

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 16

Introduced by Cavanaugh, J., 9.

Read first time January 09, 2025

Committee: Judiciary

1 A BILL FOR AN ACT relating to hemp; to amend sections 53-105, 53-106,
2 53-110, 53-111, and 81-1021, Reissue Revised Statutes of Nebraska,
3 and section 28-1701, Revised Statutes Cumulative Supplement, 2024;
4 to adopt the Nebraska Consumable Hemp Control Act; to change
5 provisions relating to immunity for eligible drug offenses, and the
6 Nebraska Liquor Control Commission and its commissioners, executive
7 directors, and employees; to define terms; to provide for unmarked
8 vehicles; to harmonize provisions; and to repeal the original
9 sections.

10 Be it enacted by the people of the State of Nebraska,

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

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

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

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

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

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

13 (1) Cancel means to discontinue all rights and privileges of a
14 license;

15 (2) Commission means the Nebraska Consumable Hemp Control
16 Commission;

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

19 (4) Covered offense means:

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

21 (b) A Class I misdemeanor pursuant to Chapter 28, article 3, 4, 7,
22 8, 10, 11, or 12, or any substantially similar offense under the laws of
23 another state or the United States.

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

25 (6)(a) Consumable hemp product means a product which includes hemp
26 and which is intended for human or animal consumption by inhalation or
27 ingestion.

28 (b) Consumable hemp product does not include (i) hemp products
29 intended for topical application or (ii) seeds or seed-derived
30 ingredients that are generally recognized as safe by the United States
31 Food and Drug Administration. Such products are not regulated by the

1 Nebraska Consumable Hemp Control Act;

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

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

4 (b) State identification card;

5 (c) Military identification card;

6 (d) Alien registration card;

7 (e) Passport; or

8 (f) Tribal enrollment card;

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

11 (9) Local governing body means (a) the city council or village board
12 of trustees of a city or village within which the licensed premises are
13 located or (b) if the licensed premises are not within the corporate
14 limits of a city or village, the county board of the county within which
15 the licensed premises are located;

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

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

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

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

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

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

31 (16) Sell means to solicit or receive an order for, to keep or

1 expose for sale, or to keep with intent to sell;

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

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

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

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

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

11 **Sec. 4.** (1) The Nebraska Hemp Control Commission is created. The
12 commission shall consist of the members of the Nebraska Liquor Control
13 Commission.

14 (2) A majority of the Nebraska Hemp Control Commission shall
15 constitute a quorum to transact business, but no vacancy shall impair the
16 right of the remaining commissioners to exercise all of the powers of the
17 commission. Every act of a majority of the members of the commission
18 shall be deemed to be the act of the commission.

19 (3) The executive director of the Nebraska Liquor Control Commission
20 shall also serve as executive director of the Nebraska Hemp Control
21 Commission. The executive director shall keep a record of all
22 proceedings, transactions, communications, and official acts of the
23 Nebraska Hemp Control Commission. The executive director shall be the
24 custodian of all records and perform such other duties as the commission
25 may prescribe.

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

31 (2) Employees of the commission who are accountable for public funds

1 shall be bonded or insured as required by section 11-201 to secure the
2 safety of such funds. The premium shall be paid by the State of Nebraska
3 out of the General Fund.

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

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

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

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

28 **Sec. 8.** The Attorney General of Nebraska shall designate an
29 assistant attorney general or assistant attorneys general, when requested
30 by the commission and directed by the Governor, and the services of such
31 assistant attorney general or assistant attorneys general shall be

1 available to the commission whenever demanded. The compensation of such
2 assistant attorney general or assistant attorneys general as are assigned
3 to the commission shall be paid by the office of the Attorney General.

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

8 **Sec. 10.** The commission has the following powers, functions, and
9 duties:

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

13 (2) To call upon other administrative departments of the state,
14 county and municipal governments, county sheriffs, city police
15 departments, village marshals, peace officers, and prosecuting officers
16 for such information and assistance as the commission deems necessary in
17 the performance of its duties;

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

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

25 (5) To hear and determine appeals from orders of a local governing
26 body in accordance with the act;

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

29 (7) In the conduct of any hearing or audit authorized to be held by
30 the commission (a) to examine or cause to be examined, under oath, any
31 licensee and to examine or cause to be examined the books and records of

1 such licensee, (b) to hear testimony and take proof material for its
2 information in the discharge of its duties under the act, and (c) to
3 administer or cause to be administered oaths;

4 (8) To investigate the administration of laws in relation to
5 consumable hemp products in this and other states and to recommend to the
6 Governor and through the Governor to the Legislature amendments to the
7 act;

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

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

16 **Sec. 11.** The commission may adopt and promulgate rules and
17 regulations to carry out the Nebraska Consumable Hemp Control Act. The
18 rules and regulations may include, among such other things as the
19 commission may determine, provisions:

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

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

24 (3) Establishing standards of purity, sanitation, honest
25 advertising, and representation; and

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

29 **Sec. 12.** (1) The commission shall provide without charge to any
30 licensee a set of rules and regulations adopted and promulgated by the
31 commission, a copy of the Nebraska Consumable Hemp Control Act, and any

1 other information which the commission deems important. The information
2 may be printed in a booklet, a pamphlet, provided electronically, or
3 provided in any other form the commission may determine to be
4 appropriate.

5 (2) The commission may update such material as often as it deems
6 necessary.

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

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

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

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

25 (a) Determining that such violation has occurred;

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

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

30 (3) To receive a signed complaint from any resident within its
31 jurisdiction that any provision of the act, any rule or regulation

1 adopted and promulgated pursuant to the act, or any ordinance relating to
2 consumable hemp products has been or is being violated and to act upon
3 such complaints in the manner provided in the act;

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

7 (5) To examine or cause to be examined any applicant or any retail
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 act on its behalf;

14 (6) To cancel or revoke on its own motion any license if, upon the
15 same notice and hearing as provided in section 44 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 consumable hemp products. Such order of
19 cancellation or revocation may be appealed to the commission within
20 thirty days after the date of the order by filing a notice of appeal with
21 the commission. The commission shall handle the appeal in the manner
22 provided for hearing on an application in section 23 of this act; and

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

25 **Sec. 14.** (1) Local governing bodies shall only have authority to
26 approve applications and deny licenses pursuant to the Nebraska
27 Consumable Hemp Control Act.

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

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

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

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

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

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

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

31 (b) The particular premises for which a license is desired

1 designating the same by street and number if practicable or, if not, by
2 such other description as definitely locates the premises;

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

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

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

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

18 (f) A statement that the applicant intends to superintend in person
19 the management of the business licensed and that, if so licensed, the
20 applicant will superintend in person the management of the business; and

21 (g) Such other information as the commission may from time to time
22 direct.

23 (3) The applicant shall also submit two legible sets of fingerprints
24 to be furnished to the Federal Bureau of Investigation through the
25 Nebraska State Patrol for a national criminal history record check and
26 the fee for such record check payable to the patrol.

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

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

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

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

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

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

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

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

12 (8) The applicant shall pay any licensing fee required by this
13 section:

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

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

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

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

23 (a) Is not a resident of Nebraska;

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

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

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

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

31 (f) Except as provided in this subdivision, is the spouse of an

1 individual who is ineligible under this section to receive and hold a
2 license. Such applicant shall become eligible for a license only if the
3 commission finds from the evidence that the public interest will not be
4 infringed upon if such license is granted. It shall be prima facie
5 evidence that when a spouse is ineligible to receive a license the
6 applicant is also ineligible to receive a license. Such prima facie
7 evidence shall be overcome if it is shown to the satisfaction of the
8 commission (a) that the licensed business will be the sole property of
9 the applicant and (b) that such licensed premises will be properly
10 operated;

11 (g) Is a law enforcement officer; or

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

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

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

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

25 (c) A corporation, if any officer or director of the corporation or
26 any stockholder owning in the aggregate more than twenty-five percent of
27 the stock of such corporation would be ineligible to receive a license
28 under this section for any reason other than the reasons stated in
29 subdivisions (1)(a) and (c) of this section, or if a manager of a
30 corporate licensee would be ineligible to receive a license under this
31 section for any reason; or

1 (d) A corporation, unless such corporation is duly registered with
2 the Secretary of State to transact business in this state. If such
3 corporation is owned by a corporation, the owning corporation shall also
4 be duly registered with the Secretary of State to transact business in
5 this state.

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

8 (a) Whose place of business is conducted by a manager or agent
9 unless such manager or agent possesses the same qualifications required
10 of the licensee; or

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

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

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

21 (2) After such license has been granted for the particular premises,
22 the commission, with the approval of the local governing body and upon
23 proper showing, may endorse upon the license permission to add to, delete
24 from, or abandon the premises described in such license and, if
25 applicable, to move from the premises to other premises approved by the
26 local governing body. In order to obtain such approval, the licensee
27 shall file with the local governing body a written request and a
28 statement under oath which shows that the premises, as added to or
29 deleted from or to which such move is to be made, comply in all respects
30 with the requirements of the Nebraska Consumable Hemp Control Act. No
31 such addition, deletion, or move shall be made by any such licensee until

1 the license has been endorsed to that effect in writing by the local
2 governing body and by the commission and the licensee furnishes proof of
3 payment of the renewal fee prescribed in section 17 of this act.

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

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

25 (2) A retail license may be issued to any qualified applicant if the
26 commission finds that:

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

30 (b) The applicant can conform to all provisions and requirements of
31 and rules and regulations adopted pursuant to the Nebraska Consumable

1 Hemp Control Act;

2 (c) The applicant has demonstrated that the type of management and
3 control to be exercised over the premises described in the application
4 will be sufficient to ensure that the licensed business can conform to
5 all provisions and requirements of and rules and regulations adopted
6 pursuant to the act; and

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

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

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

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

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

16 (d) The nature of the neighborhood or community of the location of
17 the proposed licensed premises;

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

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

25 (g) The adequacy of existing law enforcement;

26 (h) Zoning restrictions;

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

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

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

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

6 (i) The license fee;

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

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

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

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

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

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

24 **Sec. 22.** (1) Except as otherwise provided in subsections (2) and
25 (3) of this section, no retail license shall be issued for a premises
26 located within one hundred fifty feet of any church, school, hospital, or
27 home for indigent persons or for veterans and their spouses or children.

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

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

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

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

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

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

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

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

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

29 (3) The commission shall hold a hearing on an application for a
30 retail license if, within forty-five days after the date the application
31 was received by the city, village, or county clerk, the commission itself

1 objects to the issuance of the license or receives an objection from any
2 employee of the commission.

3 (4) The commission shall hold a hearing on an application for a
4 retail license if the application indicates that the licensed premises
5 will be within one hundred fifty feet of a church as described in section
6 22 of this act and, within forty-five days after the date the application
7 was received by the city, village, or county clerk, the commission
8 receives a written request by the church for a hearing.

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

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

20 (c) The commission may receive evidence, including testimony and
21 documentary evidence, and may hear and question witnesses concerning the
22 application.

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

26 **Sec. 24.** (1) When a local governing body receives from the
27 commission the notice and copy of application as provided in section 20
28 of this act for a retail license within the jurisdiction of the local
29 governing body, the local governing body may fix a time and place for a
30 hearing at which the local governing body shall receive evidence, either
31 orally or by affidavit from the applicant and any other person, bearing

1 upon the propriety of the issuance of a license.

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

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

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

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

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

23 **Sec. 25.** (1)(a) A retail license issued by the commission and
24 outstanding may be automatically renewed by the commission without formal
25 application upon payment of the renewal fee and license fee if payable to
26 the commission prior to or within thirty days after the expiration of the
27 license. The payment shall be an affirmative representation and
28 certification by the licensee that all answers contained in an
29 application, if submitted, would be the same in all material respects as
30 the answers contained in the last previous application.

31 (b) The renewal privilege provided for in this section shall not be

1 construed as a vested right and shall not prevent the commission from
2 decreasing the number of licenses.

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

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

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

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

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

19 NOTICE OF RENEWAL OF CONSUMABLE HEMP PRODUCTS RETAIL LICENSE

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

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

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

30 (Name)

31 (City, village, or county) Clerk

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

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

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

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

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

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

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

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

1 (2) A retail license shall not:

2 (a) Constitute property;

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

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

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

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

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

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

23 (4) The trustee of any insolvent or bankrupt licensee, when such
24 estate consists in part of consumable hemp products, may continue the
25 business of the sale of consumable hemp products under order of the
26 appropriate court and may exercise the privileges of the insolvent or
27 bankrupt licensee until the expiration of such license.

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

29 (a) Satisfy the child-resistant effectiveness standards under 16
30 C.F.R. 1700.15(b)(1) when tested in accordance with the requirements of
31 16 C.F.R. 1700.20; and

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

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

4 (ii) A listing of ingredients and possible allergens and a
5 nutritional fact panel for edible products or a code that can be scanned
6 that directs consumers to a website containing the list of ingredients
7 and possible allergens and a nutritional fact panel;

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

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

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

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

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

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

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

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

25 **Sec. 32.** (1) A licensee shall display at all times in a prominent
26 place a printed card with a minimum height of twenty inches and a width
27 of fourteen inches, with each letter to be a minimum of one-fourth inch
28 in height, which shall read as follows:

29 WARNING TO PERSONS UNDER 21: It is a crime for a person younger than
30 21 years of age to consume, purchase, attempt to purchase, or possess any
31 consumable hemp product. Violation of this law may result in a fine of up

1 to \$500, 3 months in jail, or both. Your parents or guardian will be
2 notified of this violation.

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

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

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

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

14 (2) It is an affirmative defense to a violation of this section if
15 the minor was a purchaser who provided a licensee with an identification
16 document showing the purchaser to be of age and bearing a physical
17 description or depiction reasonably describing or depicting the
18 purchaser.

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

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

25 (2) Except as provided in subsection (3) of this section, no minor
26 may sell, dispense, consume, or have in such minor's possession or
27 physical control any consumable hemp product. Except as provided in
28 section 28-1701, a violation of this subsection is a Class III
29 misdemeanor.

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

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

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

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

11 **Sec. 39.** When a minor is arrested for a violation of section 35 or
12 38 of this act, the law enforcement agency employing the arresting peace
13 officer shall make a reasonable attempt to notify such minor's parent or
14 guardian of the arrest.

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

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

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

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

24 (3) A violation of this section or of any provision of the Nebraska
25 Consumable Hemp Control Act for which a penalty is not otherwise provided
26 shall be a Class IV misdemeanor for a first offense and a Class II
27 misdemeanor for any subsequent offense.

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

30 (5) In any prosecution in which a person is charged with an offense
31 arising out of the failure to obtain a valid license, the fact that such

1 person failed to produce such license upon demand is prima facie proof
2 that the commission has not issued a license to such person.

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

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

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

25 **Sec. 44.** (1) Any five residents of a city or village shall have the
26 right to file a complaint with the local governing body of such city or
27 village stating that any retail licensee subject to the jurisdiction of
28 such local governing body has been or is violating any provision of the
29 Nebraska Consumable Hemp Control Act or the rules or regulations adopted
30 and promulgated pursuant to the act.

31 (2) Such complaint shall be in writing in the form prescribed by the

1 local governing body and shall be signed and sworn to by the parties
2 complaining. The complaint shall state the particular provision, rule, or
3 regulation believed to have been violated and the facts in detail upon
4 which belief is based.

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

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

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

18 (a) The Nebraska Consumable Hemp Control Act;

19 (b) Any rules and regulations adopted and promulgated by the
20 commission; or

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

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

26 **Sec. 46.** (1) A copy of the rule, regulation, order, or decision of
27 the commission denying an application or suspending, canceling, or
28 revoking a license or of any notice required by any proceeding before it,
29 certified under the seal of the commission, shall be served upon each
30 party of record to the proceeding before the commission. Service upon any
31 attorney of record for any such party shall be deemed to be service upon

1 such party. Each party appearing before the commission shall enter an
2 appearance and indicate to the commission such person's address for such
3 service. The mailing of a copy of any rule, regulation, order, or
4 decision of the commission or of any notice by the commission, in the
5 proceeding, to such party at such address shall be deemed to be service
6 upon such party.

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

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

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

25 (a) In the case of an administrative proceeding before the
26 commission on the application for a retail license:

27 (i) The applicant;

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

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

1 (iv) The commission;

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

4 (i) The licensee; and

5 (ii) The local governing body; and

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

8 (i) The licensee; and

9 (ii) The commission.

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

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

19 (a) Minimum standards governing training of sales personnel,
20 including standards and requirements governing curriculum, program
21 trainers, and certification requirements;

22 (b) Minimum standards governing training in management of licensed
23 premises, including standards and requirements governing curriculum,
24 program trainers, and certification requirements;

25 (c) Minimum standards governing the methods allowed for training
26 programs which may include the Internet, interactive video, live training
27 in various locations across the state, and other means deemed appropriate
28 by the commission;

29 (d) Setting enrollment fees. Such fees shall be in an amount
30 determined by the commission to be necessary to cover the administrative
31 costs, including salary and benefits, of enrolling in a training program

1 offered by the commission pursuant to subsection (2) of this section but
2 shall not exceed thirty dollars; and

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

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

18 (3) A person who has completed a training program which complies
19 with the rules and regulations, whether such program is offered by the
20 commission or by another organization, may become certified by the
21 commission upon the commission receiving evidence that he or she has
22 completed such program and the person seeking certification paying the
23 certification fee established under this section.

24 **Sec. 49.** Any money collected by the commission pursuant to section
25 48 of this act shall be credited to the Nebraska Consumable Hemp Control
26 Commission Cash Fund, which fund is hereby created. The purpose of the
27 fund shall be to cover any administrative costs, including salary and
28 benefits, incurred by the commission in carrying out section 48 of this
29 act and to defray the costs associated with electronic regulatory
30 transactions, industry education events, enforcement training, and
31 equipment for regulatory work. Transfers may be made from the fund to the

1 General Fund at the direction of the Legislature. Any money in the
2 Nebraska Consumable Hemp Control Commission Cash Fund available for
3 investment shall be invested by the state investment officer pursuant to
4 the Nebraska Capital Expansion Act and the Nebraska State Funds
5 Investment Act.

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

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

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

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

19 (4) Distributor means any person, other than a retail licensee,
20 selling or transferring consumable hemp products to a retail licensee,
21 and includes, but is not limited to, distributors, manufacturers,
22 producers, and wholesalers;

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

24 (6) Related interests includes individuals who are related by blood
25 or marriage or entities that are directly or indirectly controlled by an
26 entity or individual or related individuals.

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

31 (a) The average market rate of the consumable hemp products if the

1 transaction is between affiliated licensees; or

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

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

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

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

16 (3) The licensee shall provide a copy of such records to the
17 commission if so requested. The commission may establish the acceptable
18 form of such records.

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

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

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

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

31 **Sec. 55.** It shall be unlawful for any person to evade or attempt to

1 evade the payment of the excise tax. A violation of this section is a
2 Class II misdemeanor and the violator shall forfeit and pay, as a part of
3 costs in such action, double the amount of the tax so evaded or attempted
4 to be evaded.

5 **Sec. 56.** Section 28-1701, Revised Statutes Cumulative Supplement,
6 2024, is amended to read:

7 28-1701 (1) A person shall not be arrested or prosecuted for an
8 eligible alcohol or drug offense if such person witnessed or was the
9 victim of a sexual assault and such person:

10 (a) Either:

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

13 (ii) Requested emergency medical assistance for the victim of the
14 sexual assault; and

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

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

21 (a) Evidence supporting the arrest or prosecution of the person for
22 the offense was obtained or discovered as a result of the investigation
23 or prosecution of a sexual assault; and

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

26 (3) For purposes of this section:

27 (a) Eligible alcohol or drug offense means:

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

30 (ii) A violation of section 53-180.02 committed by a person older
31 than eighteen years of age and under the age of twenty-one years, as

1 described in subdivision (4)(a) of section 53-180.05;

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

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

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

9 (b) Sexual assault means:

10 (i) A violation of section 28-316.01, 28-319, 28-319.01, 28-320,
11 28-320.01, 28-320.02, 28-322.01, 28-322.02, 28-322.03, 28-322.04,
12 28-322.05, 28-703, or 28-1463.03, sex trafficking or sex trafficking of a
13 minor under section 28-831, or subdivision (1)(c) or (g) of section
14 28-386 or subdivision (1)(d), (e), or (f) of section 28-707; or

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

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

21 53-105 There is hereby created the Nebraska Liquor Control
22 Commission, consisting of three members to be appointed by the Governor,
23 subject to confirmation by a majority of the members elected to the
24 Legislature, no more than two of whom shall be members of the same
25 political party, and no two shall be citizens of the same congressional
26 district. The members of the Nebraska Liquor Control Commission shall
27 also serve as the members of the Nebraska Consumable Hemp Control
28 Commission as provided in section 4 of this act.

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

31 53-106 The Governor shall appoint three members of the commission,

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

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

12 53-110 (1) For purposes of this section:

13 (a) Commission means the Nebraska Liquor Control Commission and the
14 Nebraska Consumable Hemp Control Commission;

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

17 (c) Conviction includes a plea or verdict of guilty or a conviction
18 following a plea of nolo contendere, payment of a fine or penalty in
19 settlement of any prosecution, or forfeiture of a bond to appear in court
20 to answer charges;

21 (d) Covered offense means:

22 (i) A felony; or

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

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

27 (2) ~~(1)~~ No person shall be appointed as a commissioner, the
28 executive director of the commission, or an employee of the commission
29 who is not a citizen of the United States and who has not resided within
30 the State of Nebraska successively for two years next preceding the date
31 of his or her appointment.

1 ~~(3) (2)~~ No person ~~(a)~~ convicted of a covered offense ~~or who has~~
2 ~~pleaded guilty to a felony or any violation of any federal or state law~~
3 ~~concerning the manufacture or sale of alcoholic liquor prior or~~
4 ~~subsequent to the passage of the Nebraska Liquor Control Act,~~ (b) who has
5 ~~paid a fine or penalty in settlement of any prosecution against him or~~
6 ~~her for any violation of such laws, or (c) who has forfeited his or her~~
7 ~~bond to appear in court to answer charges for any such violation shall be~~
8 appointed commissioner.

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

14 ~~(i)~~ Have any interest whatsoever in the manufacture, sale, or
15 distribution of alcoholic liquor or consumable hemp products; ~~have~~

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

18 ~~(iii)~~ Have ~~or have~~ any interest whatsoever in the purchases or sales
19 made by the persons authorized by the Nebraska Liquor Control Act ~~act~~ to
20 purchase or to sell alcoholic liquor; or ~~have~~

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

24 (b) With the written approval of the executive director, an employee
25 of the commission, other than the executive director or a division
26 manager, may accept part-time or seasonal employment with a person
27 licensed or regulated by the commission. No such employment shall be
28 approved if the licensee receives more than fifty percent of the
29 licensee's gross revenue from the sale or dispensing of alcoholic liquor
30 or consumable hemp products.

31 ~~(5) (4)~~ This section shall not prevent any commissioner, the

1 executive director, or any employee from purchasing and keeping in his or
2 her possession for the use of himself, herself, or members of his or her
3 family or guests any:

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

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

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

10 53-111 (1) A commissioner, the executive director of the commission,
11 or any person appointed or employed by the commission shall not solicit
12 or accept any gift, gratuity, emolument, or employment from any person
13 subject to the Nebraska Liquor Control Act or the Nebraska Consumable
14 Hemp Control Act or from any officer, agent, or employee thereof or
15 solicit, request from, or recommend, directly or indirectly, to any such
16 person or to any officer, agent, or employee thereof the appointment of
17 any person to any place or position. Any such person and every officer,
18 agent, or employee thereof may not offer to any commissioner, the
19 executive director, or any person appointed or employed by the commission
20 any gift, gratuity, emolument, or employment. If a commissioner, the
21 executive director, or any person appointed or employed by the commission
22 violates this section, he or she shall be removed from his or her office
23 or employment. Every person violating this section shall be guilty of a
24 Class II misdemeanor.

25 **Sec. 61.** Section 81-1021, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 81-1021 (1) All motor vehicles acquired by the State of Nebraska
28 except any vehicle rented as a bureau fleet vehicle shall be indelibly
29 and conspicuously lettered, in plain letters of a contrasting color or
30 reflective material:

31 (a) On each side thereof with the words State of Nebraska and

1 following such words the name of whatever board, department, bureau,
2 division, institution, including the University of Nebraska or state
3 college, office, or other state expending agency of the state to which
4 the motor vehicle belongs; and

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

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

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

17 (b) The Department of Health and Human Services or the Department of
18 Correctional Services for the purpose of apprehending and returning
19 escaped offenders or parole violators to facilities in the Department of
20 Correctional Services and transporting offenders and personnel of the
21 Department of Correctional Services and patients and personnel of the
22 Department of Health and Human Services who are engaged in off-campus
23 program activities;

24 (c) The Military Department;

25 (d) Vocational rehabilitation counselors and the Department of
26 Health and Human Services for the purposes of communicable disease
27 control, for the prevention and control of those communicable diseases
28 which endanger the public health, or used by the Department of Health and
29 Human Services in the enforcement of drug control laws or for other
30 investigation purposes;

31 (e) The Department of Agriculture for special investigative

1 purposes;

2 (f) The Nebraska Motor Vehicle Industry Licensing Board for
3 investigative purposes;

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

6 (h) The Department of Justice.

7 **Sec. 62.** Original sections 53-105, 53-106, 53-110, 53-111, and
8 81-1021, Reissue Revised Statutes of Nebraska, and section 28-1701,
9 Revised Statutes Cumulative Supplement, 2024, are repealed.