

ONE HUNDRED NINTH LEGISLATURE - SECOND SESSION - 2026
COMMITTEE STATEMENT
LB1235

Hearing Date: Monday February 02, 2026
Committee On: General Affairs
Introducer: General Affairs
One Liner: Change and transfer provisions of the Nebraska Medical Cannabis Patient Protection Act and the Nebraska Medical Cannabis Regulation Act and provide for taxation

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Holdcroft, Andersen, Cavanaugh, J., Clouse, DeKay, Quick, Rountree, Storm

Nay:

Absent:

Present Not Voting:

Testimony:

Proponents:

Kevin Langevin
Nancy Laughlin-Wagner
Kent Rogert
Perry Pirsch

Robert Wagner

Representing:

Opening Presenter
Midwest Cultivators Group
self
Pirsch Legal Services and Mahamoto Cultivation Company
Nebraska Cannabis Trade Alliance

Opponents:

Michael Johnson
John Cartier
Angelica Marsaglia
Christy Knorr
Crista Egger
Marcie Reed
Angela Cornett
Lia Post
Dominic Gillen
Jessie McGrath
Amy Burgess
Troy Burgess
Bill Hawkins
Shannon Coryell*

Representing:

self
Omaha Tribe of Nebraska
self
self
NMM Nebraskans for Medical Marijuana
self
self
self
self
self
Nebraska Hemp Company
Self

Neutral:

Representing:



Summary of purpose and/or changes:

LB 1235 requires the Nebraska Medical Cannabis Commission to establish and maintain a confidential patient and caregiver registry and a public directory of authorized health care practitioners. LB 1235 defines qualifying medical conditions, sets standards for written recommendations, establishes application and renewal procedures with limited fees, and clarifies the legal protections and responsibilities of qualified patients and registered caregivers.

LB 1235 transitions medical cannabis businesses from a registration model to a licensure framework, granting the commission exclusive authority to regulate cultivation, processing, manufacturing, distribution, transportation, sale, delivery, and testing. LB 1235 authorizes multiple classes of licenses, background checks, disciplinary actions, product recalls, and civil penalties, and requires implementation of a centralized seed-to-sale tracking system. LB 1235 also updates commission governance and funding, strengthens confidentiality protections, clarifies tax treatment and revenue distribution, repeals superseded provisions, and includes an emergency clause.

Section 1 amends 71-24,103 to revise the citation provision for the Nebraska Medical Cannabis Patient Protection Act (NMCPPA). This replaces references to specific statutory section numbers with a reference to sections 1 through 12 of the act.

Section 2 amends 71-24,104 to update and clarify key definitions in the act. It defines the "Commission" as the Nebraska Medical Cannabis Commission and establishes the "patient and caregiver registry" maintained by the commission. The definition of a "qualified patient" is revised to require a qualifying medical condition, a written recommendation from an authorized health care practitioner, required parental or guardian consent when applicable, and enrollment in the registry, defines a "qualifying medical condition," clarifies who qualifies as a "registered caregiver," and specifies that a "written recommendation" must be a valid, signed, and dated declaration that meets the act's requirements.

Section 3 amends 71-24,105 to clarify that a registered caregiver is not subject to state or local criminal liability for assisting a qualified patient with permitted activities, including possessing, acquiring, delivering, and helping administer an allowable amount of medical cannabis, if the act's requirements are met. It also allows caregivers to serve multiple patients, possess a separate allowable amount for each, and requires that each patient's cannabis be stored separately.

Section 4 requires the Commission to create a confidential registry for qualified patients and registered caregivers. Registry information is not subject to public disclosure and may not include medical records. The Commission must assign unique identification numbers and provide a secure way for law enforcement to verify registration status.

Section 5 establishes the application and renewal process for individuals seeking enrollment in the patient and caregiver registry as qualified patients. Applications must be submitted in the manner prescribed by the Commission and include a nonrefundable fee not to exceed \$30. Registration is valid for two years and may be renewed within 90 days of expiration. The Commission must provide an online application, renewal, and electronic payment system.

Section 6 sets the application and renewal process for registered caregivers, including a nonrefundable fee of up to \$30 and two-year registration. The Commission must provide an online system with electronic payment. Qualified patients may serve as caregivers for others unless they already have a registered caregiver.

Section 7 sets the requirements to be a qualified patient. Individuals must have a qualifying medical condition, obtain a written recommendation from a practitioner in the Commission's directory, and provide required consent.



Recommendations must be signed, dated, include contact information, be valid for up to two years, and may be electronic if meeting Commission standards. Practitioners must maintain records in compliance with state and federal law.

Section 8 requires the Commission to maintain a directory of health care practitioners authorized to issue recommendations to qualified patients. Enrollment is a public record, but private application information shall be protected. Each practitioner receives a unique identification number, and the directory cannot include medical records.

Section 9 sets the application and renewal process for practitioners to join the Commission's directory. Applications must follow Commission requirements and include a nonrefundable fee up to \$150. Enrollment lasts two years and may be renewed within 90 days of expiration for the same fee. The Commission must provide an online application, renewal, and electronic payment system.

Section 10 places restrictions on practitioners issuing medical cannabis recommendations. Practitioners cannot accept or offer payments related to licensed cannabis businesses or caregivers, except for services provided to a patient. They may not offer incentives to patients, share a location with a dispensary, or hold a financial interest in any licensed cannabis entity.

Section 11 authorizes the Commission to suspend or revoke enrollment in the patient and caregiver registry or practitioner directory for specified violations. Patients or caregivers may face suspension or revocation for false statements, improper possession or transfer of cannabis, or violating controlled substances laws. Practitioners may face suspension or revocation for false statements, violating section 10, credential disciplinary actions, or controlled substances violations.

Section 12 allows the Commission to adopt and promulgate rules and regulations to carry out the Nebraska Medical Cannabis Patient Protection Act.

Section 13 amends 71-24,106 to revise the citation provision for the Nebraska Medical Cannabis Regulation Act (NMCRA). This replaces references to specific statutory section numbers with a reference to sections 13 through 33 of the act.

Section 14 amends 71-24,107 to update and harmonize definitions in the NMCRA. It renames "cannabis accessories" as "cannabis equipment" and clarifies that cannabis and related products are intended for use by qualified patients and registered caregivers to treat qualifying medical conditions. Key terms are defined, including dispensary, license, licensee, license premises, premises, local governing body, ordinance, and secondary tracking system, while outdated terms such as commission, registered cannabis establishment, and registration are removed to align with the updated regulatory framework.

Section 15 amends 71-24,108 to revise the statutory exemption from state criminal liability for medical cannabis activities. It updates covered entities to include licensees and their employees or agents, and expands protected activities to encompass possession, cultivation, processing, manufacturing, distribution, transportation, sale, delivery, and testing of medical cannabis and related equipment when conducted in compliance with the Act and Commission rules. Conduct under the exemption is not subject to the Uniform Controlled Substances Act.

Section 16 amends 71-24,109 to update the Commission to reflect the transition from a registration framework to a licensure framework, clarifying that its oversight includes possession, cultivation, processing, manufacturing, distribution, transportation, sale, delivery, and testing of medical cannabis and related equipment. It also establishes an annual salary of \$12,500 for each commission member, paid in equal monthly installments.



Section 17 amends 71-24,110 to update the Commission's regulatory authority to a licensure framework, giving the Commission exclusive oversight of licensees engaged in possession, cultivation, processing, manufacturing, distribution, transportation, sale, delivery, and testing of medical cannabis and related equipment.

Section 18 establishes that a majority of Commission members constitutes a quorum for conducting business, vacancies do not limit the authority of remaining members, and any action approved by a majority is considered an act of the commission.

Section 19 requires the Commission to appoint an Executive Director, who may also serve as the Director of the Nebraska Liquor Control Commission or be a separate individual approved by the Governor. The Commission sets the executive director's salary, and the Director is responsible for maintaining commission records and performing other duties as assigned.

Section 20 allows Commissioners, the Executive Director, and Commission staff to be reimbursed for official expenses in accordance with state travel and expense laws. The Commission may also cover necessary office and incidental costs, with mileage and travel reimbursements subject to statutory requirements.

Section 21 authorizes the Nebraska Medical Cannabis Commission to share staff and resources with the Nebraska Liquor Control Commission in carrying out their respective duties.

Section 22 amends 71-24,1211 to update the Commission's responsibilities by replacing the registration framework with a licensure system. It directs the Commission to establish eligibility criteria, issue multiple classes of licenses for cultivation, processing, manufacturing, distribution, transportation, sale, delivery, and testing of medical cannabis and related equipment, and adopt a fee schedule with a maximum of \$25,000. Applicants must submit fingerprints for a national criminal history check. The Commission retains authority to grant, deny, suspend, or revoke licenses, enforce rules, inspect operations, issue subpoenas, and take all actions necessary to regulate and control the medical cannabis industry.

Section 23 authorizes the Commission to contract with third-party vendors to assist in carrying out its duties under the NMCRA.

Section 24 authorizes the Commission to develop and use forms, applications, and other documentation that it deems necessary or convenient to administer the NMCRA and any related rules and regulations.

Section 25 clarifies that the NMCRA does not delegate authority to the commission to set or fix prices for cannabis.

Section 26 authorizes the commission to request information and assistance from state agencies, political subdivisions, law enforcement entities, and prosecutors as needed to carry out its duties.

Section 27 requires the Commission to keep licensee, patient, and caregiver information confidential. Such information may only be used as authorized by the medical cannabis acts or for law enforcement purposes, is exempt from public records disclosure, and unauthorized disclosure is a Class II misdemeanor.

Section 28 establishes the Nebraska Medical Cannabis Commission Cash Fund to receive fees, gifts, grants, and other revenues, excluding civil penalties. The fund supports administration and enforcement of the medical cannabis acts, including salaries, materials, equipment, electronic transactions, education, and training. Fund balances may be invested by the state investment officer, and the Legislature may transfer funds to the General Fund.



Section 29 authorizes the Commission to declare cannabis held by a licensee as contraband if it violates the medical cannabis act, commission rules, local ordinances, or license terms, and to seize and destroy or otherwise dispose of it in accordance with commission regulations.

Section 30 authorizes the Director, after a disciplinary hearing, to dismiss or impose sanctions on a licensee, including censure, probation, limiting license privileges, civil penalties up to \$20,000, suspension up to six months, seizure of cannabis, or license revocation.

Section 31 allows appeals of final commission actions affecting existing licenses, including suspensions, revocations, penalties, or renewal denials, under the Administrative Procedure Act (APA). It clarifies that initial licensing decisions are not subject to this APA or contested case proceedings but preserves judicial review of final agency actions as allowed by law.

Section 32 authorizes the Commission to issue recall orders requiring licensees to surrender or destroy medical cannabis or cannabis equipment that is unsafe, mislabeled, or violates the act or commission rules, and allows the Commission to adopt rules to implement the recall process.

Section 33 requires the Commission to maintain a centralized seed-to-sale tracking system to monitor cannabis from cultivation through sale or disposal. The system supports regulatory oversight, inventory accountability, diversion prevention, and enforcement, and licensees must use it as prescribed by the commission. The Commission may adopt rules for data entry, reporting, audits, secondary tracking, confidentiality, and other standards to ensure system integrity.

Section 34 amends 77-2701.48 to clarify the tax exclusion by specifying that it applies only to transactions involving food and food ingredients, drugs, durable medical equipment, mobility-enhancing equipment, over-the-counter drugs, prosthetic devices, or medical supplies, using the statutory definitions for these items.

Section 35 amends 77-2704.09 clarifies that the definition of “intended to affect the structure or any function of the body” applies for this section and specifies that “drug” does not include cannabis sold by a dispensary to a qualified patient or registered caregiver under the NMCRA.

Section 36 amends 77-27,132 to direct that sales and use tax revenue collected from dispensary sales of medical cannabis to qualified patients and registered caregivers be credited to the School District Property Tax Relief Credit Fund and harmonizes the section accordingly.

Section 37 amends 77-4303 to expand the existing marijuana and controlled substances tax exemption to explicitly include individuals lawfully possessing cannabis under the state’s medical cannabis laws, ensuring consistency with the updated regulatory framework.

Section 38 is the Repealer section.

Section 39 declares an emergency

Explanation of amendments:

The Committee considered and adopted an amendment which accomplishes the following: The Standing Committee Amendment (AM 2178) amends LB 1235 and incorporates LB 1085 as amended and LB 1128 as amended into LB 1235.



LB 1235- Sections 5-9, and 12 of AM 2178

LB 1235, as amended, strikes the original sections of LB 1235 and reorganizes the Nebraska Medical Cannabis Regulation Act's (Act) structure and administration. LB 1235 redefines the Act to include updated statutory sections and formally establishes the Nebraska Medical Cannabis Commission (Commission) to regulate persons who possess, manufacture, distribute, deliver, and dispense medical cannabis. The Commission is composed of the three members of the Nebraska Liquor Control Commission serving as ex officio members, with the Governor authorized to appoint up to two additional members subject to legislative confirmation. Appointed members serve six-year terms, may be reappointed, and each commissioner receives an annual salary of \$12,500.

Additionally, LB 1235, as amended, creates the Nebraska Medical Cannabis Commission Cash Fund (Fund) to receive legislative transfers and all fees, gifts, grants, and other revenues collected under the act, excluding civil penalties. The Fund shall be used for administration and enforcement, with investment of balances as provided by law. The Commission is authorized to establish a fee schedule for applications and registrations, with no fee exceeding \$50,000, and shall require fingerprint-based national criminal history record checks for initial registration applicants.

LB 1085- Section 1, 3, and 4 of AM 2178

LB 1085, as amended, was introduced by Senator Clouse and revises the Nebraska Liquor Control Act to revise the definition of "bottle club" to clarify that alcoholic liquor may be consumed "in or upon" the premises. LB 1085 also requires the Liquor Control Commission to consider whether an applicant, or any affiliated licensed entity in which the applicant has an ownership interest, is delinquent in paying federal, state, or local taxes when determining licensure. In addition, LB 1085 expands existing criminal penalties to apply to the unlicensed retail sale of alcoholic liquor, making such conduct subject to the same penalties as the unlicensed manufacture of spirits, and includes a repealer section.

LB 1085, as amended, was amended into LB 1235 on a 8-0 vote of the Committee:

Aye- Senators Holdcroft, J. Cavanaugh, Andersen, Clouse, DeKay, Quick, Roundtree, Storm

Nay- None

Proponents:

Senator Stan Clouse , Opening Presenter

Aimee Melton, City of Omaha - Law Committee, Omaha City Council

Ryan Wiesen, City of Omaha

Christy Abraham, League of Nebraska Municipalities

Opponents:

Micah Chaffee, Executive Director, Nebraska Liquor Control Commission

Neutral: None

LB 1128- Section 2 of AM 2178

LB 1128, as amended, was introduced by Senator Dover and revises the Nebraska Liquor Control Act to create a "consumption-only" entertainment district license and clarify existing provisions. Local governing bodies may designate areas within an entertainment district where alcohol can be consumed but not sold. Businesses in these areas may apply to the Nebraska Liquor Control Commission (LCC) for a \$25 license fee, which is remitted to the State Treasurer for credit to the Nebraska Liquor Control Commission Rule and Regulation Cash Fund. Licenses are



granted if the local governing body has approved the applicant. The license allows patrons to carry alcohol purchased elsewhere into and out of the business, but the business may not sell or serve alcohol and must comply with all applicable laws, including prohibitions on underage drinking.

LB 1128 also requires local governing bodies to file any designation or revocation with the LCC, extends consumption and container-marking rules to consumption-only areas, and explicitly includes consumption-only licensees among authorized licensees. The original sections are repealed.

LB 1128, as amended, was amended into LB 1235 on a 8-0 vote of the Committee:

Aye- Senators Holdcroft, J. Cavanaugh, Andersen, Clouse, DeKay, Quick, Roundtree, Storm

Nay- None

Proponents:

Senator Robert Dover , Opening Presenter

Josh Moenning, self

Andrew McCarthy, City of Norfolk

Melissa Figueroa, City of Norfolk; Norfolk Area Economic Development Council

Christy Abraham, League of Nebraska Municipalities

Opponents: None

Neutral:

Micah Chaffee, Executive Director, Nebraska Liquor Control Commission

Section by Section Summary

Section 1 - Amends section 53-103.47 to revise the definition of "bottle club." It removes the phrase "for the express purpose of" and clarifies that alcohol may be consumed "in or upon the premises."

Section 2 - Amends section 53-123.17 to allow local governing bodies to designate "consumption-only" areas within an entertainment district, create a new consumption-only license for certain businesses, and clarify related filing and consumption requirements.

Section 3 - Amends section 53-132 to require the Liquor Control Commission to consider whether an applicant that holds a liquor license, is delinquent on any federal, state, or local taxes when reviewing a license application.

Section 4 - Amends section 53-1,100 to expand the offense provision of the Liquor Control Act to include the unlicensed retail sale of alcoholic liquor.

Section 5 - Amends 71-24,106 to revise the citation provision for the Nebraska Medical Cannabis Regulation Act. This replaces references to specific statutory section numbers.

Section 6 - Amends 71-24,109 to provide that each member of the Nebraska Medical Cannabis Commission shall receive an annual salary of \$12,500, payable in equal installments.

Section 7 - Creates the Nebraska Medical Cannabis Commission Cash Fund to support administration and enforcement of the act, with available funds invested by the state investment officer.

Section 8 - Allows the Nebraska Medical Cannabis Commission to set fees for applications, registrations, and



renewals, with a maximum fee of \$50,000.

Section 9 - Requires applicants to submit fingerprints for an FBI background check and authorize the results to be released to the Nebraska Medical Cannabis Commission.

Section 10 - Provides that sections 1, 2, 3, 4, and 11 become operative three months after the legislative session adjourns.

Section 11 - Repealer Section

Section 12 - Repealer Section

Section 13 - Emergency Clause

Rick Holdcroft, Chairperson

