment or re-enrollment was denied.

12 (4) A denial under this section may be appealed. The appeal shall be
13 in accordance with the Administrative Procedure Act.

14 **Sec. 76.** (1) Upon granting an application under section 75 of this
15 act, the commission shall issue the qualified patient or registered
16 caregiver a registry card or renew such card.

17 (2) A registry card for a qualified patient shall include:

18 (a) The patient's name and date of birth;

19 (b) A digital photograph of the patient;

20 (c) The unique identification number assigned to the patient;

21 (d) If the patient has a registered caregiver, the name and date of
22 birth of the caregiver and the unique identification number assigned to
23 the caregiver; and

24 (e) The date the registration will expire.

25 (3) A registry card for a registered caregiver shall include:

26 (a) The caregiver's name and date of birth, if applicable;

27 (b) A digital photograph of the caregiver;

28 (c) The unique identification number assigned to the caregiver;

29 (d) The name, date of birth, and unique identification number for
30 each qualified patient the caregiver is authorized to serve; and

31 (e) The date the registration will expire.

1 (4)(a) Except as provided in subdivision (4)(b) of this section, an
2 individual who is a qualified patient may also serve as a registered
3 caregiver for other qualified patients. In such case, the individual
4 shall submit separate applications under sections 73 and 74 of this act
5 and obtain separate qualified patient and registered caregiver registry
6 cards.

7 (b) An individual who is a qualified patient and who has a
8 registered caregiver shall not serve as a registered caregiver for other
9 qualified patients.

10 **Sec. 77.** A registered caregiver may possess cannabis, cannabis
11 products, and cannabis accessories on behalf of one or more qualified
12 patients served by the registered caregiver. The registered caregiver may
13 possess a separate allowable amount of cannabis for each such patient,
14 including the registered caregiver, if the registered caregiver is also a
15 qualified patient. The caregiver shall separately store cannabis,
16 cannabis products, and cannabis accessories for each such patient.

17 **Sec. 78.** (1) If a qualified patient or registered caregiver is no
18 longer entitled to possess cannabis under the Nebraska Medical Cannabis
19 Regulation Act, the qualified patient or registered caregiver shall,
20 within ten days after becoming ineligible:

21 (a) Notify the commission and surrender his or her registry card to
22 the commission. Such notification and surrender shall be done in a form
23 and manner prescribed by the commission; and

24 (b) Destroy any cannabis in compliance with rules and regulations of
25 the commission.

26 (2) If a registered caregiver dies, any cannabis that had been in
27 the caregiver's possession shall, within thirty days after such death:

28 (a) Be turned over to the qualified patient, if the patient may
29 possess such cannabis;

30 (b) Be turned over to another registered caregiver for the same
31 qualified patient; or

1 (c) Be destroyed in compliance with rules and regulations of the
2 commission.

3 **Sec. 79.** A registered health care practitioner that issues written
4 recommendations shall not:

5 (1) Accept, solicit, or offer any form of pecuniary remuneration
6 from or to any person licensed under the Nebraska Medical Cannabis
7 Regulation Act;

8 (2) Accept, solicit, or offer any form of pecuniary remuneration
9 from or to any caregiver, except that this subdivision shall not prohibit
10 payment to a practitioner by a caregiver who is paying the practitioner
11 for services provided to a qualified patient;

12 (3) Offer a discount or any other thing of value to a qualified
13 patient who uses or agrees to use a particular dispensary or caregiver;

14 (4) Be located at the same physical address as a dispensary; or

15 (5) Hold an economic interest in any entity licensed under the
16 Nebraska Medical Cannabis Regulation Act.

17 **Sec. 80.** A health care practitioner shall not be subject to arrest,
18 prosecution, or penalty in any manner, or denied any right or privilege,
19 including, but not limited to, civil penalty or disciplinary action by
20 the Department of Health and Human Services or by any other occupational
21 or professional licensing board, solely for providing a written
22 recommendation or for stating that, in the health care practitioner's
23 professional opinion, a patient is likely to receive therapeutic or
24 palliative benefit from use of cannabis to treat or alleviate the
25 patient's qualifying medical condition.

26 **Sec. 81.** The governing body of a county, city, or village shall not
27 prohibit the delivery of cannabis, cannabis products, or cannabis
28 accessories for use under the Nebraska Medical Cannabis Regulation Act
29 either expressly or through the enactment of ordinances that make the
30 delivery impracticable in the respective jurisdiction.

31 **Sec. 82.** Section 4, Initiative Law 2024, No. 438, is amended to

1 read:

2 Sec. 4. (1) For purposes of providing the necessary licensure
3 ~~registration~~ and regulation of persons that possess, cultivate, process,
4 manufacture, distribute, transport, sell, deliver, and test dispense
5 cannabis for medical purposes pursuant to the Nebraska Medical Cannabis
6 Regulation Act, the Nebraska Medical Cannabis Commission is created.

7 (2) The commission shall consist of no fewer than three and no more
8 than five members.

9 (3) The three members of the Nebraska Liquor Control Commission
10 shall be ex officio members of the commission, serving terms and
11 receiving appointment in the same manner as provided in section 53-105.

12 (4) The Governor may appoint two additional members, subject to
13 confirmation by a majority of the members elected to the Legislature, to
14 serve with the members of the Nebraska Liquor Control Commission as
15 members of the Nebraska Medical Cannabis Commission. The members
16 appointed pursuant to this subsection shall serve six-year terms.

17 (5) The Governor may reappoint members of the commission, subject to
18 approval by a majority of the members elected to the Legislature.

19 **Sec. 83.** Section 5, Initiative Law 2024, No. 438, is amended to
20 read:

21 Sec. 5. The power to regulate all phases of the control of the
22 possession, cultivation, processing, manufacture, distribution,
23 transportation, selling, delivery, and testing dispensing of cannabis for
24 medical purposes by licensees registered cannabis establishments in the
25 state pursuant to the Nebraska Medical Cannabis Regulation Act is vested
26 exclusively in the commission.

27 **Sec. 84.** A majority of the members of the commission shall
28 constitute a quorum to transact business, but no vacancy shall impair the
29 right of the remaining commissioners to exercise all of the powers of the
30 commission. Every act of a majority of the commissioners shall be deemed
31 to be the act of the commission.

1 **Sec. 85.** (1) The commission shall have an executive director, to be
2 appointed by the commission. The executive director of the Nebraska
3 Liquor Control Commission may also serve as the executive director of the
4 Nebraska Medical Cannabis Commission, or the Nebraska Medical Cannabis
5 Commission may appoint a separate individual to serve as its executive
6 director. If the commission appoints a separate individual, such
7 appointment shall be subject to the approval of the Governor.

8 (2) The salary of the executive director shall be fixed by the
9 commission and payable monthly.

10 (3) The executive director shall keep a record of all proceedings,
11 transactions, communications, and official acts of the Nebraska Medical
12 Cannabis Commission. The executive director shall be the custodian of all
13 records and perform such other duties as the commission may prescribe.

14 **Sec. 86.** Before entering upon the duties of office, each
15 commissioner and the executive director shall be bonded or insured as
16 required by section 11-201. The premium shall be paid by the State of
17 Nebraska out of the General Fund.

18 **Sec. 87.** (1) The commission may, with the advice and approval of
19 the Governor, appoint or employ such clerks and other employees as may be
20 necessary to carry out the Nebraska Medical Cannabis Regulation Act or to
21 perform the duties and exercise the powers conferred by law upon the
22 commission.

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

27 **Sec. 88.** The commissioners, the executive director of the
28 commission, and all employees of the commission shall be reimbursed for
29 expenses incurred in the discharge of their official duties as provided
30 in sections 81-1174 to 81-1177. The commission may also incur necessary
31 expenses for office furniture and other incidental expenses. No

1 commissioner, executive director, or employee of the commission shall
2 request or be allowed mileage or other traveling expenses unless such
3 sections are strictly complied with.

4 **Sec. 89.** (1) The office of the commission shall be in Lincoln, but
5 the commission may, with the approval of the Governor, establish and
6 maintain branch offices at places other than the seat of government.

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

10 (3) The commission may, for authentication of its records, process,
11 and proceedings, adopt, keep, and use a common seal, of which seal
12 judicial notice shall be taken in all of the courts of the state. Any
13 process, notice, or other paper which the commission is authorized by law
14 to issue shall be deemed sufficient if signed by the chairperson and
15 executive director of the commission and authenticated by such seal. All
16 acts, orders, proceedings, rules, regulations, entries, minutes, and
17 other records of the commission and all reports and documents filed with
18 the commission may be proved in any court of this state by copy thereof
19 certified to by the executive director attached.

20 **Sec. 90.** The Attorney General shall designate an assistant attorney
21 general or assistant attorneys general, when requested by the commission
22 and directed by the Governor, and the services of such assistant attorney
23 general or assistant attorneys general shall be available to the
24 commission whenever demanded. The compensation of such assistant attorney
25 general or assistant attorneys general as are assigned to the commission
26 shall be paid by the office of the Attorney General.

27 **Sec. 91.** (1) A commissioner, the executive director, or any
28 employee of the commission shall not:

29 (a) Directly or indirectly, individually, as a member of a
30 partnership, as a member of a limited liability company, or as a
31 shareholder of a corporation, have any interest whatsoever in the

1 cultivation, processing, manufacture, distribution, transportation,
2 testing, or sale of cannabis or hemp; or

3 (b) Receive any compensation or profit from an activity described in
4 subdivision (1)(a) of this section or have any interest whatsoever in the
5 purchases or sales made by the persons authorized by the Nebraska Medical
6 Cannabis Regulation Act to purchase or sell cannabis.

7 (2) This section shall not prevent any commissioner, the executive
8 director, or any employee from engaging in any conduct as a qualified
9 patient or registered caregiver that is protected under the Nebraska
10 Medical Cannabis Regulation Act or the Nebraska Medical Cannabis Patient
11 Protection Act.

12 **Sec. 92.** (1) A commissioner, the executive director, or any person
13 employed by the commission shall not solicit or accept any gift,
14 gratuity, emolument, or employment from any person subject to the
15 Nebraska Medical Cannabis Regulation Act or from any officer, agent, or
16 employee of such person.

17 (2) Any person subject to the Nebraska Medical Cannabis Regulation
18 Act and every officer, agent, or employee of such person shall not offer
19 to any commissioner, the executive director, or any person employed by
20 the commission any gift, gratuity, emolument, or employment.

21 (3) If a commissioner, the executive director, or any person
22 employed by the commission violates this section, such person shall be
23 removed from such office or employment.

24 (4) A violation of this section is a Class II misdemeanor.

25 **Sec. 93.** (1) A commissioner, the executive director, or a
26 commission employee with regulatory oversight responsibilities for
27 licensees shall not work for, represent, or provide consulting services
28 to or otherwise derive pecuniary gain from a licensee or other business
29 entity established for the primary purpose of providing services to the
30 medical cannabis industry for a period of six months following such
31 person's last day of service to, or employment with, the commission.

1 (2) A violation of this section is a Class II misdemeanor.

2 **Sec. 94.** On or before January 1, 2027, and annually thereafter, the
3 commission shall publish a report of its actions during the preceding
4 year, including a comprehensive description of its activities and
5 including the number of licensees of each class issued; enforcement
6 actions in which fines, suspensions, revocations, or other disciplinary
7 sanctions were issued; and a statement of revenue and expenses of the
8 commission.

9 **Sec. 95.** The commission and the Department of Agriculture,
10 Department of Revenue, and Department of Health and Human Services shall
11 work collaboratively in furtherance of the intent of the Nebraska Medical
12 Cannabis Regulation Act and to ensure that the cultivation, processing,
13 manufacture, distribution, transportation, delivery, testing, and sale of
14 cannabis in this state is conducted in accordance with the act.

15 **Sec. 96.** On or before October 1, 2025, the commission shall adopt
16 and promulgate rules and regulations necessary for the proper regulation
17 and control of the cultivation, processing, manufacture, distribution,
18 transportation, delivery, sale, and testing of cannabis and for the
19 enforcement of the Nebraska Medical Cannabis Regulation Act. Such rules
20 and regulations shall include, but are not limited to:

21 (1) Procedures and requirements for the issuance and renewal of
22 licenses, payment of fees, investigating and deciding disciplinary
23 proceedings, and imposing sanctions for violations of the Nebraska
24 Medical Cannabis Regulation Act or rules and regulations adopted and
25 promulgated thereunder;

26 (2) Qualifications and procedures for licensure under the Nebraska
27 Medical Cannabis Regulation Act;

28 (3) Rules relating to acceptable testing and research practices,
29 including, but not limited to, research methods, standards, quality
30 control analysis, equipment certification and calibration, and chemical
31 identification;

1 (4) Specifications of duties of officers and employees of the
2 commission;

3 (5) Instructions for local governing bodies and law enforcement
4 officers;

5 (6) Requirements for inspections, investigations, searches,
6 seizures, forfeitures, and such additional enforcement activities as may
7 become necessary from time to time;

8 (7) Documentation for identifying licensees and their owners,
9 officers, managers, and employees;

10 (8) Subject to section 144 of this act, a schedule of penalties for
11 violations and procedures for issuing and appealing citations for
12 violations of statutes and rules and issuing administrative citations;

13 (9) Requirements for the security of licensed premises, including,
14 at a minimum, lighting, physical security, video, and alarm requirements,
15 and other minimum procedures for internal control as deemed necessary by
16 the commission to properly administer and enforce the Nebraska Medical
17 Cannabis Regulation Act, including reporting requirements for changes,
18 alterations, or modifications to the licensed premises. Such requirements
19 shall not prohibit the cultivation of cannabis outdoors or in
20 greenhouses;

21 (10) Regulation of the storage of, warehouses for, and
22 transportation of cannabis, including procedures for placing an
23 administrative hold on cannabis in order to conduct an investigation or
24 address a threat to public safety. When cannabis is placed on
25 administrative hold, a licensee shall immediately place all affected
26 cannabis in quarantine in a manner prescribed by the commission, and
27 shall not move or alter such cannabis in any way until the administrative
28 hold has been lifted. Such rules and regulations shall include
29 establishing the following standards and processes to resolve
30 administrative holds in a timely manner:

31 (a) Defining appropriate circumstances for the issuance of an

1 administrative hold. Such circumstances shall be based on objectives
2 related to preventing the destruction of evidence, preventing diversion,
3 or addressing a threat to public safety;

4 (b) Reasonable timeframes and actions for the expedient resolution
5 of an administrative hold issued to preserve evidence and standards by
6 which the commission would have reasonable grounds to extend an
7 administrative hold due to the nature of the investigation or a threat to
8 public safety;

9 (c) Reasonable expectations and timelines for notices of
10 administrative holds and subsequent processes; and

11 (d) Processes allowing a licensee to destroy any cannabis or
12 cannabis products that are subject to an administrative hold if there is
13 no need to preserve them as evidence;

14 (11) Regulations concerning the statewide track and trace system and
15 seed-to-sale tracking system as provided in section 162 of this act;

16 (12) Rules regarding the records to be kept by licensees to ensure
17 that licensees keep complete and accurate electronic records for all
18 transactions involving cannabis, including, but not limited to, rules
19 regarding the types of records each licensee shall maintain, retention
20 schedules, the required availability of the records, and inspection
21 procedures;

22 (13) Rules concerning disposal of cannabis by licensees, qualified
23 patients, registered caregivers, and others as deemed necessary or
24 appropriate by the commission;

25 (14) Rules concerning limited access areas as defined in section 155
26 of this act;

27 (15) Health and safety regulations and standards for the manufacture
28 of cannabis products and cultivation of cannabis;

29 (16) Sanitary requirements for dispensaries;

30 (17) Limitations on the display of cannabis in dispensaries;

31 (18) Rules for transporters, including, but not limited to,

1 insurance requirements; acceptable timeframes for transport, storage, and
2 delivery; and requirements for transport vehicles;

3 (19) Acceptable forms of identification that a dispensary may accept
4 when verifying that a customer is the qualified patient or registered
5 caregiver listed on the registry card presented;

6 (20) Requirements to prevent the sale or diversion of cannabis or
7 cannabis accessories to individuals other than qualified patients or
8 registered caregivers;

9 (21) Requirements for consumer delivery of cannabis and cannabis
10 accessories by dispensaries or transporters to qualified patients and
11 registered caregivers, including:

12 (a) Training requirements for delivery personnel;

13 (b) Procedures for verifying registry card validity and the identity
14 of the customer;

15 (c) Security requirements;

16 (d) Delivery vehicle requirements;

17 (e) Record-keeping requirements;

18 (f) Inventory tracking system requirements;

19 (g) Health and safety requirements;

20 (h) Confidentiality requirements to ensure that delivery personnel
21 do not disclose personal identifying information to any person other than
22 those who need that information in order to take, process, or deliver the
23 order or as otherwise required or authorized by the Nebraska Medical
24 Cannabis Regulation Act; and

25 (i) Payment methods, including, but not limited to, the use of gift
26 cards and prepayment accounts;

27 (22) Rules requiring licensees to access a track and trace system-
28 generated transport manifest during transport or delivery of cannabis and
29 cannabis accessories for purposes of law enforcement verification during
30 a traffic stop or similar encounter. Such record shall not be required to
31 be retained in a licensee's business records after the transport or

1 delivery is completed; and

2 (23) Such other matters as are necessary for the fair, impartial,
3 stringent, and comprehensive administration of the Nebraska Medical
4 Cannabis Regulation Act.

5 **Sec. 97.** (1) On or before October 1, 2025, the commission shall
6 adopt and promulgate rules and regulations providing requirements and
7 procedures for testing cannabis as provided in this section.

8 (2) The commission shall establish an independent testing and
9 certification program for licensees. The program shall be established
10 within an implementation timeframe established by the commission. The
11 program shall require licensees to test cannabis to ensure, at a minimum,
12 that products sold for human consumption are correctly labeled and do not
13 contain unacceptable levels of contaminants injurious to human health.

14 (3) For purposes of this section:

15 (a) Contaminants injurious to human health include:

16 (i) Microbes, metals, and residual solvents; and

17 (ii) Chemical and biological contaminants deemed to be public health
18 hazards by the Department of Health and Human Services based on published
19 and peer-reviewed scientific literature and based on data from other
20 states with similar programs;

21 (b) Failed test means a test of cannabis has revealed unacceptable
22 levels of contaminants injurious to human health;

23 (c) Related batch means a production batch, harvest batch, or other
24 batch of cannabis that are likely to contain similar levels of
25 contaminants injurious to human health as the test batch that has
26 received a failed test result, as prescribed by the commission's rules
27 and regulations according to the type of cannabis, cannabis product, or
28 contaminants involved or other relevant factors as determined by the
29 commission; and

30 (d) Unacceptable levels means a level the commission has determined,
31 for the particular contaminant at issue, to be unacceptably dangerous.

1 (4)(a) Upon learning of a failed test, a licensee shall immediately
2 quarantine any related batch of cannabis. The licensee may request the
3 testing facility that originally conducted the testing to test the
4 provided reserve sample. If the retest is not a failed test, the
5 quarantine may be lifted. If the retest is again a failed test, the
6 licensee shall destroy the cannabis in accordance with the commission's
7 rules and regulations.

8 (b) In lieu of requesting a retest, a licensee may remediate or
9 decontaminate the cannabis using approved methods established by the
10 commission. The remediated or decontaminated cannabis shall be tested
11 again in accordance with the commission's rules and regulations. If a
12 failed test again results, the licensee shall destroy the cannabis in
13 accordance with the commission's rules and regulations.

14 (5) The commission shall adopt rules and regulations:

15 (a) Requiring that a test of cannabis shall verify THC purity
16 representations and homogeneity for correct labeling and provide a
17 cannabinoid profile for edible cannabis products and products intended
18 for topical application;

19 (b) Determining an acceptable variance of no more than plus or minus
20 fifteen percent for potency representations and procedures to address
21 potency misrepresentations;

22 (c) Determining the protocols and frequency testing that licensees
23 must conduct, by type of licensee, type of cannabis, and other factors as
24 determined by the commission;

25 (d) Establishing minimum test batch sizes by category or type of
26 production batch or harvest batch size. However, this subdivision shall
27 not be construed to authorize the commission to limit harvest batch or
28 production batch sizes;

29 (e) Concerning decontamination and remediation of cannabis; and

30 (f) To prevent redundant or duplicative testing of cannabis,
31 including, but not limited to:

1 (i) Requiring that only final product is tested before transfer to a
2 dispensary;

3 (ii) Exempting harvest batches from testing if the entire batch is
4 allocated to extractions; and

5 (iii) Establishing requirements and procedures for process
6 validation where by licensees may validate cannabis streamline final
7 product testing frequency based on the applicable risk profile.

8 **Sec. 98.** (1) On and after October 1, 2025, the commission may adopt
9 and promulgate rules and regulations necessary to carry out the Nebraska
10 Medical Cannabis Regulation Act, including, but not limited to,
11 concerning those topics listed in sections 96 and 97 of this act.

12 (2) On and after October 1, 2026, the commission shall engage in
13 annual rulemaking proceedings to address the evolving needs of the
14 commission, qualified patients, registered caregivers, registered health
15 care practitioners, and licensees, thereby ensuring the viability and
16 effective enforcement of the act.

17 **Sec. 99.** The commission may contract with third-party vendors in
18 order to carry out its duties under the Nebraska Medical Cannabis
19 Regulation Act.

20 **Sec. 100.** The commission may develop such forms, applications, and
21 other documentation as are necessary or convenient in the discretion of
22 the commission for the administration of the Nebraska Medical Cannabis
23 Regulation Act or any rules and regulations adopted and promulgated
24 thereunder.

25 **Sec. 101.** Nothing in the Nebraska Medical Cannabis Regulation Act
26 shall be construed as delegating to the commission the power to fix
27 prices for cannabis.

28 **Sec. 102.** (1) Rules and regulations adopted and promulgated
29 pursuant to the Nebraska Medical Cannabis Regulation Act and any
30 ordinance enacted by a local governing body shall not:

31 (a) Except as provided in subsection (5) of section 126 of this act,

1 make it unreasonably impracticable to operate as a licensee;

2 (b) Require testing of cannabis before the commission has licensed
3 any testing facilities or, if such facilities have been licensed, before
4 such facilities are capable of performing any required tests in a timely
5 manner;

6 (c) Require a dispensary to acquire or record personal information
7 about qualified patients or registered caregivers other than information
8 typically required in a retail transaction; or

9 (d) Prohibit cultivation of cannabis using inorganic cultivation
10 methods.

11 (2) A local governing body shall not by ordinance:

12 (a) Prohibit the manufacture of cannabis products approved by the
13 commission or prohibit manufacturing methods approved by the commission;
14 or

15 (b) Require a qualified patient or registered caregiver to provide a
16 dispensary with documentation or identifying information other than that
17 required by the Nebraska Medical Cannabis Regulation Act and any rules
18 and regulations of the commission.

19 **Sec. 103.** (1) The commission shall provide without charge to any
20 licensee a copy of the Nebraska Medical Cannabis Regulation Act, any
21 rules and regulations adopted and promulgated thereunder, and any other
22 information which the commission deems important in the area of cannabis
23 control in the State of Nebraska.

24 (2) The information may be printed in a booklet, a pamphlet, or any
25 other form the commission may determine to be appropriate.

26 (3) The commission may update such material as often as it deems
27 necessary.

28 (4) The commission may provide such material to any other person
29 upon request and may charge a fee for the material. The fee shall be
30 reasonable and shall not exceed any reasonable or necessary costs of
31 producing the material for distribution.

1 **Sec. 104.** The commission may call upon other departments of the
2 state, political subdivisions, law enforcement agencies, and prosecutors
3 for such information and assistance as the commission deems necessary in
4 the performance of its duties.

5 **Sec. 105.** The commission may request the State Fire Marshal to
6 inspect any licensed premises or premises for which a license is sought
7 for fire safety pursuant to section 81-502. The State Fire Marshal shall
8 assess a fee for such inspection pursuant to section 81-505.01 payable by
9 such licensee or applicant. The State Fire Marshal may delegate the
10 authority to make such inspections to qualified local fire prevention
11 personnel pursuant to section 81-502.

12 **Sec. 106.** (1) The commission shall maintain the confidentiality of
13 reports or other information obtained from a licensee:

14 (a) Containing any individualized data, information, or records
15 related to the licensee or its operation, including sales information,
16 financial records, tax returns, credit reports, cultivation information,
17 information concerning cannabis product manufacturing, testing results,
18 or security information and plans;

19 (b) Which reveals any qualified patient or registered caregiver
20 information; or

21 (c) Which are otherwise made confidential or exempt from public
22 disclosure pursuant to state or federal law.

23 (2) Confidential information and reports shall only be used for
24 purposes authorized by the Nebraska Medical Cannabis Regulation Act or
25 for any other state or local law enforcement purpose. Any qualified
26 patient or registered caregiver information shall only be used for
27 purposes authorized by the Nebraska Medical Cannabis Regulation Act or
28 the Nebraska Medical Cannabis Patient Protection Act.

29 (3) A person who discloses confidential records or information in
30 violation of the Nebraska Medical Cannabis Regulation Act shall be guilty
31 of a Class II misdemeanor.

1 **Sec. 107.** (1) The Medical Cannabis Control Fund is created. The
2 fund shall consist of all fees, gifts, grants, and other money, excluding
3 finances and civil penalties, received or collected by the commission under
4 the Nebraska Medical Cannabis Regulation Act.

5 (2) The commission shall use the fund for the administration and
6 enforcement of the Nebraska Medical Cannabis Regulation Act. The fund may
7 be used to cover any such administrative or enforcement costs, including,
8 but not limited to, salary and benefits; expenses incurred by the
9 commission in producing or distributing the forms, materials, and other
10 documentation required by the act; costs of equipment needed to enforce
11 the act; and costs associated with electronic regulatory transactions,
12 industry education events, and enforcement training.

13 (3) Transfers may be made from the Medical Cannabis Control Fund to
14 the General Fund at the direction of the Legislature.

15 (4) Any money in the Medical Cannabis Control Fund available for
16 investment shall be invested by the state investment officer pursuant to
17 the Nebraska Capital Expansion Act and the Nebraska State Funds
18 Investment Act.

19 **Sec. 108.** Section 3, Initiative Law 2024, No. 438, is amended to
20 read:

21 Sec. 3. (1) Subject to the requirements of the Nebraska Medical
22 Cannabis Regulation Act, it shall not be an offense under state law for a
23 licensee registered cannabis establishment, its employees, and its agents
24 to possess, cultivate, process, manufacture, distribute, transport, sell,
25 and test deliver, and dispense cannabis for medical purposes, provided
26 such conduct complies with applicable rules and regulations adopted and
27 promulgated by the commission pursuant to the act Nebraska Medical
28 Cannabis Regulation Act.

29 (2) Conduct protected by the Nebraska Medical Cannabis Regulation
30 Act ~~this section~~ shall not be subject to the Uniform Controlled
31 Substances Act.

1 **Sec. 109.** An attorney shall not be subject to disciplinary action
2 for providing legal assistance to a prospective licensee, licensee, or
3 another person who is engaged in lawful activities pursuant to the
4 Nebraska Medical Cannabis Regulation Act.

5 **Sec. 110.** A contract entered into by a licensee or its employees or
6 agents, or by those who allow their property to be used by a licensee or
7 its employees or agents, shall not be unenforceable on the basis that
8 possessing, cultivating, processing, manufacturing, distributing,
9 dispensing, testing, transporting, delivering, selling, or using cannabis
10 is prohibited by federal law. It is the public policy of the State of
11 Nebraska that such contracts shall be enforceable to the same extent as
12 other contracts.

13 **Sec. 111.** (1) A financial institution may loan money to, accept
14 deposits from, and otherwise do business with any licensee to the same
15 extent as other persons, subject to any restrictions of the Nebraska
16 Medical Cannabis Regulation Act.

17 (2) For purposes of this section, financial institution means a
18 bank, savings bank, credit card bank, savings and loan association,
19 building and loan association, trust company, or credit union organized
20 under the laws of any state or organized under the laws of the United
21 States.

22 **Sec. 112.** (1) There shall be the following classes of licenses
23 under the Nebraska Medical Cannabis Regulation Act:

- 24 (a) Cultivator;
- 25 (b) Dispensary;
- 26 (c) Products manufacturer;
- 27 (d) Testing facility;
- 28 (e) Transporter; and
- 29 (f) Vertical license.

30 (2)(a) The commission may issue a vertical license that authorizes
31 the licensee to operate an integrated medical cannabis business. Each

1 vertical license shall allow the licensee to operate the following
2 sublicenses:

3 (i) Four dispensary licenses, with no more than two per
4 congressional district;

5 (ii) One products manufacturer license; and

6 (iii) One cultivation license.

7 (b) An applicant for a vertical license shall only be required to
8 pay a single licensing fee under section 118 of this act.

9 (c) The sublicenses within a vertical license shall be separately
10 subject to discipline, issuance, renewal, regulation by the commission,
11 and local oversight as provided in the Nebraska Medical Cannabis
12 Regulation Act.

13 **Sec. 113.** (1) The commission shall adopt and promulgate rules and
14 regulations establishing criteria to accept or deny initial applications
15 for licensees. The commission shall accept the first round of completed
16 applications between October 13, 2025, through December 15, 2025. After
17 December 15, 2025, and before January 1, 2030, applications will not be
18 accepted except as provided in subsection (6) of this section.

19 (2) Until January 1, 2030, the commission shall not issue more than
20 five vertical licenses statewide.

21 (3) In addition to any dispensary, products manufacturer, and
22 cultivation licenses issued as part of a vertical license, until January
23 1, 2030, the commission may issue the following standalone licenses,
24 subject to the following limits:

25 (a) Ten dispensary licenses;

26 (b) Five cultivator licenses;

27 (c) Five product manufacturer licenses; and

28 (d) Five testing facility licenses.

29 (4) The commission may issue transporter licenses, and there shall
30 be no limit on the number of such licenses issued.

31 (5)(a) Except for the sublicenses provided in a vertical license, a

1 single person shall not receive more than one license.

2 (b) An applicant shall not apply for more than one type of license.

3 An application in violation of this subdivision shall be rejected.

4 (6) Following the initial application period under subsection (1) of
5 this section and prior to January 1, 2030, if the commission has issued
6 fewer licenses than the limits in this section allow, or if a license is
7 surrendered or revoked, the commission may issue licenses, subject to
8 such limits, to a qualified applicant.

9 **Sec. 114.** (1) An application for issuance or renewal of a license
10 shall be:

11 (a) In the form and manner required by the commission;

12 (b) Accompanied by the fee required by section 118 of this act; and

13 (c) Verified by oath or affirmation of the persons prescribed by the
14 commission.

15 (2) An application for issuance or renewal of a license shall
16 include:

17 (a) The name and address of the applicant and how long the applicant
18 has resided in Nebraska;

19 (b) The names and addresses of the applicant's officers, directors,
20 or managers;

21 (c) The particular premises for which a license is desired,
22 designating the premises by street and number, if practicable, or by such
23 other description as definitively locates the premises;

24 (d) The name of the owner of the premises upon which the business
25 licensed is to be operated;

26 (e) A statement that:

27 (i) If the application is submitted before January 1, 2030, the
28 applicant satisfies the residency requirements of section 116 of this
29 act; and

30 (ii) The applicant is not disqualified under section 117 of this
31 act;

1 (f) A statement that the applicant intends to operate the business
2 authorized by the license on the applicant's own behalf and not as the
3 agent of any other person and that if licensed the applicant will operate
4 such business on the applicant's own behalf and not as the agent for any
5 other person;

6 (g) A statement that the applicant intends to superintend in person
7 the management of the business licensed and that, if so licensed, the
8 applicant will superintend in person the management of the business;

9 (h) The matters required by section 115 of this act; and

10 (i) Such other information as the commission may from time to time
11 direct.

12 (3)(a) An applicant for initial issuance shall also submit two
13 legible sets of fingerprints to be furnished to the Federal Bureau of
14 Investigation through the Nebraska State Patrol for a national criminal
15 history record check and the fee for such record check payable to the
16 patrol. The applicant shall authorize release of the national criminal
17 history record check to the commission.

18 (b) The commission may require an applicant for renewal to comply
19 with subdivision (3)(a) of this section when there is a demonstrated
20 investigative need.

21 (4)(a) An application for issuance of a license shall be accompanied
22 by plans and specifications for the interior of any building on the
23 licensed premises, if the building to be occupied is in existence at the
24 time of the application. If such building is yet to be constructed, the
25 applicant shall file a plot plan and a detailed sketch for the interior
26 and submit an architect's drawing of the building to be constructed.

27 (b) The commission shall not issue or renew a license until it is
28 established that the applicant is, or will be, entitled to possession of
29 the premises for which application is made under a lease, rental
30 agreement, or other arrangement for possession of the premises or by
31 virtue of ownership of the premises.

1 (5) If any false statement is made in any part of an application,
2 the applicant shall be deemed guilty of perjury, and upon conviction
3 thereof the license shall be denied or revoked and the applicant
4 subjected to the penalties set forth in section 28-915.

5 **Sec. 115.** (1) An initial application for licensure shall also
6 include the following as required by this section: An operating plan
7 summary, a summary of the applicant's safety and security plans and
8 procedures, and a summary of the applicant's business experience.

9 (2) For an applicant for a cultivator license, the operating plan
10 summary shall include a written description concerning the applicant's
11 qualifications for, experience in, and knowledge of each of the following
12 topics:

13 (a) State-authorized cultivation of cannabis;

14 (b) Conventional horticulture or agriculture and familiarity with
15 good agricultural practices;

16 (c) Quality control and quality assurance;

17 (d) Recall plans;

18 (e) Corrective action and preventative action plans;

19 (f) Packaging and labeling;

20 (g) Inventory control and tracking software or systems for the
21 production of cannabis;

22 (h) Analytical testing of cannabis;

23 (i) Water management practices;

24 (j) Onsite and offsite recordkeeping;

25 (k) Strain variety, breeding, and plant genetics;

26 (l) Pest control and disease management practices, including plans
27 for the use of pesticides, nutrients, and other agricultural chemicals;

28 (m) Waste disposal procedures; and

29 (n) Compliance with applicable laws and regulations.

30 (3) For an applicant for a products manufacturer license, the
31 operating plan summary shall include a written description concerning the

1 applicant's qualifications for, experience in, and knowledge of each of
2 the following topics:

3 (a) State-authorized manufacture, production, and creation of
4 cannabis products using appropriate extraction methods, including
5 intended use and sourcing of extraction equipment and associated solvents
6 or intended methods and equipment for non-solvent extraction;

7 (b) State-authorized processing of cannabis products;

8 (c) Quality control and quality assurance;

9 (d) Recall plans;

10 (e) Corrective action and preventative action plans;

11 (f) Packaging and labeling;

12 (g) Inventory control and tracking software or systems for the
13 production of cannabis products;

14 (h) Analytical testing of cannabis and cannabis products;

15 (i) Onsite and offsite recordkeeping;

16 (j) A list of product formulations or products proposed to be
17 manufactured;

18 (k) Intended use and sourcing of all non-cannabis ingredients used
19 in the manufacture, production, and creation of cannabis products,
20 including methods to verify or ensure the safety and integrity of those
21 ingredients and their potential to be or contain allergens;

22 (l) Waste disposal plans; and

23 (m) Compliance with applicable laws and regulations.

24 (4) For an applicant for a dispensary license, the operating plan
25 summary shall include a written description concerning the applicant's
26 qualifications for, experience in, and knowledge of each of the following
27 topics:

28 (a) State-authorized sales of cannabis and cannabis products to
29 state-authorized purchasers;

30 (b) Quality control and quality assurance;

31 (c) Recall plans;

- 1 (d) Corrective action and preventative action plans;
- 2 (e) Packaging and labeling;
- 3 (f) Routes of administration, strains, varieties, and cannabinoid
- 4 profiles of cannabis and cannabis products;
- 5 (g) Inventory control and tracking software or systems for the
- 6 production of cannabis;
- 7 (h) Verification of cannabis and cannabis product testing;
- 8 (i) Onsite and offsite recordkeeping;
- 9 (j) Waste disposal procedures; and
- 10 (k) Compliance with applicable laws and regulations.
- 11 (5) For an applicant for a testing facility, the operating plan
- 12 summary shall include a written description concerning the applicant's
- 13 qualifications for, experience in, and knowledge of each of the following
- 14 topics:
- 15 (a) State-authorized testing of cannabis and cannabis products;
- 16 (b) Relevant certifications or degrees;
- 17 (c) Accreditation under the International Organization for
- 18 Standardization and International Electrotechnical Commission (ISO/IEC)
- 19 17025:2017 Standard, or any subsequent superseding ISO/IEC Standard;
- 20 (d) Assurance of employee competency;
- 21 (e) State proficiency testing;
- 22 (f) Quality control and quality assurance;
- 23 (g) Recall plans;
- 24 (h) Corrective action and preventative action plans;
- 25 (i) Inventory control and tracking software or systems for the
- 26 production of cannabis;
- 27 (j) Onsite and offsite recordkeeping;
- 28 (k) Waste disposal procedures; and
- 29 (l) Compliance with applicable laws and regulations.
- 30 (6) For an applicant for a transporter license, the operating plan
- 31 summary shall include a written description concerning the applicant's

1 qualifications for, experience in, and knowledge of each of the following
2 topics:

3 (a) State-authorized transport of cannabis and cannabis products to
4 state-authorized purchasers;

5 (b) Quality control as it relates to cannabis and cannabis product
6 storage;

7 (c) Corrective action and preventative action plans;

8 (d) Inventory control and tracking software or systems for the
9 transport of cannabis;

10 (e) Onsite and offsite recordkeeping;

11 (f) Waste disposal procedures; and

12 (g) Compliance with applicable laws and regulations.

13 (7) An application for any category of license shall include the
14 following, to the extent deemed applicable and required by the
15 commission's rules and regulations:

16 (a) A summary of the applicant's safety and security plans and
17 procedures, which shall include descriptions of the following:

18 (i) Security and surveillance features, including descriptions of
19 any alarm systems, video surveillance systems, and access and visitor
20 management systems, along with drawings identifying the proposed
21 locations for surveillance cameras and other security features;

22 (ii) Plans for the storage of cannabis, including any safes, vaults,
23 and climate control systems that will be utilized for this purpose;

24 (iii) A diversion prevention plan;

25 (iv) Procedures for screening, monitoring, and performing criminal
26 history record background checks of employees;

27 (v) Cybersecurity procedures;

28 (vi) Workplace safety plans and the applicant's familiarity with
29 federal Occupational Safety and Health Administration regulations;

30 (vii) The applicant's history of workers' compensation claims and
31 safety assessments;

- 1 (viii) Procedures for reporting adverse events; and
2 (ix) A sanitation practices plan;
3 (b) A summary of the applicant's business experience, including the
4 following, if applicable:
5 (i) The applicant's experience operating businesses in highly
6 regulated industries; and
7 (ii) The applicant's experience in operating lawful cannabis
8 establishments, with greater weight given to operation of establishments
9 similar to the license which is sought; and
10 (c) An executive summary of the applicant's business plan.

11 **Sec. 116.** Until January 1, 2030:

- 12 (1) The commission shall not issue or renew a license unless at
13 least fifty-one percent of the ownership of the applicant is comprised of
14 natural persons who have been residents of Nebraska for at least four
15 years; and
16 (2) It shall be unlawful to operate as a licensee unless at least
17 fifty-one percent of the ownership of the licensee is comprised of
18 natural persons who have been residents of Nebraska for at least four
19 years.

20 **Sec. 117.** A license provided by the Nebraska Medical Cannabis
21 Regulation Act shall not be issued to or held by:

- 22 (1) Any person who has been convicted of a disqualifying offense
23 within the preceding ten years;
24 (2) A person if any of its officers, directors, stockholders, or
25 owners have been convicted of a disqualifying offense within the
26 preceding five years;
27 (3) A person financed in whole or in part by any other person who
28 has been convicted of a disqualifying offense within the preceding ten
29 years;
30 (4) A person under eighteen years of age;
31 (5) A licensee or former licensee who, during a period of licensure

1 or at the time of application, has failed to:

2 (a) File any tax return related to a licensee; or

3 (b) Pay any taxes, interest, or penalties due, as determined by
4 final agency action, relating to a licensee;

5 (6) Any state, county, municipality, or other political subdivision,
6 any branch, department, agency, or subdivision of any of the foregoing,
7 or any corporation or other body established by law to carry out any
8 governmental function;

9 (7) A peace officer, an employee of a jail or the Department of
10 Correctional Services, or an official or employee of a local governing
11 body;

12 (8) A health care practitioner who has issued one or more written
13 recommendations in the preceding five years;

14 (9) A person who is not legally able to work in Nebraska; or

15 (10) A publicly traded company.

16 **Sec. 118.** (1) Until January 1, 2030, an application for initial
17 issuance of a license shall be accompanied by a fee in the following
18 amount:

19 (a) For a vertical license, one hundred thousand dollars;

20 (b) For a cultivator license, twenty thousand dollars;

21 (c) For a products manufacturers license, fifteen thousand dollars;

22 (d) For a transporter license, ten thousand dollars; and

23 (e) For a testing facility license, twenty-five thousand dollars.

24 (2) Beginning January 1, 2030, an application for initial issuance
25 of a license shall be accompanied by a fee in an amount determined by the
26 commission, but not more than ten thousand dollars. The commission shall
27 annually adjust the fee to an amount necessary to cover the direct and
28 indirect administrative costs of handling applications for initial
29 issuance of licenses.

30 (3) An application for renewal of a license shall be accompanied by
31 a fee in an amount determined by the commission, but no more than five

1 thousand dollars. The commission shall annually adjust the fee to an
2 amount necessary to cover the direct and indirect administrative costs of
3 handling license renewal applications.

4 (4) Application fees paid to the commission shall be remitted to the
5 State Treasurer for credit to the Medical Cannabis Control Fund.

6 **Sec. 119.** (1) For applications for initial issuance of a license
7 submitted prior to January 1, 2030, the commission shall determine
8 whether to grant or deny the application as provided in this section.

9 (2) If, within a category of licensure, there are fewer qualified
10 applicants than there are licenses available under the limits provided in
11 section 113 of this act, the commission shall issue a license to each
12 qualified applicant.

13 (3) If, within a category of licensure, there are more qualified
14 applicants than there are licenses available under the limits provided in
15 section 113 of this act, the commission shall issue the licenses to the
16 applicants with the highest score on the scoring system developed under
17 subsection (4) of this section. If two or more qualified applicants with
18 equal scores are seeking the last available license or licenses, the
19 commission shall determine the recipient of such license or licenses
20 using a public lottery method developed by the commission.

21 (4)(a) The commission shall develop a method of scoring and
22 reviewing applicants using a point scale. The commission shall determine
23 the amount of points, the point categories, and the system of point
24 distribution. When subsection (2) of this section does not apply, the
25 commission shall review all qualified applicants and assign points using
26 such system.

27 (b) In developing the point system, the commission shall consider
28 the following criteria:

29 (i) The operating plan summary, summary of the applicant's safety
30 and security plans and procedures, and summary of the applicant's
31 business experience submitted under section 115 of this act; and

1 (ii) Any other matter the commission deems necessary for the fair,
2 impartial, stringent, and comprehensive administration of the Nebraska
3 Medical Cannabis Regulation Act.

4 (c) In evaluating an applicant's business experience under
5 subdivision (7)(b) of section 115 of this act, the commission shall
6 afford the greatest weight to the experience of the applicant itself,
7 controlling owners, and entities with common ownership, control, or
8 affiliation with the applicant; followed by the experience of those with
9 a fifteen percent or greater ownership interest in the applicant's
10 organization; followed by interest holders in the applicant's
11 organization; followed by other officers, directors, and bona fide full-
12 time employees of the applicant as of the submission date of the
13 application.

14 **Sec. 120.** (1) On or before January 1, 2029, the commission shall
15 electronically submit recommendations to the Legislature for changes to
16 the Nebraska Medical Cannabis Regulation Act, including, but not limited
17 to, concerning the issuance of licenses under the act.

18 (2) On or before January 1, 2030, the commission shall adopt and
19 promulgate rules and regulations concerning the issuance and renewal of
20 licenses under the act. The commission shall determine whether the limits
21 under section 113 of this act should be maintained, adjusted, or
22 eliminated. In making such determination, the commission shall take into
23 consideration the demand for medical cannabis; whether qualified patients
24 are being adequately served throughout the state; changes to state or
25 federal law concerning medical cannabis or that affect licensees or the
26 commission; successes, challenges, and failures the commission has faced
27 in enforcing the act; the extent of competition in the medical cannabis
28 industry; and any other matters the commission deems appropriate.

29 (3) For applications for initial issuance of a license submitted on
30 and after January 1, 2030, the commission shall determine whether to
31 grant or deny the application according to the commission's rules and

1 regulations.

2 **Sec. 121.** Any grant of a license shall be conditional until passage
3 of a completed inspection by the commission.

4 **Sec. 122.** (1)(a) During the initial licensing process pursuant to
5 section 113 of this act, the commission shall approve or deny all
6 applications for initial issuance of a license on or before March 16,
7 2026.

8 (b) Beginning January 1, 2030, the commission shall approve or deny
9 initial issuance of a license within ninety days after receiving a
10 completed application and the appropriate fee.

11 (2) The commission shall approve or deny renewal of a license within
12 ninety days after receiving a completed application and the appropriate
13 fee.

14 **Sec. 123.** Upon receiving an application for a license, the
15 commission shall notify the clerk of the city or village in which such
16 license is sought or, if the license sought is not sought within a city
17 or village, the county clerk of the county in which such license is
18 sought, of the receipt of the application and shall include one copy of
19 the application with the notice. During the period of forty-five days
20 after the date of receipt by mail or electronic delivery of such
21 application from the commission, the local governing body of such city,
22 village, or county may make and submit to the commission recommendations
23 relative to the granting or denial of such license to the applicant.

24 **Sec. 124.** (1) If no hearing is held pursuant to subsection (1) or
25 (2) of section 127 of this act, the commission may waive the forty-five-
26 day objection period and, if not otherwise prohibited by law, cause a
27 license to be signed by its chairperson, attested by its executive
28 director over the seal of the commission, and issued in the manner
29 provided in subsection (4) of this section as a matter of course.

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

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

4 (b) The applicant can conform to all provisions and requirements of
5 the Nebraska Medical Cannabis Regulation Act and rules and regulations
6 adopted and promulgated thereunder;

7 (c) The applicant has demonstrated that the type of management and
8 control to be exercised over the premises described in the application
9 will be sufficient to ensure that the licensed business can conform to
10 all provisions and requirements of the Nebraska Medical Cannabis
11 Regulation Act and rules and regulations adopted and promulgated
12 thereunder; and

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

15 (3) In making its determination pursuant to subsection (2) of this
16 section, the commission may consider any recommendation of the local
17 governing body.

18 (4) Licenses issued or renewed by the commission shall be mailed or
19 delivered electronically to:

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

23 (i) Any fee for publication of notice of hearing before the local
24 governing body upon the application for the license;

25 (ii) The fee for publication of notice of renewal as provided in
26 section 130 of this act; and

27 (iii) Occupation taxes, if any, imposed by such city, village, or
28 county; or

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

1 (5) The commission shall assign each licensee a unique license
2 number.

3 **Sec. 125.** (1) In addition to the other factors and requirements set
4 forth in the Nebraska Medical Cannabis Regulation Act, the commission may
5 deny issuance or renewal of a license for good cause.

6 (2) For purposes of this section, good cause means:

7 (a) The licensee or applicant has committed willful or repeated
8 violation of the Nebraska Medical Cannabis Regulation Act or rules and
9 regulations adopted and promulgated thereunder, particularly when such
10 violations adversely affect public health or safety;

11 (b) The licensee or applicant has made a materially false statement
12 to the commission;

13 (c) The licensee or applicant has failed to comply with any special
14 terms or conditions that were placed on its license pursuant to an order
15 of the commission; or

16 (d) The licensed premises have been operated in a manner that
17 adversely affects the public health or the safety of the immediate
18 neighborhood in which the establishment is located.

19 **Sec. 126.** (1) For purposes of this section:

20 (a) College means any postsecondary institution as defined in
21 section 85-2403;

22 (b) Covered location means any college campus, any alcohol or drug
23 treatment facility, any school, or any child care facility or day care;
24 and

25 (c) School means any public or private elementary or secondary
26 school.

27 (2)(a) Except as otherwise provided in subsection (3) of this
28 section, no license shall be issued for a premises located within one
29 thousand feet of any covered location.

30 (b) For a cultivator, the distance specified in subdivision (2)(a)
31 of this section shall be measured in a manner determined by the

1 commission.

2 (c) For any licensee other than a cultivator, such distance shall be
3 measured in a straight line from the nearest property line of the covered
4 location to the nearest perimeter wall of the licensed premise.

5 (3) Subsection (2) of this section does not apply to a licensee
6 operating an established business that was in operation prior to the
7 covered location being established within one thousand feet of such
8 business.

9 (4)(a) Local governing bodies may adopt specific ordinances or
10 zoning maps identifying allowable areas for licensed premises.

11 (b) A local governing body may require a licensed premises to be
12 operated within a designated zone as follows:

13 (i) Cultivation facilities may operate in industrial or agricultural
14 zones;

15 (ii) Products manufacturer facilities may operate in industrial
16 zones; and

17 (iii) Dispensaries and testing facilities may be operated in any
18 area other than one designated as a residential zone.

19 (5) A local governing body may prohibit the operation of any type of
20 licensed premises.

21 **Sec. 127.** (1) The commission shall hold a hearing on an application
22 for initial issuance or renewal of a license if, within forty-five days
23 after the date the application was received by the city, village, or
24 county clerk, the commission receives a recommendation of denial from the
25 city, village, or county.

26 (2) The commission may hold a hearing on an application for a
27 license at its own discretion.

28 (3) Hearings under this section shall be conducted, and notice of
29 such hearings provided, in accordance with the rules and regulations of
30 the commission.

31 (4)(a) Hearings upon such applications shall be conducted as

1 provided in this subsection.

2 (b) At least fifteen days prior to such hearing, the commission
3 shall by mail or electronic delivery provide notice indicating the time
4 and place of such hearing to the applicant, the local governing body, and
5 each resident objector. The notice shall state that the commission will
6 receive evidence for the purpose of determining whether to approve or
7 deny the application. Mailing or electronic delivery to the attorney of
8 record of a party shall be deemed to fulfill the purposes of this
9 section.

10 (c) The commission may receive evidence, including testimony and
11 documentary evidence, and may hear and question witnesses concerning the
12 application.

13 (d) The commission shall not use electronic delivery with respect to
14 an applicant or an objector under this section without the consent of the
15 recipient.

16 **Sec. 128.** (1) When a local governing body receives from the
17 commission the notice and copy of application as provided in section 123
18 of this act for a license within the jurisdiction of the local governing
19 body, or following issuance of a notice of renewal of such license, the
20 local governing body may fix a time and place for a hearing at which the
21 local governing body shall receive evidence, either orally or by
22 affidavit from the applicant and any other person, bearing upon the
23 propriety of the issuance or renewal of a license.

24 (2) The scope of the hearing shall not extend beyond determining
25 whether the applicant meets the requirements of the Nebraska Medical
26 Cannabis Regulation Act, the rules and regulations adopted and
27 promulgated thereunder, and the local governing body's ordinances.

28 (3) Hearings under this section shall be conducted, and notice of
29 such hearings provided, in accordance with the rules and regulations of
30 the commission.

31 **Sec. 129.** (1) Ninety days prior to the expiration date of an

1 existing license, the commission shall notify the licensee of the
2 expiration date by first-class mail at the licensee's address of record
3 with the commission and by electronic communication to the email address
4 on file with the commission.

5 (2)(a) A license issued by the commission and outstanding may be
6 automatically renewed by the commission without formal application upon
7 payment of the renewal fee prior to or within thirty days after the
8 expiration of the license. The payment shall be an affirmative
9 representation and certification by the licensee that all answers
10 contained in an application, if submitted, would be the same in all
11 material respects as the answers contained in the last previous
12 application.

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

16 (3)(a) The commission may renew the license if:

17 (i) The licensee is qualified to receive a license, the location of
18 the licensed premises has not changed, and the licensed premises remain
19 suitable to be used as such; and

20 (ii) For a dispensary, the licensee has paid, as of the submission
21 of the application for renewal, all state and local taxes due. The
22 commission shall not renew a dispensary license if the licensee is not
23 current on all such taxes.

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

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

28 **Sec. 130.** The city, village, or county clerk shall cause to be
29 published in a legal newspaper in or of general circulation in such city,
30 village, or county, one time between January 10 and January 30 of the
31 year in which a license is up for renewal, individual notice of the right

1 of automatic renewal of such license. The notice shall be in
2 substantially the following form:

3 NOTICE OF RENEWAL OF MEDICAL CANNABIS LICENSE

4 Notice is hereby given pursuant to section 130 of this act that
5 [list type of license] license may be automatically renewed for two years
6 from May 1, 20...., for the following licensee:

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

8 Notice is hereby given that written objections to the issuance of
9 automatic renewal of license may be filed by any resident of the city
10 (village or county) on or before February 10, 20...., in the office of
11 the (city, village, or county) clerk. If the local governing body issues
12 a recommendation of denial to the commission, the commission will hold a
13 hearing to determine whether the license should be renewed.

14 (Name)

15 (City, village, or county) Clerk

16 **Sec. 131.** Upon the conclusion of any renewal hearing under section
17 128 of this act, the local governing body may request a licensee to
18 submit an application as provided in section 129 of this act.

19 **Sec. 132.** A license is valid for a period of two years after the
20 date of issuance unless revoked, suspended, or voluntarily surrendered
21 pursuant to the Nebraska Medical Cannabis Regulation Act or the rules and
22 regulations adopted and promulgated thereunder. A license shall continue
23 to be valid for a grace period of thirty days following the date it would
24 otherwise expire.

25 **Sec. 133.** Each license issued under the Nebraska Medical Cannabis
26 Regulation Act shall:

27 (1) Specify the date of issuance, the type of license, the period of
28 licensure, the name of the licensee, and the premises licensed; and

29 (2) Be signed by the chairperson of the commission and attested by
30 the executive director over the seal of the commission.

31 **Sec. 134.** (1) At all times, a licensee shall possess and maintain

1 possession of the premises for which the license is issued by ownership,
2 lease, rental, or other arrangement for possession of the premises.

3 (2) At all times, a licensee shall maintain a copy of the license in
4 a conspicuous place on the licensed premises.

5 **Sec. 135.** (1) Each licensee shall personally manage the licensed
6 premises or employ a separate and distinct manager on the licensed
7 premises and shall report the name of the manager to the commission.

8 (2) The licensee shall report any change in manager to the
9 commission using the track and trace system within seven days after the
10 change.

11 **Sec. 136.** (1) A license is not transferable without approval of the
12 commission as provided in this section. A license shall not be
13 transferred during the first two years of its issuance. An application
14 for transfer of ownership of a license shall be:

15 (a) In the form and manner required by the commission;

16 (b) Accompanied by a nonrefundable fee in an amount determined by
17 the commission, but not more than ten thousand dollars. The commission
18 shall annually adjust the fee to an amount necessary to cover the direct
19 and indirect administrative costs of administering this section; and

20 (c) Verified by oath or affirmation of the persons prescribed by the
21 commission.

22 (2) An application for transfer of ownership shall include:

23 (a) The name and address of each party and how long the transferee
24 has resided in Nebraska;

25 (b) The names and addresses of the transferee's officers, directors,
26 or managers;

27 (c) The particular premises of the licensed premises, designating
28 the premises by street and number if practicable or, if not, by such
29 other description as definitively locates the premises;

30 (d) The name of the owner of the premises upon which the business
31 licensed is to be operated;

1 (e) A statement that:

2 (i) If the application is submitted before January 1, 2030, that the
3 applicant satisfies the residency requirements of section 116 of this
4 act; and

5 (ii) The applicant is not disqualified under section 117 of this
6 act;

7 (f) A statement that the transferee intends to operate the business
8 authorized by the license on its own behalf and not as the agent of any
9 other persons and that, if licensed, the transferee will operate such
10 business on its own behalf and not as the agent for any other person;

11 (g) A statement that the transferee intends to superintend in person
12 the management of the business licensed and that, if licensed, the
13 transferee will superintend in person the management of the business; and

14 (h) Such other information as the commission may direct.

15 (3) If any willful false statement is made in any part of an
16 application, the applicant shall be deemed guilty of perjury, and upon
17 conviction thereof the license shall be denied or revoked and the
18 applicant subjected to the penalties set forth in section 28-915.

19 (4) Upon receipt of an application, the transfer shall be considered
20 in the same manner as provided for applications for issuance or renewal
21 of a license under the Nebraska Medical Cannabis Regulation Act, except
22 that the commission may by rule or regulation modify or streamline the
23 procedures or requirements, or the factors to be considered, in granting
24 transfer of ownership in light of the fact that the licensed premises is
25 already in operation.

26 **Sec. 137.** (1) A licensee shall not relocate the licensed premises
27 from the place specified in the license without approval of the
28 commission as provided in this section. An application for relocation of
29 a licensed premises shall be:

30 (a) In the form and manner required by the commission;

31 (b) Accompanied by a nonrefundable fee of one thousand dollars; and

1 (c) Verified by oath or affirmation of the persons prescribed by the
2 commission.

3 (2) An application for relocation of a licensed premises shall
4 include:

5 (a) The name and address of the applicant;

6 (b) The names and addresses of the applicant's officers, directors,
7 or managers;

8 (c) The current location of the licensed premises, designating the
9 same by street and number if practicable or, if not, by such other
10 description as definitively locates the licensed premises;

11 (d) The location to which the licensed premises is sought to be
12 relocated, designating the licensed premises by street and number if
13 practicable or, if not, by such other description as definitively locates
14 the new location;

15 (e) The name of the owner of the premises to which the licensed
16 premises is sought to be relocated; and

17 (f) Such other information as the commission may direct.

18 (3) If any willful false statement is made in any part of an
19 application, the applicant shall be deemed guilty of perjury, and upon
20 conviction thereof the license shall be denied or revoked and the
21 applicant subjected to the penalties set forth in section 28-915.

22 (4) Upon receipt of an application, the relocation shall be
23 considered in the same manner as provided for applications for issuance
24 or renewal of a license as set forth in the Nebraska Medical Cannabis
25 Regulation Act.

26 **Sec. 138.** (1) A license shall be purely a personal privilege.

27 (2) A license shall not:

28 (a) Constitute property;

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

30 (c) Except as provided in section 136 of this act, be alienable or
31 transferable, voluntarily or involuntarily; or

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

2 (3) A license shall not descend by the laws of testate or intestate
3 succession, but it shall cease upon the death of the licensee, except
4 that:

5 (a) Personal representatives of the estate of any deceased licensee,
6 when such estate consists in part of a licensed operation, or a
7 partnership or limited liability company upon the death of one or more of
8 the partners or members, may continue the business of the licensee under
9 order of the appropriate court and may exercise the privileges of the
10 deceased or deceased partner or member after the death of such decedent
11 until the expiration of such license, but if such license would have
12 expired within two months following the death of the licensee, the
13 license may be renewed by the personal representatives with the approval
14 of the appropriate court for a period not to exceed one additional year;
15 and

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

19 (4) The trustee of any insolvent or bankrupt licensee, when such
20 estate consists in part of a licensed operation, may continue the
21 business of the licensed operation under order of the appropriate court
22 and may exercise the privileges of the insolvent or bankrupt licensee
23 until the expiration of such license.

24 Sec. 139. The commission, in its discretion, may revoke or elect
25 not to renew any license if it determines that the licensed premises have
26 been inactive, without good cause, for at least two years.

27 Sec. 140. The commission shall, and local governing bodies may,
28 cause an annual inspection to be made on the premises of all licensees.
29 The commission or a local governing body may conduct more frequent
30 inspections when necessary to carry out an ongoing investigation. If it
31 is found that any such licensee is violating any provision of the

1 Nebraska Medical Cannabis Regulation Act or the rules and regulations of
2 the commission adopted and promulgated under the act or is failing to
3 observe in good faith the purposes of the act, the license may be
4 subjected to sanctions as provided in section 143 of this act after the
5 licensee is given notice and an opportunity to be heard.

6 **Sec. 141.** (1) In the discharge of any duty under the Nebraska
7 Medical Cannabis Regulation Act, the commission may issue subpoenas and
8 compel the attendance of witnesses and the production of any papers,
9 books, accounts, documents, and testimony.

10 (2) In case of disobedience on the part of any person to any
11 subpoena issued by the commission or the refusal of any witness to
12 testify on any matters regarding which such witness may be lawfully
13 interrogated, it shall be the duty of the district court for the county
14 in which such hearing was convened, on the application of a commissioner,
15 to compel obedience by proceedings for contempt as in the case of
16 disobedience to the requirements of a subpoena issued from such court or
17 a refusal to testify therein.

18 **Sec. 142.** (1) The commission may, on its own motion or on
19 complaint, after investigation and opportunity for a hearing at which the
20 licensee must be afforded an opportunity to be heard, sanction a licensee
21 for a violation by the licensee or by its agents or employees of the
22 Nebraska Medical Cannabis Regulation Act, any rules and regulations
23 adopted and promulgated thereunder, any ordinance regulating cannabis, or
24 any of the terms, conditions, or provisions of the license.

25 (2) The commission shall provide written notice of the hearing, by
26 mailing the notice to the licensee at the address contained in the
27 license and, if different, at the last address furnished to the
28 commission by the licensee.

29 (3) All proceedings for the suspension or revocation of a license or
30 imposition of other sanction against a licensee shall be before the
31 commission, and the proceedings shall be in accordance with rules and

1 regulations adopted and promulgated by the commission.

2 (4) No licensee shall be subject to sanctions except after a hearing
3 by the commission with reasonable notice to the licensee and opportunity
4 to appear and defend.

5 (5) In conducting a hearing under this section, the commission may
6 administer oaths and issue subpoenas to require the presence of persons
7 and the production of papers, books, and records necessary to the
8 determination of any hearing.

9 (6) If a licensee is convicted of a violation of the Nebraska
10 Medical Cannabis Regulation Act, any rule or regulation adopted and
11 promulgated thereunder, or any ordinance regulating cannabis, the court
12 shall promptly notify the commission and the local governing body.

13 **Sec. 143.** Upon the completion of any hearing held regarding
14 discipline of a license, the director may dismiss the action or impose
15 any of the following sanctions:

16 (1) Censure;

17 (2) Probation;

18 (3) Limitation;

19 (4) Civil penalty;

20 (5) Suspension for up to six months;

21 (6) Seizure of cannabis that is the subject of a violation of the
22 Nebraska Medical Cannabis Regulation Act; or

23 (7) Revocation.

24 **Sec. 144.** (1) If a civil penalty is imposed pursuant to section 143
25 of this act, it shall not exceed twenty thousand dollars.

26 (2) Any fine or civil penalty assessed and unpaid shall constitute a
27 debt to the State of Nebraska which may be collected in the manner of a
28 lien foreclosure or sued for and recovered in a proper form of action in
29 the name of the state in the district court of the county in which the
30 violator resides or owns property. In such action the commission may also
31 collect attorney's fees and costs incurred in the collection of the civil

1 penalty. The commission shall, within thirty days after receipt, remit
2 any collected civil penalty to the State Treasurer to be disposed of in
3 accordance with Article VII, section 5, of the Constitution of Nebraska.

4 **Sec. 145.** (1) Following a hearing under section 142 of this act, if
5 the commission determines that cannabis in the possession of a licensee
6 is involved in a violation of the Nebraska Medical Cannabis Regulation
7 Act, the rules and regulations adopted and promulgated thereunder, an
8 ordinance regulating cannabis, or any terms or conditions of a license,
9 the commission may declare such cannabis to be contraband and seize and
10 destroy or dispose of it in accordance with rules and regulations of the
11 commission.

12 (2) Following issuance of a final decision by the commission
13 authorizing seizure and destruction of cannabis of a licensee, the
14 licensee shall have fifteen days to file a petition for a stay. The
15 petition shall be filed in the district court of Lancaster County. The
16 district court shall expeditiously issue a preliminary ruling upon the
17 petition determining whether the licensee has a substantial likelihood of
18 success on judicial review so as to warrant a temporary stay of the
19 seizure and destruction or disposal of the cannabis. If the court grants
20 a temporary stay, the court shall issue an order setting forth terms and
21 conditions pursuant to which the licensee may maintain possession of the
22 cannabis pending a final decision on the merits of the licensee's
23 petition. Such order shall prohibit the licensee from using,
24 distributing, or disposing of the cannabis.

25 (3) If the licensee fails to timely file a petition under subsection
26 (2) of this section, the commission may destroy or dispose of the seized
27 cannabis.

28 (4) A county attorney shall notify the commission if the county
29 attorney begins investigating a licensee for violations of the Nebraska
30 Medical Cannabis Regulation Act. Upon receipt of such a notification, the
31 commission shall not destroy or dispose of any cannabis of such licensee

1 until the county attorney has completed such investigation.

2 **Sec. 146.** During suspension or similar order to temporarily cease
3 operations by the commission:

4 (1) A cultivator may continue to grow, harvest, and maintain
5 finished inventory on the licensed premises, but shall not sell or
6 transfer any finished cannabis until the conclusion of the suspension or
7 other final disposition of the commission; and

8 (2) A products manufacturer may continue to manufacture cannabis
9 products that are in-process, but shall not sell or transfer any finished
10 cannabis product until the conclusion of the suspension or other final
11 disposition of the commission.

12 **Sec. 147.** The state, local governments, and any state or local
13 agency shall not be required to cultivate or care for any cannabis seized
14 for a violation of the Nebraska Medical Cannabis Regulation Act.

15 **Sec. 148.** (1) A copy of the rule, regulation, order, or decision of
16 the commission denying an application or suspending, revoking, or
17 imposing another sanction against a licensee or of any notice required by
18 any proceeding before it, certified under the seal of the commission,
19 shall be served upon each party of record to the proceeding before the
20 commission. Service upon any attorney of record for any such party shall
21 be deemed to be service upon such party. Each party appearing before the
22 commission shall enter the party's appearance and indicate to the
23 commission the party's address for such service. The mailing of a copy of
24 any rule, regulation, order, or decision of the commission or of any
25 notice by the commission, in the proceeding, to such party at such
26 address shall be deemed to be service upon such party.

27 (2) Within thirty days after the service described in subsection (1)
28 of this section, such party may apply for a rehearing with respect to any
29 matters determined by the commission. The commission shall receive and
30 consider such application for a rehearing within thirty days after its
31 filing with the executive director of the commission. If such application

1 for rehearing is granted, the commission shall proceed as promptly as
2 possible to consider the matters presented by such application. No appeal
3 shall be allowed from any decision of the commission except as provided
4 in section 149 of this act.

5 (3) Upon final disposition of any proceeding, costs shall be paid by
6 the party or parties against whom a final decision is rendered. Only one
7 rehearing referred to in subsection (2) of this section shall be granted
8 by the commission on application of any one party.

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

10 (a) The applicant or licensee;

11 (b) The local governing body if it is entering an appearance to
12 protest or requesting a hearing; and

13 (c) The commission.

14 **Sec. 149.** Any order or decision by the commission granting or
15 denying issuance or renewal of a license, a request to transfer ownership
16 of a license, or a request to relocate a licensed premises; suspending,
17 revoking, or imposing another sanction against a licensee; or refusing to
18 suspend, revoke, or impose another sanction against a licensee may be
19 appealed. The appeal shall be in accordance with the Administrative
20 Procedure Act.

21 **Sec. 150.** (1) If a licensee wishes to surrender a license, the
22 licensee shall notify the commission at least fourteen days prior to the
23 date the surrender will be effective. Such notification and surrender
24 shall be done in a form and manner prescribed by the commission.

25 (2) No later than twenty-four hours following the date the surrender
26 will be effective, the licensee shall:

27 (a) Transfer any remaining cannabis or cannabis accessories to
28 another eligible licensee; or

29 (b) Destroy any remaining cannabis or cannabis accessories.

30 **Sec. 151.** Nothing in the Nebraska Medical Cannabis Regulation Act
31 shall be construed to limit a law enforcement agency's ability to

1 investigate unlawful activity in relation to a licensee.

2 **Sec. 152.** A local governing body shall have the following powers,
3 functions, and duties with respect to licenses within its jurisdiction:

4 (1) To enter or to authorize any law enforcement officer to enter at
5 any time upon any licensed premises to determine whether any provision of
6 the Nebraska Medical Cannabis Regulation Act, any rule or regulation
7 adopted and promulgated pursuant to the act, or any ordinance has been or
8 is being violated and at such time examine the premises of such licensee
9 in connection with such determination. Any law enforcement officer who
10 determines that any such violation has occurred or is occurring shall
11 report such violation in writing to the executive director of the
12 commission within thirty days after the latest of the following:

13 (a) Determining that such violation has occurred;

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

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

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

25 (3) To cancel or revoke, on the local governing body's own motion,
26 any license if the local governing body determines, following notice and
27 a hearing, that the licensee has willfully or repeatedly violated the
28 Nebraska Medical Cannabis Regulation Act or the rules and regulations
29 adopted and promulgated thereunder, particularly if such violations
30 adversely affect public health or safety. The notice and hearing shall be
31 conducted and given in a manner prescribed by the commission's rules and

1 regulations. Such order of cancellation or revocation may be appealed to
2 the commission within thirty days after the date of the order by filing a
3 notice of appeal with the commission. The commission shall adopt and
4 promulgate rules and regulations for processing and hearing such appeals;

5 (4) To impose an occupation tax on a dispensary, not to exceed an
6 annual limit of the greater of five thousand dollars or two percent of
7 the licensee's gross receipts; and

8 (5) To impose a fee on any licensee, other than a dispensary, for
9 initial issuance or renewal of a license. Such fee shall be in an amount
10 set by the local governing body, not to exceed five thousand dollars.
11 Each local governing body imposing such a fee shall annually adjust the
12 fee to an amount necessary to cover the local governing body's direct and
13 indirect administrative costs of handling applications for evaluating and
14 responding to applications for issuance or renewal of a license.

15 **Sec. 153.** (1)(a) Subject to section 102 of this act, a local
16 governing body may regulate by ordinance the business of all licensees
17 operating within the jurisdiction of the local governing body.

18 (b) Such ordinances may be more strict than those set forth in the
19 Nebraska Medical Cannabis Regulation Act. Such standards may include:

20 (i) Reasonable distance restrictions between licensed premises of
21 any type or the same type;

22 (ii) Reasonable restrictions on the size of a licensed premises; and

23 (iii) Any other requirements necessary to ensure the local control
24 of licensees to aid enforcement of the Nebraska Medical Cannabis
25 Regulation Act, ordinances, or the terms and conditions of a license.

26 (2) Except as provided in subsection (5) of section 126 of this act,
27 any ordinance regulating conduct authorized by the Nebraska Medical
28 Cannabis Regulation Act shall not make it unreasonably impracticable to
29 operate as a licensee.

30 **Sec. 154.** (1) No licensee shall:

31 (a) Sell or transfer cannabis to any individual younger than

1 eighteen years of age;

2 (b) Allow any individual younger than eighteen years of age on its
3 premises;

4 (c) Employ or retain any individual younger than eighteen years of
5 age.

6 (2) A licensee other than a dispensary shall not sell or transfer
7 cannabis to any person other than:

8 (a) A licensee, to the extent permitted by the Nebraska Medical
9 Cannabis Regulation Act;

10 (b) The commission; or

11 (c) A person designated by the commission.

12 (3) A dispensary shall not sell or transfer cannabis to any person
13 other than:

14 (a) A licensee, to the extent permitted by the Nebraska Medical
15 Cannabis Regulation Act;

16 (b) A qualified patient or registered caregiver; or

17 (c) A person designated by the commission.

18 **Sec. 155. (1) For purposes of this section:**

19 (a) Escorted means appropriately checked into the limited access
20 area and accompanied by a person authorized by the commission, except
21 that trade craftspeople not normally engaged in the business of
22 cultivating, processing, testing, or selling cannabis need not be
23 accompanied on a full-time basis, but only reasonably monitored; and

24 (b) Limited access area means a building, room, or other contiguous
25 area upon a licensed premises where cannabis is cultivated, processed,
26 stored, weighed, packaged, or tested, under control of the licensee.

27 (2) Only those employees of the licensee and those visitors escorted
28 by a person authorized by the licensee may enter a limited access area.
29 All areas of ingress or egress to limited access areas shall be clearly
30 identified as such by a sign as designated by the commission.

31 **Sec. 156. All cultivation, processing, and manufacture of cannabis**

1 shall:

2 (1) Take place at a licensed premises approved by the commission and
3 within an area that is enclosed and locked in a manner that restricts
4 access to only authorized persons. The area may be uncovered only if it
5 is enclosed with security fencing that is designed to prevent
6 unauthorized entry and that is at least ten feet high; and

7 (2) Take place on property in the licensee's lawful possession or
8 with the consent of the person in lawful physical possession of the
9 property.

10 **Sec. 157.** Each licensee shall:

11 (1) Secure every entrance to the licensed premises so that access to
12 areas containing cannabis is restricted to persons authorized to possess
13 cannabis; and

14 (2) Secure the inventory and equipment of the licensed premises
15 during and after operating hours to deter and prevent theft of cannabis.

16 **Sec. 158.** A licensee shall not permit the consumption of cannabis
17 on any licensed premises.

18 **Sec. 159.** (1) Each licensee shall keep a complete set of all
19 records necessary to fully document the business transactions of the
20 licensee, all of which shall be open at all times during regular business
21 hours for the inspection and examination by the commission or its
22 designee.

23 (2) The commission may require any licensee to furnish such
24 information as the commission considers necessary for the proper
25 administration of the Nebraska Medical Cannabis Regulation Act and may
26 require an audit to be made of the books of account and records on such
27 occasions as the commission may consider necessary by an auditor to be
28 selected by the commission who shall likewise have access to all books
29 and records of the licensee. Any such audit expense shall be paid by the
30 licensee.

31 (3) The commission or its designee may examine and inspect or

1 provide for the examination and inspection of any licensee, licensed
2 premises, or the records or operations of any licensee in such manner and
3 at such times as provided in rules and regulations adopted and
4 promulgated by the commission. The commission shall issue an examination
5 and inspection report and provide a copy of the report to the licensee
6 within ten working days after the completion of an examination and
7 inspection.

8 (4) The refusal, impediment, obstruction, or interference with an
9 inspection of the licensed premises or records of a licensee by a
10 licensee or its agent or employee is a violation of the Nebraska Medical
11 Cannabis Regulation Act.

12 (5) If a licensee or an agent or employee of a licensee fails to
13 maintain or provide the records required pursuant to the Nebraska Medical
14 Cannabis Regulation Act, the licensee shall be subject to a citation and
15 fine in an amount determined by the commission pursuant to its schedule
16 of penalties. A separate fine may be assessed for each individual
17 violation.

18 **Sec. 160.** (1) Every sale or transfer of cannabis from one licensee
19 to another licensee shall be recorded on a sales invoice or receipt.
20 Sales invoices and receipts may be maintained electronically, including
21 in the track and trace system. Sales invoices and receipts shall:

22 (a) Be entered into a seed-to-sale tracking system;
23 (b) Be filed in such manner as to be readily accessible for
24 examination by employees of the commission; and

25 (c) Not be commingled with invoices covering other commodities.

26 (2) Each sales invoice or receipt shall include the seller's name,
27 license number, and address and shall include the following information:

28 (a) Name and address of the purchaser;

29 (b) Date of sale and invoice number;

30 (c) Item, category, and quantity of cannabis sold;

31 (d) The cost to the purchaser, together with any discount applied to

1 the price as shown on the invoice;

2 (e) The place from which transport of the cannabis was made unless
3 transport or delivery was made from the premises of the licensee; and

4 (f) Any other information specified by the commission.

5 **Sec. 161.** Any licensee may provide a sample of its cannabis or
6 cannabis products to a testing facility for testing and research
7 purposes. The licensee shall maintain a record of what was provided to
8 the testing facility, the identity of the testing facility, and the
9 testing results.

10 **Sec. 162.** (1)(a) On or before January 1, 2026, the commission shall
11 develop, or contract with a third-party vendor to develop, a statewide
12 track and trace system that is capable of tracking and tracing
13 information concerning cannabis cultivated, processed, manufactured,
14 distributed, transported, sold, tested, or disposed of in this state by
15 all licensees.

16 (b) The commission shall maintain the confidentiality of information
17 in the track and trace system as provided in section 106 of this act.

18 (2) Each licensee shall, in accordance with the commission's rules
19 and regulations, use the track and trace system.

20 (3) A licensee may use a separate, secondary tracking system to
21 collect information to be used by the licensee.

22 (4) A licensee shall ensure that all relevant track and trace system
23 data is accurately transferred to and from the track and trace system for
24 the purpose of reconciliation with any secondary tracking system.

25 (5) A licensee shall preserve original track and trace data when
26 transferred to and from a secondary tracking system. A secondary system
27 shall use the track and trace data as the primary source of data and
28 shall be compatible with updating to the track and trace system.

29 (6) A secondary tracking system shall be capable of:

30 (a) Interfacing with the track and trace system so a licensee may
31 enter and access information in the track and trace system as required

1 for inventory control and tracking and for purchase limitations;

2 (b) Providing the commission with access to all information stored
3 in the system's database;

4 (c) Maintaining confidentiality of qualified patient and registered
5 caregiver data and records so that persons other than the commission may
6 only access the information in the system that they are authorized by law
7 to access; and

8 (d) Producing analytical reports to the commission regarding:

9 (i) Total quantity of daily, monthly, and yearly sales at the
10 licensed premises per product type;

11 (ii) Average prices of daily, monthly, and yearly sales at the
12 licensed premises per product type; and

13 (iii) Total inventory or sales record adjustments at the licensed
14 premises.

15 **Sec. 163.** (1) A licensee shall use track and trace system tags from
16 a commission-approved vendor. Each licensee is responsible for the cost
17 of all tags and any associated vendor fees.

18 (2) A licensee shall ensure its inventory is properly tagged and
19 that a track and trace system tag is properly assigned to cannabis and
20 cannabis waste as required by the commission.

21 (3) A licensee shall ensure it has an adequate supply of track and
22 trace system tags at all times. If a licensee is unable to account for
23 unused track and trace system tags, the licensee shall report to the
24 commission and the track and trace system vendor within forty-eight
25 hours.

26 (4) Track and trace system tags shall contain the legal name and
27 license number of the associated licensee. A licensee shall not use
28 another licensee's tags.

29 (5)(a) A track and trace system tag shall be placed on each
30 container holding a cannabis plant and shall remain physically near and
31 clearly associated with the cannabis plant until the plant reaches

1 fifteen inches in height. Clones shall be tracked in the track and trace
2 system and shall be associated with a wholesale package tag, whether cut
3 from a mother plant or transferred from another licensee, prior to
4 reaching fifteen inches in height.

5 (b) When the plant reaches fifteen inches in height, the track and
6 trace system tag shall be securely fastened to a lower supporting branch.
7 The tag shall remain affixed for the entire life of the plant until
8 disposal. If the plant changes forms, is removed from the original
9 planting location after harvest, or is being trimmed, dried, or cured by
10 the cultivator, the tag shall be placed on the container holding the
11 cannabis plants or must remain physically near and clearly associated
12 with the cannabis plants until the plant is placed into a package in both
13 the track and trace system and physically packaged and affixed with the
14 tag.

15 (c) Mother plants shall be tagged before any cuttings or clones are
16 generated from such plants.

17 (6) If a track and trace system tag is destroyed, stolen, or falls
18 off of a cannabis plant, the licensee shall ensure a new track and trace
19 system tag is placed on the cannabis plant and the change of the tag is
20 properly reflected in the track and trace system.

21 (7) A licensee shall not reuse any track and trace system tag that
22 has already been affixed to any cannabis.

23 **Sec. 164.** (1) No person shall add harmful additives to any
24 cannabis, including, but not limited to, those that are toxic, designed
25 to make the product addictive, designed to make the product appealing to
26 children, or misleading to consumers. This section does not prohibit the
27 addition of common baking or cooking ingredients.

28 (2) No person shall sell cannabis mixed with nicotine or alcohol.

29 **Sec. 165.** (1) For purposes of this section:

30 (a) Hemp-derived means a cannabinoid extracted from hemp, including
31 a cannabinoid with a chemical makeup that is changed after extraction to

1 create a different cannabinoid or other chemical compound by applying a
2 catalyst other than heat or light;

3 (b)(i) Intoxicating cannabinoid means a cannabinoid, including an
4 artificially derived cannabinoid, that when introduced into the human
5 body, impairs the central nervous system or impairs the human audio,
6 visual, or mental processes. Intoxicating cannabinoid includes, but is
7 not limited to, any form of THC, including but not limited to:

8 (A) Delta-10 THC and its isomers;

9 (B) Delta-9 THC and its isomers;

10 (C) Delta-8 THC and its isomers;

11 (D) Delta-7 THC and its isomers;

12 (E) Delta-6a10a THC and its isomers;

13 (F) Exo-tetrahydrocannabinol;

14 (G) Metabolites of THC, including 11-hydroxy-THC, 3-hydroxy-THC, or
15 7-hydroxy-THC;

16 (H) Hydrogenated forms of THC, including hexahydrocannabinol,
17 hexahydrocannabiphorol, and hexahydrocannabihexol;

18 (I) Synthetic forms of THC, including dronabinol;

19 (J) Ester forms of THC, including delta-8 THC-0-acetate, delta-9
20 THC-0-acetate, and hexahydrocannabinol-0-acetate;

21 (K) Varin forms of THC, including delta-8 tetrahydrocannabivarin but
22 excluding delta-9 tetrahydrocannabivarin;

23 (L) Analogues of tetrahydrocannabinols with an alkyl chain of four
24 or more carbon atoms, including tetrahydrocannabiphorols,
25 tetrahydrocannabiocyls, tetrahydrocannabihexols, or
26 tetrahydrocannabutols; and

27 (M) Any combination of the compounds, including
28 hexahydrocannabiphorol-0-ester.

29 (ii) Intoxicating cannabinoid does not include a nonintoxicating
30 cannabinoid;

31 (c) Nonintoxicating cannabinoid means a cannabinoid that, when

1 introduced into the human body, does not impair the central nervous
2 system and does not impair the human audio, visual, or mental processes.
3 Nonintoxicating cannabinoid includes, but is not limited to, cannabidiol
4 (CBD), cannabichromene (CBC), cannabielsoin (CBE), cannabigerol (CBG),
5 cannabidivarin (CBDV), and cannabinol (CBN);

6 (d)(i) Semi-synthetic cannabinoid means a substance that is created
7 by a chemical reaction that converts one cannabinoid extracted from a
8 cannabis plant directly into a different cannabinoid.

9 (ii) Semi-synthetic cannabinoid includes cannabinoids, such as
10 cannabinol, that are produced by the conversion of cannabidiol.

11 (iii) Semi-synthetic cannabinoid does not include cannabinoids
12 produced via decarboxylation of naturally occurring acidic forms of
13 cannabinoids, such as tetrahydrocannabinolic acid, into the corresponding
14 neutral cannabinoid, such as THC, through the use of heat or light,
15 without the use of chemical reagents or catalysts, and that results in no
16 other chemical change; and

17 (e)(i) Synthetic cannabinoid means cannabinoid-like compounds
18 produced through chemical synthesis or modification.

19 (ii) Synthetic cannabinoid does not include semi-synthetic
20 cannabinoids or cannabinoids produced by decarboxylation.

21 (2) No licensee shall cultivate, manufacture, sell, or otherwise
22 transact business with any products containing cannabinoids other than
23 those that were produced and distributed in compliance with the Nebraska
24 Medical Cannabis Regulation Act or the Nebraska Hemp Farming Act.

25 (3) A cannabis product:

26 (a) May include cannabinoids extracted or derived from cannabis
27 cultivated and processed in accordance with the Nebraska Medical Cannabis
28 Regulation Act, including semi-synthetic cannabinoids; and

29 (b) Shall only include semi-synthetic or synthetic cannabinoids as
30 provided in subsection (5) of this section.

31 (4) A cannabis product may include hemp-derived nonintoxicating

1 cannabinoids but shall not include hemp-derived intoxicating
2 cannabinoids.

3 (5)(a) A person shall not manufacture, produce, sell, or offer to
4 sell a semi-synthetic or synthetic cannabinoid or a product containing a
5 semi-synthetic or synthetic cannabinoid unless the commission has by rule
6 and regulation authorized such conduct.

7 (b) The commission, in coordination with the Department of Health
8 and Human Services, may adopt and promulgate rules providing standards
9 and requirements for the manufacture and production of semi-synthetic or
10 synthetic cannabinoids in Nebraska. The rules and regulations shall
11 include a requirement that cannabis products manufactured or produced in
12 Nebraska that contain a semi-synthetic or synthetic cannabinoid as an
13 ingredient are produced, labeled, and tested in accordance with rules
14 promulgated pursuant to this subsection.

15 (6) The commission, in coordination with the Department of Health
16 and Human Services, may adopt and promulgate rules and regulations to:

17 (a) Classify a cannabis-derived compound or cannabinoid that is not
18 classified in this section as an intoxicating cannabinoid, a
19 nonintoxicating cannabinoid, a semi-synthetic cannabinoid, or a synthetic
20 cannabinoid; or

21 (b) Reclassify a cannabis-derived compound or cannabinoid classified
22 in this section as an intoxicating cannabinoid, a nonintoxicating
23 cannabinoid, a semi-synthetic cannabinoid, or a synthetic cannabinoid if:

24 (i) Nebraska or federal law has established a process to review and
25 approve cannabis-derived compounds or cannabinoids, this process
26 evaluates the intoxicating potential of the cannabis-derived compound or
27 cannabinoid, and the reclassification is based on the findings of the
28 process and evaluation; and

29 (ii) The reclassification is either:

30 (A) Supported by peer-reviewed research or clinical trials
31 establishing to a reasonable degree of scientific certainty that the

1 cannabis-derived compound or cannabinoid or the product containing a
2 cannabis-derived compound or cannabinoid should be reclassified; or

3 (B) Based on a threat to human health, including substantial reports
4 of intoxication or adverse health event reports.

5 (7) The commission may adopt and promulgate rules and regulations to
6 carry out this section, including, but not limited to, rules and
7 regulations that:

8 (a) Authorize or prohibit chemical modification, conversion, or
9 synthetic derivation of cannabinoids or cannabis-derived compounds,
10 unless otherwise permitted by this act; and

11 (b) Authorize, prohibit, or regulate cannabis-derived ingredients in
12 cannabis products that are compounds other than cannabinoids.

13 **Sec. 166.** The commission shall adopt and promulgate rules and
14 regulations for the packaging of cannabis which shall include:

15 (1) Child-resistant packaging requirements to protect children from
16 ingesting or consuming cannabis;

17 (2) For edible cannabis products, requirements for dividing each
18 serving within a package containing multiple servings, as established in
19 the products manufacturer's standard operating procedures, in a manner
20 that allows qualified patients and registered caregivers to easily
21 identify a single serving; and

22 (3) Requirements to ensure that packaging and labels are not
23 attractive to children.

24 **Sec. 167.** (1) Except as provided in subsection (2) of this section,
25 prior to transfer or sale to a qualified patient or registered caregiver
26 by a dispensary, all cannabis shall be labeled and placed in an opaque,
27 resealable, and child-resistant package in accordance with the Nebraska
28 Medical Cannabis Regulation Act and the rules and regulations adopted and
29 promulgated thereunder.

30 (2) Non-ingestible cannabis products, such as topical creams or
31 patches, are exempt from the requirements concerning resealable and

1 child-resistant packaging of this section.

2 (3) For purposes of this section:

3 (a) Opaque means that the packaging does not allow the product to be
4 seen without opening the packaging material; and

5 (b) Resealable means that the package continues to function within
6 effectiveness specifications, which shall be established by the
7 commission, similar to the federal Poison Prevention Packaging Act of
8 1970, 15 U.S.C. 1471 et seq., as such act existed on January 1, 2025, for
9 the number of opening and closings customary for its size and contents,
10 which shall be determined by the commission.

11 **Sec. 168.** The label required by section 167 of this act shall
12 include the following information prominently displayed in a clear and
13 legible fashion and in a font size no smaller than six-point Arial or
14 nine-point Times New Roman:

15 (1) For cannabis, the license number of the cultivator who grew the
16 cannabis and the package date, and for cannabis products, the product
17 name, license number of the products manufacturer, and package date;

18 (2) Text warning of the unidentified health risks that reads: "This
19 product has intoxicating effects. There may be health risks associated
20 with consumption of this product.";

21 (3) If the cannabis is intended for consumption by smoking, text
22 stating "Smoking is hazardous to your health.";

23 (4) Text that reads: "For medical use by qualified patients only.";

24 (5) Text warning of the risks to vulnerable populations that reads:
25 "There may be additional health risks associated with the consumption of
26 this product for women who are pregnant, breastfeeding, or planning on
27 becoming pregnant.";

28 (6) Text that reads: "Not for resale or transfer.";

29 (7) Text that reads: "Use of cannabis may impair your ability to
30 drive a car or operate machinery.";

31 (8) For cannabis concentrate, a list of any solvents that were used

1 in the manufacture of such cannabis concentrate;

2 (9) A batch or lot number;

3 (10) A description of the intended use of the product;

4 (11) A list of the total THC and total cannabinoids of the product;

5 and

6 (12) Any other information or statement required by the commission.

7 **Sec. 169.** The principal display area of any packaging or label
8 required by section 167 of this act shall:

9 (1) Include a universal symbol, as defined in the American Society
10 for Testing and Materials' (ASTM) publication ASTM D8441/D8441M,
11 indicating the package contains cannabis; and

12 (2) Have text that reads: "Contains cannabis. Keep away from
13 children."

14 **Sec. 170.** The label required under section 167 of this act shall,
15 for edible cannabis products:

16 (1) Have text that reads: "Caution: This product is infused with
17 cannabis. The intoxicating effects of this product may be delayed by two
18 or more hours.";

19 (2) List all ingredients and disclose nutritional information in the
20 same manner as the federal nutritional labeling requirements in 21 C.F.R.
21 101.9, as such section existed on January 1, 2025; and

22 (3) Include a warning if nuts or other allergens are used.

23 **Sec. 171.** A licensee shall not market, advertise, sell, or cause to
24 be sold a cannabis product if the product's container, packaging, or
25 advertising:

26 (1) Depicts a cartoon-like fictional character that mimics a
27 character primarily aimed at entertaining minors;

28 (2) Imitates or mimics trademarks or trade dress of products that
29 are or have been primarily marketed to minors;

30 (3) Includes a symbol that is primarily used to market products to
31 minors; or

1 (4) Includes an image of a celebrity.

2 **Sec. 172.** The commission shall adopt and promulgate rules and
3 regulations governing labels for cannabis transferred between licensees.
4 The rules and regulations shall require, at a minimum, that such labels
5 include the license number of the transferring licensee and the net
6 contents. Such rules shall cover transfers between:

7 (1) Cultivators and product manufacturers; and

8 (2) Transfers between other licensees, other than transfers to
9 dispensaries.

10 **Sec. 173.** (1) Subject to the Nebraska Medical Cannabis Regulation
11 Act and the rules and regulations adopted and promulgated thereunder, a
12 cultivator may cultivate cannabis plants for sale and transfer to
13 dispensaries, to products manufacturers, and to other cultivators, but
14 not to qualified patients or registered caregivers.

15 (2) A cultivator shall track the cannabis it cultivates and
16 distributes from seed or planting to the point the cannabis is
17 transferred to a licensee.

18 (3) A cultivator may cultivate cannabis outdoors and indoors
19 pursuant to rules and regulations of the commission. The commission shall
20 not impose any restrictions on the number of plants cultivated within the
21 canopy area designated by the licensee if all plants remain within the
22 designated space limits and are tracked in the track-and-trace system.

23 (4) A cultivator may provide a sample of its cannabis to a testing
24 facility for testing and research and development purposes. A cultivator
25 shall maintain a record of what was provided to the testing facility, the
26 identity of the testing facility, and the results of the testing.

27 (5) Subject to the commission's rules and regulations, a cultivator
28 may obtain immature plants, cannabis seeds, and cannabis genetic
29 material, from:

30 (a) Another cultivator;

31 (b) A person licensed or otherwise approved to operate in another

1 jurisdiction; or

2 (c) Any other source permitted by rule of the commission.

3 (6) The commission shall adopt and promulgate rules and regulations
4 concerning the cultivation of cannabis, which shall include:

5 (a) Permitted and prohibited pesticides;

6 (b) Testing requirements for pesticide residues and other hazardous
7 substances;

8 (c) Destruction requirements and protocols for cannabis failing to
9 meet pesticide or hazardous substance requirements;

10 (d) Record-keeping requirements;

11 (e) Waste disposal requirements and procedures;

12 (f) A definition of cannabis genetic material and requirements; and

13 (g) Requirements for cultivators that are transferring immature
14 plants, cannabis seeds, and cannabis genetic material as provided in
15 subsection (5) of this section, including tracking, reporting, and
16 recordkeeping requirements.

17 **Sec. 174.** (1) Subject to the Nebraska Medical Cannabis Regulation
18 Act and the rules and regulations adopted and promulgated thereunder, a
19 products manufacturer may process cannabis, conduct extractions, and may
20 manufacture cannabis products intended for use by qualified patients.

21 (2) These products may include, but are not limited to:

22 (a) Edible cannabis products;

23 (b) Topical formulations, such as creams, balms, and lotions;

24 (c) Concentrates, such as oils, waxes, shatter, and distillates;

25 (d) Transdermal patches;

26 (e) Suppositories;

27 (f) Pre-rolled cannabis;

28 (g) Infused pre-rolled cannabis; and

29 (h) Pre-filled vaporizer cartridges.

30 (3) A person shall not manufacture intoxicating cannabinoids as
31 defined in section 165 of this act or use such cannabinoids as an

1 ingredient in a finished product unless such person is licensed as a
2 products manufacturer.

3 (4) A products manufacturer may purchase or obtain cannabis from a
4 cultivator, another products manufacturer, or a dispensary. A products
5 manufacturer shall track all of its cannabis from to the point it is
6 obtained to the point when it is transferred to another licensee.

7 (5) A products manufacturer may sell or transfer cannabis products
8 to dispensaries and to cultivators and other products manufacturers.

9 (6) A products manufacturer may provide a sample of its cannabis to
10 a testing facility for testing and research and development purposes. A
11 products manufacturer shall maintain a record of what was provided to the
12 testing facility, the identity of the testing facility, and the results
13 of the testing.

14 **Sec. 175.** A products manufacturer shall:

15 (1) Process and prepare cannabis into a form allowable under the
16 Nebraska Medical Cannabis Regulation Act prior to distribution to any
17 dispensary;

18 (2) Ensure that any facility in which cannabis products are
19 manufactured meets sanitary requirements of the commission's rules and
20 regulations;

21 (3) Ensure that cannabis products are sealed and conspicuously
22 labeled in compliance with the Nebraska Medical Cannabis Regulation Act
23 and the rules and regulations of the commission;

24 (4) Contract with an independent testing facility, subject to
25 approval by the commission, for purposes of testing products made by the
26 products manufacturer as to chemical composition, contamination, and
27 consistency; and

28 (5) Enter cannabis purchased and sold, distributed, transferred, or
29 disposed of into the track and trace system.

30 **Sec. 176.** (1) A products manufacturer may use any extraction method
31 or solvent that complies with state and federal safety standards and the

1 rules and regulations of the commission. Approved solvents may include,
2 but are not limited to, ethanol, carbon dioxide, hydrocarbons such as
3 butane and propane, and water-based methods.

4 (2) A products manufacturer shall:

5 (a) Conduct all extraction processes using equipment certified for
6 safety by a nationally recognized testing laboratory or an equivalent
7 accredited certification entity;

8 (b) Implement and maintain ventilation, fire suppression, and other
9 safety measures appropriate to the extraction method used; and

10 (c) If using volatile solvents, conduct operations in commission-
11 approved Class 1, Division 1 (C1D1) or equivalent explosion-proof rooms,
12 equipped with proper ventilation, gas detection, and fire suppression
13 systems. Prior to commencing operations, the licensee shall obtain
14 written sign-off from the local fire department, if applicable, and the
15 State Fire Marshal to confirm compliance with local and state building,
16 fire, and hazardous material handling codes.

17 (3) The commission shall adopt and promulgate rules and regulations
18 to carry out this section. Such rules and regulations shall:

19 (a) Allow for the use of proprietary or emerging extraction
20 technologies. Licensees shall submit documentation of safety and efficacy
21 for commission review and approval;

22 (b) Provide for processes and requirements for local fire
23 departments and the State Fire Marshal to carry out this section;

24 (c) Include requirements to ensure that equipment and processes meet
25 stringent safety and engineering standards; and

26 (d) Provide for flexibility for innovation and efficiency while
27 maintaining rigorous public health and worker safety standards.

28 **Sec. 177.** A products manufacturer that uses any hemp-derived
29 cannabinoid, as defined in section 165 of this act, as an ingredient in a
30 cannabis product shall ensure that the hemp-derived cannabinoid has
31 passed all testing required by the rules and regulations of the

1 commission at a testing facility.

2 **Sec. 178.** (1) For purposes of this section, branded food product
3 means a food product for which a person other than the product
4 manufacturer holds a trademark.

5 (2) A products manufacturer shall not:

6 (a) Add any cannabis to a branded food product, except that a
7 products manufacturer may use a branded food product as a component of a
8 recipe if the products manufacturer does not state or advertise that the
9 final cannabis product contains a branded food product;

10 (b) Intentionally or knowingly label or package a cannabis product
11 in a manner that would reasonably cause confusion as to whether the
12 cannabis product was a branded food product; or

13 (c) Label or package a cannabis product in a manner that violates
14 any state or federal trademark law or regulation.

15 **Sec. 179.** (1) A dispensary may sell cannabis to qualified patients
16 and registered caregivers and may sell or transfer cannabis to
17 cultivators, products manufacturers, and other dispensaries pursuant to
18 the requirements and restrictions of the Nebraska Medical Cannabis
19 Regulation Act and the Nebraska Medical Cannabis Patient Protection Act.

20 (2) A dispensary may purchase cannabis from a cultivator, a products
21 manufacturer, or another dispensary.

22 (3) A dispensary shall only sell cannabis acquired from a licensee.

23 (4) A dispensary shall enter cannabis purchased, sold, or
24 transferred from acquisition until transferred to another licensee, a
25 qualified patient, or a registered caregivers or otherwise disposed of.

26 **Sec. 180.** A dispensary shall do the following for every sale of
27 cannabis to a registered caregiver or qualified patient:

28 (1) Receive the transaction order at the dispensary directly from
29 the qualified patient or registered caregiver and not from a third party.
30 This may be done in person, by telephone, or via the Internet;

31 (2) Prior to sale, ensure that the qualified patient or registered

1 caregiver presents a valid, unexpired registry card. The dispensary shall
2 ensure the card's validity using a method prescribed by the commission. A
3 copy of an application shall not be sufficient proof for purposes of this
4 subdivision;

5 (3) Verify through the track and trace system that the qualified
6 patient or registered caregiver is currently authorized to purchase the
7 amount of cannabis requested; and

8 (4) Immediately record each sales transaction in the track and trace
9 system. The dispensary shall maintain the confidentiality of data
10 collected concerning qualified patients and registered caregivers
11 pursuant to the commission's rules and regulations.

12 **Sec. 181.** A dispensary shall not engage in sales transactions to
13 the same qualified patient or registered caregiver during the same
14 business day when the dispensary or its employee knows or reasonably
15 should have known that the sales transaction would result in the
16 qualified patient or registered caregiver possessing more than an
17 allowable amount of cannabis.

18 **Sec. 182.** The commission may adopt and promulgate rules and
19 regulations that limit the amount of cannabis inventory that a dispensary
20 may have on hand. Any such limitation shall be commercially reasonable
21 and consider factors including a dispensary's sales history, the number
22 of qualified patients served by such dispensary and in the area, and, in
23 the case of a vertical licensee, the number of other licenses held by
24 such licensee.

25 **Sec. 183.** A display case in a dispensary containing cannabis
26 concentrate shall include the potency of the cannabis concentrate next to
27 the name of the product.

28 **Sec. 184.** A dispensary that sells any cannabis product containing
29 any hemp-derived cannabinoid, as defined in section 165 of this act,
30 shall ensure that the hemp-derived cannabinoid has passed all testing
31 required by the rules and regulations of the commission at a testing

1 facility.

2 **Sec. 185.** A dispensary shall not give away cannabis as part of a
3 promotional event.

4 **Sec. 186.** A dispensary shall report any theft or attempted theft of
5 cannabis to law enforcement within twenty-four hours after discovery.

6 **Sec. 187.** The licensed premises of a dispensary shall be designed
7 in order to accomplish the following:

8 (1) The general public, qualified patients, and registered
9 caregivers may only enter the dispensary through one access point into an
10 area where licensee agents shall screen individuals for qualified patient
11 or registered caregiver status. No cannabis shall be accessible in this
12 area; and

13 (2) Only qualified patients, registered caregivers, and, if
14 requested by a qualified patient, up to two additional persons to support
15 the qualified patient, may enter any areas beyond the access point area.

16 **Sec. 188.** Subject to rules and regulations of the commission, a
17 dispensary may donate cannabis to a qualified patient who is indigent or
18 who is in hospice care.

19 **Sec. 189.** (1) For purposes of this section, private residence means
20 a private premises where an individual lives, such as a private dwelling
21 place or place of habitation, but does not include any premises located
22 at a school or on the campus of an institution of higher education or any
23 other public property.

24 (2) Subject to the Nebraska Medical Cannabis Regulation Act and the
25 rules and regulations adopted and promulgated thereunder, a dispensary
26 may deliver an order of cannabis to the private residence of a qualified
27 patient or registered caregiver as provided in this section.

28 (3) Delivery shall be made only:

29 (a) To the qualified patient or registered caregiver who placed the
30 order;

31 (b) To the address provided in the order; and

1 (c) To a private residence.

2 (4) When taking an order for delivery, the dispensary shall:

3 (a) Receive the order directly from the qualified patient or
4 registered caregiver, and not from a third party. This may be done by
5 telephone or via the Internet;

6 (b) Verify that the person placing the order is eighteen years of
7 age or older;

8 (c) Verify that the person placing the order possesses a valid,
9 unexpired registry card. The dispensary shall ensure the card's validity
10 using a method prescribed by the commission. A copy of an application
11 shall not be sufficient proof for purposes of this subdivision;

12 (d) Verify through the track and trace system that the person is
13 currently authorized to purchase the amount of cannabis requested; and

14 (e) Immediately record each sales transaction in the track and trace
15 system. The dispensary shall maintain the confidentiality of data
16 collected concerning qualified patients and registered caregivers
17 pursuant to the commission's rules and regulations.

18 (5) The dispensary may receive payment before the cannabis leaves
19 the dispensary, subject to refund if the delivery cannot be completed.

20 (6)(a) A dispensary may contract with a transporter to make
21 deliveries or may use its own employees. Any dispensary employees shall
22 have undergone commission-approved training, including, but not limited
23 to, training regarding proof-of-age identification and verification of
24 registry card status.

25 (b) A dispensary shall not make deliveries of cannabis products
26 under this section using a vehicle that is also transporting cannabis
27 between licensed premises.

28 (c) Prior to transferring possession of the order to the qualified
29 patient or registered caregiver, the person delivering the order shall
30 inspect the person's registry card and verify that the information
31 provided at the time of the order matches the information on the registry

1 card.

2 (7) A law enforcement agency may request commission reports,
3 including complaints, investigative actions, and final agency action
4 orders, related to criminal activity materially related to delivery of
5 cannabis in the law enforcement agency's jurisdiction, and the commission
6 shall promptly provide any such reports.

7 **Sec. 190.** (1) Subject to the Nebraska Medical Cannabis Regulation
8 Act and the rules and regulations adopted and promulgated thereunder, a
9 transporter may transport cannabis and cannabis accessories between
10 licensees, provide logistical services for licensees, and store cannabis.

11 (2)(a) A transporter may contract with multiple licensees.

12 (b) A licensee other than a transporter may transport, store, and
13 distribute its own cannabis without engaging the services of a
14 transporter.

15 (c) A transporter is responsible for cannabis and cannabis
16 accessories upon taking possession.

17 (3) A transporter may maintain one or more storage facilities as
18 licensed premises to temporarily store cannabis and cannabis accessories.
19 The commission shall adopt and promulgate rules and regulations providing
20 security requirements for such storage facilities.

21 (4) A transporter shall use the track and trace system to create
22 transport manifests documenting the transport of cannabis throughout the
23 state.

24 **Sec. 191.** (1) For purposes of this section, private residence has
25 the same meaning as in section 189 of this act.

26 (2) Subject to the Nebraska Medical Cannabis Regulation Act and the
27 rules and regulations adopted and promulgated thereunder, a transporter
28 may deliver an order of cannabis on behalf of a dispensary under section
29 189 of this act to the private residence of a qualified patient or
30 registered caregiver as provided in this section.

31 (3) Delivery shall be made only:

1 (a) To the qualified patient or registered caregiver who placed the
2 order;

3 (b) To the address provided in the order; and

4 (c) To a private residence.

5 (4)(a) Any transporter employee making a delivery under this section
6 shall have undergone commission-approved training, including, but not
7 limited to, training regarding proof-of-age identification and
8 verification of registry card status.

9 (b) A transporter shall not make deliveries of cannabis products
10 under this section using a vehicle that is also transporting cannabis
11 between licensed premises.

12 (c) Prior to transferring possession of the order to the qualified
13 patient or registered caregiver, the person delivering the order shall
14 inspect the person's registry card and verify that the information
15 provided at the time of the order matches the information on the registry
16 card.

17 (5) A law enforcement agency may request commission reports,
18 including complaints, investigative actions, and final agency action
19 orders, related to criminal activity materially related to delivery of
20 cannabis in the law enforcement agency's jurisdiction, and the commission
21 shall promptly provide any such reports.

22 **Sec. 192.** (1) Subject to the Nebraska Medical Cannabis Regulation
23 Act and the rules and regulations adopted and promulgated thereunder, a
24 testing facility may analyze, test, and certify cannabis and hemp-derived
25 cannabinoids.

26 (2) A testing facility shall only accept cannabis from licensees.

27 (3) When a testing facility has completed testing a sample of
28 cannabis, the sample shall be disposed of in accordance with the rules
29 and regulations of the commission.

30 (4) A testing facility shall track all cannabis from its receipt
31 until its disposal using the track and trace system.

1 **Sec. 193.** (1) Except as provided in subsection (2) of this section,
2 a license shall not be issued or renewed for a testing facility unless
3 the facility is accredited by a body that is recognized by the
4 International Laboratory Accreditation Cooperation in an appropriate
5 category of testing pursuant to the International Organization for
6 Standardization.

7 (2) The commission may by rule and regulation establish conditions
8 for providing extensions to a newly licensed testing facility to obtain
9 accreditation required by this section for a period not to exceed twelve
10 months. Extensions may be granted for good cause, which includes, but
11 shall not be limited to, when an application for accreditation has been
12 submitted and is pending with a recognized accrediting body.

13 **Sec. 194.** The commission shall adopt and promulgate rules and
14 regulations for testing facilities relating to testing, standards,
15 quality control analysis, equipment certification and calibration,
16 chemical identification, and substances that may be used in bona fide
17 research methods. The commission may adopt standards based on those of
18 the International Organization for Standardization. The testing
19 requirements shall include:

20 (1) Determining accurately, with respect to cannabis:

21 (a) The concentration of delta-9 THC, exo-THC, delta-10 THC,
22 cannabidiol, and other cannabinoids;

23 (b) The presence and identification of mold and fungus;

24 (c) The composition; and

25 (d) The presence of chemicals, including, but not limited to,
26 pesticides, herbicides, or growth regulators; and

27 (2) Demonstrating the validity and accuracy of the methods used to
28 test cannabis.

29 **Sec. 195.** (1) A person who has an interest in a testing facility
30 shall not have any interest in any dispensary, cultivator, or products
31 manufacturer.

1 (2) A person that has an interest in a dispensary, cultivator, or
2 products manufacturer shall not have any interest in a testing facility.

3 **Sec. 196.** The state or any local government shall not employ or use
4 the results of any test of cannabis conducted by a laboratory unless such
5 laboratory is a testing facility or otherwise accredited for the
6 particular field of testing in accordance with the rules and regulations
7 of the commission.

8 **Sec. 197.** If the owner of the licensed premises or any person from
9 whom the licensee derives the right to possession of such premises, or
10 the agent of such owner or person, knowingly permits the licensee to use
11 such licensed premises in violation of the terms of the Nebraska Medical
12 Cannabis Regulation Act, such owner, agent, or other person shall be
13 deemed guilty of a violation of the act to the same extent as such
14 licensee and be subject to the same punishment.

15 **Sec. 198.** Every act or omission of whatsoever nature constituting a
16 violation of any of the provisions of the Nebraska Medical Cannabis
17 Regulation Act by any officer, director, manager, or other agent or
18 employee of any licensee, if such act is committed or omission is made
19 with the authorization, knowledge, or approval of the licensee, shall be
20 deemed and held to be the act of such employer or licensee, and such
21 employer or licensee shall be punishable in the same manner as if such
22 act or omission had been done or omitted by him or her personally.

23 **Sec. 199.** Section 28-416, Revised Statutes Cumulative Supplement,
24 2024, is amended to read:

25 28-416 (1) Except as authorized by the Uniform Controlled Substances
26 Act, the Nebraska Medical Cannabis Patient Protection Act, or the
27 Nebraska Medical Cannabis Regulation Act, it shall be unlawful for any
28 person knowingly or intentionally: (a) To manufacture, distribute,
29 deliver, dispense, or possess with intent to manufacture, distribute,
30 deliver, or dispense a controlled substance; or (b) to create,
31 distribute, or possess with intent to distribute a counterfeit controlled

1 substance.

2 (2) Except as provided in subsections (4), (5), (7), (8), (9), and
3 (10) of this section, any person who violates subsection (1) of this
4 section with respect to: (a) A controlled substance classified in
5 Schedule I, II, or III of section 28-405 which is an exceptionally
6 hazardous drug shall be guilty of a Class II felony; (b) any other
7 controlled substance classified in Schedule I, II, or III of section
8 28-405 shall be guilty of a Class IIA felony; or (c) a controlled
9 substance classified in Schedule IV or V of section 28-405 shall be
10 guilty of a Class IIIA felony.

11 (3) A person knowingly or intentionally possessing a controlled
12 substance, except marijuana or any substance containing a quantifiable
13 amount of the substances, chemicals, or compounds described, defined, or
14 delineated in subdivision (c)(27) of Schedule I of section 28-405, unless
15 such substance was obtained directly or pursuant to a medical order
16 issued by a practitioner authorized to prescribe while acting in the
17 course of his or her professional practice, or except as otherwise
18 authorized by the act, shall be guilty of a Class IV felony. A person
19 shall not be in violation of this subsection if section 28-472 or 28-1701
20 applies.

21 (4)(a) Except as authorized by the Uniform Controlled Substances
22 Act, any person eighteen years of age or older who knowingly or
23 intentionally manufactures, distributes, delivers, dispenses, or
24 possesses with intent to manufacture, distribute, deliver, or dispense a
25 controlled substance or a counterfeit controlled substance (i) to a
26 person under the age of eighteen years, (ii) in, on, or within one
27 thousand feet of the real property comprising a public or private
28 elementary, vocational, or secondary school, a community college, a
29 public or private college, junior college, or university, or a
30 playground, or (iii) within one hundred feet of a public or private youth
31 center, public swimming pool, or video arcade facility shall be punished

1 by the next higher penalty classification than the penalty prescribed in
2 subsection (2), (7), (8), (9), or (10) of this section, depending upon
3 the controlled substance involved, for the first violation and for a
4 second or subsequent violation shall be punished by the next higher
5 penalty classification than that prescribed for a first violation of this
6 subsection, but in no event shall such person be punished by a penalty
7 greater than a Class IB felony.

8 (b) For purposes of this subsection:

9 (i) Playground means any outdoor facility, including any parking lot
10 appurtenant to the facility, intended for recreation, open to the public,
11 and with any portion containing three or more apparatus intended for the
12 recreation of children, including sliding boards, swingsets, and
13 teeterboards;

14 (ii) Video arcade facility means any facility legally accessible to
15 persons under eighteen years of age, intended primarily for the use of
16 pinball and video machines for amusement, and containing a minimum of ten
17 pinball or video machines; and

18 (iii) Youth center means any recreational facility or gymnasium,
19 including any parking lot appurtenant to the facility or gymnasium,
20 intended primarily for use by persons under eighteen years of age which
21 regularly provides athletic, civic, or cultural activities.

22 (5)(a) Except as authorized by the Uniform Controlled Substances
23 Act, it shall be unlawful for any person eighteen years of age or older
24 to knowingly and intentionally employ, hire, use, cause, persuade, coax,
25 induce, entice, seduce, or coerce any person under the age of eighteen
26 years to manufacture, transport, distribute, carry, deliver, dispense,
27 prepare for delivery, offer for delivery, or possess with intent to do
28 the same a controlled substance or a counterfeit controlled substance.

29 (b) Except as authorized by the Uniform Controlled Substances Act,
30 it shall be unlawful for any person eighteen years of age or older to
31 knowingly and intentionally employ, hire, use, cause, persuade, coax,

1 induce, entice, seduce, or coerce any person under the age of eighteen
2 years to aid and abet any person in the manufacture, transportation,
3 distribution, carrying, delivery, dispensing, preparation for delivery,
4 offering for delivery, or possession with intent to do the same of a
5 controlled substance or a counterfeit controlled substance.

6 (c) Any person who violates subdivision (a) or (b) of this
7 subsection shall be punished by the next higher penalty classification
8 than the penalty prescribed in subsection (2), (7), (8), (9), or (10) of
9 this section, depending upon the controlled substance involved, for the
10 first violation and for a second or subsequent violation shall be
11 punished by the next higher penalty classification than that prescribed
12 for a first violation of this subsection, but in no event shall such
13 person be punished by a penalty greater than a Class IB felony.

14 (6) It shall not be a defense to prosecution for violation of
15 subsection (4) or (5) of this section that the defendant did not know the
16 age of the person through whom the defendant violated such subsection.

17 (7) Any person who violates subsection (1) of this section with
18 respect to cocaine or any mixture or substance containing a detectable
19 amount of cocaine in a quantity of:

20 (a) One hundred forty grams or more shall be guilty of a Class IB
21 felony;

22 (b) At least twenty-eight grams but less than one hundred forty
23 grams shall be guilty of a Class IC felony; or

24 (c) At least ten grams but less than twenty-eight grams shall be
25 guilty of a Class ID felony.

26 (8) Any person who violates subsection (1) of this section with
27 respect to base cocaine (crack) or any mixture or substance containing a
28 detectable amount of base cocaine in a quantity of:

29 (a) One hundred forty grams or more shall be guilty of a Class IB
30 felony;

31 (b) At least twenty-eight grams but less than one hundred forty

1 grams shall be guilty of a Class IC felony; or

2 (c) At least ten grams but less than twenty-eight grams shall be
3 guilty of a Class ID felony.

4 (9) Any person who violates subsection (1) of this section with
5 respect to heroin or any mixture or substance containing a detectable
6 amount of heroin in a quantity of:

7 (a) One hundred forty grams or more shall be guilty of a Class IB
8 felony;

9 (b) At least twenty-eight grams but less than one hundred forty
10 grams shall be guilty of a Class IC felony; or

11 (c) At least ten grams but less than twenty-eight grams shall be
12 guilty of a Class ID felony.

13 (10) Any person who violates subsection (1) of this section with
14 respect to amphetamine, its salts, optical isomers, and salts of its
15 isomers, or with respect to methamphetamine, its salts, optical isomers,
16 and salts of its isomers, in a quantity of:

17 (a) One hundred forty grams or more shall be guilty of a Class IB
18 felony;

19 (b) At least twenty-eight grams but less than one hundred forty
20 grams shall be guilty of a Class IC felony; or

21 (c) At least ten grams but less than twenty-eight grams shall be
22 guilty of a Class ID felony.

23 (11) Except as provided in the Nebraska Medical Cannabis Patient
24 Protection Act or the Nebraska Medical Cannabis Regulation Act, any Any
25 person knowingly or intentionally possessing marijuana weighing more than
26 one ounce but not more than one pound shall be guilty of a Class III
27 misdemeanor.

28 (12) Except as provided in the Nebraska Medical Cannabis Patient
29 Protection Act or the Nebraska Medical Cannabis Regulation Act, any Any
30 person knowingly or intentionally possessing marijuana weighing more than
31 one pound shall be guilty of a Class IV felony.

1 (13) Except as provided in the Nebraska Medical Cannabis Patient
2 Protection Act or the Nebraska Medical Cannabis Regulation Act or section
3 28-1701, any person knowingly or intentionally possessing marijuana
4 weighing one ounce or less or any substance containing a quantifiable
5 amount of the substances, chemicals, or compounds described, defined, or
6 delineated in subdivision (c)(27) of Schedule I of section 28-405 shall:

7 (a) For the first offense, be guilty of an infraction, receive a
8 citation, be fined three hundred dollars, and be assigned to attend a
9 course as prescribed in section 29-433 if the judge determines that
10 attending such course is in the best interest of the individual
11 defendant;

12 (b) For the second offense, be guilty of a Class IV misdemeanor,
13 receive a citation, and be fined four hundred dollars and may be
14 imprisoned not to exceed five days; and

15 (c) For the third and all subsequent offenses, be guilty of a Class
16 IIIA misdemeanor, receive a citation, be fined five hundred dollars, and
17 be imprisoned not to exceed seven days.

18 (14) Any person convicted of violating this section, if placed on
19 probation, shall, as a condition of probation, satisfactorily attend and
20 complete appropriate treatment and counseling on drug abuse provided by a
21 program authorized under the Nebraska Behavioral Health Services Act or
22 other licensed drug treatment facility.

23 (15) Any person convicted of violating this section, if sentenced to
24 the Department of Correctional Services, shall attend appropriate
25 treatment and counseling on drug abuse.

26 (16) Any person knowingly or intentionally possessing a firearm
27 while in violation of subsection (1) of this section shall be punished by
28 the next higher penalty classification than the penalty prescribed in
29 subsection (2), (7), (8), (9), or (10) of this section, but in no event
30 shall such person be punished by a penalty greater than a Class IB
31 felony.

1 (17) A person knowingly or intentionally in possession of money used
2 or intended to be used to facilitate a violation of subsection (1) of
3 this section shall be guilty of a Class IV felony.

4 (18) In addition to the existing penalties available for a violation
5 of subsection (1) of this section, including any criminal attempt or
6 conspiracy to violate subsection (1) of this section, a sentencing court
7 may order that any money, securities, negotiable instruments, firearms,
8 conveyances, or electronic communication devices as defined in section
9 28-833 or any equipment, components, peripherals, software, hardware, or
10 accessories related to electronic communication devices be forfeited as a
11 part of the sentence imposed if it finds by clear and convincing evidence
12 adduced at a separate hearing in the same prosecution, following
13 conviction for a violation of subsection (1) of this section, and
14 conducted pursuant to section 28-1601, that any or all such property was
15 derived from, used, or intended to be used to facilitate a violation of
16 subsection (1) of this section.

17 (19) In addition to the penalties provided in this section:

18 (a) If the person convicted or adjudicated of violating this section
19 is eighteen years of age or younger and has one or more licenses or
20 permits issued under the Motor Vehicle Operator's License Act:

21 (i) For the first offense, the court may, as a part of the judgment
22 of conviction or adjudication, (A) impound any such licenses or permits
23 for thirty days and (B) require such person to attend a drug education
24 class;

25 (ii) For a second offense, the court may, as a part of the judgment
26 of conviction or adjudication, (A) impound any such licenses or permits
27 for ninety days and (B) require such person to complete no fewer than
28 twenty and no more than forty hours of community service and to attend a
29 drug education class; and

30 (iii) For a third or subsequent offense, the court may, as a part of
31 the judgment of conviction or adjudication, (A) impound any such licenses

1 or permits for twelve months and (B) require such person to complete no
2 fewer than sixty hours of community service, to attend a drug education
3 class, and to submit to a drug assessment by a licensed alcohol and drug
4 counselor; and

5 (b) If the person convicted or adjudicated of violating this section
6 is eighteen years of age or younger and does not have a permit or license
7 issued under the Motor Vehicle Operator's License Act:

8 (i) For the first offense, the court may, as part of the judgment of
9 conviction or adjudication, (A) prohibit such person from obtaining any
10 permit or any license pursuant to the act for which such person would
11 otherwise be eligible until thirty days after the date of such order and
12 (B) require such person to attend a drug education class;

13 (ii) For a second offense, the court may, as part of the judgment of
14 conviction or adjudication, (A) prohibit such person from obtaining any
15 permit or any license pursuant to the act for which such person would
16 otherwise be eligible until ninety days after the date of such order and
17 (B) require such person to complete no fewer than twenty hours and no
18 more than forty hours of community service and to attend a drug education
19 class; and

20 (iii) For a third or subsequent offense, the court may, as part of
21 the judgment of conviction or adjudication, (A) prohibit such person from
22 obtaining any permit or any license pursuant to the act for which such
23 person would otherwise be eligible until twelve months after the date of
24 such order and (B) require such person to complete no fewer than sixty
25 hours of community service, to attend a drug education class, and to
26 submit to a drug assessment by a licensed alcohol and drug counselor.

27 A copy of an abstract of the court's conviction or adjudication
28 shall be transmitted to the Director of Motor Vehicles pursuant to
29 sections 60-497.01 to 60-497.04 if a license or permit is impounded or a
30 juvenile is prohibited from obtaining a license or permit under this
31 subsection.

1 **Sec. 200.** Section 28-439, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 28-439 (1) As used in sections 28-101, 28-431, and 28-439 to 28-444,
4 unless the context otherwise requires, drug paraphernalia shall mean all
5 equipment, products, and materials of any kind which are used, intended
6 for use, or designed for use, in manufacturing, injecting, ingesting,
7 inhaling, or otherwise introducing into the human body a controlled
8 substance in violation of sections 28-101, 28-431, and 28-439 to 28-444
9 or the Uniform Controlled Substances Act. It shall include, but not be
10 limited to, the following:

11 (a) ~~(1)~~ Diluents and adulterants, such as quinine hydrochloride,
12 mannitol, mannite, dextrose, and lactose, used, intended for use, or
13 designed for use in cutting controlled substances;

14 (b) ~~(2)~~ Separation gins and sifters used, intended for use, or
15 designed for use in removing twigs and seeds from, or in otherwise
16 cleaning or refining, marijuana;

17 (c) ~~(3)~~ Hypodermic syringes, needles, and other objects used,
18 intended for use, and designed for use in parenterally injecting
19 controlled substances into the human body; and

20 (d) ~~(4)~~ Objects used, intended for use, or designed for use in
21 ingesting, inhaling, or otherwise introducing marijuana, cocaine,
22 hashish, or hashish oil into the human body, which shall include but not
23 be limited to the following:

24 (i) ~~(a)~~ Metal, wooden, acrylic, glass, stone, plastic, or ceramic
25 pipes with or without screens, permanent screens, hashish heads, or
26 punctured metal bowls;

27 (ii) ~~(b)~~ Water pipes;

28 (iii) ~~(c)~~ Carburetion tubes and devices;

29 (iv) ~~(d)~~ Smoking and carburetion masks;

30 (v) ~~(e)~~ Roach clips, meaning objects used to hold burning material,
31 such as a marijuana cigarette, which has become too small or too short to

- 1 be held in the hand;
- 2 (vi) ~~(f)~~ Miniature cocaine spoons, and cocaine vials;
- 3 (vii) ~~(g)~~ Chamber pipes;
- 4 (viii) ~~(h)~~ Carburetor pipes;
- 5 (ix) ~~(i)~~ Electric pipes;
- 6 (x) ~~(j)~~ Air-driven pipes;
- 7 (xi) ~~(k)~~ Chillums;
- 8 (xii) ~~(l)~~ Bongs; and
- 9 (xiii) ~~(m)~~ Ice pipes or chillers.

10 (2) This section does not apply to conduct involving cannabis
11 accessories as defined in section 8 of this act when such conduct is
12 lawful under the Nebraska Medical Cannabis Patient Protection Act or the
13 Nebraska Medical Cannabis Regulation Act.

14 **Sec. 201.** Section 53-105, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 53-105 There is hereby created the Nebraska Liquor Control
17 Commission, consisting of three members to be appointed by the Governor,
18 subject to confirmation by a majority of the members elected to the
19 Legislature, no more than two of whom shall be members of the same
20 political party, and no two shall be citizens of the same congressional
21 district. The members of the Nebraska Liquor Control Commission shall
22 also serve as members of the Nebraska Medical Cannabis Commission as
23 provided in section 82 of this act.

24 **Sec. 202.** Section 53-106, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 53-106 The Governor shall appoint three members of the commission,
27 one of whom the Governor ~~he~~ shall designate as chairperson ~~chairman~~. One
28 member shall be appointed every two years and shall hold office for a
29 period of six years. Any appointee may be removed by the Governor, after
30 an opportunity to be heard, for malfeasance, misfeasance, or neglect in
31 office. No person shall be appointed to the commission, or continue to

1 hold that office after appointment, while holding any other office or
2 position under the laws of this state, any other state, or of the United
3 States, except that the commissioners shall also serve as members of the
4 Nebraska Medical Cannabis Commission as provided in section 82 of this
5 act.

6 **Sec. 203.** Section 53-110, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 53-110 (1) For purposes of this section:

9 (a) Cannabis has the same meaning as in section 7 of this act;

10 (b) Commission means the Nebraska Liquor Control Commission and the
11 Nebraska Medical Cannabis Commission;

12 (c) Conviction includes a plea or verdict of guilty or a conviction
13 following a plea of nolo contendere, payment of a fine or penalty in
14 settlement of any prosecution, or forfeiture of a bond to appear in court
15 to answer charges; and

16 (d) Covered offense means:

17 (i) A felony; or

18 (ii) A violation of any federal or state law concerning the
19 manufacture or sale of alcoholic liquor or cannabis.

20 (2) ~~(1)~~ No person shall be appointed as a commissioner, the
21 executive director of the commission, or an employee of the commission
22 who is not a citizen of the United States and who has not resided within
23 the State of Nebraska successively for two years next preceding the date
24 of his or her appointment.

25 (3) ~~(2)~~ No person ~~(a)~~ convicted of a covered offense ~~or who has~~
26 ~~pleaded guilty to a felony or any violation of any federal or state law~~
27 ~~concerning the manufacture or sale of alcoholic liquor prior or~~
28 ~~subsequent to the passage of the Nebraska Liquor Control Act, (b) who has~~
29 ~~paid a fine or penalty in settlement of any prosecution against him or~~
30 ~~her for any violation of such laws, or (c) who has forfeited his or her~~
31 ~~bond to appear in court to answer charges for any such violation shall be~~

1 appointed commissioner.

2 ~~(4)(a) (3)(a)~~ Except as otherwise provided in subdivision (b) of
3 this subsection, ~~a~~ ~~no~~ commissioner or employee of the commission shall
4 not ~~may~~, directly or indirectly, individually, as a member of a
5 partnership, as a member of a limited liability company, or as a
6 shareholder of a corporation; ~~have~~

7 (i) Have any interest whatsoever in the manufacture, sale, or
8 distribution of alcoholic liquor or cannabis; ~~have~~

9 (ii) Receive ~~receive~~ any compensation or profit from such
10 manufacture, sale, or distribution; ~~have~~

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

14 (iv) Have any interest whatsoever in the purchases or sales made by
15 the persons authorized by the Nebraska Medical Cannabis Regulation Act or
16 the Nebraska Medical Cannabis Patient Protection Act to purchase or to
17 sell cannabis.

18 (b) With the written approval of the executive director, an employee
19 of the commission, other than the executive director or a division
20 manager, may accept part-time or seasonal employment with a person
21 licensed or regulated by the commission under the Nebraska Liquor Control
22 Act. No such employment shall be approved if the licensee receives more
23 than fifty percent of the licensee's gross revenue from the sale or
24 dispensing of alcoholic liquor.

25 ~~(5) (4)~~ This section shall not prevent any commissioner, the
26 executive director, or any employee from purchasing and keeping in his or
27 her possession for the use of himself, herself, or members of his or her
28 family or guests any:

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

31 (b) Cannabis which may be purchased or kept by any qualified patient

1 or registered caregiver pursuant to the Nebraska Medical Cannabis
2 Regulation Act or the Nebraska Medical Cannabis Patient Protection Act.

3 **Sec. 204.** Section 71-5727, Revised Statutes Cumulative Supplement,
4 2024, is amended to read:

5 71-5727 (1) Smoke or smoking means inhaling, exhaling, burning, or
6 carrying any lighted or heated:

7 (a) Cigar ~~cigar~~, cigarette, pipe, hookah, or any other lighted or
8 heated tobacco or plant product intended for inhalation, whether natural
9 or synthetic, in any manner or in any form; or -

10 (b) Cannabis as defined in section 7 of this act.

11 (2) The term includes the use of an electronic smoking device or
12 similar device for cannabis which creates an aerosol or vapor, in any
13 manner or in any form.

14 **Sec. 205.** Section 77-2701.02, Revised Statutes Cumulative
15 Supplement, 2024, is amended to read:

16 77-2701.02 Pursuant to section 77-2715.01:

17 (1) Until July 1, 1998, the rate of the sales tax levied pursuant to
18 section 77-2703 shall be five percent;

19 (2) Commencing July 1, 1998, and until July 1, 1999, the rate of the
20 sales tax levied pursuant to section 77-2703 shall be four and one-half
21 percent;

22 (3) Commencing July 1, 1999, and until the start of the first
23 calendar quarter after July 20, 2002, the rate of the sales tax levied
24 pursuant to section 77-2703 shall be five percent;

25 (4) Commencing on the start of the first calendar quarter after July
26 20, 2002, and until July 1, 2023, the rate of the sales tax levied
27 pursuant to section 77-2703 shall be five and one-half percent;

28 (5) Commencing July 1, 2023, and until July 1, 2024, the rate of the
29 sales tax levied pursuant to section 77-2703 shall be five and one-half
30 percent, except that such rate shall be two and three-quarters percent on
31 transactions occurring within a good life district as defined in section

1 77-4403; and

2 (6) Commencing July 1, 2024, the rate of the sales tax levied
3 pursuant to section 77-2703 shall be five and one-half percent, except
4 that such rate shall be:

5 (a) Two ~~two~~ and three-quarters percent on transactions that occur
6 within that portion of a good life district established pursuant to the
7 Good Life Transformational Projects Act which is located within the
8 corporate limits of a city or village; and -

9 (b) Four percent for sales of cannabis by dispensaries to qualified
10 patients and registered caregivers under the Nebraska Medical Cannabis
11 Regulation Act.

12 **Sec. 206.** Section 77-2701.48, Reissue Revised Statutes of Nebraska,
13 is amended to read:

14 77-2701.48 (1) Bundled transaction means the retail sale of two or
15 more products, except real property and services to real property, when
16 (a) the products are otherwise distinct and identifiable and (b) the
17 products are sold for one non-itemized price. Bundled transaction does
18 not include the sale of any products in which the sales price varies, or
19 is negotiable, based on the selection by the purchaser of the products
20 included in the transaction.

21 (2) Distinct and identifiable products do not include:

22 (a) Packaging, such as containers, boxes, sacks, bags, and bottles
23 or other materials such as wrapping, labels, tags, and instruction guides
24 that accompany the retail sale of the products and are incidental or
25 immaterial to the retail sale thereof. Examples of packaging that are
26 incidental or immaterial include grocery sacks, shoeboxes, dry cleaning
27 garment bags, and express delivery envelopes and boxes;

28 (b) A product provided free of charge with the required purchase of
29 another product. A product is provided free of charge if the sales price
30 of the product purchased does not vary depending on the inclusion of the
31 product provided free of charge; and

1 (c) Items included in the definition of sales price pursuant to
2 section 77-2701.35.

3 (3) One non-itemized price does not include a price that is
4 separately identified by product on binding sales or other supporting
5 sales-related documentation made available to the customer in paper or
6 electronic form, including, but not limited to, an invoice, bill of sale,
7 receipt, contract, service agreement, lease agreement, periodic notice of
8 rates and services, rate card, or price list.

9 (4) A transaction that otherwise meets the definition of a bundled
10 transaction is not a bundled transaction if it is (a) the retail sale of
11 tangible personal property and a service where the tangible personal
12 property is essential to the use of the service, and is provided
13 exclusively in connection with the service, and the true object of the
14 transaction is the service, (b) the retail sale of services when one
15 service is provided that is essential to the use or receipt of a second
16 service and the first service is provided exclusively in connection with
17 the second service and the true object of the transaction is the second
18 service, or (c) a transaction that includes taxable products and
19 nontaxable products and the purchase price or sales price of the taxable
20 products is de minimus. De minimus means the seller's purchase price or
21 sales price of the taxable products is ten percent or less of the total
22 purchase price or sales price of the bundled products. Sellers shall use
23 either the purchase price or the sales price of the products to determine
24 if the taxable products are de minimus. Sellers may not use a combination
25 of the purchase price and sales price of the products to determine if the
26 taxable products are de minimus. Sellers shall use the full term of a
27 service contract to determine if the taxable products are de minimus.

28 (5) Bundled transaction does not include the retail sale of exempt
29 tangible personal property and taxable tangible personal property if (a)
30 the transaction includes food and food ingredients, drugs, durable
31 medical equipment, mobility enhancing equipment, over-the-counter drugs,

1 prosthetic devices, or medical supplies as such terms are defined in
2 section 77-2704.09 and (b) the seller's purchase price or sales price of
3 the taxable tangible personal property is fifty percent or less of the
4 total purchase price or sales price of the bundled tangible personal
5 property. Sellers may not use a combination of the purchase price and
6 sales price of the tangible personal property when making the fifty-
7 percent determination for a transaction.

8 **Sec. 207.** Section 77-2704.09, Reissue Revised Statutes of Nebraska,
9 is amended to read:

10 77-2704.09 (1) Sales and use taxes shall not be imposed on the gross
11 receipts from the sale, lease, or rental of and the storage, use, or
12 other consumption in this state of (a) insulin, (b) mobility enhancing
13 equipment and drugs, not including over-the-counter drugs, when sold for
14 a patient's use under a prescription, and (c) the following when sold for
15 a patient's use under a prescription and which are of the type eligible
16 for coverage under the medical assistance program established pursuant to
17 the Medical Assistance Act: Durable medical equipment; home medical
18 supplies; prosthetic devices; oxygen; and oxygen equipment.

19 (2) For purposes of this section:

20 (a)(i) ~~(a)~~ Drug means a compound, substance, preparation, and
21 component of a compound, substance, or preparation, other than food and
22 food ingredients, dietary supplements, or alcoholic beverages:

23 (A) ~~(i)~~ Recognized in the official United States Pharmacopoeia,
24 official Homeopathic Pharmacopoeia of the United States, or official
25 National Formulary, and any supplement to any of them;

26 (B) ~~(ii)~~ Intended for use in the diagnosis, cure, mitigation,
27 treatment, or prevention of disease; or

28 (C) ~~(iii)~~ Intended to affect the structure or any function of the
29 body; and

30 (ii) Drug does not include cannabis obtained pursuant to the
31 Nebraska Medical Cannabis Regulation Act;

1 (b) Durable medical equipment means equipment which can withstand
2 repeated use, is primarily and customarily used to serve a medical
3 purpose, generally is not useful to a person in the absence of illness or
4 injury, is appropriate for use in the home, and is not worn in or on the
5 body. Durable medical equipment includes repair and replacement parts for
6 such equipment;

7 (c) Home medical supplies means supplies primarily and customarily
8 used to serve a medical purpose which are appropriate for use in the home
9 and are generally not useful to a person in the absence of illness or
10 injury;

11 (d) Mobility enhancing equipment means equipment which is primarily
12 and customarily used to provide or increase the ability to move from one
13 place to another, which is not generally used by persons with normal
14 mobility, and which is appropriate for use either in a home or a motor
15 vehicle. Mobility enhancing equipment includes repair and replacement
16 parts for such equipment. Mobility enhancing equipment does not include
17 any motor vehicle or equipment on a motor vehicle normally provided by a
18 motor vehicle manufacturer;

19 (e) Over-the-counter drug means a drug that contains a label that
20 identifies the product as a drug as required by 21 C.F.R. 201.66, as such
21 regulation existed on January 1, 2003. The over-the-counter drug label
22 includes a drug facts panel or a statement of the active ingredients with
23 a list of those ingredients contained in the compound, substance, or
24 preparation;

25 (f) Oxygen equipment means oxygen cylinders, cylinder transport
26 devices including sheaths and carts, cylinder studs and support devices,
27 regulators, flowmeters, tank wrenches, oxygen concentrators, liquid
28 oxygen base dispensers, liquid oxygen portable dispensers, oxygen tubing,
29 nasal cannulas, face masks, oxygen humidifiers, and oxygen fittings and
30 accessories;

31 (g) Prescription means an order, formula, or recipe issued in any

1 form of oral, written, electronic, or other means of transmission by a
2 duly licensed practitioner authorized under the Uniform Credentialing
3 Act; and

4 (h) Prosthetic devices means a replacement, corrective, or
5 supportive device worn on or in the body to artificially replace a
6 missing portion of the body, prevent or correct physical deformity or
7 malfunction, or support a weak or deformed portion of the body, and
8 includes any supplies used with such device and repair and replacement
9 parts.

10 **Sec. 208.** Section 77-27,132, Revised Statutes Cumulative Supplement,
11 2024, is amended to read:

12 77-27,132 (1) There is hereby created a fund to be designated the
13 Revenue Distribution Fund which shall be set apart and maintained by the
14 Tax Commissioner. Revenue not required to be credited to the General Fund
15 or any other specified fund may be credited to the Revenue Distribution
16 Fund. Credits and refunds of such revenue shall be paid from the Revenue
17 Distribution Fund. The balance of the amount credited, after credits and
18 refunds, shall be allocated as provided by the statutes creating such
19 revenue.

20 (2) The Tax Commissioner shall pay to a depository bank designated
21 by the State Treasurer all amounts collected under the Nebraska Revenue
22 Act of 1967. The Tax Commissioner shall present to the State Treasurer
23 bank receipts showing amounts so deposited in the bank, and of the
24 amounts so deposited the State Treasurer shall:

25 (a)(i) For transactions occurring on or after October 1, 2014, and
26 before July 1, 2024, credit to the Game and Parks Commission Capital
27 Maintenance Fund all of the proceeds of the sales and use taxes imposed
28 pursuant to section 77-2703 on the sale or lease of motorboats as defined
29 in section 37-1204, personal watercraft as defined in section 37-1204.01,
30 all-terrain vehicles as defined in section 60-103, and utility-type
31 vehicles as defined in section 60-135.01; and

1 (ii) For transactions occurring on or after July 1, 2024, credit to
2 the Game and Parks Commission Capital Maintenance Fund all of the
3 proceeds of the sales and use taxes imposed pursuant to section 77-2703
4 on the sale or lease of motorboats as defined in section 37-1204,
5 personal watercraft as defined in section 37-1204.01, all-terrain
6 vehicles as defined in section 60-103, and utility-type vehicles as
7 defined in section 60-135.01, and from such proceeds, transfers shall be
8 made to the Nebraska Emergency Medical System Operations Fund as provided
9 in section 37-327.02;

10 (b) Credit to the Highway Trust Fund all of the proceeds of the
11 sales and use taxes derived from the sale or lease for periods of more
12 than thirty-one days of motor vehicles, trailers, and semitrailers,
13 except that the proceeds equal to any sales tax rate provided for in
14 section 77-2701.02 that is in excess of five percent derived from the
15 sale or lease for periods of more than thirty-one days of motor vehicles,
16 trailers, and semitrailers shall be credited to the Highway Allocation
17 Fund;

18 (c) For transactions occurring on or after July 1, 2013, and before
19 July 1, 2042, of the proceeds of the sales and use taxes derived from
20 transactions other than those listed in subdivisions (2)(a), (b), ~~and~~
21 (e), and (f) of this section from a sales tax rate of one-quarter of one
22 percent, credit monthly eighty-five percent to the Highway Trust Fund and
23 fifteen percent to the Highway Allocation Fund;

24 (d) Of the proceeds of the sales and use taxes derived from
25 transactions other than those listed in subdivisions (2)(a), (b), ~~and~~
26 (e), and (f) of this section, credit to the Property Tax Credit Cash Fund
27 the amount certified under section 77-27,237, if any such certification
28 is made; ~~and~~

29 (e) For transactions occurring on or after July 1, 2023, credit to
30 the Department of Transportation Aeronautics Capital Improvement Fund all
31 of the proceeds of the sales and use taxes imposed pursuant to section

1 77-2703 on the sale or lease of aircraft as defined in section 3-101;
2 and -

3 (f) Credit to the School District Property Tax Relief Credit Fund
4 all of the proceeds of the sales and use taxes imposed pursuant to
5 section 77-2703 on the sale of cannabis by dispensaries to qualified
6 patients and registered caregivers under the Nebraska Medical Cannabis
7 Regulation Act.

8 The balance of all amounts collected under the Nebraska Revenue Act
9 of 1967 shall be credited to the General Fund.

10 **Sec. 209.** Section 77-4303, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 77-4303 (1) A tax is hereby imposed on marijuana and controlled
13 substances at the following rates:

14 (a) On each ounce of marijuana or each portion of an ounce, one
15 hundred dollars;

16 (b) On each gram or portion of a gram of a controlled substance that
17 is customarily sold by weight or volume, one hundred fifty dollars; or

18 (c) On each fifty dosage units or portion thereof of a controlled
19 substance that is not customarily sold by weight, five hundred dollars.

20 (2) For purposes of calculating the tax under this section,
21 marijuana or any controlled substance that is customarily sold by weight
22 or volume shall be measured by the weight of the substance in the
23 dealer's possession. The weight shall be the actual weight, if known, or
24 the estimated weight as determined by the Nebraska State Patrol or other
25 law enforcement agency. Such determination shall be presumed to be the
26 weight of such marijuana or controlled substances for purposes of
27 sections 77-4301 to 77-4316.

28 (3) The tax shall not be imposed upon a person registered or
29 otherwise lawfully in possession of marijuana or a controlled substance
30 pursuant to Chapter 28, article 4, or lawfully in possession of cannabis
31 under the Nebraska Medical Cannabis Patient Protection Act or the

1 Nebraska Medical Cannabis Regulation Act.

2 **Sec. 210.** Section 81-2,239, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 81-2,239 Sections 81-2,239 to 81-2,292 and section 212 of this act
5 and the provisions of the Food Code and the Current Good Manufacturing
6 Practice In Manufacturing, Packing, or Holding Human Food adopted by
7 reference in sections 81-2,257.01 and 81-2,259, shall be known and may be
8 cited as the Nebraska Pure Food Act.

9 **Sec. 211.** Section 81-2,263, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 81-2,263 If there is an inconsistency between sections 81-2,239 to
12 81-2,292 and section 212 of this act and any code adopted by reference,
13 the requirements of the sections shall control.

14 **Sec. 212.** Edible cannabis products sold under the Nebraska Medical
15 Cannabis Regulation Act are subject to the Nebraska Pure Food Act to the
16 same extent as other items of food.

17 **Sec. 213.** Section 81-1021, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 81-1021 (1) All motor vehicles acquired by the State of Nebraska
20 except any vehicle rented as a bureau fleet vehicle shall be indelibly
21 and conspicuously lettered, in plain letters of a contrasting color or
22 reflective material:

23 (a) On each side thereof with the words State of Nebraska and
24 following such words the name of whatever board, department, bureau,
25 division, institution, including the University of Nebraska or state
26 college, office, or other state expending agency of the state to which
27 the motor vehicle belongs; and

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

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

31 (a) The Nebraska State Patrol, the Public Service Commission, the

1 Game and Parks Commission, deputy state sheriffs employed by the Nebraska
2 Brand Committee and State Fire Marshal for state law enforcement
3 purposes, inspectors employed by the Nebraska Liquor Control Commission
4 or the Nebraska Medical Cannabis Commission, and persons employed by the
5 Tax Commissioner for state revenue enforcement purposes, the exemption
6 for state law enforcement purposes and state revenue enforcement purposes
7 being confined strictly to the seven agencies specifically named;

8 (b) The Department of Health and Human Services or the Department of
9 Correctional Services for the purpose of apprehending and returning
10 escaped offenders or parole violators to facilities in the Department of
11 Correctional Services and transporting offenders and personnel of the
12 Department of Correctional Services and patients and personnel of the
13 Department of Health and Human Services who are engaged in off-campus
14 program activities;

15 (c) The Military Department;

16 (d) Vocational rehabilitation counselors and the Department of
17 Health and Human Services for the purposes of communicable disease
18 control, for the prevention and control of those communicable diseases
19 which endanger the public health, or used by the Department of Health and
20 Human Services in the enforcement of drug control laws or for other
21 investigation purposes;

22 (e) The Department of Agriculture for special investigative
23 purposes;

24 (f) The Nebraska Motor Vehicle Industry Licensing Board for
25 investigative purposes;

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

28 (h) The Department of Justice.

29 **Sec. 214.** Original sections 28-439, 53-105, 53-106, 53-110,
30 77-2701.48, 77-2704.09, 77-4303, 81-2,239, 81-2,263, and 81-1021, Reissue
31 Revised Statutes of Nebraska, sections 28-416, 71-5727, 77-2701.02, and

1 77-27,132, Revised Statutes Cumulative Supplement, 2024, and sections 1,
2 3, 4, and 5, Initiative Law 2024, No. 438, are repealed.

3 **Sec. 215.** The following sections are outright repealed: Sections
4 28-463, 28-464, 28-465, 28-466, 28-467, 28-468, and 28-469, Reissue
5 Revised Statutes of Nebraska, and sections 2 and 6, Initiative Law 2024,
6 No. 438.

7 **Sec. 216.** Since an emergency exists, this act takes effect when
8 passed and approved according to law.