

AMENDMENTS TO LB316

Introduced by Cavanaugh, J., 9.

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

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

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

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

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

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

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

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

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

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

21 (4) Covered offense means:

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

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

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

27 (6)(a) Consumable hemp product means a product which includes hemp

1 and which is intended for human or animal consumption by inhalation or
2 ingestion.

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

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

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

10 (b) State identification card;

11 (c) Military identification card;

12 (d) Alien registration card;

13 (e) Passport; or

14 (f) Tribal enrollment card;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 (3) The executive director of the Nebraska Liquor Control Commission
26 shall also serve as executive director of the Nebraska Hemp Control
27 Commission. The executive director shall keep a record of all
28 proceedings, transactions, communications, and official acts of the
29 Nebraska Hemp Control Commission. The executive director shall be the
30 custodian of all records and perform such other duties as the commission
31 may prescribe.

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

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

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

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

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

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

1 the commission may be proved in any court of this state by copy thereof
2 certified to by the executive director attached.

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

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

14 **Sec. 10.** The commission has the following powers, functions, and
15 duties:

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

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

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

27 (4) To inspect or cause to be inspected any premises where
28 consumable hemp products are sold and, when sold on unlicensed premises
29 or on any premises in violation of law, to bring an action to enjoin the
30 use of the property for such purpose;

31 (5) To hear and determine appeals from orders of a local governing

1 body in accordance with the act;

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

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

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

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

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

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

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

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

30 (3) Establishing standards of purity, sanitation, honest
31 advertising, and representation; and

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

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

11 (2) The commission may update such material as often as it deems
12 necessary.

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

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

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

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

31 (a) Determining that such violation has occurred;

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

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

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

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

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

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

29 (7) To impose an occupation tax on licensees, subject to the limit
30 provided in section 21 of this act.

31 **Sec. 14.** (1) Local governing bodies shall only have authority to

1 approve applications and deny licenses pursuant to the Nebraska
2 Consumable Hemp Control Act.

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

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

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

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

27 **Sec. 17.** (1) The commission may issue a retailer license to any
28 person to sell and offer for sale at retail either in the original
29 package or otherwise, as prescribed in the retail license, on the
30 premises specified in the retail license, any consumable hemp product.
31 This shall not authorize resale in any form.

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

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

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

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

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

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

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

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

27 (g) Such other information as the commission may from time to time
28 direct.

29 (3) The applicant shall also submit two legible sets of fingerprints
30 to be furnished to the Federal Bureau of Investigation through the
31 Nebraska State Patrol for a national criminal history record check and

1 the fee for such record check payable to the patrol.

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

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

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

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

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

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

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

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

18 (8) The applicant shall pay any licensing fee required by this
19 section:

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

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

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

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

29 (a) Is not a resident of Nebraska;

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

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

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

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

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

17 (g) Is a law enforcement officer; or

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

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

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

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

31 (c) A corporation, if any officer or director of the corporation or

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

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

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

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

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

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

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

27 (2) After such license has been granted for the particular premises,
28 the commission, with the approval of the local governing body and upon
29 proper showing, may endorse upon the license permission to add to, delete
30 from, or abandon the premises described in such license and, if
31 applicable, to move from the premises to other premises approved by the

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

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

24 **Sec. 21.** (1) If no hearing is required pursuant to subsection (1)
25 or (2) of section 23 of this act and the commission has no objections
26 pursuant to subsection (3) of such section, the commission may waive the
27 forty-five-day objection period and, if not otherwise prohibited by law,
28 cause a retail license to be signed by its chairperson, attested by its
29 executive director over the seal of the commission, and issued in the
30 manner provided in subsection (4) of this section as a matter of course.

31 (2) A retail license may be issued to any qualified applicant if the

1 commission finds that:

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

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

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

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

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

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

22 (d) The nature of the neighborhood or community of the location of
23 the proposed licensed premises;

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

29 (f) The existing motor vehicle and pedestrian traffic flow in the
30 vicinity of the proposed licensed premises;

31 (g) The adequacy of existing law enforcement;

1 (h) Zoning restrictions;

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

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

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

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

12 (i) The license fee;

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

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

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

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

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

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

30 **Sec. 22.** (1) Except as otherwise provided in subsections (2) and
31 (3) of this section, no retail license shall be issued for a premises

1 located within one hundred fifty feet of any church, school, hospital, or
2 home for indigent persons or for veterans and their spouses or children.

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

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

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

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

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

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

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

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

31 (b) The commission may conduct a hearing even though a resident

1 objection has been withdrawn. In such case the commission may conduct the
2 hearing based upon the objection as originally filed and may make
3 independent findings as to whether the license should be issued.

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

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

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

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

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

29 (d) The commission shall not use electronic delivery with respect to
30 an applicant, an objector, or a church under this section without the
31 consent of the recipient.

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

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

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

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

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

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

29 **Sec. 25.** (1)(a) A retail license issued by the commission and
30 outstanding may be automatically renewed by the commission without formal
31 application upon payment of the renewal fee and license fee if payable to

1 the commission prior to or within thirty days after the expiration of the
2 license. The payment shall be an affirmative representation and
3 certification by the licensee that all answers contained in an
4 application, if submitted, would be the same in all material respects as
5 the answers contained in the last previous application.

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

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

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

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

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

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

25 NOTICE OF RENEWAL OF CONSUMABLE HEMP PRODUCTS RETAIL LICENSE

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

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

30 Notice is hereby given that written objections to the issuance of
31 automatic renewal of license may be filed by any resident of the city

1 (village or county) on or before February 10, 20...., in the office of
2 the (city, village, or county) clerk. If written objections are filed by
3 at least three residents, the commission will hold a hearing to determine
4 whether the license should be renewed.

5 (Name)

6 (City, village, or county) Clerk

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

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

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

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

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

29 (2) In the absence of such temporary operating permit, the purchaser
30 shall not store or sell consumable hemp products on the premises until
31 the purchaser has obtained a license in the purchaser's own name.

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

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

7 (2) A retail license shall not:

8 (a) Constitute property;

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

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

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

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

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

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

29 (4) The trustee of any insolvent or bankrupt licensee, when such
30 estate consists in part of consumable hemp products, may continue the
31 business of the sale of consumable hemp products under order of the

1 appropriate court and may exercise the privileges of the insolvent or
2 bankrupt licensee until the expiration of such license.

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

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

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

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

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

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

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

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

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

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

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

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

24 (2) A licensee shall only sell consumable hemp products that are
25 obtained from a manufacturer or distributor that uses or contracts with
26 an independent testing laboratory that tests such products to ensure
27 compliance with section 10113 of the federal Agriculture Improvement Act
28 of 2018, Public Law 115-334, and any regulations adopted and promulgated
29 under such section, as such section, act, and regulations existed on
30 January 1, 2025.

31 **Sec. 32.** (1) A licensee shall display at all times in a prominent

1 place a printed card with a minimum height of twenty inches and a width
2 of fourteen inches, with each letter to be a minimum of one-fourth inch
3 in height, which shall read as follows:

4 WARNING TO PERSONS UNDER 21: It is a crime for a person younger than
5 21 years of age to consume, purchase, attempt to purchase, or possess any
6 consumable hemp product. Violation of this law may result in a fine of up
7 to \$500, 3 months in jail, or both. Your parents or guardian will be
8 notified of this violation.

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

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

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

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

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

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

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

31 (2) Except as provided in subsection (3) of this section, no minor

1 may sell, dispense, consume, or have in such minor's possession or
2 physical control any consumable hemp product. Except as provided in
3 section 28-1701, a violation of this subsection is a Class III
4 misdemeanor.

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

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

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

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

17 **Sec. 39.** When a minor is arrested for a violation of section 35 or
18 38 of this act, the law enforcement agency employing the arresting peace
19 officer shall make a reasonable attempt to notify such minor's parent or
20 guardian of the arrest.

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

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

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

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

30 (3) A violation of this section or of any provision of the Nebraska
31 Consumable Hemp Control Act for which a penalty is not otherwise provided

1 shall be a Class IV misdemeanor for a first offense and a Class II
2 misdemeanor for any subsequent offense.

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

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

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

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

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

31 **Sec. 44.** (1) Any five residents of a city or village shall have the

1 right to file a complaint with the local governing body of such city or
2 village stating that any retail licensee subject to the jurisdiction of
3 such local governing body has been or is violating any provision of the
4 Nebraska Consumable Hemp Control Act or the rules or regulations adopted
5 and promulgated pursuant to the act.

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

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

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

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

24 (a) The Nebraska Consumable Hemp Control Act;

25 (b) Any rules and regulations adopted and promulgated by the
26 commission; or

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

29 (2) If any licensee is convicted of a violation of the act, the
30 court shall immediately notify the local governing body and the
31 commission.

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

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

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

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

31 (a) In the case of an administrative proceeding before the

1 commission on the application for a retail license:

2 (i) The applicant;

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

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

7 (iv) The commission;

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

10 (i) The licensee; and

11 (ii) The local governing body; and

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

14 (i) The licensee; and

15 (ii) The commission.

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

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

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

28 (b) Minimum standards governing training in management of licensed
29 premises, including standards and requirements governing curriculum,
30 program trainers, and certification requirements;

31 (c) Minimum standards governing the methods allowed for training

1 programs which may include the Internet, interactive video, live training
2 in various locations across the state, and other means deemed appropriate
3 by the commission;

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

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

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

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

30 **Sec. 49.** Any money collected by the commission pursuant to section
31 48 of this act shall be credited to the Nebraska Consumable Hemp Control

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

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

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

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

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

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

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

30 (6) Related interests includes individuals who are related by blood
31 or marriage or entities that are directly or indirectly controlled by an

1 entity or individual or related individuals.

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

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

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

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

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

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

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

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

28 (2) The return, which shall be upon forms prescribed and furnished
29 by the commission, shall contain, among other things, the total amount of
30 consumable hemp products purchased or transferred during the preceding
31 month from a distributor and the amount of tax due thereon.

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

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

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

11 **Sec. 56.** Section 28-1701, Revised Statutes Cumulative Supplement,
12 2024, is amended to read:

13 28-1701 (1) A person shall not be arrested or prosecuted for an
14 eligible alcohol or drug offense if such person witnessed or was the
15 victim of a sexual assault and such person:

16 (a) Either:

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

19 (ii) Requested emergency medical assistance for the victim of the
20 sexual assault; and

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

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

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

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

1 (3) For purposes of this section:

2 (a) Eligible alcohol or drug offense means:

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

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

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

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

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

15 (b) Sexual assault means:

16 (i) A violation of section 28-316.01, 28-319, 28-319.01, 28-320,
17 28-320.01, 28-320.02, 28-322.01, 28-322.02, 28-322.03, 28-322.04,
18 28-322.05, 28-703, or 28-1463.03, sex trafficking or sex trafficking of a
19 minor under section 28-831, or subdivision (1)(c) or (g) of section
20 28-386 or subdivision (1)(d), (e), or (f) of section 28-707; or

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

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

27 53-105 There is hereby created the Nebraska Liquor Control
28 Commission, consisting of three members to be appointed by the Governor,
29 subject to confirmation by a majority of the members elected to the
30 Legislature, no more than two of whom shall be members of the same
31 political party, and no two shall be citizens of the same congressional

1 district. The members of the Nebraska Liquor Control Commission shall
2 also serve as the members of the Nebraska Consumable Hemp Control
3 Commission as provided in section 4 of this act.

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

6 53-106 The Governor shall appoint three members of the commission,
7 one of whom he shall designate as chairman. One member shall be appointed
8 every two years and shall hold office for a period of six years. Any
9 appointee may be removed by the Governor, after an opportunity to be
10 heard, for malfeasance, misfeasance or neglect in office. No person shall
11 be appointed to the commission, or continue to hold that office after
12 appointment, while holding any other office or position under the laws of
13 this state, any other state, or of the United States, except that the
14 commissioners shall also serve as the members of the Nebraska Consumable
15 Hemp Control Commission as provided in section 4 of this act.

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

18 53-110 (1) For purposes of this section:

19 (a) Commission means the Nebraska Liquor Control Commission and the
20 Nebraska Consumable Hemp Control Commission;

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

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

27 (d) Covered offense means:

28 (i) A felony; or

29 (ii) A violation of any federal or state law concerning the
30 manufacture or sale of alcoholic liquor, consumable hemp products, or
31 marijuana; and

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

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

7 (3) ~~(2)~~ No person ~~(a)~~ convicted of a covered offense ~~or who has~~
8 ~~pleaded guilty to a felony or any violation of any federal or state law~~
9 ~~concerning the manufacture or sale of alcoholic liquor prior or~~
10 ~~subsequent to the passage of the Nebraska Liquor Control Act, (b) who has~~
11 ~~paid a fine or penalty in settlement of any prosecution against him or~~
12 ~~her for any violation of such laws, or (c) who has forfeited his or her~~
13 ~~bond to appear in court to answer charges for any such violation shall be~~
14 appointed commissioner.

15 (4)(a) ~~(3)(a)~~ Except as otherwise provided in subdivision (b) of
16 this subsection, a ~~no~~ commissioner or employee of the commission shall
17 not ~~may~~, directly or indirectly, individually, as a member of a
18 partnership, as a member of a limited liability company, or as a
19 shareholder of a corporation; ~~have~~

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

22 (ii) Receive ~~receive~~ any compensation or profit from such
23 manufacture, sale, or distribution; ~~τ~~

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

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

30 (b) With the written approval of the executive director, an employee
31 of the commission, other than the executive director or a division

1 manager, may accept part-time or seasonal employment with a person
2 licensed or regulated by the commission. No such employment shall be
3 approved if the licensee receives more than fifty percent of the
4 licensee's gross revenue from the sale or dispensing of alcoholic liquor
5 or consumable hemp products.

6 (5) (4) This section shall not prevent any commissioner, the
7 executive director, or any employee from purchasing and keeping in his or
8 her possession for the use of himself, herself, or members of his or her
9 family or guests any:

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

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

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

16 53-111 (1) A commissioner, the executive director of the commission,
17 or any person appointed or employed by the commission shall not solicit
18 or accept any gift, gratuity, emolument, or employment from any person
19 subject to the Nebraska Liquor Control Act or the Nebraska Consumable
20 Hemp Control Act or from any officer, agent, or employee thereof or
21 solicit, request from, or recommend, directly or indirectly, to any such
22 person or to any officer, agent, or employee thereof the appointment of
23 any person to any place or position. Any such person and every officer,
24 agent, or employee thereof may not offer to any commissioner, the
25 executive director, or any person appointed or employed by the commission
26 any gift, gratuity, emolument, or employment. If a commissioner, the
27 executive director, or any person appointed or employed by the commission
28 violates this section, he or she shall be removed from his or her office
29 or employment. Every person violating this section shall be guilty of a
30 Class II misdemeanor.

31 **Sec. 61.** Section 81-1021, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 81-1021 (1) All motor vehicles acquired by the State of Nebraska
3 except any vehicle rented as a bureau fleet vehicle shall be indelibly
4 and conspicuously lettered, in plain letters of a contrasting color or
5 reflective material:

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

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

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

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

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

30 (c) The Military Department;

31 (d) Vocational rehabilitation counselors and the Department of

1 Health and Human Services for the purposes of communicable disease
2 control, for the prevention and control of those communicable diseases
3 which endanger the public health, or used by the Department of Health and
4 Human Services in the enforcement of drug control laws or for other
5 investigation purposes;

6 (e) The Department of Agriculture for special investigative
7 purposes;

8 (f) The Nebraska Motor Vehicle Industry Licensing Board for
9 investigative purposes;

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

12 (h) The Department of Justice.

13 **Sec. 62.** Original sections 53-105, 53-106, 53-110, 53-111, and
14 81-1021, Reissue Revised Statutes of Nebraska, and section 28-1701,
15 Revised Statutes Cumulative Supplement, 2024, are repealed.