

ONE HUNDRED NINTH LEGISLATURE - FIRST SESSION - 2025
COMMITTEE STATEMENT
LB316

Hearing Date: Wednesday January 29, 2025
Committee On: Judiciary
Introducer: Kauth
One Liner: Prohibit conduct relating to hemp other than cannabidiol products and change provisions of the Nebraska Hemp Farming Act and the Uniform Controlled Substances Act

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

Vote Results:

Aye:	5	Senators Bosn, Hallstrom, Holdcroft, Storer, Storm
Nay:	3	Senators DeBoer, McKinney, Rountree
Absent:		
Present Not Voting:		

Testimony:

Proponents:

Senator Kathleen Kauth
Mike Hilgers
Lorelle Mueting

Representing:

Opening Presenter
Nebraska Attorney General
Heartland Family Service

Opponents:

Andrea Holmes
Sarah Linden
Nelam Millatmal
Joseph Fraas
Scott Selix
Tina Jones
Colin Fury

Representing:

Self
Generation V; Grateful Green
The Cannabis Factory
Nebraska Healthy Alternatives Association
Climbing Kites
U.S. Hemp Building Association
Self

Neutral:

Alex Dworak
Bill Hawkins

Representing:

Self
Nebraska Hemp Company

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB 316 is a bill relating to cannabis that amends sections 2-503, 2-505, and 2-515 of the Nebraska Hemp Farming Act to redefine hemp and define other terms including cannabidiol product, raw hemp, and tetrahydrocannabinol concentration; prohibit conduct relating to hemp other than cannabidiol products as prescribed; change provisions relating to the transportation of hemp; and provide for regulation of cannabidiol products. This bill also amends



Explanation of amendments:

AM 944 is a white copy amendment that replaces all original sections of LB 316 as follows.

Section by Section Summary

Section 1

Amends Section 2-501 of the Nebraska Hemp Farming Act to include new section 3 of this act in the Act.

Section 2

Amends section 28-503 of the Nebraska Hemp Farming Act to define "cannabidiol product" as a finished hemp consumer product that contains, as a primary ingredient, cannabidiol extracted or derived from hemp; complies with the THC (tetrahydrocannabinol) limits provided in subdivision (5)(a)(ii) of this section; and does not contain any cannabinoids created through chemical conversion, modification, or synthesis, including, but not limited to hexahydrocannabinol. This section also defines "federally compliant hemp" as hemp that complies with the requirements of the Agriculture Improvement Act of 2018. This section also identifies THC limits for the definition of hemp. Raw hemp can not have a total THC concentration of more than 0.3 percent on a dry weight basis. Processed hemp, including cannabidiol products, are limited to not more than the lesser of of a total THC concentration of 0.3 percent on a total weight basis or 10 milligrams of total THC per package. This section includes cannabidiol products in its definition of hemp but specifies that hemp does not include the mature stalks of the plant *Cannabis sativa* L; fiber produced from such stalks; oil or cake made from the seeds of such plant; any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks; or the sterilized seed of such plant that is incapable of germination. Raw hemp is defined by this section to mean hemp that has been harvested and dried but is otherwise unprocessed. This section also defines THC and THC concentration.

Section 3

Adds a new section to the Nebraska Hemp Farming Act establishing an excise tax to be levied on the retail sale of cannabidiol products to consumers beginning January 1, 2026. The tax rate shall be ten percent of the retail purchase price. The excise tax shall be in addition to all other occupation or privilege taxes imposed by this state or any political subdivision of this state. This section mandates that each retailer seller of cannabidiol products maintain complete and accurate records of sales, and file a return with the Department of Revenue to contain, among other things, the total amount of cannabidiol products sold or transferred during the preceding month and the amount of such tax. Retail sellers may also be required to file tax returns electronically and to remit payments due by electronic funds transfers. The Department of Revenue shall collect the excise tax and shall account for and remit to the State Treasurer at least once each month all money collected pursuant to such tax for credit to the Property Tax Credit Cash Fund.

Section 4

Amends 2-505 of the Nebraska Hemp Farming Act to apply different requirements for hemp and cannabidiol products. The section provides that hemp that is not a cannabidiol product shall not be cultivated, possessed, handled, transported, processed, used, sold, or consumed in this state unless it is federally compliant hemp and transported pursuant to section 2-515. The section provides that any cannabidiol product shall be possessed, handled, transported, used, sold, and consumed in accordance with the Nebraska Pure Food Act, and the Federal Food, Drug, and Cosmetic Act. This section also provides for a "consumer safe harbor period" to begin on the effective date of this act and ending on December 31, 2025, during which period an individual consumer shall not be subject to prosecution for possession of illegal hemp. "Illegal hemp" is defined as hemp products, or cannabidiol products that do not comply with the THC limits provided in subdivision (5)(a) of section 2-503 or, except as provided in subdivision (3)(d) of section 2-505, that are otherwise not lawful under the Nebraska Hemp Farming Act. The



Attorney General may coordinate with law enforcement agencies to establish appropriate locations where consumers may drop off illegal hemp for destruction during the consumer safe harbor period, without prosecution for transporting or handling such illegal hemp. This new provision does not prevent prosecution for the cultivation, possession, handling, transportation, processing, use, sale or other distribution of raw materials or products with a delta-9 THC concentration of more than 0.3 percent on a dry weight basis.

Section 5

Amends section 2-515 of the Nebraska Hemp Farming Act to provide that federally compliant hemp may be transported in interstate commerce for any lawful purpose, to eliminate requirements regarding the carrying of copies of certain licenses and test results when transporting hemp, and to remove a restriction on transporting hemp concurrently with any other plant material that is not hemp.

Section 6

Amends section 28-401 of the Uniform Controlled Substances Act to redefine marijuana to provide that marijuana includes hemp, except for hemp possessed in compliance with the Nebraska Hemp Farming Act. This section is also amended to define cannabidiol product to have the same meaning as in section 2-503.

Section 7

Repealer

Carolyn Bosn, Chairperson

