

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 677

Introduced by Hansen, 16.

Read first time January 22, 2025

Committee: General Affairs

1 A BILL FOR AN ACT relating to cannabis; to amend sections 28-439, 53-105,
2 53-106, 53-110, 53-111, 60-6,211.08, 77-2701.48, 77-2704.09,
3 77-4303, 81-2,239, 81-2,263, and 81-1021, Reissue Revised Statutes
4 of Nebraska, sections 28-416, 71-5727, 77-2701.02, and 77-27,132,
5 Revised Statutes Cumulative Supplement, 2024, and sections 1, 3, 4,
6 and 5, Initiative Law 2024, No. 438; to change provisions of the
7 Nebraska Medical Cannabis Regulation Act; to change provisions
8 relating to controlled substances and drug paraphernalia and the
9 Nebraska Liquor Control Commission and its commissioners, executive
10 directors, and employees; to define terms; to impose a special sales
11 and use tax rate on sales of medical cannabis; to provide for the
12 distribution of tax revenue; to prohibit possession of an open
13 container of cannabis in a motor vehicle; to provide for the
14 applicability of the Nebraska Clean Indoor Air Act and the Nebraska
15 Pure Food Act; to remove medical cannabis from the marijuana and
16 controlled substances tax; to provide for unmarked vehicles; to
17 eliminate obsolete provisions; to harmonize provisions; to repeal
18 the original sections; to outright repeal sections 28-463, 28-464,
19 28-465, 28-466, 28-467, 28-468, and 28-469, Reissue Revised Statutes
20 of Nebraska, and sections 2 and 6, Initiative Law 2024, No. 438; and
21 to declare an emergency.
22 Be it enacted by the people of the State of Nebraska,

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

3 Section 1. Sections 1 to 6 of this act and sections 1 to 167 of this
4 act shall be known and may be cited as the Nebraska Medical Cannabis
5 Regulation Act.

6 **Sec. 2.** For purposes of the Nebraska Medical Cannabis Regulation
7 Act, the definitions found in sections 3 to 45 of this act apply.

8 **Sec. 3.** Allowable amount of cannabis does not include the weight of
9 any other ingredient combined with cannabis as part of topical or oral
10 administrations, food, drink, or other preparations.

11 **Sec. 4.** Cancel means to discontinue all rights and privileges of a
12 license.

13 **Sec. 5.** (1) Cannabis means all parts of the plant of the genus
14 cannabis whether growing or not, the seeds thereof, the resin extracted
15 from any part of the plant, and every compound, manufacture, salt,
16 derivative, mixture, or preparation of the plant, its seeds, or its
17 resin.

18 (2) Except as otherwise provided in the Nebraska Medical Cannabis
19 Regulation Act, cannabis includes cannabis in all forms, including, but
20 not limited to, cannabis products and concentrated cannabis.

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

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

27 **Sec. 6.** Cannabis accessories means any equipment, products, or
28 materials of any kind that are used, intended for use, or designed for
29 use in storing, vaporizing, smoking, or containing cannabis, or for
30 ingesting, inhaling, or otherwise introducing cannabis into the human
31 body.

1 **Sec. 7.** Cannabis for medical purposes means cannabis and cannabis
2 accessories intended for use by qualified patients and registered
3 caregivers pursuant to the Nebraska Medical Cannabis Regulation Act for
4 the alleviation of a qualifying medical condition.

5 **Sec. 8.** Cannabis product means a product comprised of cannabis and
6 other ingredients. Cannabis product includes, but is not limited to,
7 cannabis-infused edible products, concentrated cannabis, ointments,
8 tinctures, and transdermal patches;

9 **Sec. 9.** Caregiver means:

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

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

14 (b) Has been designated by a qualified patient in a signed
15 affidavit;

16 (2) In the case of a qualified patient who is younger than eighteen
17 years of age or a qualified patient under the protection of a legal
18 guardian:

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

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

23 (3) A health care facility or a home health agency, if the facility
24 or agency has been designated by a qualified patient or the legal
25 guardian or parent with authority to make health care decisions for a
26 qualified patient in a sworn affidavit and if the facility or agency has
27 agreed in writing to serve as a caregiver for the qualified patient.

28 **Sec. 10.** Commission means the Nebraska Medical Cannabis Commission.

29 **Sec. 11.** Concentrated cannabis means the resin extracted from any
30 part of the plant of the genus Cannabis and every compound, manufacture,
31 salt, derivative, mixture, or preparation of that resin. This includes

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

5 **Sec. 12.** Conviction includes a plea or verdict of guilty or a
6 conviction following a plea of nolo contendere.

7 **Sec. 13.** Cultivator means a person licensed by the commission to
8 cultivate and process cannabis plants pursuant to the Nebraska Medical
9 Cannabis Regulation Act for sale to dispensaries, to products
10 manufacturers, and to other cultivators, but not to qualified patients or
11 registered caregivers.

12 **Sec. 14.** Dispensary means a person licensed by the commission to:

13 (1) Purchase cannabis from cultivators;

14 (2) Purchase cannabis products from products manufacturers and other
15 dispensaries; and

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

18 **Sec. 15.** (1) Disqualifying offense means a felony, of which a
19 person was convicted in the ten years preceding application for
20 licensure, that is:

21 (a) A violent offense;

22 (b) A violation of the Nebraska Medical Cannabis Regulation Act or a
23 violation of a substantially equivalent law of another jurisdiction in
24 the United States; or

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

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

30 (3) For purposes of this section:

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

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

3 (c) Violent offense means:

4 (i) A felony violation of any of the following: Section 28-303,
5 28-304, 28-305, 28-306, 28-308, 28-309, 28-310.01, 28-311, 28-311.01,
6 28-311.03, 28-311.08, 28-313, 28-314, 28-316.01, 28-319, 28-319.01,
7 28-320, 28-320.01, 28-320.02, 28-322.02, 28-322.03, 28-322.04, 28-322.05,
8 28-323, 28-324, 28-386, 28-391, 28-392, 28-393, 28-394, 28-397, 28-398,
9 28-502, 28-503, 28-507, 28-703, 28-707, 28-813.01, 28-831, 28-833,
10 28-904, 28-905, 28-912, 28-929, 28-930, 28-931, 28-931.01, 28-932,
11 28-933, 28-934, 28-1005, 28-1009, 28-1105.01, 28-1205, 28-1212.02,
12 28-1212.04, 28-1221, 28-1222, 28-1223, 28-1224, 28-1351, 28-1463.03,
13 28-1463.05, or 42-924;

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

16 (A) Sexual contact or sexual penetration; or

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

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

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

27 Sec. 16. Extraction means a process by which cannabinoids are
28 separated from cannabis plant material through chemical or physical
29 means.

30 Sec. 17. Health care facility has the same meaning as in section
31 71-413.

1 **Sec. 18.** Health care practitioner means a physician, an osteopathic
2 physician, a physician assistant, or a nurse practitioner licensed under
3 the Uniform Credentialing Act or who is licensed in any state and
4 practicing in compliance with the Uniform Credentialing Act.

5 **Sec. 19.** Home health agency has the same meaning as in section
6 71-417.

7 **Sec. 20.** License means a license issued by the commission pursuant
8 to the Nebraska Medical Cannabis Regulation Act.

9 **Sec. 21.** Licensed premises means the premises specified in an
10 application for a license under the Nebraska Medical Cannabis Regulation
11 Act, which are owned by or in the possession of the licensee and within
12 which the licensee is authorized to cultivate, process, manufacture,
13 distribute, transport, sell, or test cannabis in accordance with the
14 Nebraska Medical Cannabis Regulation Act.

15 **Sec. 22.** Licensee means a person licensed by the commission
16 pursuant to the Nebraska Medical Cannabis Regulation Act.

17 **Sec. 23.** Local governing body means (1) the city council or village
18 board of trustees of a city or village within which the licensed premises
19 are located or (2) 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 **Sec. 24.** Location means a particular parcel of land that may be
23 identified by an address or other descriptive means.

24 **Sec. 25.** Manager means a person appointed by a corporation or
25 limited liability company to oversee the daily operation of a licensee in
26 Nebraska. A manager shall meet all the requirements of the Nebraska
27 Medical Cannabis Regulation Act as though such person were the applicant.

28 **Sec. 26.** Ordinance means any ordinance, regulation, resolution, or
29 other law duly enacted by a local governing body.

30 **Sec. 27.** Premises means a distinctly identified and definite
31 location, as required by the commission, and may include a building, a

1 part of a building, a room, or any other definite contiguous area.

2 **Sec. 28.** Process or processing means to harvest, dry, cure, trim,
3 and separate parts of the cannabis plant by manual or mechanical means.

4 **Sec. 29.** Products manufacturer means a person licensed by the
5 commission to conduct extraction and to manufacture cannabis products
6 pursuant to the Nebraska Medical Cannabis Regulation Act for sale and
7 distribution to dispensaries and other products manufacturers, but not to
8 qualified patients or registered caregivers.

9 **Sec. 30.** Qualified patient means an individual who:

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

11 (2) Has a written recommendation from a health care practitioner;

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

15 (4) In the case of an individual eighteen years of age or older who
16 is under the protection of a legal guardian, has the written permission
17 of such guardian; and

18 (5) Is enrolled in the registry program by the commission.

19 **Sec. 31.** Qualifying medical condition means a condition for which a
20 patient's health care practitioner has determined, in a written
21 recommendation, that such condition, related symptoms, or side effects of
22 the condition's treatment, can be appropriately treated or alleviated
23 with medical cannabis.

24 **Sec. 32.** Registered caregiver means a caregiver who is enrolled in
25 the registry program.

26 **Sec. 33.** Registry card means a document issued by the commission
27 pursuant to section 55 of this act that identifies a person as a
28 qualified patient or registered caregiver.

29 **Sec. 34.** Registry program means the registry of qualified patients
30 and caregivers operated by the commission under section 51 of this act.

31 **Sec. 35.** Responsible individual means:

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

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

6 **Sec. 36.** Revoke means to permanently void and recall all rights and
7 privileges of a license.

8 **Sec. 37.** Seed-to-sale tracking system means a software system that:

9 (1) Is designed to perform functions necessary to fulfill a
10 licensee's responsibilities in tracking cannabis from either the seed or
11 immature plant stage until the cannabis is sold to a qualified patient or
12 registered caregiver or otherwise disposed of;

13 (2) Meets the requirements of section 135 of this act; and

14 (3) Is approved by the commission.

15 **Sec. 38.** Suspend means to cause a temporary interruption of all
16 rights and privileges of a license.

17 **Sec. 39.** Testing facility means a person licensed under the
18 Nebraska Medical Cannabis Regulation Act to analyze, test, and certify
19 cannabis, including for potency and the presence of contaminants.

20 **Sec. 40.** THC means tetrahydrocannabinol.

21 **Sec. 41.** Track and trace system means the system created by the
22 commission under section 135 of this act.

23 **Sec. 42.** Transfer means to grant, convey, hand over, assign, sell,
24 exchange, or barter, in any manner or by any means, with or without
25 consideration.

26 **Sec. 43.** Transporter means a person licensed by the commission to
27 transport cannabis and cannabis accessories.

28 **Sec. 44.** Unreasonably impracticable means that the measures
29 necessary to comply with the rules and regulations adopted and
30 promulgated pursuant to the Nebraska Medical Cannabis Regulation Act or
31 the ordinances enacted by a local governing body pursuant to the act

1 would subject a licensee to unreasonable risk or require such a large
2 investment of risk, money, time, or any other resource or asset that a
3 reasonably prudent businessperson would not operate as a licensee.

4 **Sec. 45.** Written recommendation means a valid signed and dated
5 declaration from a health care practitioner that complies with section 50
6 of this act.

7 **Sec. 46.** (1) Subject to the requirements of the Nebraska Medical
8 Cannabis Regulation Act, a qualified patient or registered caregiver
9 shall not be subject to citation, arrest, prosecution, or penalty in any
10 manner, or denied any right or privilege, including, but not limited to,
11 any civil penalty or disciplinary action by a court or occupational or
12 professional licensing board, for engaging in conduct protected by this
13 section.

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

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

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

29 (5) If a qualified patient or registered caregiver is cited,
30 arrested, or prosecuted for possession or consumption of an allowable
31 amount of cannabis pursuant to the act at a time when the person does not

1 have the registry card in his or her possession, the prosecution, civil
2 offense, or disciplinary proceeding shall be immediately dismissed upon
3 production and verification of the registry card.

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

6 **Sec. 47.** No person may be subject to arrest, prosecution, or
7 penalty in any manner, or denied any right or privilege, including any
8 civil penalty or disciplinary action by a court or occupational or
9 professional licensing board, for:

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

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

15 **Sec. 48.** (1) Nothing in the Nebraska Medical Cannabis Regulation
16 Act permits any person to engage in or prevents the imposition of any
17 civil, criminal, or other penalties for:

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

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

21 (i) On a school bus or van;

22 (ii) On the grounds of any preschool or primary or secondary school
23 except as provided in section 49 of this act;

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

26 (iv) On the grounds of any child care facility or home day care
27 except as provided in section 49 of this act;

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

29 (i) Where the smoke or vapor would be inhaled by a nonpatient minor
30 child; or

31 (ii) In any public place, including any indoor or outdoor area used

1 by or open to the general public or a place of employment as defined in
2 section 71-5724, other than with an aerosol inhaler;

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

4 (e) Having a container or package of cannabis within the passenger
5 area of a motor vehicle in violation of section 60-6,211.08; or

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

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

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

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

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

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

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

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

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

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

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

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

9 **Sec. 49.** (1) Any school, health care facility or health care
10 service licensed pursuant to the Health Care Facility Licensure Act,
11 licensed child care facility as defined in section 43-4308, or foster
12 care facility as defined in section 43-1301 may adopt reasonable
13 restrictions on the use of cannabis by students, residents, or persons
14 receiving care or services, including that:

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

17 (b) Cannabis may not be smoked;

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

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

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

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

31 **Sec. 50.** (1) Before an individual may enroll in the registry

1 program as a qualified patient, the individual shall receive a written
2 recommendation from a health care practitioner as provided in this
3 section.

4 (2) A health care practitioner may issue a written recommendation to
5 an individual if the practitioner determines that:

6 (a) Either:

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

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

12 (iii) If the individual is eighteen years of age or older and has a
13 legal guardian, the individual has the written permission of such
14 guardian;

15 (b) The individual has been diagnosed with a qualifying medical
16 condition; and

17 (c) In the practitioner's professional judgment, the potential
18 benefits of cannabis outweigh the potential harms for the alleviation of
19 the individual's qualifying medical condition.

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

23 **Sec. 51.** (1) The commission shall establish and maintain a registry
24 program for qualified patients and registered caregiver. The registry
25 shall include (a) the name, address, and telephone number of each
26 qualified patient and registered caregiver, (b) the health care
27 practitioner that provided the written recommendation for the patient,
28 and (c) the registered caregiver for the qualified patient, if any.

29 (2) The commission shall ensure that information in the registry
30 program, as well as from applications under sections 52 and 53 of this
31 act, is kept confidential to protect the privacy of applicants and people

1 enrolled in the registry.

2 **Sec. 52.** (1) An individual may apply to the commission to be
3 enrolled in the registry program as a qualified patient by submitting an
4 application to the commission in the form and manner prescribed by the
5 commission. The application shall be accompanied by a fee in an amount
6 determined by the commission, not to exceed forty-five dollars.

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

8 (a) The name, mailing address, and date of birth of the individual;

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

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

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

16 (ii) The name, mailing address, and date of birth of such guardian
17 or parent;

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

20 (i) Written permission of such guardian; and

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

22 (e) A copy of a written recommendation dated less than sixty days
23 before the date the application is submitted;

24 (f) If the individual requests more than one registered caregiver at
25 any given time, documentation demonstrating that a greater number of
26 caregivers is needed due to the individual's age or medical condition;

27 (g) An oath, affirmation, or statement to the effect that the
28 representations are true as far as the individual executing the
29 application knows or should know; and

30 (h) Any other information as prescribed by the rules and regulations
31 of the commission.

1 (3) Enrollment in the registry program as a qualified patient shall
2 be valid for a period of two years. A qualified patient may renew such
3 registration by submitting a renewal application in a form and manner
4 prescribed by the commission within ninety days before the registration
5 will expire. The application shall be accompanied by a fee in an amount
6 determined by the commission, not to exceed forty-five dollars, and by a
7 written recommendation dated within ninety days preceding the date the
8 application is submitted.

9 **Sec. 53.** (1) A person may apply to the commission to be enrolled in
10 the registry program as a registered caregiver by submitting an
11 application to the commission in the form and manner prescribed by the
12 commission.

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

14 (a)(i) If the applicant is an individual, the name, mailing address,
15 and date of birth of the individual; or

16 (ii) If the applicant is a health care facility or a home health
17 agency:

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

19 (B) The name, residential mailing address, and date of birth of the
20 designated responsible individual;

21 (b) The name, mailing address, and date of birth of any qualified
22 patient for whom the person will serve as a registered caregiver;

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

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

28 **Sec. 54.** (1) Within thirty days after receipt of an application for
29 initial enrollment or renewal of enrollment in the registry under section
30 52 or 53 of this act, the commission shall either enroll the person as a
31 qualified patient or registered caregiver, renew such enrollment, or give

1 written notice of denial.

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

3 (a) The application fails to include the information and materials
4 required by section 52 or 53 of this act; or

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

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

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

11 **Sec. 55.** (1) Upon granting an application under section 54 of this
12 act, the commission shall issue the qualified patient or registered
13 caregiver a registry card or renew such card.

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

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

16 (b) The name, mailing address, and date of birth of the patient's
17 registered caregiver, if any; and

18 (c) The date the registration will expire.

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

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

21 (b) The name and date of birth of any qualified patient the
22 caregiver is authorized to serve; and

23 (c) The allowable amount of cannabis the caregiver may possess,
24 separately listed for each qualified patient.

25 (4)(a) Except as provided in subdivision (4)(b) of this section, an
26 individual who is a qualified patient may also serve as a registered
27 caregiver for other qualified patients. In such case, the individual
28 shall submit separate applications under sections 52 and 53 of this act
29 and obtain separate qualified patient and registered caregiver registry
30 cards.

31 (b) An individual who is a qualified patient and who has a

1 registered caregiver shall not serve as a registered caregiver for other
2 qualified patients.

3 **Sec. 56.** A registered caregiver may possess cannabis, cannabis
4 products, and cannabis accessories on behalf of one or more qualified
5 patients served by the registered caregiver. The registered caregiver may
6 possess a separate allowable amount of cannabis for each such patient,
7 including the registered caregiver, if the registered caregiver is also a
8 qualified patient. The caregiver shall separately label and store
9 cannabis, cannabis products, and cannabis accessories for each such
10 patient.

11 **Sec. 57.** (1) If a qualified patient or registered caregiver is no
12 longer entitled to possess cannabis under the Nebraska Medical Cannabis
13 Regulation Act, the qualified patient or registered caregiver shall,
14 within ten days after becoming ineligible:

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

18 (b) Destroy any cannabis in compliance with rules and regulations of
19 the commission or turn it over to a dispensary for disposal.

20 (2)(a) If a qualified patient dies, any cannabis that had been in
21 the patient's possession shall, within thirty days after such death, be
22 destroyed in compliance with rules and regulations of the commission or
23 turned over to a dispensary for disposal.

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

26 (i) Be turned over to the qualified patient, if the patient may
27 possess such cannabis;

28 (ii) Be turned over to another registered caregiver for the same
29 qualified patient; or

30 (iii) Be destroyed in compliance with rules and regulations of the
31 commission or turned over to a dispensary for disposal.

1 (3) A person transporting cannabis to a dispensary for disposal
2 under this section shall contact the commission, and the commission shall
3 coordinate delivery arrangements between such person and the dispensary.
4 The commission will provide the individual with a written, temporary
5 authorization to transport such cannabis, which will include details
6 regarding the delivery arrangements approved by the commission.

7 **Sec. 58.** If cannabis belonging to a qualified patient or registered
8 caregiver is stolen or lost, the qualified patient or registered
9 caregiver shall notify the commission within five days after learning of
10 such theft or loss.

11 **Sec. 59.** A health care practitioner that issues written
12 recommendations shall not:

13 (1) Accept, solicit, or offer any form of pecuniary remuneration
14 from or to any entity licensed under the Nebraska Medical Cannabis
15 Regulation Act;

16 (2) Offer a discount or any other thing of value to a qualified
17 patient who uses or agrees to use a particular dispensary;

18 (3) Examine a patient at a location where cannabis, cannabis
19 products, or cannabis accessories are sold; or

20 (4) Hold an economic interest in any entity licensed under the
21 Nebraska Medical Cannabis Regulation Act.

22 **Sec. 60.** A health care practitioner shall not be subject to arrest,
23 prosecution, or penalty in any manner, or denied any right or privilege,
24 including, but not limited to, civil penalty or disciplinary action by
25 the Department of Health and Human Services or by any other occupational
26 or professional licensing board, solely for providing a written
27 recommendation or for stating that, in the health care practitioner's
28 professional opinion, a patient is likely to receive therapeutic or
29 palliative benefit from use of cannabis to treat or alleviate the
30 patient's qualifying medical condition.

31 **Sec. 61.** The governing body of a county, city, or village shall not

1 prohibit the delivery of cannabis, cannabis products, or cannabis
2 accessories for use under the Nebraska Medical Cannabis Regulation Act
3 either expressly or through the enactment of ordinances or regulations
4 that make the delivery impracticable in the respective jurisdiction.

5 **Sec. 62.** The commission shall adopt and promulgate rules and
6 regulations governing entities that serve as registered caregivers as
7 provided in subsection (3) of section 9 of this act, including:

8 (1) Limiting the number of individuals who may transport and
9 administer cannabis on behalf of the entity to a reasonably necessary
10 number of individuals who have undergone appropriate training; and

11 (2) Requiring the name and date of birth of each individual who may
12 transport or administer cannabis on behalf of the entity to be filed with
13 the commission.

14 **Sec. 63.** Section 4, Initiative Law 2024, No. 438, is amended to
15 read:

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

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

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

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

31 (5) The Governor may reappoint members of the commission, subject to

1 approval by a majority of the members elected to the Legislature.

2 **Sec. 64.** Section 5, Initiative Law 2024, No. 438, is amended to
3 read:

4 Sec. 5. The power to regulate all phases of the control of the
5 possession, cultivation, processing, manufacture, distribution,
6 transportation, selling, and testing ~~delivery, and dispensing~~ of cannabis
7 for medical purposes by licensees registered ~~cannabis establishments~~ in
8 the state pursuant to the Nebraska Medical Cannabis Regulation Act is
9 vested exclusively in the commission.

10 **Sec. 65.** A majority of the members of the commission shall
11 constitute a quorum to transact business, but no vacancy shall impair the
12 right of the remaining commissioners to exercise all of the powers of the
13 commission. Every act of a majority of the commissioners shall be deemed
14 to be the act of the commission.

15 **Sec. 66.** (1) The commission shall have an executive director, to be
16 appointed by the commission. The executive director of the Nebraska
17 Liquor Control Commission may also serve as the executive director of the
18 Nebraska Medical Cannabis Commission, or the Nebraska Medical Cannabis
19 Commission may appoint a separate individual to serve as its executive
20 director. If the commission appoints a separate individual, such
21 appointment shall be subject to the approval of the Governor.

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

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

28 **Sec. 67.** Before entering upon the duties of office, each
29 commissioner and the executive director shall be bonded or insured as
30 required by section 11-201. The premium shall be paid by the State of
31 Nebraska out of the General Fund.

1 **Sec. 68.** (1) The commission may, with the advice and approval of
2 the Governor, appoint or employ such clerks and other employees as may be
3 necessary to carry out the Nebraska Medical Cannabis Regulation 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. 69.** 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. 70.** (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. 71.** The Attorney General shall designate an assistant attorney
4 general or assistant attorneys general, when requested by the commission
5 and directed by the Governor, and the services of such assistant attorney
6 general or assistant attorneys general shall be available to the
7 commission whenever demanded. The compensation of such assistant attorney
8 general or assistant attorneys general as are assigned to the commission
9 shall be paid by the office of the Attorney General.

10 **Sec. 72.** (1) Except as otherwise provided in subsection (2) of this
11 section, a commissioner, the executive director, or any employee of the
12 commission shall not:

13 (a) Directly or indirectly, individually, as a member of a
14 partnership, as a member of a limited liability company, or as a
15 shareholder of a corporation, have any interest whatsoever in the
16 cultivation, processing, manufacture, distribution, transportation,
17 testing, or sale of cannabis or hemp; or

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

22 (2) With the written approval of the executive director, an employee
23 of the commission, other than the executive director or a division
24 manager, may accept part-time or seasonal employment with a licensee.

25 (3) This section shall not prevent any commissioner, the executive
26 director, or any employee from engaging in any conduct as a qualified
27 patient or registered caregiver that is protected under the Nebraska
28 Medical Cannabis Regulation Act or the Nebraska Medical Cannabis Patient
29 Protection Act.

30 **Sec. 73.** (1) Except as provided in subsection (2) of section 72 of
31 this act, a commissioner, the executive director, or any person employed

1 by the commission shall not:

2 (a) Solicit or accept any gift, gratuity, emolument, or employment
3 from any person subject to the Nebraska Medical Cannabis Regulation Act
4 or from any officer, agent, or employee of such person; or

5 (b) Solicit, request from, or recommend, directly or indirectly, to
6 any person subject to the Nebraska Medical Cannabis Regulation Act or to
7 any officer, agent, or employee of such person the appointment of any
8 person to any place or position.

9 (2) Except as provided in subsection (2) of section 72 of this act,
10 any person subject to the Nebraska Medical Cannabis Regulation Act and
11 every officer, agent, or employee of such person shall not offer to any
12 commissioner, the executive director, or any person employed by the
13 commission any gift, gratuity, emolument, or employment.

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

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

18 **Sec. 74.** (1) A commissioner, the executive director, or a
19 commission employee with regulatory oversight responsibilities for
20 licensees shall not work for, represent, or provide consulting services
21 to or otherwise derive pecuniary gain from a licensee or other business
22 entity established for the primary purpose of providing services to the
23 medical cannabis industry for a period of six months following such
24 person's last day of service to, or employment with, the commission.

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

26 **Sec. 75.** On or before January 1, 2027, and annually thereafter, the
27 commission shall publish a report of its actions during the preceding
28 year, including a comprehensive description of its activities and
29 including the number of licensees of each class issued; enforcement
30 actions in which fines, suspensions, revocations, or other disciplinary
31 sanctions were issued; and a statement of revenue and expenses of the

1 commission.

2 **Sec. 76.** The commission and the Department of Agriculture,
3 Department of Revenue, and Department of Health and Human Services shall
4 work collaboratively in furtherance of the intent of the Nebraska Medical
5 Cannabis Regulation Act and to ensure that the cultivation, processing,
6 manufacture, distribution, transportation, testing, and sale of cannabis
7 in this state is conducted in accordance with the act.

8 **Sec. 77.** (1) On or before October 1, 2025, the commission shall
9 adopt and promulgate rules and regulations necessary for the proper
10 regulation and control of the cultivation, processing, manufacture,
11 distribution, transportation, sale, and testing of cannabis and for the
12 enforcement of the Nebraska Medical Cannabis Regulation Act. Such rules
13 and regulations shall include, but not be limited to:

14 (a) Procedures and requirements for the issuance and renewal of
15 licenses, payment of fees, investigating and deciding disciplinary
16 proceedings, and imposing sanctions for violations of the Nebraska
17 Medical Cannabis Regulation Act or rules and regulations adopted and
18 promulgated thereunder;

19 (b) Qualifications and procedures for licensure under the Nebraska
20 Medical Cannabis Regulation Act;

21 (c) Requirements and procedures for testing cannabis for potency and
22 the presence of contaminants and to otherwise ensure the safety of
23 qualified patients;

24 (d) Rules relating to acceptable testing and research practices,
25 including, but not limited to, research methods, standards, quality
26 control analysis, equipment certification and calibration, and chemical
27 identification;

28 (e) Specifications of duties of officers and employees of the
29 commission;

30 (f) Instructions for local governing bodies and law enforcement
31 officers;

1 (g) Requirements for inspections, investigations, searches,
2 seizures, forfeitures, and such additional enforcement activities as may
3 become necessary from time to time;

4 (h) Documentation for identifying licensees and their owners,
5 officers, managers, and employees;

6 (i) A schedule of penalties for violations and procedures for
7 issuing and appealing citations for violations of statutes and rules and
8 issuing administrative citations;

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

17 (k) Regulations on the storage of, warehouses for, and
18 transportation of cannabis;

19 (l) Regulations concerning the statewide track and trace system and
20 seed-to-sale tracking system as provided in section 135 of this act;

21 (m) Rules regarding the records to be kept by licensees to ensure
22 that licensees keep complete and accurate electronic records for all
23 transactions involving cannabis, including, but not limited to, rules
24 regarding the types of records each licensee shall maintain, retention
25 schedules, the required availability of the records, and inspection
26 procedures;

27 (n) Rules concerning disposal of cannabis by licensees, qualified
28 patients, registered caregivers, and others as deemed necessary or
29 appropriate by the commission;

30 (o) Rules concerning limited access areas as defined in section 128
31 of this act;

1 (p) Health and safety regulations and standards for the manufacture
2 of cannabis products and cultivation of cannabis;

3 (q) Sanitary requirements for dispensaries;

4 (r) Limitations on the display of cannabis in dispensaries;

5 (s) Rules for transporters, including, but not limited to, insurance
6 requirements; acceptable timeframes for transport, storage, and delivery;
7 and requirements for transport vehicles; and

8 (t) Such other matters as are necessary for the fair, impartial,
9 stringent, and comprehensive administration of the Nebraska Medical
10 Cannabis Regulation Act.

11 (2) On and after October 1, 2025, the commission may adopt and
12 promulgate rules and regulations necessary to carry out the Nebraska
13 Medical Cannabis Regulation Act.

14 **Sec. 78.** The commission may develop such forms, applications, and
15 other documentation as are necessary or convenient in the discretion of
16 the commission for the administration of the Nebraska Medical Cannabis
17 Regulation Act or any rules and regulations adopted and promulgated
18 thereunder.

19 **Sec. 79.** Nothing in the Nebraska Medical Cannabis Regulation Act
20 shall be construed as delegating to the commission the power to fix
21 prices for cannabis.

22 **Sec. 80.** Rules and regulations adopted and promulgated pursuant to
23 the Nebraska Medical Cannabis Regulation Act and any ordinance enacted by
24 a local governing body shall not:

25 (1) Except as provided in subsection (5) of section 100 of this act,
26 make it unreasonably impracticable to operate as a licensee;

27 (2) Require testing of cannabis before the commission has licensed
28 any testing facilities or, if such facilities have been licensed, before
29 such facilities are capable of performing any required tests in a timely
30 manner;

31 (3) Require a qualified patient or registered caregiver to provide a

1 dispensary with documentation or identifying information other than a
2 registry card;

3 (4) Require a dispensary to acquire or record personal information
4 about qualified patients or registered caregivers other than information
5 typically required in a retail transaction; or

6 (5) Prohibit cultivation of cannabis using inorganic cultivation
7 methods.

8 **Sec. 81.** (1) The commission shall provide without charge to any
9 licensee a copy of the Nebraska Medical Cannabis Regulation Act, any
10 rules and regulations adopted and promulgated thereunder, and any other
11 information which the commission deems important in the area of cannabis
12 control in the State of Nebraska.

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

15 (3) The commission may update such material as often as it deems
16 necessary.

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

21 **Sec. 82.** The commission may:

22 (1) Call upon other departments of the state, political
23 subdivisions, law enforcement agencies, and prosecutors for such
24 information and assistance as the commission deems necessary in the
25 performance of its duties; and

26 (2) Recommend ordinances to local governing bodies not inconsistent
27 with the Nebraska Medical Cannabis Regulation Act.

28 **Sec. 83.** The commission may request the State Fire Marshal to
29 inspect any licensed premises or premises for which a license is sought
30 for fire safety pursuant to section 81-502. The State Fire Marshal shall
31 assess a fee for such inspection pursuant to section 81-505.01 payable by

1 such licensee or applicant. The State Fire Marshal may delegate the
2 authority to make such inspections to qualified local fire prevention
3 personnel pursuant to section 81-502.

4 **Sec. 84.** (1) The commission shall maintain the confidentiality of
5 reports or other information obtained from a licensee:

6 (a) Containing any individualized data, information, or records
7 related to the licensee or its operation, including sales information,
8 financial records, tax returns, credit reports, cultivation information,
9 testing results, or security information and plans;

10 (b) Which reveals any qualified patient or registered caregiver
11 information; or

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

14 (2) Confidential information and reports shall only be used for
15 purposes authorized by the Nebraska Medical Cannabis Regulation Act or
16 for any other state or local law enforcement purpose. Any qualified
17 patient or registered caregiver information shall only be used for
18 purposes authorized by the Nebraska Medical Cannabis Regulation Act or
19 the Nebraska Medical Cannabis Patient Protection Act.

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

23 **Sec. 85.** (1) The Medical Cannabis Control Fund is created. The fund
24 shall consist of all fees, gifts, grants, and other money, excluding
25 finances and civil penalties, received or collected by the commission under
26 the Nebraska Medical Cannabis Regulation Act.

27 (2) The commission shall use the fund for the administration and
28 enforcement of the Nebraska Medical Cannabis Regulation Act. The fund may
29 be used to cover any such administrative or enforcement costs, including,
30 but not limited to, salary and benefits; expenses incurred by the
31 commission in producing or distributing the forms, materials, and other

1 documentation required by the act; costs of equipment needed to enforce
2 the act; and costs associated with electronic regulatory transactions,
3 industry education events, and enforcement training.

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

6 (4) Any money in the Medical Cannabis Control Fund available for
7 investment shall be invested by the state investment officer pursuant to
8 the Nebraska Capital Expansion Act and the Nebraska State Funds
9 Investment Act.

10 **Sec. 86.** Section 3, Initiative Law 2024, No. 438, is amended to
11 read:

12 Sec. 3. (1) Subject to the requirements of the Nebraska Medical
13 Cannabis Regulation Act, it shall not be an offense under state law for a
14 licensee registered cannabis establishment, its employees, and its agents
15 to possess, cultivate, process, manufacture, distribute, transport, sell,
16 and test deliver, and dispense cannabis for medical purposes, provided
17 such conduct complies with applicable rules and regulations adopted and
18 promulgated by the commission pursuant to the act Nebraska Medical
19 Cannabis Regulation Act.

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

23 **Sec. 87.** An attorney shall not be subject to disciplinary action
24 for providing legal assistance to a prospective licensee, licensee, or
25 another person or entity who is engaged in lawful activities pursuant to
26 the Nebraska Medical Cannabis Regulation Act.

27 **Sec. 88.** A contract entered into by a licensee or its employees or
28 agents, or by those who allow their property to be used by a licensee or
29 its employees or agents, shall not be unenforceable on the basis that
30 possessing, cultivating, processing, manufacturing, distributing,
31 dispensing, testing, transporting, selling, or using cannabis is

1 prohibited by federal law. It is the public policy of the State of
2 Nebraska that such contracts shall be enforceable to the same extent as
3 other contracts.

4 **Sec. 89.** (1) A financial institution may loan money to, accept
5 deposits from, and otherwise do business with any licensee to the same
6 extent as other persons, subject to any restrictions of the Nebraska
7 Medical Cannabis Regulation Act.

8 (2) For purposes of this section, financial institution means a
9 bank, savings bank, credit card bank, savings and loan association,
10 building and loan association, trust company, or credit union organized
11 under the laws of any state or organized under the laws of the United
12 States.

13 **Sec. 90.** There shall be the following classes of licenses under the
14 Nebraska Medical Cannabis Regulation Act:

- 15 (1) Cultivator;
- 16 (2) Dispensary;
- 17 (3) Products manufacturer;
- 18 (4) Testing facility;
- 19 (5) Transporter; and
- 20 (6) Vertical license.

21 **Sec. 91.** (1) The commission may issue a vertical license that
22 authorizes the licensee to operate an integrated medical cannabis
23 business. Each vertical license shall allow the licensee to operate:

- 24 (a) Four dispensary licenses, with no more than two per
25 congressional district;
- 26 (b) One products manufacturer license; and
- 27 (c) One cultivation license.

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

30 (3) In addition to any dispensary, products manufacturer, and
31 cultivation licenses issued as part of a vertical license, until January

1 1, 2030, the commission may issue the following licenses, subject to the
2 following limits:

3 (a) Ten dispensary licenses;

4 (b) Five cultivator licenses;

5 (c) Five product manufacturer licenses; and

6 (d) Five testing facility licenses.

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

9 (5) An applicant for a vertical license shall only be required to
10 pay a single licensing fee under section 95 of this act. However, each
11 sublicense shall be separately subject to discipline and shall be subject
12 to the approval and issuance process and local oversight provided in
13 sections 90 to 113 of this act.

14 **Sec. 92.** (1) Beginning January 1, 2026, a person may apply for a
15 license under the Nebraska Medical Cannabis Regulation Act. An
16 application for issuance or renewal of a license shall be:

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

18 (b) Accompanied by the fee required by section 95 of this act; and

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

21 (2) An application for issuance or renewal of a license shall
22 include:

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

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

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

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

1 (e) A statement that:

2 (i) If the application is submitted before January 1, 2030, the
3 applicant satisfies the residency requirements of section 93 of this act;
4 and

5 (ii) The applicant is not disqualified under section 94 of this act;

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

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

14 (h) Such other information as the commission may from time to time
15 direct.

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

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

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

31 (b) The commission shall not issue or renew a license until it is

1 established that the applicant is, or will be, entitled to possession of
2 the premises for which application is made under a lease, rental
3 agreement, or other arrangement for possession of the premises or by
4 virtue of ownership of the premises.

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

9 **Sec. 93.** Until January 1, 2030:

10 (1) The commission shall not issue or renew a license unless at
11 least fifty-one percent of the ownership of the applicant is comprised of
12 natural persons who have been residents of Nebraska for at least two
13 years; and

14 (2) It shall be unlawful to operate as a licensee unless at least
15 fifty-one percent of the ownership of the licensee is comprised of
16 natural persons who have been residents of Nebraska for at least two
17 years.

18 **Sec. 94.** A license provided by the Nebraska Medical Cannabis
19 Regulation Act shall not be issued to or held by:

20 (1) Any person who has been convicted of a disqualifying offense
21 within the preceding ten years;

22 (2) A person if any of its officers, directors, stockholders, or
23 owners have been convicted of a disqualifying offense within the
24 preceding ten years;

25 (3) A person financed in whole or in part by any other person who
26 has been convicted of a disqualifying offense within the preceding ten
27 years;

28 (4) A person under eighteen years of age;

29 (5) A licensee or former licensee who, during a period of licensure
30 or at the time of application, has failed to:

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

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

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

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

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

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

13 (10) A publicly traded company.

14 **Sec. 95.** (1) An application for initial issuance of a license shall
15 be accompanied by a fee in the following amount:

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

17 (b) For a cultivator license, twenty-five thousand dollars;

18 (c) For a products manufacturers license, twenty thousand dollars;

19 (d) For a dispensary license, twenty-five thousand dollars;

20 (e) For a transporter license, five thousand dollars; and

21 (f) For a testing facility license, twenty-five thousand dollars.

22 (2) An application for renewal of a license shall be accompanied by
23 a fee of five thousand dollars.

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

26 **Sec. 96.** (1) Except as provided in subsection (2) of this section,
27 the commission shall approve or deny an application for issuance or
28 renewal of a license within one hundred twenty days after receiving a
29 completed application and the appropriate fee.

30 (2) With the applicant's written consent, the commission may extend
31 the deadline provided in this section.

1 **Sec. 97.** Upon receiving an application for a license, the
2 commission shall notify the clerk of the city or village in which such
3 license is sought or, if the license sought is not sought within a city
4 or village, the county clerk of the county in which such license is
5 sought, of the receipt of the application and shall include one copy of
6 the application with the notice. No such license shall be issued or
7 denied by the commission until the expiration of the time allowed for the
8 receipt of a recommendation of denial or a resident objection requiring a
9 hearing under subsection (1) or (2) of section 101 of this act. During
10 the period of forty-five days after the date of receipt by mail or
11 electronic delivery of such application from the commission, the local
12 governing body of such city, village, or county may make and submit to
13 the commission recommendations relative to the granting or denial of such
14 license to the applicant.

15 **Sec. 98.** (1) If no hearing is required pursuant to subsection (1)
16 or (2) of section 101 of this act and the commission has no objections
17 pursuant to subsection (3) of such section, the commission may waive the
18 forty-five-day objection period and, if not otherwise prohibited by law,
19 cause a license to be signed by its chairperson, attested by its
20 executive director over the seal of the commission, and issued in the
21 manner provided in subsection (5) of this section as a matter of course.

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

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

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

30 (c) The applicant has demonstrated that the type of management and
31 control to be exercised over the premises described in the application

1 will be sufficient to ensure that the licensed business can conform to
2 all provisions and requirements of the Nebraska Medical Cannabis
3 Regulation Act and rules and regulations adopted and promulgated
4 thereunder; and

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

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

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

10 (b) Any resident objection made in accordance with section 101 of
11 this act;

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

14 (d) The nature of the neighborhood or community of the location of
15 the proposed licensed premises;

16 (e) The existence or absence of other licensees within the
17 neighborhood or community of the location of the proposed licensed
18 premises and whether, as evidenced by substantive, corroborative
19 documentation, the issuance of such license would result in or add to an
20 undue concentration of licenses;

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

23 (g) The adequacy of existing law enforcement;

24 (h) Zoning restrictions;

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

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

30 (4) Until January 1, 2030, licenses other than for transporters
31 shall be issued on a competitive, merit-based application process.

1 Applicants for vertical licenses shall be given priority over applicants
2 for stand-alone licenses. Applicants will be evaluated on several core
3 criteria, with primary emphasis placed on comprehensive business plans,
4 financial stability, facility design, and operational readiness,
5 collectively ensuring a solid foundation for sustainable operations.
6 Additional prioritization will be given to applicants demonstrating local
7 ownership through Nebraska residency, a proven compliance history in
8 regulated industries, and relevant industry experience. This scoring
9 process is designed to foster a transparent, equitable, and community-
10 focused cannabis industry, ensuring public safety and patient
11 accessibility while maximizing local economic benefits.

12 (5) Licenses issued or renewed by the commission shall be mailed or
13 delivered electronically to:

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

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

19 (ii) The fee for publication of notice of renewal as provided in
20 section 104 of this act; and

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

23 (b) The licensee, upon confirmation from the clerk of the city,
24 village, or county that the necessary fees and taxes described in
25 subdivision (5)(a) of this section have been received.

26 **Sec. 99.** (1) In addition to the factors set forth in section 98 of
27 this act, the commission may deny issuance or renewal of a license for
28 good cause.

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

30 (a) The licensee or applicant has violated, does not meet, or has
31 failed to comply with any of the terms, conditions, or provisions of the

1 Nebraska Medical Cannabis Regulation Act, any rules and regulations
2 adopted and promulgated thereunder, or any ordinance;

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

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

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

11 **Sec. 100.** (1) For purposes of this section:

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

14 (b) Covered location means any college campus, any alcohol or drug
15 treatment facility, any school, or any child care facility or day care;
16 and

17 (c) School means any public or private elementary or secondary
18 school.

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

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

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

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

30 (i) Cultivation facilities may operate in industrial or agricultural
31 zones;

1 (ii) Products manufacturer facilities may operate in industrial
2 zones; and

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

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

7 **Sec. 101.** (1) The commission shall hold a hearing on an application
8 for a license if, within forty-five days after the date the application
9 was received by the city, village, or county clerk, the commission
10 receives a recommendation of denial from the city, village, or county.

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

16 (i) If the city, village, or county provides the commission with a
17 recommendation that the application be granted, the objections must be
18 received no later than ten days after the commission receives such
19 recommendation; or

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

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

27 (3) The commission shall hold a hearing on an application for a
28 license if, within forty-five days after the date the application was
29 received by the city, village, or county clerk, the commission itself
30 objects to the issuance of the license or receives an objection from any
31 employee of the commission.

1 (4)(a) Hearings upon such applications shall be conducted as
2 provided in this subsection.

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

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

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

17 **Sec. 102.** (1) When a local governing body receives from the
18 commission the notice and copy of application as provided in section 97
19 of this act for a license within the jurisdiction of the local governing
20 body, the local governing body may fix a time and place for a hearing at
21 which the local governing body shall receive evidence, either orally or
22 by affidavit from the applicant and any other person, bearing upon the
23 propriety of the issuance of a license.

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

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

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

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

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

14 **Sec. 103.** (1) Ninety days prior to the expiration date of an
15 existing license, the commission shall notify the licensee of the
16 expiration date by first-class mail at the licensee's address of record
17 with the commission.

18 (2)(a) A license issued by the commission and outstanding may be
19 automatically renewed by the commission without formal application upon
20 payment of the renewal fee prior to or within thirty days after the
21 expiration of the license. The payment shall be an affirmative
22 representation and certification by the licensee that all answers
23 contained in an application, if submitted, would be the same in all
24 material respects as the answers contained in the last previous
25 application.

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

29 (3)(a) The commission may renew the license if the licensee is
30 qualified to receive a license, the location of the licensed premises has
31 not changed, and the licensed premises remain suitable to be used as

1 such.

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

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

6 **Sec. 104.** The city, village, or county clerk shall cause to be
7 published in a legal newspaper in or of general circulation in such city,
8 village, or county, one time between January 10 and January 30 of the
9 year in which a license is up for renewal, individual notice of the right
10 of automatic renewal of such license. The notice shall be in
11 substantially the following form:

12 NOTICE OF RENEWAL OF MEDICAL CANNABIS LICENSE

13 Notice is hereby given pursuant to section 104 of this act that
14 [list type of license] license may be automatically renewed for one year
15 from May 1, 20...., for the following licensee:

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

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

23 (Name)

24 (City, village, or county) Clerk

25 **Sec. 105.** Upon the conclusion of any renewal hearing required by
26 section 104 of this act, the local governing body may request a licensee
27 to submit an application as provided in section 103 of this act.

28 **Sec. 106.** A license is valid for a period of two years after the
29 date of issuance unless revoked or suspended pursuant to the Nebraska
30 Medical Cannabis Regulation Act or the rules and regulations adopted and
31 promulgated thereunder.

1 **Sec. 107.** Each license issued under the Nebraska Medical Cannabis
2 Regulation Act shall:

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

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

7 **Sec. 108.** (1) At all times, a licensee shall possess and maintain
8 possession of the premises for which the license is issued by ownership,
9 lease, rental, or other arrangement for possession of the premises.

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

12 **Sec. 109.** (1) Each licensee shall personally manage the licensed
13 premises or employ a separate and distinct manager on the licensed
14 premises and shall report the name of the manager to the commission.

15 (2) The licensee shall report any change in manager to the
16 commission within seven days after the change.

17 **Sec. 110.** (1) A license is not transferable without approval of the
18 commission as provided in this section. A license shall not be
19 transferred during the first two years of its issuance. An application
20 for transfer of ownership of a license shall be:

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

22 (b) Accompanied by a nonrefundable fee of ten thousand dollars; and

23 (c) Verified by oath or affirmation of the persons prescribed by the
24 commission.

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

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

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

30 (c) The particular premises of the licensed premises, designating
31 the premises by street and number if practicable or, if not, by such

1 other description as definitively locates the premises;

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

4 (e) A statement that:

5 (i) If the application is submitted before January 1, 2030, that the
6 applicant satisfies the residency requirements of section 93 of this act;
7 and

8 (ii) The applicant is not disqualified under section 94 of this act;

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

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

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

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

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

28 **Sec. 111.** (1) A licensee shall not relocate the licensed premises
29 from the place specified in the license without approval of the
30 commission as provided in this section. An application for relocation of
31 a licensed premises shall be:

1 (a) In the form and manner required by the commission;
2 (b) Accompanied by a nonrefundable fee of one thousand dollars; and
3 (c) Verified by oath or affirmation of the persons prescribed by the
4 commission.

5 (2) An application for relocation of a licensed premises shall
6 include:

7 (a) The name and address of the applicant;
8 (b) The names and addresses of the applicant's officers, directors,
9 or managers;

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

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

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

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

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

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

28 **Sec. 112.** (1) A license shall be purely a personal privilege.

29 (2) A license shall not:

30 (a) Constitute property;

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

1 (c) Except as provided in section 110 of this act, be alienable or
2 transferable, voluntarily or involuntarily; or

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

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

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

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

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

26 **Sec. 113.** The commission, in its discretion, may revoke or elect
27 not to renew any license if it determines that the licensed premises have
28 been inactive, without good cause, for at least one year.

29 **Sec. 114.** The commission and local governing bodies shall cause
30 frequent inspection to be made on the premises of all licensees. If it is
31 found that any such licensee is violating any provision of the Nebraska

1 Medical Cannabis Regulation Act or the rules and regulations of the
2 commission adopted and promulgated under the act or is failing to observe
3 in good faith the purposes of the act, the license may be suspended,
4 anceled, or revoked after the licensee is given notice and an
5 opportunity to be heard.

6 **Sec. 115.** (1) In the discharge of any duty under the Nebraska
7 Medical Cannabis Regulation Act, the commission may issue subpoenas and
8 compel the attendance of witnesses and the production of any papers,
9 books, accounts, documents, and testimony.

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

18 **Sec. 116.** Any five residents of the jurisdiction of the local
19 governing body in which a licensed premises is located shall have the
20 right to file a complaint with the local governing body stating that any
21 licensee subject to the jurisdiction of such local governing body has
22 been or is violating the Nebraska Medical Cannabis Regulation Act, any
23 rule or regulation adopted and promulgated thereunder, or any ordinance
24 regulating cannabis. Such complaint shall be in writing in the form
25 prescribed by the local governing body and shall be signed and sworn to
26 by the parties complaining. The complaint shall state the particular
27 statute, rule or regulation, or ordinance believed to have been violated
28 and the facts in detail upon which such belief is based. If the local
29 governing body is satisfied that the complaint substantially charges a
30 violation and that from the facts alleged there is reasonable cause for
31 such belief, it shall set the matter for hearing within ten days after

1 the date of the filing of the complaint and shall serve notice upon the
2 licensee of the time and place of such hearing and of the particular
3 charge in the complaint. The complaint shall in all cases be disposed of
4 by resolution by the local governing body within thirty days after the
5 date the complaint was filed. Such resolution shall be deemed the final
6 order for purposes of appeal to the commission as provided in section 123
7 of this act.

8 **Sec. 117.** (1) The commission may, on its own motion or on
9 complaint, after investigation and opportunity for a public hearing at
10 which the licensee must be afforded an opportunity to be heard, sanction
11 a licensee for a violation by the licensee or by its agents or employees
12 of the Nebraska Medical Cannabis Regulation Act, any rules and
13 regulations adopted and promulgated thereunder, any ordinance regulating
14 cannabis, or any of the terms, conditions, or provisions of the license.

15 (2) The commission shall provide written notice of the hearing, by
16 mailing the notice to the licensee at the address contained in the
17 license and, if different, at the last address furnished to the
18 commission by the licensee.

19 (3) All proceedings for the suspension or revocation of a license or
20 imposition of other sanction against a licensee shall be before the
21 commission, and the proceedings shall be in accordance with rules and
22 regulations adopted and promulgated by the commission not inconsistent
23 with law.

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

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

31 (6) Any license may be summarily suspended by the commission without

1 notice pending any prosecution, investigation, or public hearing of a
2 licensee.

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

7 **Sec. 118.** Upon the completion of any hearing held regarding
8 discipline of a license, the director may dismiss the action or impose
9 any of the following sanctions:

10 (1) Censure;

11 (2) Probation;

12 (3) Limitation;

13 (4) Civil penalty;

14 (5) Suspension for up to six months;

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

17 (7) Revocation.

18 **Sec. 119.** (1) If a civil penalty is imposed pursuant to section 118
19 of this act, it shall not exceed twenty thousand dollars.

20 (2) Any fine or civil penalty assessed and unpaid shall constitute a
21 debt to the State of Nebraska which may be collected in the manner of a
22 lien foreclosure or sued for and recovered in a proper form of action in
23 the name of the state in the district court of the county in which the
24 violator resides or owns property. In such action the commission may also
25 collect attorney's fees and costs incurred in the collection of the civil
26 penalty. The commission shall, within thirty days after receipt, remit
27 any collected civil penalty to the State Treasurer to be disposed of in
28 accordance with Article VII, section 5, of the Constitution of Nebraska.

29 **Sec. 120.** (1) If the commission determines that cannabis in the
30 possession of a licensee is involved in a violation of the Nebraska
31 Medical Cannabis Regulation Act, the rules and regulations adopted and

1 promulgated thereunder, an ordinance regulating cannabis, or any terms or
2 conditions of a license, the commission may declare such cannabis to be
3 contraband and seize and destroy or dispose of it in accordance with
4 rules and regulations of the commission. The commission may also seize
5 and dispose of associated property.

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

20 (3) If the licensee fails to timely file a petition under subsection
21 (2) of this section, the commission may destroy or dispose of the seized
22 cannabis and any associated property.

23 (4) A county attorney shall notify the commission if the county
24 attorney begins investigating a licensee for violations of the Nebraska
25 Medical Cannabis Regulation Act. Upon receipt of such a notification, the
26 commission shall not destroy or dispose of any cannabis or associated
27 property of such licensee until the county attorney has completed such
28 investigation.

29 (5) For purposes of this section, associated property means
30 containers, equipment, supplies, and other property closely associated
31 with the conduct that is the subject of the violation.

1 **Sec. 121.** The state, local governments, and any state or local
2 agency shall not be required to cultivate or care for any cannabis seized
3 for a violation of the Nebraska Medical Cannabis Regulation Act.

4 **Sec. 122.** (1) A copy of the rule, regulation, order, or decision of
5 the commission denying an application or suspending, revoking, or
6 imposing another sanction against a licensee or of any notice required by
7 any proceeding before it, certified under the seal of the commission,
8 shall be served upon each party of record to the proceeding before the
9 commission. Service upon any attorney of record for any such party shall
10 be deemed to be service upon such party. Each party appearing before the
11 commission shall enter the party's appearance and indicate to the
12 commission the party's address for such service. The mailing of a copy of
13 any rule, regulation, order, or decision of the commission or of any
14 notice by the commission, in the proceeding, to such party at such
15 address shall be deemed to be service upon such party.

16 (2) Within thirty days after the service described in subsection (1)
17 of this section, such party may apply for a rehearing with respect to any
18 matters determined by the commission. The commission shall receive and
19 consider such application for a rehearing within thirty days after its
20 filing with the executive director of the commission. If such application
21 for rehearing is granted, the commission shall proceed as promptly as
22 possible to consider the matters presented by such application. No appeal
23 shall be allowed from any decision of the commission except as provided
24 in section 123 of this 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. Only one
27 rehearing referred to in subsection (2) of this section shall be granted
28 by the commission on application of any one party.

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

30 (a) The applicant or licensee;

31 (b) Any individual objecting pursuant to subsection (2) of section

1 101 of this act;

2 (c) The local governing body if it is entering an appearance to
3 protest or requesting a hearing; and

4 (d) The commission.

5 **Sec. 123.** Any order or decision by the commission granting or
6 denying issuance or renewal of a license, a request to transfer ownership
7 of a license, or a request to relocate a licensed premises; suspending,
8 revoking, or imposing another sanction against a licensee; or refusing to
9 suspend, revoke, or impose another sanction against a licensee may be
10 appealed. The appeal shall be in accordance with the Administrative
11 Procedure Act.

12 **Sec. 124.** Nothing in the Nebraska Medical Cannabis Regulation Act
13 shall be construed to limit a law enforcement agency's ability to
14 investigate unlawful activity in relation to a licensee.

15 **Sec. 125.** A local governing body shall have the following powers,
16 functions, and duties with respect to licenses within its jurisdiction:

17 (1) To cancel or revoke for cause licenses, subject to the right of
18 appeal to the commission;

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

28 (a) Determining that such violation has occurred;

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

30 (c) The verdict in a prosecution related to such an ongoing police
31 investigation if the prosecuting attorney determines that reporting such

1 violation prior to the verdict would jeopardize such prosecution;

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

7 (4) To examine or cause to be examined any applicant or any
8 licensee, upon whom notice of cancellation or revocation has been served
9 as provided in the act, to examine or cause to be examined the books and
10 records of any applicant or licensee, and to hear testimony and to take
11 proof for its information in the performance of its duties. For purposes
12 of obtaining any of the information desired, the local governing body may
13 authorize its agent or attorney to take action on its behalf;

14 (5) To cancel or revoke on its own motion any license if, upon the
15 same notice and hearing as provided in section 116 of this act, it
16 determines that the licensee has violated any of the provisions of the
17 act, any rule or regulation adopted and promulgated pursuant to the act,
18 or any ordinance relating to cannabis. Such order of cancellation or
19 revocation may be appealed to the commission within thirty days after the
20 date of the order by filing a notice of appeal with the commission. The
21 commission shall handle the appeal in the manner provided for hearing on
22 an application in section 101 of this act; and

23 (6) To impose an occupation tax on a licensee, not to exceed an
24 annual limit of the greater of five thousand dollars or two percent of
25 the licensee's gross receipts.

26 **Sec. 126.** (1) Local governing bodies shall only have authority to
27 approve applications and deny licenses pursuant to the Nebraska Medical
28 Cannabis Regulation Act.

29 (2)(a) Subject to section 80 of this act, a local governing body may
30 regulate by ordinance, not inconsistent with the Nebraska Medical
31 Cannabis Regulation Act, the business of all licensees operating within

1 the jurisdiction of the local governing body.

2 (b) Such ordinances may be more strict than those set forth in the
3 Nebraska Medical Cannabis Regulation Act. Such standards may include, but
4 are not limited to:

5 (i) Distance restrictions between licensed premises of any type or
6 the same type;

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

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

11 (3) Except as provided in subsection (5) of section 100 of this act,
12 any ordinance regulating conduct authorized by the Nebraska Medical
13 Cannabis Regulation Act shall not make it unreasonably impracticable to
14 operate as a licensee.

15 **Sec. 127. (1) No licensee shall:**

16 (a) Sell or transfer cannabis to any individual younger than
17 eighteen years of age;

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

20 (c) Employ or retain any individual younger than eighteen years of
21 age.

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

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

26 (b) The commission; or

27 (c) A person designated by the commission.

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

30 (a) Another dispensary;

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

1 (c) A person designated by the commission.

2 **Sec. 128.** (1) For purposes of this section:

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

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

11 (2) Only those persons authorized by the commission and those
12 visitors escorted by a person authorized by the commission may enter a
13 limited access area. All areas of ingress or egress to limited access
14 areas shall be clearly identified as such by a sign as designated by the
15 commission.

16 **Sec. 129.** All cultivation, processing, and manufacture of cannabis
17 shall:

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

23 (2) Take place on property in the licensee's lawful possession or
24 with the consent of the person in lawful physical possession of the
25 property.

26 **Sec. 130.** Each licensee shall:

27 (1) Secure every entrance to the licensed premises so that access to
28 areas containing cannabis is restricted to persons authorized to possess
29 cannabis; and

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

1 **Sec. 131.** A licensee shall not permit the consumption of cannabis
2 on any licensed premises.

3 **Sec. 132.** (1) Each licensee shall keep a complete set of all
4 records necessary to fully document the business transactions of the
5 licensee, all of which shall be open at all times during business hours
6 for the inspection and examination by the commission or its designee.

7 (2) The commission may require any licensee to furnish such
8 information as the commission considers necessary for the proper
9 administration of the Nebraska Medical Cannabis Regulation Act and may
10 require an audit to be made of the books of account and records on such
11 occasions as the commission may consider necessary by an auditor to be
12 selected by the commission who shall likewise have access to all books
13 and records of the licensee. Any such audit expense shall be paid by the
14 licensee.

15 (3) The commission or its designee may examine and inspect or
16 provide for the examination and inspection of any licensee, licensed
17 premises, or the records or operations of any licensee in such manner and
18 at such times as provided in rules and regulations adopted and
19 promulgated by the commission. The commission shall issue an examination
20 and inspection report and provide a copy of the report to the licensee
21 within ten working days after the completion of an examination and
22 inspection. The commission shall post a copy of the report on its
23 website.

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

28 (5) If a licensee or an agent or employee of a licensee fails to
29 maintain or provide the records required pursuant to the Nebraska Medical
30 Cannabis Regulation Act, the licensee shall be subject to a citation and
31 fine of up to fifteen thousand dollars per individual violation.

1 **Sec. 133.** (1) Every sale or transfer of cannabis from one licensee
2 to another licensee shall be recorded on a sales invoice or receipt.
3 Sales invoices and receipts may be maintained electronically. Sales
4 invoices and receipts shall:

5 (a) Be entered into a seed-to-sale tracking system;

6 (b) Be filed in such manner as to be readily accessible for
7 examination by employees of the commission; and

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

9 (2) Each sales invoice or receipt shall include the name and address
10 of the seller and shall include the following information:

11 (a) Name and address of the purchaser;

12 (b) Date of sale and invoice number;

13 (c) Kind, quantity, size, and capacity of packages of cannabis sold;

14 (d) The cost to the purchaser, together with any discount applied to
15 the price as shown on the invoice;

16 (e) The place from which transport of the cannabis was made unless
17 transport was made from the premises of the licensee; and

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

19 **Sec. 134.** Any licensee may provide a sample of its cannabis or
20 cannabis products to a testing facility for testing and research
21 purposes. The licensee shall maintain a record of what was provided to
22 the testing facility, the identity of the testing facility, and the
23 testing results.

24 **Sec. 135.** (1)(a) On or before January 1, 2026, the commission shall
25 develop a statewide track and trace system that is capable of tracking
26 and tracing information concerning cannabis cultivated, processed,
27 manufactured, distributed, transported, sold, tested, or disposed of in
28 this state by all licensees.

29 (b) The commission shall maintain the confidentiality of information
30 in the track and trace system as provided in section 84 of this act.

31 (2) Each licensee shall, in accordance with the commission's rules

1 and regulations, use a seed-to-sale tracking system. Any such system
2 shall be approved by the commission before use. The system must be
3 capable of:

4 (a) Interfacing with the statewide track and trace system so a
5 licensee may enter and access information in the statewide track and
6 trace system as required for inventory control and tracking and for
7 purchase limitations;

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

10 (c) Maintaining confidentiality of qualified patient and registered
11 caregiver data and records so that persons or entities other than the
12 commission may only access the information in the system that they are
13 authorized by law to access; and

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

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

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

19 (iii) Total inventory or sales record adjustments at the licensed
20 premises.

21 **Sec. 136.** (1) No person shall add harmful additives to any cannabis
22 or cannabis product, including, but not limited to, those that are toxic,
23 designed to make the product addictive, designed to make the product
24 appealing to children, or misleading to consumers. This section does not
25 prohibit the addition of common baking or cooking ingredients.

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

27 **Sec. 137.** (1) No licensee shall cultivate, manufacture, sell, or
28 otherwise transact business with any products containing cannabinoids
29 other than those that were produced and distributed in compliance with
30 the Nebraska Medical Cannabis Regulation Act or the Nebraska Hemp Farming
31 Act.

1 (2) A cannabis product may include cannabinoids extracted or derived
2 from cannabis cultivated and processed in accordance with the Nebraska
3 Medical Cannabis Regulation Act, but shall not include synthetic
4 cannabinoids.

5 (3) A cannabis product may include hemp-derived nonintoxicating
6 cannabinoids but shall not include hemp-derived intoxicating
7 cannabinoids.

8 (4) For purposes of this section:

9 (a) Hemp-derived means a cannabinoid extracted from hemp, including
10 a cannabinoid with a chemical makeup that is changed after extraction to
11 create a different cannabinoid or other chemical compound by applying a
12 catalyst other than heat or light;

13 (b)(i) Intoxicating cannabinoid means a cannabinoid, including an
14 artificially derived cannabinoid, that when introduced into the human
15 body, impairs the central nervous system or impairs the human audio,
16 visual, or mental processes. Intoxicating cannabinoid includes, but is
17 not limited to, any form of THC.

18 (ii) Intoxicating cannabinoid does not include a nonintoxicating
19 cannabinoid;

20 (c) Nonintoxicating cannabinoid means a cannabinoid that, when
21 introduced into the human body, does not impair the central nervous
22 system and does not impair the human audio, visual, or mental processes.
23 Nonintoxicating cannabinoid includes, but is not limited to, cannabidiol
24 (CBD), cannabichromene (CBC), cannabielsoin (CBE), cannabigerol (CBG),
25 cannabidivarin (CBDV), and cannabinol (CBN); and

26 (d) Synthetic cannabinoid means a substance with a similar chemical
27 structure and pharmacological activity to a cannabinoid but that is not
28 extracted or derived from hemp or cannabis and is instead created or
29 produced by chemical or biochemical synthesis.

30 Sec. 138. The commission shall adopt and promulgate rules and
31 regulations for the packaging of cannabis, cannabis products, and

1 concentrated cannabis which shall include:

2 (1) Special packaging requirements to protect children from
3 ingesting or consuming cannabis;

4 (2) Requirements for dividing each serving within a package
5 containing multiple servings in a manner that allows qualified patients
6 and registered caregivers to easily identify a single serving; and

7 (3) Requirements to ensure that packaging and labels are not
8 attractive to children.

9 **Sec. 139.** (1) Except as provided in subsection (2) of this section,
10 prior to transfer or sale to a qualified patient or registered caregiver
11 by a dispensary, all cannabis, cannabis products, and concentrated
12 cannabis shall be labeled and placed in an opaque, resealable, and child-
13 resistant package in accordance with the Nebraska Medical Cannabis
14 Regulation Act and the rules and regulations adopted and promulgated
15 thereunder.

16 (2) Non-ingestible cannabis products, such as topical creams or
17 patches, are exempt from the requirements concerning resealable and
18 child-resistant packaging of this section.

19 (3) For purposes of this section:

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

22 (b) Resealable means that the package continues to function within
23 effectiveness specifications, which shall be established by the
24 commission, similar to the federal Poison Prevention Packaging Act of
25 1970, 15 U.S.C. 1471 et seq., as such act existed on January 1, 2025, for
26 the number of opening and closings customary for its size and contents,
27 which shall be determined by the commission.

28 **Sec. 140.** The label required by section 139 of this act shall
29 include the following information prominently displayed in a clear and
30 legible fashion and in a font size no smaller than nine-point Arial or
31 ten-point Times New Roman:

1 (1) The source and date of cultivation, the type of product, and the
2 date of manufacturing and packaging;

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

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

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

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

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

14 (7) Text that reads: "Cannabis impairs concentration, coordination,
15 and judgment. It is illegal to drive a motor vehicle while under the
16 influence of cannabis.";

17 (8) Text that reads: "This product is a controlled substance under
18 federal law. This product may be unlawful outside the State of
19 Nebraska.";

20 (9) A list of any solvents, nonorganic pesticides, herbicides, and
21 fertilizers that were used in the cultivation, production, and
22 manufacture of such cannabis, cannabis product, or concentrated cannabis;

23 (10) A batch or lot number;

24 (11) A description of the type of product, such as flower, edible,
25 or concentrate; and

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

27 **Sec. 141.** The principal display area of any packaging or label
28 required by section 139 of this act shall:

29 (1) Include a universal symbol, established by the commission,
30 indicating the package contains cannabis; and

31 (2) Have text that reads: "Contains cannabis. Keep out of reach of

1 children.".

2 **Sec. 142.** The label required under section 139 of this act shall,
3 for edible cannabis products:

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

7 (2) List all ingredients and disclose nutritional information in the
8 same manner as the federal nutritional labeling requirements in 21 C.F.R.
9 101.9, as such section existed on January 1, 2025; and

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

11 **Sec. 143.** A licensee shall not market, advertise, sell, or cause to
12 be sold a cannabis product if the product's container, packaging, or
13 advertising:

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

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

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

20 (4) Includes an image of a celebrity.

21 **Sec. 144.** (1) Subject to the Nebraska Medical Cannabis Regulation
22 Act and the rules and regulations adopted and promulgated thereunder, a
23 cultivator may cultivate and process cannabis plants for sale to
24 dispensaries, to products manufacturers, and to other cultivators, but
25 not to qualified patients or registered caregivers.

26 (2) A cultivator shall track the cannabis it cultivates and
27 distributes using a seed-to-sale tracking system.

28 (3) The commission shall allow cultivation indoors, outdoors, and in
29 greenhouse facilities.

30 (4) The commission shall adopt and promulgate rules and regulations
31 concerning the cultivation of cannabis, which shall include:

- 1 (a) Permitted and prohibited pesticides;
- 2 (b) Testing requirements for pesticide residues and other hazardous
- 3 substances;
- 4 (c) Destruction requirements and protocols for cannabis failing to
- 5 meet pesticide or hazardous substance requirements;
- 6 (d) Record-keeping requirements; and
- 7 (e) Waste disposal requirements and procedures.

8 **Sec. 145.** (1) A products manufacturer may process cannabis, conduct
9 extractions, and may manufacture cannabis products intended for use by
10 qualified patients.

11 (2) These products may include, but are not limited to:

- 12 (a) Cannabis-infused edibles, such as baked goods, candies, and
- 13 beverages;
- 14 (b) Tinctures;
- 15 (c) Capsules;
- 16 (d) Topical formulations, such as creams, balms, and lotions;
- 17 (e) Concentrates, such as oils, waxes, shatter, and distillates;
- 18 (f) Transdermal patches;
- 19 (g) Suppositories;
- 20 (h) Pre-rolled flower products; and
- 21 (i) Pre-filled vaporizer cartridges.

22 (3) A products manufacturer may sell or transfer cannabis products
23 to dispensaries and to other products manufacturers.

24 **Sec. 146.** A products manufacturer shall:

25 (1) Process and prepare cannabis into a form allowable under the
26 Nebraska Medical Cannabis Regulation Act prior to distribution to any
27 dispensary;

28 (2) Contract with an independent testing facility, subject to
29 approval by the commission, for purposes of testing products made by the
30 products manufacturer as to chemical composition, contamination, and
31 consistency; and

1 (3) Enter cannabis purchased and cannabis products sold,
2 distributed, transferred, or disposed of into a seed-to-sale tracking
3 system.

4 **Sec. 147.** (1) A products manufacturer may use any extraction method
5 or solvent that complies with state and federal safety standards and the
6 rules and regulations of the commission. Approved solvents may include,
7 but are not limited to, ethanol, carbon dioxide, hydrocarbons such as
8 butane and propane, and water-based methods.

9 (2) A products manufacturer shall:

10 (a) Conduct all extraction processes using equipment certified for
11 safety by a nationally recognized testing laboratory;

12 (b) Implement and maintain ventilation, fire suppression, and other
13 safety measures appropriate to the extraction method used; and

14 (c) If using volatile solvents, conduct operations in commission-
15 approved Class 1, Division 1 (C1D1) or equivalent explosion-proof rooms,
16 equipped with proper ventilation, gas detection, and fire suppression
17 systems. Prior to commencing operations, the licensee must obtain written
18 sign-off from the local fire department and the State Fire Marshal to
19 confirm compliance with local and state building, fire, and hazardous
20 material handling codes.

21 (3) The commission shall adopt and promulgate rules and regulations
22 to carry out this section. Such rules and regulations shall:

23 (a) Allow for the use of proprietary or emerging extraction
24 technologies. Licensees shall submit documentation of safety and efficacy
25 for commission review and approval;

26 (b) Provide for processes requirements for local fire departments
27 and the State Fire Marshal to carry out this section;

28 (c) Include requirements to ensure that equipment and processes meet
29 stringent safety and engineering standards; and

30 (d) Provide for flexibility for innovation and efficiency while
31 maintaining rigorous public health and worker safety standards.

1 **Sec. 148.** (1) A dispensary may sell cannabis to qualified patients
2 and registered caregivers and other dispensaries pursuant to the
3 requirements and restrictions of the Nebraska Medical Cannabis Regulation
4 Act and the Nebraska Medical Cannabis Patient Protection Act.

5 (2) A dispensary may purchase cannabis from a cultivator, a products
6 manufacturer, or another dispensary.

7 (3) A dispensary shall track all of its cannabis from the point that
8 it is transferred from another licensee to the point of sale using a
9 seed-to-sale tracking system.

10 **Sec. 149.** A dispensary shall do the following for every sale of
11 cannabis to a registered caregiver or qualified patient:

12 (1) Receive the transaction order at the dispensary directly from
13 the qualified patient or registered caregiver and not from a third party.
14 This may be done in person, by telephone, or via the Internet;

15 (2) Prior to sale, ensure that the qualified patient or registered
16 caregiver presents a valid, unexpired registry card;

17 (3) Verify through the statewide track and trace system that the
18 qualified patient or registered caregiver is currently authorized to
19 purchase the amount of cannabis requested; and

20 (4) In the case of a delivery order, receive payment before the
21 cannabis leaves the dispensary, subject to refund if the delivery cannot
22 be completed.

23 **Sec. 150.** A dispensary shall not sell a qualified patient or
24 registered caregiver more than an allowable amount of cannabis.

25 **Sec. 151.** The commission may adopt and promulgate rules and
26 regulations that limit the amount of cannabis inventory that a dispensary
27 may have on hand. Any such limitation must be commercially reasonable and
28 consider factors including a dispensary's sales history.

29 **Sec. 152.** A display case in a dispensary containing concentrated
30 cannabis shall include the potency of the concentrated cannabis next to
31 the name of the product.

1 **Sec. 153.** A dispensary shall only accept a return and issue a
2 refund if the cannabis has not been removed from the packaging in which
3 the cannabis arrived at the dispensary. This restriction applies even if
4 the packaging has been removed by dispensary staff prior to the sale.

5 **Sec. 154.** A dispensary shall not give away cannabis as part of a
6 promotional event.

7 **Sec. 155.** Physicians are not allowed to meet with individuals on
8 the dispensary's premises for the purpose of certifying them as qualified
9 patients.

10 **Sec. 156.** A dispensary shall report any theft or attempted theft of
11 cannabis to law enforcement within twenty-four hours after discovery.

12 **Sec. 157.** The licensed premises of a dispensary shall be designed
13 in order to accomplish the following:

14 (1) The general public, qualified patients, and registered
15 caregivers may only enter the dispensary through one access point into an
16 area where licensee agents shall screen individuals for qualified patient
17 or registered caregiver status. No cannabis shall be accessible in this
18 area; and

19 (2) Only qualified patients, registered caregivers, and, if
20 requested by a qualified patient, up to two additional persons to support
21 the qualified patient, may enter any areas beyond the access point area.

22 **Sec. 158.** (1) A testing facility may analyze, test, and certify
23 cannabis, including for potency and the presence of contaminants, in
24 accordance with the Nebraska Medical Cannabis Regulation Act.

25 (2) When a testing facility has completed testing a sample of
26 cannabis, the sample shall be disposed of in accordance with the rules
27 and regulations of the commission.

28 (3) A testing facility shall track all cannabis from its receipt
29 until its disposal using a seed-to-sale tracking system.

30 **Sec. 159.** (1) Except as provided in subsection (2) of this section,
31 a license shall not be issued or renewed for a testing facility unless

1 the facility is accredited by a body that is recognized by the
2 International Laboratory Accreditation Cooperation in an appropriate
3 category of testing pursuant to the International Organization for
4 Standardization.

5 (2) The commission may by rule and regulation establish conditions
6 for providing extensions to a newly licensed testing facility to obtain
7 accreditation required by this section for a period not to exceed twelve
8 months. Extensions may be granted for good cause, which includes, but
9 shall not be limited to, when an application for accreditation has been
10 submitted and is pending with a recognized accrediting body.

11 **Sec. 160.** The commission shall adopt and promulgate rules and
12 regulations for testing requirements for testing facilities. The
13 commission may adopt standards based on those of the International
14 Organization for Standardization. The testing requirements shall include:

15 (1) Determining accurately, with respect to cannabis:

16 (a) The concentration of delta-9 THC, cannabidiol, and other
17 cannabinoids;

18 (b) The presence and identification of mold and fungus;

19 (c) The composition; and

20 (d) The presence of chemicals, including, but not limited to,
21 pesticides, herbicides, or growth regulators; and

22 (2) Demonstrating the validity and accuracy of the methods used to
23 test cannabis.

24 **Sec. 161.** (1) A person who has an interest in a testing facility
25 shall not have any interest in any dispensary, cultivator, or products
26 manufacturer.

27 (2) A person that has an interest in a dispensary, cultivator, or
28 products manufacturer shall not have any interest in a testing facility.

29 **Sec. 162.** The state or any local government shall not employ or use
30 the results of any test of cannabis conducted by a laboratory unless such
31 laboratory is a testing facility or otherwise accredited for the

1 particular field of testing in accordance with the rules and regulations
2 of the commission.

3 **Sec. 163.** Subject to the Nebraska Medical Cannabis Regulation Act
4 and the rules and regulations adopted and promulgated thereunder, a
5 transporter may transport cannabis and cannabis accessories between
6 licensees, but not to qualified patients or registered caregivers.

7 **Sec. 164.** A violation of any provision of the Nebraska Medical
8 Cannabis Regulation Act for which a penalty is not otherwise provided
9 shall be a Class IV misdemeanor for a first offense and a Class II
10 misdemeanor for any subsequent offense.

11 **Sec. 165.** Any licensee who permits, assents, or is a party in any
12 way to any violation or infringement of the Nebraska Medical Cannabis
13 Regulation Act shall be deemed guilty of a violation of the act. Any
14 money loaned contrary to a provision of the act shall not be recovered
15 back. Any note, mortgage, or other evidence of indebtedness, any
16 security, or any lease or contract obtained or made contrary to the act
17 shall be unenforceable and void.

18 **Sec. 166.** If the owner of the licensed premises or any person from
19 whom the licensee derives the right to possession of such premises, or
20 the agent of such owner or person, knowingly permits the licensee to use
21 such licensed premises in violation of the terms of the Nebraska Medical
22 Cannabis Regulation Act, such owner, agent, or other person shall be
23 deemed guilty of a violation of the act to the same extent as such
24 licensee and be subject to the same punishment.

25 **Sec. 167.** Every act or omission of whatsoever nature constituting a
26 violation of any of the provisions of the Nebraska Medical Cannabis
27 Regulation Act by any officer, director, manager, or other agent or
28 employee of any licensee, if such act is committed or omission is made
29 with the authorization, knowledge, or approval of the licensee, shall be
30 deemed and held to be the act of such employer or licensee, and such
31 employer or licensee shall be punishable in the same manner as if such

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

2 **Sec. 168.** Section 28-416, Revised Statutes Cumulative Supplement,
3 2024, is amended to read:

4 28-416 (1) Except as authorized by the Uniform Controlled Substances
5 Act, the Nebraska Medical Cannabis Patient Protection Act, or the
6 Nebraska Medical Cannabis Regulation Act, it shall be unlawful for any
7 person knowingly or intentionally: (a) To manufacture, distribute,
8 deliver, dispense, or possess with intent to manufacture, distribute,
9 deliver, or dispense a controlled substance; or (b) to create,
10 distribute, or possess with intent to distribute a counterfeit controlled
11 substance.

12 (2) Except as provided in subsections (4), (5), (7), (8), (9), and
13 (10) of this section, any person who violates subsection (1) of this
14 section with respect to: (a) A controlled substance classified in
15 Schedule I, II, or III of section 28-405 which is an exceptionally
16 hazardous drug shall be guilty of a Class II felony; (b) any other
17 controlled substance classified in Schedule I, II, or III of section
18 28-405 shall be guilty of a Class IIA felony; or (c) a controlled
19 substance classified in Schedule IV or V of section 28-405 shall be
20 guilty of a Class IIIA felony.

21 (3) A person knowingly or intentionally possessing a controlled
22 substance, except marijuana or any substance containing a quantifiable
23 amount of the substances, chemicals, or compounds described, defined, or
24 delineated in subdivision (c)(27) of Schedule I of section 28-405, unless
25 such substance was obtained directly or pursuant to a medical order
26 issued by a practitioner authorized to prescribe while acting in the
27 course of his or her professional practice, or except as otherwise
28 authorized by the act, shall be guilty of a Class IV felony. A person
29 shall not be in violation of this subsection if section 28-472 or 28-1701
30 applies.

31 (4)(a) Except as authorized by the Uniform Controlled Substances

1 Act, any person eighteen years of age or older who knowingly or
2 intentionally manufactures, distributes, delivers, dispenses, or
3 possesses with intent to manufacture, distribute, deliver, or dispense a
4 controlled substance or a counterfeit controlled substance (i) to a
5 person under the age of eighteen years, (ii) in, on, or within one
6 thousand feet of the real property comprising a public or private
7 elementary, vocational, or secondary school, a community college, a
8 public or private college, junior college, or university, or a
9 playground, or (iii) within one hundred feet of a public or private youth
10 center, public swimming pool, or video arcade facility shall be punished
11 by the next higher penalty classification than the penalty prescribed in
12 subsection (2), (7), (8), (9), or (10) of this section, depending upon
13 the controlled substance involved, for the first violation and for a
14 second or subsequent violation shall be punished by the next higher
15 penalty classification than that prescribed for a first violation of this
16 subsection, but in no event shall such person be punished by a penalty
17 greater than a Class IB felony.

18 (b) For purposes of this subsection:

19 (i) Playground means any outdoor facility, including any parking lot
20 appurtenant to the facility, intended for recreation, open to the public,
21 and with any portion containing three or more apparatus intended for the
22 recreation of children, including sliding boards, swingsets, and
23 teeterboards;

24 (ii) Video arcade facility means any facility legally accessible to
25 persons under eighteen years of age, intended primarily for the use of
26 pinball and video machines for amusement, and containing a minimum of ten
27 pinball or video machines; and

28 (iii) Youth center means any recreational facility or gymnasium,
29 including any parking lot appurtenant to the facility or gymnasium,
30 intended primarily for use by persons under eighteen years of age which
31 regularly provides athletic, civic, or cultural activities.

1 (5)(a) Except as authorized by the Uniform Controlled Substances
2 Act, it shall be unlawful for any person eighteen years of age or older
3 to knowingly and intentionally employ, hire, use, cause, persuade, coax,
4 induce, entice, seduce, or coerce any person under the age of eighteen
5 years to manufacture, transport, distribute, carry, deliver, dispense,
6 prepare for delivery, offer for delivery, or possess with intent to do
7 the same a controlled substance or a counterfeit controlled substance.

8 (b) Except as authorized by the Uniform Controlled Substances Act,
9 it shall be unlawful for any person eighteen years of age or older to
10 knowingly and intentionally employ, hire, use, cause, persuade, coax,
11 induce, entice, seduce, or coerce any person under the age of eighteen
12 years to aid and abet any person in the manufacture, transportation,
13 distribution, carrying, delivery, dispensing, preparation for delivery,
14 offering for delivery, or possession with intent to do the same of a
15 controlled substance or a counterfeit controlled substance.

16 (c) Any person who violates subdivision (a) or (b) of this
17 subsection shall be punished by the next higher penalty classification
18 than the penalty prescribed in subsection (2), (7), (8), (9), or (10) of
19 this section, depending upon the controlled substance involved, for the
20 first violation and for a second or subsequent violation shall be
21 punished by the next higher penalty classification than that prescribed
22 for a first violation of this subsection, but in no event shall such
23 person be punished by a penalty greater than a Class IB felony.

24 (6) It shall not be a defense to prosecution for violation of
25 subsection (4) or (5) of this section that the defendant did not know the
26 age of the person through whom the defendant violated such subsection.

27 (7) Any person who violates subsection (1) of this section with
28 respect to cocaine or any mixture or substance containing a detectable
29 amount of cocaine in a quantity of:

30 (a) One hundred forty grams or more shall be guilty of a Class IB
31 felony;

1 (b) At least twenty-eight grams but less than one hundred forty
2 grams shall be guilty of a Class IC felony; or

3 (c) At least ten grams but less than twenty-eight grams shall be
4 guilty of a Class ID felony.

5 (8) Any person who violates subsection (1) of this section with
6 respect to base cocaine (crack) or any mixture or substance containing a
7 detectable amount of base cocaine in a quantity of:

8 (a) One hundred forty grams or more shall be guilty of a Class IB
9 felony;

10 (b) At least twenty-eight grams but less than one hundred forty
11 grams shall be guilty of a Class IC felony; or

12 (c) At least ten grams but less than twenty-eight grams shall be
13 guilty of a Class ID felony.

14 (9) Any person who violates subsection (1) of this section with
15 respect to heroin or any mixture or substance containing a detectable
16 amount of heroin in a quantity of:

17 (a) One hundred forty grams or more shall be guilty of a Class IB
18 felony;

19 (b) At least twenty-eight grams but less than one hundred forty
20 grams shall be guilty of a Class IC felony; or

21 (c) At least ten grams but less than twenty-eight grams shall be
22 guilty of a Class ID felony.

23 (10) Any person who violates subsection (1) of this section with
24 respect to amphetamine, its salts, optical isomers, and salts of its
25 isomers, or with respect to methamphetamine, its salts, optical isomers,
26 and salts of its isomers, in a quantity of:

27 (a) One hundred forty grams or more shall be guilty of a Class IB
28 felony;

29 (b) At least twenty-eight grams but less than one hundred forty
30 grams shall be guilty of a Class IC felony; or

31 (c) At least ten grams but less than twenty-eight grams shall be

1 guilty of a Class ID felony.

2 (11) Except as provided in the Nebraska Medical Cannabis Patient
3 Protection Act or the Nebraska Medical Cannabis Regulation Act, any Any
4 person knowingly or intentionally possessing marijuana weighing more than
5 one ounce but not more than one pound shall be guilty of a Class III
6 misdemeanor.

7 (12) Except as provided in the Nebraska Medical Cannabis Patient
8 Protection Act or the Nebraska Medical Cannabis Regulation Act, any Any
9 person knowingly or intentionally possessing marijuana weighing more than
10 one pound shall be guilty of a Class IV felony.

11 (13) Except as provided in the Nebraska Medical Cannabis Patient
12 Protection Act or the Nebraska Medical Cannabis Regulation Act or section
13 28-1701, any person knowingly or intentionally possessing marijuana
14 weighing one ounce or less or any substance containing a quantifiable
15 amount of the substances, chemicals, or compounds described, defined, or
16 delineated in subdivision (c)(27) of Schedule I of section 28-405 shall:

17 (a) For the first offense, be guilty of an infraction, receive a
18 citation, be fined three hundred dollars, and be assigned to attend a
19 course as prescribed in section 29-433 if the judge determines that
20 attending such course is in the best interest of the individual
21 defendant;

22 (b) For the second offense, be guilty of a Class IV misdemeanor,
23 receive a citation, and be fined four hundred dollars and may be
24 imprisoned not to exceed five days; and

25 (c) For the third and all subsequent offenses, be guilty of a Class
26 IIIA misdemeanor, receive a citation, be fined five hundred dollars, and
27 be imprisoned not to exceed seven days.

28 (14) Any person convicted of violating this section, if placed on
29 probation, shall, as a condition of probation, satisfactorily attend and
30 complete appropriate treatment and counseling on drug abuse provided by a
31 program authorized under the Nebraska Behavioral Health Services Act or

1 other licensed drug treatment facility.

2 (15) Any person convicted of violating this section, if sentenced to
3 the Department of Correctional Services, shall attend appropriate
4 treatment and counseling on drug abuse.

5 (16) Any person knowingly or intentionally possessing a firearm
6 while in violation of subsection (1) of this section shall be punished by
7 the next higher penalty classification than the penalty prescribed in
8 subsection (2), (7), (8), (9), or (10) of this section, but in no event
9 shall such person be punished by a penalty greater than a Class IB
10 felony.

11 (17) A person knowingly or intentionally in possession of money used
12 or intended to be used to facilitate a violation of subsection (1) of
13 this section shall be guilty of a Class IV felony.

14 (18) In addition to the existing penalties available for a violation
15 of subsection (1) of this section, including any criminal attempt or
16 conspiracy to violate subsection (1) of this section, a sentencing court
17 may order that any money, securities, negotiable instruments, firearms,
18 conveyances, or electronic communication devices as defined in section
19 28-833 or any equipment, components, peripherals, software, hardware, or
20 accessories related to electronic communication devices be forfeited as a
21 part of the sentence imposed if it finds by clear and convincing evidence
22 adduced at a separate hearing in the same prosecution, following
23 conviction for a violation of subsection (1) of this section, and
24 conducted pursuant to section 28-1601, that any or all such property was
25 derived from, used, or intended to be used to facilitate a violation of
26 subsection (1) of this section.

27 (19) In addition to the penalties provided in this section:

28 (a) If the person convicted or adjudicated of violating this section
29 is eighteen years of age or younger and has one or more licenses or
30 permits issued under the Motor Vehicle Operator's License Act:

31 (i) For the first offense, the court may, as a part of the judgment

1 of conviction or adjudication, (A) impound any such licenses or permits
2 for thirty days and (B) require such person to attend a drug education
3 class;

4 (ii) For a second offense, the court may, as a part of the judgment
5 of conviction or adjudication, (A) impound any such licenses or permits
6 for ninety days and (B) require such person to complete no fewer than
7 twenty and no more than forty hours of community service and to attend a
8 drug education class; and

9 (iii) For a third or subsequent offense, the court may, as a part of
10 the judgment of conviction or adjudication, (A) impound any such licenses
11 or permits for twelve months and (B) require such person to complete no
12 fewer than sixty hours of community service, to attend a drug education
13 class, and to submit to a drug assessment by a licensed alcohol and drug
14 counselor; and

15 (b) If the person convicted or adjudicated of violating this section
16 is eighteen years of age or younger and does not have a permit or license
17 issued under the Motor Vehicle Operator's License Act:

18 (i) For the first offense, the court may, as part of the judgment of
19 conviction or adjudication, (A) prohibit such person from obtaining any
20 permit or any license pursuant to the act for which such person would
21 otherwise be eligible until thirty days after the date of such order and
22 (B) require such person to attend a drug education class;

23 (ii) For a second offense, the court may, as part of the judgment of
24 conviction or adjudication, (A) prohibit such person from obtaining any
25 permit or any license pursuant to the act for which such person would
26 otherwise be eligible until ninety days after the date of such order and
27 (B) require such person to complete no fewer than twenty hours and no
28 more than forty hours of community service and to attend a drug education
29 class; and

30 (iii) For a third or subsequent offense, the court may, as part of
31 the judgment of conviction or adjudication, (A) prohibit such person from

1 obtaining any permit or any license pursuant to the act for which such
2 person would otherwise be eligible until twelve months after the date of
3 such order and (B) require such person to complete no fewer than sixty
4 hours of community service, to attend a drug education class, and to
5 submit to a drug assessment by a licensed alcohol and drug counselor.

6 A copy of an abstract of the court's conviction or adjudication
7 shall be transmitted to the Director of Motor Vehicles pursuant to
8 sections 60-497.01 to 60-497.04 if a license or permit is impounded or a
9 juvenile is prohibited from obtaining a license or permit under this
10 subsection.

11 **Sec. 169.** Section 28-439, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 28-439 (1) As used in sections 28-101, 28-431, and 28-439 to 28-444,
14 unless the context otherwise requires, drug paraphernalia shall mean all
15 equipment, products, and materials of any kind which are used, intended
16 for use, or designed for use, in manufacturing, injecting, ingesting,
17 inhaling, or otherwise introducing into the human body a controlled
18 substance in violation of sections 28-101, 28-431, and 28-439 to 28-444
19 or the Uniform Controlled Substances Act. It shall include, but not be
20 limited to, the following:

21 (a) ~~(1)~~ Diluents and adulterants, such as quinine hydrochloride,
22 mannitol, mannite, dextrose, and lactose, used, intended for use, or
23 designed for use in cutting controlled substances;

24 (b) ~~(2)~~ Separation gins and sifters used, intended for use, or
25 designed for use in removing twigs and seeds from, or in otherwise
26 cleaning or refining, marijuana;

27 (c) ~~(3)~~ Hypodermic syringes, needles, and other objects used,
28 intended for use, and designed for use in parenterally injecting
29 controlled substances into the human body; and

30 (d) ~~(4)~~ Objects used, intended for use, or designed for use in
31 ingesting, inhaling, or otherwise introducing marijuana, cocaine,

1 hashish, or hashish oil into the human body, which shall include but not
2 be limited to the following:

3 (i) ~~(a)~~ Metal, wooden, acrylic, glass, stone, plastic, or ceramic
4 pipes with or without screens, permanent screens, hashish heads, or
5 punctured metal bowls;

6 (ii) ~~(b)~~ Water pipes;

7 (iii) ~~(c)~~ Carburetion tubes and devices;

8 (iv) ~~(d)~~ Smoking and carburetion masks;

9 (v) ~~(e)~~ Roach clips, meaning objects used to hold burning material,
10 such as a marijuana cigarette, which has become too small or too short to
11 be held in the hand;

12 (vi) ~~(f)~~ Miniature cocaine spoons, and cocaine vials;

13 (vii) ~~(g)~~ Chamber pipes;

14 (viii) ~~(h)~~ Carburetor pipes;

15 (ix) ~~(i)~~ Electric pipes;

16 (x) ~~(j)~~ Air-driven pipes;

17 (xi) ~~(k)~~ Chillums;

18 (xii) ~~(l)~~ Bongs; and

19 (xiii) ~~(m)~~ Ice pipes or chillers.

20 (2) This section does not apply to conduct involving cannabis
21 accessories as defined in section 6 of this act when such conduct is
22 lawful under the Nebraska Medical Cannabis Patient Protection Act or the
23 Nebraska Medical Cannabis Regulation Act.

24 **Sec. 170.** Section 53-105, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 53-105 There is hereby created the Nebraska Liquor Control
27 Commission, consisting of three members to be appointed by the Governor,
28 subject to confirmation by a majority of the members elected to the
29 Legislature, no more than two of whom shall be members of the same
30 political party, and no two shall be citizens of the same congressional
31 district. The members of the Nebraska Liquor Control Commission shall

1 also serve as members of the Nebraska Medical Cannabis Commission as
2 provided in section 63 of this act.

3 **Sec. 171.** Section 53-106, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 53-106 The Governor shall appoint three members of the commission,
6 one of whom the Governor ~~he~~ shall designate as chairperson ~~chairman~~. One
7 member shall be appointed every two years and shall hold office for a
8 period of six years. Any appointee may be removed by the Governor, after
9 an opportunity to be heard, for malfeasance, misfeasance, or neglect in
10 office. No person shall be appointed to the commission, or continue to
11 hold that office after appointment, while holding any other office or
12 position under the laws of this state, any other state, or of the United
13 States, except that the commissioners shall also serve as members of the
14 Nebraska Medical Cannabis Commission as provided in section 63 of this
15 act.

16 **Sec. 172.** Section 53-110, Reissue Revised Statutes of Nebraska, is
17 amended to read:

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

19 (a) Cannabis has the same meaning as in section 5 of this act;

20 (b) Commission means the Nebraska Liquor Control Commission and the
21 Nebraska Medical Cannabis Commission;

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

26 (d) Covered offense means:

27 (i) A felony; or

28 (ii) A violation of any federal or state law concerning the
29 manufacture or sale of alcoholic liquor or cannabis.

30 (2) ~~(1)~~ No person shall be appointed as a commissioner, the
31 executive director of the commission, or an employee of the commission

1 who is not a citizen of the United States and who has not resided within
2 the State of Nebraska successively for two years next preceding the date
3 of his or her appointment.

4 (3) ~~(2)~~ No person ~~(a)~~ convicted of a covered offense ~~or who has~~
5 ~~pleaded guilty to a felony or any violation of any federal or state law~~
6 ~~concerning the manufacture or sale of alcoholic liquor prior or~~
7 ~~subsequent to the passage of the Nebraska Liquor Control Act,~~ ~~(b)~~ who has
8 ~~paid a fine or penalty in settlement of any prosecution against him or~~
9 ~~her for any violation of such laws,~~ ~~or (c)~~ who has forfeited his or her
10 bond to appear in court to answer charges for any such violation shall be
11 appointed commissioner.

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

17 (i) Have any interest whatsoever in the manufacture, sale, or
18 distribution of alcoholic liquor or cannabis; ~~have~~

19 (ii) Receive ~~receive~~ any compensation or profit from such
20 manufacture, sale, or distribution; ~~have~~

21 (iii) Have ~~or have~~ any interest whatsoever in the purchases or sales
22 made by the persons authorized by the Nebraska Liquor Control Act ~~and~~ to
23 purchase or to sell alcoholic liquor; or ~~have~~

24 (iv) Have any interest whatsoever in the purchases or sales made by
25 the persons authorized by the Nebraska Medical Cannabis Regulation Act or
26 the Nebraska Medical Cannabis Patient Protection Act to purchase or to
27 sell cannabis.

28 (b) With the written approval of the executive director, an employee
29 of the commission, other than the executive director or a division
30 manager, may accept part-time or seasonal employment with a person
31 licensed or regulated by the commission. No such employment shall be

1 approved if the licensee receives more than fifty percent of the
2 licensee's gross revenue from the sale or dispensing of alcoholic liquor
3 or cannabis.

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

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

10 (b) Cannabis which may be purchased or kept by any qualified patient
11 or registered caregiver pursuant to the Nebraska Medical Cannabis
12 Regulation Act or the Nebraska Medical Cannabis Patient Protection Act.

13 **Sec. 173.** Section 53-111, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 53-111 (1) A commissioner, the executive director of the commission,
16 or any person appointed or employed by the commission shall not solicit
17 or accept any gift, gratuity, emolument, or employment from any person
18 subject to the Nebraska Liquor Control Act or the Nebraska Medical
19 Cannabis Regulation Act or from any officer, agent, or employee thereof
20 or solicit, request from, or recommend, directly or indirectly, to any
21 such person or to any officer, agent, or employee thereof the appointment
22 of any person to any place or position. Any such person and every
23 officer, agent, or employee thereof may not offer to any commissioner,
24 the executive director, or any person appointed or employed by the
25 commission any gift, gratuity, emolument, or employment. If a
26 commissioner, the executive director, or any person appointed or employed
27 by the commission violates this section, he or she shall be removed from
28 his or her office or employment. Every person violating this section
29 shall be guilty of a Class II misdemeanor.

30 **Sec. 174.** Section 60-6,211.08, Reissue Revised Statutes of Nebraska,
31 is amended to read:

1 60-6,211.08 (1) For purposes of this section:

2 (a) Alcoholic beverage means (i) beer, ale, porter, stout, and other
3 similar fermented beverages, including sake or similar products, of any
4 name or description containing one-half of one percent or more of alcohol
5 by volume, brewed or produced from malt, wholly or in part, or from any
6 substitute therefor, (ii) wine of not less than one-half of one percent
7 of alcohol by volume, or (iii) distilled spirits which is that substance
8 known as ethyl alcohol, ethanol, or spirits of wine in any form,
9 including all dilutions and mixtures thereof from whatever source or by
10 whatever process produced. Alcoholic beverage does not include trace
11 amounts not readily consumable as a beverage;

12 (b) Cannabis has the same meaning as in section 5 of this act;

13 (c) ~~(b)~~ Highway means a road or street including the entire area
14 within the right-of-way;

15 (d) ~~(c)~~ Limousine means a luxury vehicle used to provide prearranged
16 passenger transportation on a dedicated basis at a premium fare that has
17 a seating capacity of at least five and no more than fourteen persons
18 behind the driver with a physical partition separating the driver seat
19 from the passenger compartment. Limousine does not include taxicabs,
20 hotel or airport buses or shuttles, or buses;

21 (e) ~~(d)~~ Open ~~alcoholic beverage~~ container, except as provided in
22 subsection (3) of section 53-123.04 and subdivision (1)(c) of section
23 53-123.11, means any bottle, can, or other receptacle:

24 (i) That contains any amount of alcoholic beverage or cannabis; and

25 (ii)(A) That is open or has a broken seal or (B) the contents of
26 which are partially removed; and

27 (f) ~~(e)~~ Passenger area means the area designed to seat the driver
28 and passengers while the motor vehicle is in operation and any area that
29 is readily accessible to the driver or a passenger while in their seating
30 positions, including any compartments in such area. Passenger area does
31 not include the area behind the last upright seat of such motor vehicle

1 if the area is not normally occupied by the driver or a passenger and the
2 motor vehicle is not equipped with a trunk.

3 (2) Except as otherwise provided in this section, it is unlawful for
4 any person in the passenger area of a motor vehicle to possess an open
5 ~~alcoholic beverage~~ container while the motor vehicle is located in a
6 public parking area or on any highway in this state.

7 (3) Except as provided in section 53-186 or subsection (4) of this
8 section, it is unlawful for any person to consume an alcoholic beverage
9 or cannabis (a) in a public parking area or on any highway in this state
10 or (b) inside a motor vehicle while in a public parking area or on any
11 highway in this state.

12 (4) This section does not apply to possession or consumption of
13 alcoholic beverages by persons who are passengers of, but not drivers of,
14 a limousine or bus being used in a charter or special party service as
15 defined by rules and regulations adopted and promulgated by the Public
16 Service Commission and subject to Chapter 75, article 3. Such passengers
17 may possess open ~~alcoholic beverage~~ containers of alcoholic beverages and
18 may consume alcoholic beverages while such limousine or bus is in a
19 public parking area or on any highway in this state if (a) the driver of
20 the limousine or bus is prohibited from consuming alcoholic liquor and
21 (b) alcoholic liquor is not present in any area that is readily
22 accessible to the driver while in the driver's seat, including any
23 compartments in such area.

24 **Sec. 175.** Section 71-5727, Revised Statutes Cumulative Supplement,
25 2024, is amended to read:

26 71-5727 (1) Smoke or smoking means inhaling, exhaling, burning, or
27 carrying any lighted or heated:

28 (a) Cigar ~~cigar~~, cigarette, pipe, hookah, or any other lighted or
29 heated tobacco or plant product intended for inhalation, whether natural
30 or synthetic, in any manner or in any form; or -

31 (b) Cannabis as defined in section 5 of this act.

1 (2) The term includes the use of an electronic smoking device or
2 similar device for cannabis which creates an aerosol or vapor, in any
3 manner or in any form.

4 **Sec. 176.** Section 77-2701.02, Revised Statutes Cumulative
5 Supplement, 2024, is amended to read:

6 77-2701.02 Pursuant to section 77-2715.01:

7 (1) Until July 1, 1998, the rate of the sales tax levied pursuant to
8 section 77-2703 shall be five percent;

9 (2) Commencing July 1, 1998, and until July 1, 1999, the rate of the
10 sales tax levied pursuant to section 77-2703 shall be four and one-half
11 percent;

12 (3) Commencing July 1, 1999, and until the start of the first
13 calendar quarter after July 20, 2002, the rate of the sales tax levied
14 pursuant to section 77-2703 shall be five percent;

15 (4) Commencing on the start of the first calendar quarter after July
16 20, 2002, and until July 1, 2023, the rate of the sales tax levied
17 pursuant to section 77-2703 shall be five and one-half percent;

18 (5) Commencing July 1, 2023, and until July 1, 2024, the rate of the
19 sales tax levied pursuant to section 77-2703 shall be five and one-half
20 percent, except that such rate shall be two and three-quarters percent on
21 transactions occurring within a good life district as defined in section
22 77-4403; and

23 (6) Commencing July 1, 2024, the rate of the sales tax levied
24 pursuant to section 77-2703 shall be five and one-half percent, except
25 that such rate shall be:

26 (a) Two ~~two~~ and three-quarters percent on transactions that occur
27 within that portion of a good life district established pursuant to the
28 Good Life Transformational Projects Act which is located within the
29 corporate limits of a city or village; and -

30 (b) Four percent for sales of cannabis by dispensaries to qualified
31 patients and registered caregivers under the Nebraska Medical Cannabis

1 Regulation Act.

2 **Sec. 177.** Section 77-2701.48, Reissue Revised Statutes of Nebraska,
3 is amended to read:

4 77-2701.48 (1) Bundled transaction means the retail sale of two or
5 more products, except real property and services to real property, when
6 (a) the products are otherwise distinct and identifiable and (b) the
7 products are sold for one non-itemized price. Bundled transaction does
8 not include the sale of any products in which the sales price varies, or
9 is negotiable, based on the selection by the purchaser of the products
10 included in the transaction.

11 (2) Distinct and identifiable products do not include:

12 (a) Packaging, such as containers, boxes, sacks, bags, and bottles
13 or other materials such as wrapping, labels, tags, and instruction guides
14 that accompany the retail sale of the products and are incidental or
15 immaterial to the retail sale thereof. Examples of packaging that are
16 incidental or immaterial include grocery sacks, shoeboxes, dry cleaning
17 garment bags, and express delivery envelopes and boxes;

18 (b) A product provided free of charge with the required purchase of
19 another product. A product is provided free of charge if the sales price
20 of the product purchased does not vary depending on the inclusion of the
21 product provided free of charge; and

22 (c) Items included in the definition of sales price pursuant to
23 section 77-2701.35.

24 (3) One non-itemized price does not include a price that is
25 separately identified by product on binding sales or other supporting
26 sales-related documentation made available to the customer in paper or
27 electronic form, including, but not limited to, an invoice, bill of sale,
28 receipt, contract, service agreement, lease agreement, periodic notice of
29 rates and services, rate card, or price list.

30 (4) A transaction that otherwise meets the definition of a bundled
31 transaction is not a bundled transaction if it is (a) the retail sale of

1 tangible personal property and a service where the tangible personal
2 property is essential to the use of the service, and is provided
3 exclusively in connection with the service, and the true object of the
4 transaction is the service, (b) the retail sale of services when one
5 service is provided that is essential to the use or receipt of a second
6 service and the first service is provided exclusively in connection with
7 the second service and the true object of the transaction is the second
8 service, or (c) a transaction that includes taxable products and
9 nontaxable products and the purchase price or sales price of the taxable
10 products is de minimus. De minimus means the seller's purchase price or
11 sales price of the taxable products is ten percent or less of the total
12 purchase price or sales price of the bundled products. Sellers shall use
13 either the purchase price or the sales price of the products to determine
14 if the taxable products are de minimus. Sellers may not use a combination
15 of the purchase price and sales price of the products to determine if the
16 taxable products are de minimus. Sellers shall use the full term of a
17 service contract to determine if the taxable products are de minimus.

18 (5) Bundled transaction does not include the retail sale of exempt
19 tangible personal property and taxable tangible personal property if (a)
20 the transaction includes food and food ingredients, drugs, durable
21 medical equipment, mobility enhancing equipment, over-the-counter drugs,
22 prosthetic devices, or medical supplies as such terms are defined in
23 section 77-2704.09 and (b) the seller's purchase price or sales price of
24 the taxable tangible personal property is fifty percent or less of the
25 total purchase price or sales price of the bundled tangible personal
26 property. Sellers may not use a combination of the purchase price and
27 sales price of the tangible personal property when making the fifty-
28 percent determination for a transaction.

29 **Sec. 178.** Section 77-2704.09, Reissue Revised Statutes of Nebraska,
30 is amended to read:

31 77-2704.09 (1) Sales and use taxes shall not be imposed on the gross

1 receipts from the sale, lease, or rental of and the storage, use, or
2 other consumption in this state of (a) insulin, (b) mobility enhancing
3 equipment and drugs, not including over-the-counter drugs, when sold for
4 a patient's use under a prescription, and (c) the following when sold for
5 a patient's use under a prescription and which are of the type eligible
6 for coverage under the medical assistance program established pursuant to
7 the Medical Assistance Act: Durable medical equipment; home medical
8 supplies; prosthetic devices; oxygen; and oxygen equipment.

9 (2) For purposes of this section:

10 (a)(i) ~~(a)~~ Drug means a compound, substance, preparation, and
11 component of a compound, substance, or preparation, other than food and
12 food ingredients, dietary supplements, or alcoholic beverages:

13 (A) ~~(i)~~ Recognized in the official United States Pharmacopoeia,
14 official Homeopathic Pharmacopoeia of the United States, or official
15 National Formulary, and any supplement to any of them;

16 (B) ~~(ii)~~ Intended for use in the diagnosis, cure, mitigation,
17 treatment, or prevention of disease; or

18 (C) ~~(iii)~~ Intended to affect the structure or any function of the
19 body; and

20 (ii) Drug does not include cannabis obtained pursuant to the
21 Nebraska Medical Cannabis Regulation Act;

22 (b) Durable medical equipment means equipment which can withstand
23 repeated use, is primarily and customarily used to serve a medical
24 purpose, generally is not useful to a person in the absence of illness or
25 injury, is appropriate for use in the home, and is not worn in or on the
26 body. Durable medical equipment includes repair and replacement parts for
27 such equipment;

28 (c) Home medical supplies means supplies primarily and customarily
29 used to serve a medical purpose which are appropriate for use in the home
30 and are generally not useful to a person in the absence of illness or
31 injury;

1 (d) Mobility enhancing equipment means equipment which is primarily
2 and customarily used to provide or increase the ability to move from one
3 place to another, which is not generally used by persons with normal
4 mobility, and which is appropriate for use either in a home or a motor
5 vehicle. Mobility enhancing equipment includes repair and replacement
6 parts for such equipment. Mobility enhancing equipment does not include
7 any motor vehicle or equipment on a motor vehicle normally provided by a
8 motor vehicle manufacturer;

9 (e) Over-the-counter drug means a drug that contains a label that
10 identifies the product as a drug as required by 21 C.F.R. 201.66, as such
11 regulation existed on January 1, 2003. The over-the-counter drug label
12 includes a drug facts panel or a statement of the active ingredients with
13 a list of those ingredients contained in the compound, substance, or
14 preparation;

15 (f) Oxygen equipment means oxygen cylinders, cylinder transport
16 devices including sheaths and carts, cylinder studs and support devices,
17 regulators, flowmeters, tank wrenches, oxygen concentrators, liquid
18 oxygen base dispensers, liquid oxygen portable dispensers, oxygen tubing,
19 nasal cannulas, face masks, oxygen humidifiers, and oxygen fittings and
20 accessories;

21 (g) Prescription means an order, formula, or recipe issued in any
22 form of oral, written, electronic, or other means of transmission by a
23 duly licensed practitioner authorized under the Uniform Credentialing
24 Act; and

25 (h) Prosthetic devices means a replacement, corrective, or
26 supportive device worn on or in the body to artificially replace a
27 missing portion of the body, prevent or correct physical deformity or
28 malfunction, or support a weak or deformed portion of the body, and
29 includes any supplies used with such device and repair and replacement
30 parts.

31 **Sec. 179.** Section 77-27,132, Revised Statutes Cumulative Supplement,

1 2024, is amended to read:

2 77-27,132 (1) There is hereby created a fund to be designated the
3 Revenue Distribution Fund which shall be set apart and maintained by the
4 Tax Commissioner. Revenue not required to be credited to the General Fund
5 or any other specified fund may be credited to the Revenue Distribution
6 Fund. Credits and refunds of such revenue shall be paid from the Revenue
7 Distribution Fund. The balance of the amount credited, after credits and
8 refunds, shall be allocated as provided by the statutes creating such
9 revenue.

10 (2) The Tax Commissioner shall pay to a depository bank designated
11 by the State Treasurer all amounts collected under the Nebraska Revenue
12 Act of 1967. The Tax Commissioner shall present to the State Treasurer
13 bank receipts showing amounts so deposited in the bank, and of the
14 amounts so deposited the State Treasurer shall:

15 (a)(i) For transactions occurring on or after October 1, 2014, and
16 before July 1, 2024, credit to the Game and Parks Commission Capital
17 Maintenance Fund all of the proceeds of the sales and use taxes imposed
18 pursuant to section 77-2703 on the sale or lease of motorboats as defined
19 in section 37-1204, personal watercraft as defined in section 37-1204.01,
20 all-terrain vehicles as defined in section 60-103, and utility-type
21 vehicles as defined in section 60-135.01; and

22 (ii) For transactions occurring on or after July 1, 2024, credit to
23 the Game and Parks Commission Capital Maintenance Fund all of the
24 proceeds of the sales and use taxes imposed pursuant to section 77-2703
25 on the sale or lease of motorboats as defined in section 37-1204,
26 personal watercraft as defined in section 37-1204.01, all-terrain
27 vehicles as defined in section 60-103, and utility-type vehicles as
28 defined in section 60-135.01, and from such proceeds, transfers shall be
29 made to the Nebraska Emergency Medical System Operations Fund as provided
30 in section 37-327.02;

31 (b) Credit to the Highway Trust Fund all of the proceeds of the

1 sales and use taxes derived from the sale or lease for periods of more
2 than thirty-one days of motor vehicles, trailers, and semitrailers,
3 except that the proceeds equal to any sales tax rate provided for in
4 section 77-2701.02 that is in excess of five percent derived from the
5 sale or lease for periods of more than thirty-one days of motor vehicles,
6 trailers, and semitrailers shall be credited to the Highway Allocation
7 Fund;

8 (c) For transactions occurring on or after July 1, 2013, and before
9 July 1, 2042, of the proceeds of the sales and use taxes derived from
10 transactions other than those listed in subdivisions (2)(a), (b), ~~and~~
11 (e), and (f) of this section from a sales tax rate of one-quarter of one
12 percent, credit monthly eighty-five percent to the Highway Trust Fund and
13 fifteen percent to the Highway Allocation Fund;

14 (d) Of the proceeds of the sales and use taxes derived from
15 transactions other than those listed in subdivisions (2)(a), (b), ~~and~~
16 (e), and (f) of this section, credit to the Property Tax Credit Cash Fund
17 the amount certified under section 77-27,237, if any such certification
18 is made; ~~and~~

19 (e) For transactions occurring on or after July 1, 2023, credit to
20 the Department of Transportation Aeronautics Capital Improvement Fund all
21 of the proceeds of the sales and use taxes imposed pursuant to section
22 77-2703 on the sale or lease of aircraft as defined in section 3-101;
23 and -

24 (f) Credit to the School District Property Tax Relief Credit Fund
25 all of the proceeds of the sales and use taxes imposed pursuant to
26 section 77-2703 on the sale of cannabis by dispensaries to qualified
27 patients and registered caregivers under the Nebraska Medical Cannabis
28 Regulation Act.

29 The balance of all amounts collected under the Nebraska Revenue Act
30 of 1967 shall be credited to the General Fund.

31 **Sec. 180.** Section 77-4303, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 77-4303 (1) A tax is hereby imposed on marijuana and controlled
3 substances at the following rates:

4 (a) On each ounce of marijuana or each portion of an ounce, one
5 hundred dollars;

6 (b) On each gram or portion of a gram of a controlled substance that
7 is customarily sold by weight or volume, one hundred fifty dollars; or

8 (c) On each fifty dosage units or portion thereof of a controlled
9 substance that is not customarily sold by weight, five hundred dollars.

10 (2) For purposes of calculating the tax under this section,
11 marijuana or any controlled substance that is customarily sold by weight
12 or volume shall be measured by the weight of the substance in the
13 dealer's possession. The weight shall be the actual weight, if known, or
14 the estimated weight as determined by the Nebraska State Patrol or other
15 law enforcement agency. Such determination shall be presumed to be the
16 weight of such marijuana or controlled substances for purposes of
17 sections 77-4301 to 77-4316.

18 (3) The tax shall not be imposed upon a person registered or
19 otherwise lawfully in possession of marijuana or a controlled substance
20 pursuant to Chapter 28, article 4, or lawfully in possession of cannabis
21 under the Nebraska Medical Cannabis Patient Protection Act or the
22 Nebraska Medical Cannabis Regulation Act.

23 **Sec. 181.** Section 81-2,239, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 81-2,239 Sections 81-2,239 to 81-2,292 and section 183 of this act
26 and the provisions of the Food Code and the Current Good Manufacturing
27 Practice In Manufacturing, Packing, or Holding Human Food adopted by
28 reference in sections 81-2,257.01 and 81-2,259, shall be known and may be
29 cited as the Nebraska Pure Food Act.

30 **Sec. 182.** Section 81-2,263, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 81-2,263 If there is an inconsistency between sections 81-2,239 to
2 81-2,292 and section 183 of this act and any code adopted by reference,
3 the requirements of the sections shall control.

4 **Sec. 183.** Edible cannabis products sold under the Nebraska Medical
5 Cannabis Regulation Act are subject to the Nebraska Pure Food Act to the
6 same extent as other items of food.

7 **Sec. 184.** Section 81-1021, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 81-1021 (1) All motor vehicles acquired by the State of Nebraska
10 except any vehicle rented as a bureau fleet vehicle shall be indelibly
11 and conspicuously lettered, in plain letters of a contrasting color or
12 reflective material:

13 (a) On each side thereof with the words State of Nebraska and
14 following such words the name of whatever board, department, bureau,
15 division, institution, including the University of Nebraska or state
16 college, office, or other state expending agency of the state to which
17 the motor vehicle belongs; and

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

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

21 (a) The Nebraska State Patrol, the Public Service Commission, the
22 Game and Parks Commission, deputy state sheriffs employed by the Nebraska
23 Brand Committee and State Fire Marshal for state law enforcement
24 purposes, inspectors employed by the Nebraska Liquor Control Commission
25 or the Nebraska Medical Cannabis Commission, and persons employed by the
26 Tax Commissioner for state revenue enforcement purposes, the exemption
27 for state law enforcement purposes and state revenue enforcement purposes
28 being confined strictly to the seven agencies specifically named;

29 (b) The Department of Health and Human Services or the Department of
30 Correctional Services for the purpose of apprehending and returning
31 escaped offenders or parole violators to facilities in the Department of

1 Correctional Services and transporting offenders and personnel of the
2 Department of Correctional Services and patients and personnel of the
3 Department of Health and Human Services who are engaged in off-campus
4 program activities;

5 (c) The Military Department;

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

12 (e) The Department of Agriculture for special investigative
13 purposes;

14 (f) The Nebraska Motor Vehicle Industry Licensing Board for
15 investigative purposes;

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

18 (h) The Department of Justice.

19 **Sec. 185.** Original sections 28-439, 53-105, 53-106, 53-110, 53-111,
20 60-6,211.08, 77-2701.48, 77-2704.09, 77-4303, 81-2,239, 81-2,263, and
21 81-1021, Reissue Revised Statutes of Nebraska, sections 28-416, 71-5727,
22 77-2701.02, and 77-27,132, Revised Statutes Cumulative Supplement, 2024,
23 and sections 1, 3, 4, and 5, Initiative Law 2024, No. 438, are repealed.

24 **Sec. 186.** The following sections are outright repealed: Sections
25 28-463, 28-464, 28-465, 28-466, 28-467, 28-468, and 28-469, Reissue
26 Revised Statutes of Nebraska, and sections 2 and 6, Initiative Law 2024,
27 No. 438.

28 **Sec. 187.** Since an emergency exists, this act takes effect when
29 passed and approved according to law.