

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 705

Introduced by McKinney, 11; Spivey, 13.

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, and 77-27,132, Revised
5 Statutes Cumulative Supplement, 2024, sections 1, 2, and 3,
6 Initiative Law 2024, No. 437, and sections 1, 3, 4, and 5,
7 Initiative Law 2024, No. 438; to change provisions of the Nebraska
8 Medical Cannabis Patient Protection Act and the Nebraska Medical
9 Cannabis Regulation Act; to adopt the Nebraska Medical Cannabis
10 Justice Act and the Cannabis Conviction Clean Slate Act; to change
11 provisions relating to controlled substances and drug paraphernalia
12 and the Nebraska Liquor Control Commission and its commissioners,
13 executive directors, and employees; to define terms; to impose a
14 special sales and use tax rate on sales of medical cannabis; to
15 provide for the distribution of tax revenue; to prohibit possession
16 of an open container of cannabis in a motor vehicle; to provide for
17 the applicability of the Nebraska Clean Indoor Air Act and the
18 Nebraska Pure Food Act; to remove medical cannabis from the
19 marijuana and controlled substances tax; to provide for unmarked
20 vehicles; to eliminate obsolete provisions; to harmonize provisions;
21 to repeal the original sections; to outright repeal sections 28-463,
22 28-464, 28-465, 28-466, 28-467, 28-468, and 28-469, Reissue Revised
23 Statutes of Nebraska, and sections 2 and 6, Initiative Law 2024, No.

1 438; and to declare an emergency.

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

1 **Section 1.** Section 1, Initiative Law 2024, No. 437, is amended to
2 read:

3 Section 1. Sections 1 to 3 of this act and sections 4 to 19 of this
4 act shall be known and may be cited as the Nebraska Medical Cannabis
5 Patient Protection Act.

6 **Sec. 2.** Section 2, Initiative Law 2024, No. 437, is amended to
7 read:

8 Sec. 2. For purposes of the Nebraska Medical Cannabis Patient
9 Protection Act:

10 (1)(a) Except as provided in subsection (4) of section 7 of this
11 act, allowable ~~Allowable~~ amount of cannabis means up to five ounces of
12 cannabis.

13 (b) Allowable amount of cannabis does not include the weight of any
14 other ingredient combined with cannabis as part of topical or oral
15 administrations, food, drink, or other preparations;

16 (2)(a) Cannabis means all parts of the plant of the genus cannabis
17 whether growing or not, the seeds thereof, the resin extracted from any
18 part of the plant, and every compound, manufacture, salt, derivative,
19 mixture, or preparation of the plant, its seeds, or its resin.

20 (b) Except as otherwise provided in the act, cannabis ~~Cannabis~~
21 includes cannabis in all forms, including, but not limited to, cannabis
22 products ~~marijuana, hashish,~~ and concentrated cannabis.

23 (c) Cannabis does not include ~~hemp, as defined in Section 2-503(13)~~
24 ~~of the Nebraska Hemp Farming Act, nor does it include~~ the mature stalks
25 of the plant, fiber produced from such stalks, oil or cake made from the
26 seeds of the plant, the sterilized seed of the plant which is incapable
27 of germination, or cannabidiol contained in a drug product approved by
28 the federal Food and Drug Administration.

29 (d) Cannabis does not include hemp as defined in section 2-503;

30 (3) Cannabis accessories means any equipment, products, or materials
31 of any kind that are used, intended for use, or designed for use in

1 storing, vaporizing, smoking, or containing cannabis, or for ingesting,
2 inhaling, or otherwise introducing cannabis into the human body;

3 (4) Cannabis product means a product comprised of cannabis and other
4 ingredients. Cannabis product includes, but is not limited to, cannabis-
5 infused edible products, concentrated cannabis, ointments, tinctures, and
6 transdermal patches;

7 (5) (4) Caregiver means:

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

11 (i) Is at least twenty-one years of age; and

12 (ii) Has been designated by a qualified patient in a signed
13 affidavit;

14 (b) In the case of a qualified patient who is younger than eighteen
15 years of age or a qualified patient under the protection of a legal
16 guardian:

17 (i) The legal guardian or a parent with authority to make health
18 care decisions for ~~of~~ the qualified patient; or

19 (ii) A person designated in a sworn affidavit by the legal guardian
20 or parent with authority to make health care decisions; or

21 (c) A health care facility ~~as defined in section 71-413~~ or a home
22 health agency ~~as defined in section 71-417~~, if the facility or agency has
23 been designated by a qualified patient or the legal guardian or parent
24 with authority to make health care decisions for ~~of~~ a qualified patient
25 in a sworn affidavit and if the facility or agency has agreed in writing
26 to serve as a caregiver for the qualified patient;

27 (6)(a) Concentrated cannabis means the resin extracted from any part
28 of the plant of the genus Cannabis and every compound, manufacture, salt,
29 derivative, mixture, or preparation of that resin. This includes
30 inhalable concentrates which may be comprised of cannabis and other
31 ingredients inside a device that uses a heating element to create a

1 vapor, including, but not limited to, vaporizer cartridges and vaporizer
2 pens.

3 (b) When resins extracted from hemp are in the possession of a
4 person as authorized under the Nebraska Hemp Farming Act, they are not
5 considered concentrated cannabis for purposes of the Nebraska Medical
6 Cannabis Patient Protection Act;

7 (7) Department means the Department of Health and Human Services;

8 (8) Dispensary has the same meaning as in section 27 of this act;

9 (9) Health care facility has the same meaning as in section 71-413;

10 (10) ~~(5)~~ Health care practitioner means a physician, an osteopathic
11 physician, a physician assistant, or a nurse practitioner licensed under
12 the Uniform Credentialing Act or who is licensed in any state and
13 practicing in compliance with the Uniform Credentialing Act;

14 (11) Home health agency has the same meaning as in section 71-417;

15 (12) ~~(6)~~ Qualified patient means an individual who:

16 (a) Has been diagnosed with a qualifying medical condition;

17 (b) Has ~~(a) An individual eighteen years of age or older with a~~
18 written recommendation from a health care practitioner; ~~or~~

19 (c) In the case of an ~~(b) An individual younger than eighteen years~~
20 of age, ~~has with a written recommendation from a health care practitioner~~
21 ~~and with the written permission of a legal guardian or parent with~~
22 authority to make health care decisions for the individual; ~~and~~

23 (d) In the case of an individual eighteen years of age or older who
24 is under the protection of a legal guardian, has the written permission
25 of such guardian; and

26 (e) Is enrolled in the registry program by the department;

27 (13) Qualifying medical condition means a condition for which a
28 patient's health care practitioner has determined, in a written
29 recommendation, that such condition, related symptoms, or side effects of
30 the condition's treatment can be appropriately treated or alleviated with
31 medical cannabis;

1 (14) Registered caregiver means a caregiver who is enrolled in the
2 registry program;

3 (15) Registry card means a document issued by the department
4 pursuant to section 12 of this act that identifies a person as a
5 qualified patient or registered caregiver;

6 (16) Registry program means the registry of qualified patients and
7 caregivers operated by the department under section 8 of this act;

8 (17) Responsible individual means:

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

11 (b) An administrator, a director, or another individual designated
12 by a health care facility or a home health agency pursuant to rules and
13 regulations adopted and promulgated by the department; and

14 (18) ~~(7)~~ Written recommendation means a valid signed and dated
15 declaration from a health care practitioner that complies with section 7
16 of this act stating that, in the health care practitioner's professional
17 judgment, the potential benefits of cannabis outweigh the potential harms
18 for the alleviation of a patient's medical condition, its symptoms, or
19 side effects of the condition's treatment. A written recommendation is
20 valid for two years after the date of issuance or for a period of time
21 specified by the health care practitioner on the written recommendation.

22 **Sec. 3.** Section 3, Initiative Law 2024, No. 437, is amended to
23 read:

24 Sec. 3. (1) Subject to the requirements of the Nebraska Medical
25 Cannabis Patient Protection Act, a qualified patient or registered
26 caregiver shall not be subject to citation, arrest, prosecution, or
27 penalty in any manner, or denied any right or privilege, including, but
28 not limited to, any civil penalty or disciplinary action by a court or
29 occupational or professional licensing board, for engaging in conduct
30 protected by this section. ~~it shall not be an offense under state or~~
31 local law for:

1 (2) ~~(a)~~ A qualified patient may ~~to~~ use, possess, and acquire an
2 allowable amount of cannabis and cannabis accessories for the alleviation
3 of a qualifying medical condition, ~~, its symptoms, or side effects of the~~
4 ~~condition's treatment; or~~

5 (3) ~~(b)~~ A registered caregiver may ~~to~~ assist a qualified patient
6 with the activities set forth in subsection (2) subdivision (1)(a) of
7 this section by possessing and acquiring an allowable amount of cannabis
8 and cannabis accessories on behalf of the qualified patient, ~~and~~
9 delivering an allowable amount of cannabis and cannabis accessories to
10 the qualified patient, and providing assistance in administering or
11 consuming such cannabis.

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

18 (5) If a qualified patient or registered caregiver is cited,
19 arrested, or prosecuted for possession or consumption of an allowable
20 amount of cannabis pursuant to the act at a time when the person does not
21 have the registry card in his or her possession, the prosecution, civil
22 offense, or disciplinary proceeding shall be immediately dismissed upon
23 production and verification of the registry card.

24 (6) ~~(2)~~ Conduct protected by the Nebraska Medical Cannabis Patient
25 Protection Act ~~this section~~ shall not be subject to the Uniform
26 Controlled Substances Act.

27 **Sec. 4.** No person may be subject to arrest, prosecution, or penalty
28 in any manner, or denied any right or privilege, including any civil
29 penalty or disciplinary action by a court or occupational or professional
30 licensing board, for:

31 (1) Being in the presence or vicinity of the use or possession of

1 cannabis that is permitted under the Nebraska Medical Cannabis Patient
2 Protection Act; or

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

5 **Sec. 5.** (1) Nothing in the Nebraska Medical Cannabis Patient
6 Protection Act permits any person to engage in or prevents the imposition
7 of any civil, criminal, or other penalties for:

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

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

11 (i) On a school bus or van;

12 (ii) On the grounds of any preschool or primary or secondary school
13 except as provided in section 6 of this act;

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

16 (iv) On the grounds of any child care facility or home day care
17 except as provided in section 6 of this act;

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

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

21 (ii) In any public place, including any indoor or outdoor area used
22 by or open to the general public or a place of employment as defined in
23 section 71-5724, other than with an aerosol inhaler;

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

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

27 (f) Operating, navigating, or being in actual physical control of
28 any motor vehicle, aircraft, train, or motorboat, or working on
29 transportation property, equipment, or facilities, while under the
30 influence of cannabis.

31 (2)(a) An employer shall not discriminate against a qualified

1 patient or registered caregiver in hiring, termination, or conditions of
2 employment.

3 (b) This protection does not apply if the employee uses cannabis
4 during work hours or if the employee's usage impairs job performance or
5 safety.

6 (c) An employer shall provide reasonable accommodations for
7 qualified patients, such as allowing flexible schedules for treatment or
8 noninvasive alternatives like CBD-only options when reasonably
9 practicable.

10 **Sec. 6.** (1) Any school, health care facility or health care service
11 licensed pursuant to the Health Care Facility Licensure Act, licensed
12 child care facility as defined in section 43-4308, or foster care
13 facility as defined in section 43-1301 may adopt reasonable restrictions
14 on the use of cannabis by students, residents, or persons receiving care
15 or services, including that:

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

18 (b) Cannabis may not be smoked;

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

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

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

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

1 **Sec. 7.** (1) Before an individual may enroll in the registry program
2 as a qualified patient, the individual shall receive a written
3 recommendation from a health care practitioner as provided in this
4 section.

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

7 (a) Either:

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

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

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

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

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

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

24 (4)(a) A health care practitioner may include in the written
25 recommendation a notation that an individual shall be allowed to possess
26 an amount of cannabis in excess of the allowable amount of cannabis. The
27 practitioner may include such notation if the practitioner determines, in
28 his or her professional judgment, that such greater quantity is necessary
29 or appropriate due to factors including, but not limited to, the medical
30 condition of the individual, the mode of administration of cannabis used
31 by the individual, transportation difficulties faced by the individual,

1 and the distance of the individual's residence from dispensaries.

2 (b) If a health care practitioner provides a notation under this
3 subsection, the practitioner shall state in the written recommendation:

4 (i) The reason or reasons the increased quantity shall be allowed;
5 and

6 (ii) The quantity of cannabis that the individual shall be allowed
7 to possess.

8 (c) A qualified patient who has been issued a registry card may
9 request a health care practitioner to update a previously issued written
10 recommendation to include a notation under this subsection. If the
11 practitioner issues an updated written recommendation with such a
12 notation, the qualified patient shall immediately be eligible to possess
13 such greater quantity of cannabis. The qualified patient shall notify the
14 department, in a form and manner prescribed by the department, within
15 thirty days after receiving such notation. Failure to so notify the
16 department shall render the notation invalid.

17 (5) A written recommendation is valid for two years after the date
18 of issuance or for a shorter period of time specified by the health care
19 practitioner on the written recommendation.

20 **Sec. 8.** (1) The department shall establish and maintain a registry
21 program for qualified patients and registered caregiver. The registry
22 shall include (a) the name, address, and telephone number of each
23 qualified patient and registered caregiver, (b) the health care
24 practitioner that provided the written recommendation for the patient,
25 and (c) the registered caregiver for the qualified patient, if any.

26 (2) The department shall ensure that information in the registry
27 program, as well as from applications under sections 9 and 10 of this
28 act, is kept confidential to protect the privacy of applicants and people
29 enrolled in the registry.

30 **Sec. 9.** (1) An individual may apply to the department to be
31 enrolled in the registry program as a qualified patient by submitting an

1 application to the department in the form and manner prescribed by the
2 department.

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

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

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

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

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

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

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

16 (i) Written permission of such guardian; and

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

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

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

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

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

28 (3) An individual enrolled in the registry program as a qualified
29 patient may renew such registration by submitting a renewal application
30 in a form and manner prescribed by the department within ninety days
31 before the registration will expire. The application shall be accompanied

1 by a written recommendation dated within ninety days preceding the date
2 the application is submitted.

3 **Sec. 10.** (1) A person may apply to the department to be enrolled in
4 the registry program as a registered caregiver by submitting an
5 application to the department in the form and manner prescribed by the
6 department.

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

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

10 (ii) If the applicant is a health care facility or a home health
11 agency:

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

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

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

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

20 (d) Any other information as prescribed by the rules and regulations
21 of the department.

22 (3) A person enrolled in the registry program as a registered
23 caregiver may renew such registration by submitting a renewal application
24 in a form and manner prescribed by the department within ninety days
25 before the registration will expire.

26 **Sec. 11.** (1) Within thirty days after receipt of an application for
27 initial enrollment or renewal of enrollment in the registry under section
28 9 or 10 of this act, the department shall either enroll the person as a
29 qualified patient or registered caregiver, renew such enrollment, or give
30 written notice of denial.

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

1 (a) The application fails to include the information and materials
2 required by section 9 or 10 of this act; or

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

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

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

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

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

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

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

16 (c) The allowable amount of cannabis the patient may possess, if the
17 patient's written recommendation contains a notation specifying a greater
18 amount as provided in subsection (4) of section 7 of this act.

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 9 and 10 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 (5)(a) No individual shall serve as a registered caregiver for more
4 than three qualified patients.

5 (b) A qualified patient shall have no more than two registered
6 caregivers.

7 **Sec. 13.** A registered caregiver may possess cannabis, cannabis
8 products, and cannabis accessories on behalf of one or more qualified
9 patients served by the registered caregiver. The registered caregiver may
10 possess a separate allowable amount of cannabis for each such patient,
11 including the registered caregiver, if the registered caregiver is also a
12 qualified patient. The caregiver shall separately label and store
13 cannabis, cannabis products, and cannabis accessories for each such
14 patient.

15 **Sec. 14.** (1) If a qualified patient or registered caregiver is no
16 longer entitled to possess cannabis under the Nebraska Medical Cannabis
17 Patient Protection Act, the qualified patient or registered caregiver
18 shall, within ten days after becoming ineligible:

19 (a) Notify the department and surrender his or her registry card to
20 the department. Such notification and surrender shall be done in a form
21 and manner prescribed by the department; and

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

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

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

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

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

3 (iii) Be destroyed in compliance with rules and regulations of the
4 department or turned over to a dispensary for disposal.

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

11 **Sec. 15.** If cannabis belonging to a qualified patient or registered
12 caregiver is stolen or lost, the qualified patient or registered
13 caregiver shall notify the department within five days after learning of
14 such theft or loss.

15 **Sec. 16.** A health care practitioner that issues written
16 recommendations shall not:

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

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

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

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

26 **Sec. 17.** A health care practitioner shall not be subject to arrest,
27 prosecution, or penalty in any manner, or denied any right or privilege,
28 including, but not limited to, civil penalty or disciplinary action by
29 the department or by any other occupational or professional licensing
30 board, solely for providing a written recommendation or for stating that,
31 in the health care practitioner's professional opinion, a patient is

1 likely to receive therapeutic or palliative benefit from use of cannabis
2 to treat or alleviate the patient's qualifying medical condition.

3 **Sec. 18.** The governing body of a county, city, or village shall not
4 prohibit the delivery of cannabis, cannabis products, or cannabis
5 accessories for use under the Nebraska Medical Cannabis Patient
6 Protection Act either expressly or through the enactment of ordinances or
7 regulations that make the delivery impracticable in the respective
8 jurisdiction.

9 **Sec. 19.** (1) The department shall adopt and promulgate rules and
10 regulations governing entities that serve as registered caregivers as
11 provided in subdivision (5)(c) of section 2 of this act, including:

12 (a) Limiting the number of individuals who may transport and
13 administer cannabis on behalf of the entity to a reasonably necessary
14 number of individuals who have undergone appropriate training; and

15 (b) Requiring the name and date of birth of each individual who may
16 transport or administer cannabis on behalf of the entity to be filed with
17 the department.

18 (2) The department may adopt and promulgate other rules and
19 regulations as necessary to carry out the Nebraska Medical Cannabis
20 Patient Protection Act.

21 **Sec. 20.** Section 1, Initiative Law 2024, No. 438, is amended to
22 read:

23 Section 1. This section and sections 21 to 47, 50 to 70, and 72 to
24 166 Sections 1 to 6 of this act shall be known and may be cited as the
25 Nebraska Medical Cannabis Regulation Act.

26 **Sec. 21.** For purposes of the Nebraska Medical Cannabis Regulation
27 Act, the definitions found in sections 2 and 22 to 47 of this act apply.

28 **Sec. 22.** Cancel means to discontinue all rights and privileges of a
29 license.

30 **Sec. 23.** Cannabis for medical purposes means cannabis and cannabis
31 accessories intended for use by qualified patients and registered

1 caregivers pursuant to the Nebraska Medical Cannabis Patient Protection
2 Act for the alleviation of a qualifying medical condition.

3 **Sec. 24.** Commission means the Nebraska Medical Cannabis Commission.

4 **Sec. 25.** Conviction includes a plea or verdict of guilty or a
5 conviction following a plea of nolo contendere.

6 **Sec. 26.** Cultivator means a person licensed by the commission to
7 cultivate and process cannabis plants pursuant to the Nebraska Medical
8 Cannabis Regulation Act for sale to dispensaries, to products
9 manufacturers, and to other cultivators, but not to qualified patients or
10 registered caregivers.

11 **Sec. 27.** Dispensary means a person licensed by the commission to:

12 (1) Purchase cannabis from cultivators;

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

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

17 **Sec. 28.** (1) Disqualifying offense means a felony, of which a
18 person was convicted in the ten years preceding application for
19 licensure, that is:

20 (a) A violent offense;

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

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

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

29 (3) For purposes of this section:

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

31 (b) Sexual contact and sexual penetration have the same meanings as

1 in section 28-318; and

2 (c) Violent offense means:

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

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

15 (A) Sexual contact or sexual penetration; or

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

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

22 or

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

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

29 **Sec. 30.** License means a license issued by the commission pursuant
30 to the Nebraska Medical Cannabis Regulation Act.

31 **Sec. 31.** Licensed premises means the premises specified in an

1 application for a license under the Nebraska Medical Cannabis Regulation
2 Act, which are owned by or in the possession of the licensee and within
3 which the licensee is authorized to cultivate, process, manufacture,
4 distribute, transport, sell, or test cannabis in accordance with the
5 Nebraska Medical Cannabis Regulation Act.

6 **Sec. 32.** Licensee means a person licensed by the commission
7 pursuant to the Nebraska Medical Cannabis Regulation Act.

8 **Sec. 33.** Local governing body means (1) the city council or village
9 board of trustees of a city or village within which the licensed premises
10 are located or (2) if the licensed premises are not within the corporate
11 limits of a city or village, the county board of the county within which
12 the licensed premises are located.

13 **Sec. 34.** Location means a particular parcel of land that may be
14 identified by an address or other descriptive means.

15 **Sec. 35.** Manager means a person appointed by a corporation or
16 limited liability company to oversee the daily operation of a licensee in
17 Nebraska. A manager shall meet all the requirements of the Nebraska
18 Medical Cannabis Regulation Act as though such person were the applicant.

19 **Sec. 36.** Ordinance means any ordinance, regulation, resolution, or
20 other law duly enacted by a local governing body.

21 **Sec. 37.** Premises means a distinctly identified and definite
22 location, as required by the commission, and may include a building, a
23 part of a building, a room, or any other definite contiguous area.

24 **Sec. 38.** Process or processing means to harvest, dry, cure, trim,
25 and separate parts of the cannabis plant by manual or mechanical means.

26 **Sec. 39.** Products manufacturer means a person licensed by the
27 commission to conduct extraction and to manufacture cannabis products
28 pursuant to the Nebraska Medical Cannabis Regulation Act for sale and
29 distribution to dispensaries and other products manufacturers, but not to
30 qualified patients or registered caregivers.

31 **Sec. 40.** Revoke means to permanently void and recall all rights and

1 privileges of a license.

2 **Sec. 41.** Seed-to-sale tracking system means a software system that:

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

7 (2) Meets the requirements of section 120 of this act; and

8 (3) Is approved by the commission.

9 **Sec. 42.** Suspend means to cause a temporary interruption of all
10 rights and privileges of a license.

11 **Sec. 43.** Testing facility means a person licensed under the
12 Nebraska Medical Cannabis Regulation Act to analyze, test, and certify
13 cannabis, including for potency and the presence of contaminants.

14 **Sec. 44.** THC means tetrahydrocannabinol.

15 **Sec. 45.** Track and trace system means the system created by the
16 commission under section 120 of this act.

17 **Sec. 46.** Transfer means to grant, convey, hand over, assign, sell,
18 exchange, or barter, in any manner or by any means, with or without
19 consideration.

20 **Sec. 47.** Unreasonably impracticable means that the measures
21 necessary to comply with the rules and regulations adopted and
22 promulgated pursuant to the Nebraska Medical Cannabis Regulation Act or
23 the ordinances enacted by a local governing body pursuant to the act
24 would subject a licensee to unreasonable risk or require such a large
25 investment of risk, money, time, or any other resource or asset that a
26 reasonably prudent businessperson would not operate as a licensee.

27 **Sec. 48.** Section 4, Initiative Law 2024, No. 438, is amended to
28 read:

29 Sec. 4. (1) For purposes of providing the necessary licensure
30 registration and regulation of persons that possess, cultivate, process,
31 manufacture, distribute, transport, sell, and test deliver, and dispense

1 cannabis for medical purposes pursuant to the Nebraska Medical Cannabis
2 Regulation Act, the Nebraska Medical Cannabis Commission is created.

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

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

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

13 (5) The Governor may reappoint members of the commission, subject to
14 approval by a majority of the members elected to the Legislature.

15 **Sec. 49.** Section 5, Initiative Law 2024, No. 438, is amended to
16 read:

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

23 **Sec. 50.** A majority of the members of the commission shall
24 constitute a quorum to transact business, but no vacancy shall impair the
25 right of the remaining commissioners to exercise all of the powers of the
26 commission. Every act of a majority of the commissioners shall be deemed
27 to be the act of the commission.

28 **Sec. 51.** (1) The commission shall have an executive director, to be
29 appointed by the commission. The executive director of the Nebraska
30 Liquor Control Commission may also serve as the executive director of the
31 Nebraska Medical Cannabis Commission, or the Nebraska Medical Cannabis

1 Commission may appoint a separate individual to serve as its executive
2 director. If the commission appoints a separate individual, such
3 appointment shall be subject to the approval of the Governor.

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

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

10 **Sec. 52.** Before entering upon the duties of office, each
11 commissioner and the executive director shall be bonded or insured as
12 required by section 11-201. The premium shall be paid by the State of
13 Nebraska out of the General Fund.

14 **Sec. 53.** (1) The commission may, with the advice and approval of
15 the Governor, appoint or employ such clerks and other employees as may be
16 necessary to carry out the Nebraska Medical Cannabis Regulation Act or to
17 perform the duties and exercise the powers conferred by law upon the
18 commission.

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

23 **Sec. 54.** The commissioners, the executive director of the
24 commission, and all employees of the commission shall be reimbursed for
25 expenses incurred in the discharge of their official duties as provided
26 in sections 81-1174 to 81-1177. The commission may also incur necessary
27 expenses for office furniture and other incidental expenses. No
28 commissioner, executive director, or employee of the commission shall
29 request or be allowed mileage or other traveling expenses unless such
30 sections are strictly complied with.

31 **Sec. 55.** (1) The office of the commission shall be in Lincoln, but

1 the commission may, with the approval of the Governor, establish and
2 maintain branch offices at places other than the seat of government.

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

6 (3) The commission may, for authentication of its records, process,
7 and proceedings, adopt, keep, and use a common seal, of which seal
8 judicial notice shall be taken in all of the courts of the state. Any
9 process, notice, or other paper which the commission is authorized by law
10 to issue shall be deemed sufficient if signed by the chairperson and
11 executive director of the commission and authenticated by such seal. All
12 acts, orders, proceedings, rules, regulations, entries, minutes, and
13 other records of the commission and all reports and documents filed with
14 the commission may be proved in any court of this state by copy thereof
15 certified to by the executive director attached.

16 **Sec. 56.** The Attorney General shall designate an assistant attorney
17 general or assistant attorneys general, when requested by the commission
18 and directed by the Governor, and the services of such assistant attorney
19 general or assistant attorneys general shall be available to the
20 commission whenever demanded. The compensation of such assistant attorney
21 general or assistant attorneys general as are assigned to the commission
22 shall be paid by the office of the Attorney General.

23 **Sec. 57.** (1) Except as otherwise provided in subsection (2) of this
24 section, a commissioner, the executive director, or any employee of the
25 commission shall not:

26 (a) Directly or indirectly, individually, as a member of a
27 partnership, as a member of a limited liability company, or as a
28 shareholder of a corporation, have any interest whatsoever in the
29 cultivation, processing, manufacture, distribution, transportation,
30 testing, or sale of cannabis or hemp; or

31 (b) Receive any compensation or profit from an activity described in

1 subdivision (1)(a) of this section or have any interest whatsoever in the
2 purchases or sales made by the persons authorized by the Nebraska Medical
3 Cannabis Regulation Act to purchase or sell cannabis.

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

7 (3) This section shall not prevent any commissioner, the executive
8 director, or any employee from engaging in any conduct as a qualified
9 patient or registered caregiver that is protected under the Nebraska
10 Medical Cannabis Patient Protection Act.

11 **Sec. 58.** (1) Except as provided in subsection (2) of section 57 of
12 this act, a commissioner, the executive director, or any person employed
13 by the commission shall not:

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

17 (b) Solicit, request from, or recommend, directly or indirectly, to
18 any person subject to the Nebraska Medical Cannabis Regulation Act or to
19 any officer, agent, or employee of such person the appointment of any
20 person to any place or position.

21 (2) Except as provided in subsection (2) of section 57 of this act,
22 any person subject to the Nebraska Medical Cannabis Regulation Act and
23 every officer, agent, or employee of such person shall not offer to any
24 commissioner, the executive director, or any person employed by the
25 commission any gift, gratuity, emolument, or employment.

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

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

30 **Sec. 59.** (1) A commissioner, the executive director, or a
31 commission employee with regulatory oversight responsibilities for

1 licensees shall not work for, represent, or provide consulting services
2 to or otherwise derive pecuniary gain from a licensee or other business
3 entity established for the primary purpose of providing services to the
4 medical cannabis industry for a period of six months following such
5 person's last day of service to, or employment with, the commission.

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

7 **Sec. 60.** On or before January 1, 2027, and annually thereafter, the
8 commission shall publish a report of its actions during the preceding
9 year, including a comprehensive description of its activities and
10 including the number of licensees of each class issued; enforcement
11 actions in which fines, suspensions, revocations, or other disciplinary
12 sanctions were issued; and a statement of revenue and expenses of the
13 commission.

14 **Sec. 61.** The commission and the Department of Agriculture,
15 Department of Revenue, and Department of Health and Human Services shall
16 work collaboratively in furtherance of the intent of the Nebraska Medical
17 Cannabis Regulation Act and to ensure that the cultivation, processing,
18 manufacture, distribution, transportation, testing, and sale of cannabis
19 in this state is conducted in accordance with the act.

20 **Sec. 62.** (1) On or before October 1, 2025, the commission shall
21 adopt and promulgate rules and regulations necessary for the proper
22 regulation and control of the cultivation, processing, manufacture,
23 distribution, transportation, sale, and testing of cannabis and for the
24 enforcement of the Nebraska Medical Cannabis Regulation Act. Such rules
25 and regulations shall include, but not be limited to:

26 (a) Procedures and requirements for the issuance and renewal of
27 licenses, payment of fees, investigating and deciding disciplinary
28 proceedings, and imposing sanctions for violations of the Nebraska
29 Medical Cannabis Regulation Act or rules and regulations adopted and
30 promulgated thereunder;

31 (b) Qualifications and procedures for licensure under the Nebraska

1 Medical Cannabis Regulation Act;

2 (c) Requirements and procedures for testing cannabis for potency and
3 the presence of contaminants and to otherwise ensure the safety of
4 qualified patients;

5 (d) Rules relating to acceptable testing and research practices,
6 including, but not limited to, research methods, standards, quality
7 control analysis, equipment certification and calibration, and chemical
8 identification;

9 (e) Specifications of duties of officers and employees of the
10 commission;

11 (f) Instructions for local governing bodies and law enforcement
12 officers;

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

16 (h) Documentation for identifying licensees and their owners,
17 officers, managers, and employees;

18 (i) A schedule of penalties for violations and procedures for
19 issuing and appealing citations for violations of statutes and rules and
20 issuing administrative citations;

21 (j) Requirements for the security of licensed premises, including,
22 at a minimum, lighting, physical security, video, and alarm requirements,
23 and other minimum procedures for internal control as deemed necessary by
24 the commission to properly administer and enforce the Nebraska Medical
25 Cannabis Regulation Act, including reporting requirements for changes,
26 alterations, or modifications to the licensed premises. Such requirements
27 shall not prohibit the cultivation of cannabis outdoors or in
28 greenhouses;

29 (k) Regulations on the storage of, warehouses for, and
30 transportation of cannabis;

31 (l) Regulations concerning the statewide track and trace system and

1 seed-to-sale tracking system as provided in section 120 of this act;

2 (m) Rules regarding the records to be kept by licensees to ensure
3 that licensees keep complete and accurate electronic records for all
4 transactions involving cannabis, including, but not limited to, rules
5 regarding the types of records each licensee shall maintain, retention
6 schedules, the required availability of the records, and inspection
7 procedures;

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

11 (o) Rules concerning limited access areas as defined in section 113
12 of this act;

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

15 (q) Sanitary requirements for dispensaries;

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

17 (s) Rules for persons transporting cannabis, including, but not
18 limited to, insurance requirements; acceptable timeframes for transport,
19 storage, and delivery; and requirements for transport vehicles; and

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

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

26 **Sec. 63.** The commission may develop such forms, applications, and
27 other documentation as are necessary or convenient in the discretion of
28 the commission for the administration of the Nebraska Medical Cannabis
29 Regulation Act or any rules and regulations adopted and promulgated
30 thereunder.

31 **Sec. 64.** Nothing in the Nebraska Medical Cannabis Regulation Act

1 shall be construed as delegating to the commission the power to fix
2 prices for cannabis.

3 **Sec. 65.** Rules and regulations adopted and promulgated pursuant to
4 the Nebraska Medical Cannabis Regulation Act and any ordinance enacted by
5 a local governing body shall not:

6 (1) Except as provided in subsection (5) of section 85 of this act,
7 make it unreasonably impracticable to operate as a licensee;

8 (2) Require testing of cannabis before the commission has licensed
9 any testing facilities or, if such facilities have been licensed, before
10 such facilities are capable of performing any required tests in a timely
11 manner;

12 (3) Require a qualified patient or registered caregiver to provide a
13 dispensary with documentation or identifying information other than a
14 registry card;

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

18 (5) Prohibit cultivation of cannabis using inorganic cultivation
19 methods.

20 **Sec. 66.** (1) The commission shall provide without charge to any
21 licensee a copy of the Nebraska Medical Cannabis Regulation Act, any
22 rules and regulations adopted and promulgated thereunder, and any other
23 information which the commission deems important in the area of cannabis
24 control in the State of Nebraska.

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

27 (3) The commission may update such material as often as it deems
28 necessary.

29 (4) The commission may provide such material to any other person
30 upon request and may charge a fee for the material. The fee shall be
31 reasonable and shall not exceed any reasonable or necessary costs of

1 producing the material for distribution.

2 **Sec. 67.** The commission may:

3 (1) Call upon other departments of the state, political
4 subdivisions, law enforcement agencies, and prosecutors for such
5 information and assistance as the commission deems necessary in the
6 performance of its duties; and

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

9 **Sec. 68.** The commission may request the State Fire Marshal to
10 inspect any licensed premises or premises for which a license is sought
11 for fire safety pursuant to section 81-502. The State Fire Marshal shall
12 assess a fee for such inspection pursuant to section 81-505.01 payable by
13 such licensee or applicant. The State Fire Marshal may delegate the
14 authority to make such inspections to qualified local fire prevention
15 personnel pursuant to section 81-502.

16 **Sec. 69.** (1) The commission shall maintain the confidentiality of
17 reports or other information obtained from a licensee:

18 (a) Containing any individualized data, information, or records
19 related to the licensee or its operation, including sales information,
20 financial records, tax returns, credit reports, cultivation information,
21 testing results, or security information and plans;

22 (b) Which reveals any qualified patient or registered caregiver
23 information; or

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

26 (2) Confidential information and reports shall only be used for
27 purposes authorized by the Nebraska Medical Cannabis Regulation Act or
28 for any other state or local law enforcement purpose. Any qualified
29 patient or registered caregiver information shall only be used for
30 purposes authorized by the Nebraska Medical Cannabis Regulation Act or
31 the Nebraska Medical Cannabis Patient Protection Act.

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

4 **Sec. 70.** (1) The Medical Cannabis Control Fund is created. The fund
5 shall consist of all fees, gifts, grants, and other money, excluding
6 finances and civil penalties, received or collected by the commission under
7 the Nebraska Medical Cannabis Regulation Act.

8 (2) The commission shall use the fund for the administration and
9 enforcement of the Nebraska Medical Cannabis Regulation Act. The fund may
10 be used to cover any such administrative or enforcement costs, including,
11 but not limited to, salary and benefits; expenses incurred by the
12 commission in producing or distributing the forms, materials, and other
13 documentation required by the act; costs of equipment needed to enforce
14 the act; and costs associated with electronic regulatory transactions,
15 industry education events, and enforcement training.

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

18 (4) Any money in the Medical Cannabis Control Fund available for
19 investment shall be invested by the state investment officer pursuant to
20 the Nebraska Capital Expansion Act and the Nebraska State Funds
21 Investment Act.

22 **Sec. 71.** Section 3, Initiative Law 2024, No. 438, is amended to
23 read:

24 Sec. 3. (1) Subject to the requirements of the Nebraska Medical
25 Cannabis Regulation Act, it shall not be an offense under state law for a
26 licensee registered cannabis establishment, its employees, and its agents
27 to possess, cultivate, process, manufacture, distribute, transport, sell,
28 and test deliver, and dispense cannabis for medical purposes, provided
29 such conduct complies with applicable rules and regulations adopted and
30 promulgated by the commission pursuant to the act Nebraska Medical
31 Cannabis Regulation Act.

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

4 **Sec. 72.** An attorney shall not be subject to disciplinary action
5 for providing legal assistance to a prospective licensee, licensee, or
6 another person or entity who is engaged in lawful activities pursuant to
7 the Nebraska Medical Cannabis Regulation Act.

8 **Sec. 73.** A contract entered into by a licensee or its employees or
9 agents, or by those who allow their property to be used by a licensee or
10 its employees or agents, shall not be unenforceable on the basis that
11 possessing, cultivating, processing, manufacturing, distributing,
12 dispensing, testing, transporting, selling, or using cannabis is
13 prohibited by federal law. It is the public policy of the State of
14 Nebraska that such contracts shall be enforceable to the same extent as
15 other contracts.

16 **Sec. 74.** (1) A financial institution may loan money to, accept
17 deposits from, and otherwise do business with any licensee to the same
18 extent as other persons, subject to any restrictions of the Nebraska
19 Medical Cannabis Regulation Act.

20 (2) For purposes of this section, financial institution means a
21 bank, savings bank, credit card bank, savings and loan association,
22 building and loan association, trust company, or credit union organized
23 under the laws of any state or organized under the laws of the United
24 States.

25 **Sec. 75.** (1) There shall be the following types of licenses under
26 the Nebraska Medical Cannabis Regulation Act:

- 27 (a) Cultivator;
- 28 (b) Dispensary;
- 29 (c) Patient delivery;
- 30 (d) Products manufacturer;
- 31 (e) Testing facility; and

1 (f) Transporter.

2 (2) In order to encourage diverse market participation, the
3 commission shall by rule and regulation establish three tiers of license.
4 Except as provided in subsection (3) of this section, the commission
5 shall establish tiers for each type of license. The tiers shall be as
6 follows:

- 7 (a) Tier 1 (Microbusinesses);
8 (b) Tier 2 (Small businesses); and
9 (c) Tier 3 (Large-scale operators).

10 (3) Patient delivery licenses shall only be issued as Tier 1
11 microbusiness licenses.

12 **Sec. 76.** (1) The commission shall ensure that at least fifty
13 percent of all licenses are issued to social equity applicants.

14 (2) Social equity applicant means an applicant for a license that
15 meets the criteria described in subsection (3) of this section.

16 (3) An applicant shall be eligible to apply as a social equity
17 applicant if at least fifty-one percent of the applicant is owned and
18 controlled by, and fifty-one percent of the applicant's profits are
19 shared by, individuals who:

20 (a) Have resided for at least five of the ten years preceding the
21 date of application in a disproportionately impacted area;

22 (b) Have been arrested for, convicted of, or adjudicated for a
23 qualifying cannabis offense; or

24 (c) Are a parent, legal guardian, child, spouse, or dependent of an
25 individual described in subdivision (3)(b) of this section.

26 (4) For purposes of this section:

27 (a) Disproportionately impacted area means an area within the State
28 of Nebraska that satisfies the following criteria, as determined by the
29 commission, in consultation with the Department of Economic Development:

30 (i) The area meets at least one of the following criteria:

31 (A) The average poverty rate in the area is twenty percent or more

1 for the total federal census tract or tracts or federal census block
2 group or block groups in the area;

3 (B) Seventy-five percent or more of the children in the area qualify
4 for free or reduced-price lunches under United States Department of
5 Agriculture child nutrition programs;

6 (C) At least twenty percent of the households in the area receive
7 assistance under the federal Supplemental Nutrition Assistance Program;
8 or

9 (D) The average rate of unemployment in the area during the period
10 covered by the most recent federal decennial census or American Community
11 Survey 5-Year Estimate by the United States Bureau of the Census is at
12 least one hundred fifty percent of the average rate of unemployment in
13 the state during the same period; and

14 (ii) The area has experienced significant, negative impacts from the
15 war on drugs;

16 (b)(i) Qualifying cannabis offense means:

17 (A) A violation of section 28-416 as such section existed prior to
18 the effective date of this act involving no controlled substance other
19 than cannabis or any substance containing a quantifiable amount of the
20 substances, chemicals, or compounds described, defined, or delineated in
21 subdivision (c)(27) of Schedule I of section 28-405;

22 (B) A violation of section 28-441 or 28-442 as such sections existed
23 prior to the effective date of this act involving cannabis;

24 (C) Violation of an ordinance substantially similar to an offense
25 described in subdivision (4)(b)(i)(A) or (B) of this section;

26 (D) Attempt, solicitation, aiding or abetting, being an accessory,
27 or conspiracy to commit an offense listed in subdivision (4)(b)(i)(A),
28 (B), or (C) of this section; or

29 (E) A violation of the laws of another jurisdiction that is
30 substantially similar to a violation described in subdivision (4)(b)(i)
31 (A), (B), (C), or (D) of this section.

1 (ii) Qualifying cannabis offense does not include any disqualifying
2 offense; and

3 (c) War on drugs means the campaign led by the United States federal
4 government, and supported by the state of Nebraska and local governments,
5 to reduce the illegal drug trade. This campaign included policies and
6 initiatives aimed at reducing the production, distribution, and
7 consumption of illegal drugs, often characterized by strict law
8 enforcement, drug prohibition, and criminal justice measures.

9 (4) The commission shall adopt rules and regulations to carry out
10 this section and other procedures and policies to promote and encourage
11 full participation in the regulation of the medical cannabis industry by
12 people from communities that have previously been disproportionately
13 harmed by cannabis prohibition and to positively impact those
14 communities.

15 **Sec. 77.** (1) Beginning January 1, 2026, a social equity applicant
16 may apply for a license under the Nebraska Medical Cannabis Regulation
17 Act. Beginning April 1, 2026, a person that is not a social equity
18 applicant may apply for a license. An application for issuance or renewal
19 of a license shall be:

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

21 (b) Accompanied by the fee required by section 80 of this act; and

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

24 (2) An application for issuance or renewal of a license shall
25 include:

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

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

30 (c) The particular premises for which a license is desired,
31 designating the premises by street and number, if practicable, or 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, the
6 applicant satisfies the residency requirements of section 78 of this act;
7 and

8 (ii) The applicant is not disqualified under section 79 of this act;

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

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

17 (h) If the applicant is a social equity applicant, information to
18 establish eligibility as determined by the commission; and

19 (i) Such other information as the commission may from time to time
20 direct.

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

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

30 (4)(a) An application for issuance of a license shall be accompanied
31 by plans and specifications for the interior of any building on the

1 licensed premises, if the building to be occupied is in existence at the
2 time of the application. If such building is yet to be constructed, the
3 applicant shall file a plot plan and a detailed sketch for the interior
4 and submit an architect's drawing of the building to be constructed.

5 (b) The commission shall not issue or renew a license until it is
6 established that the applicant is, or will be, entitled to possession of
7 the premises for which application is made under a lease, rental
8 agreement, or other arrangement for possession of the premises or by
9 virtue of ownership of the premises.

10 (5) The commission shall give priority in application review to
11 social equity applicants.

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

16 **Sec. 78.** Until January 1, 2030:

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

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

25 **Sec. 79.** A license provided by the Nebraska Medical Cannabis
26 Regulation Act shall not be issued to or held by:

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

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

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

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

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

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

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

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

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

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

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

20 (10) A publicly traded company.

21 **Sec. 80.** (1) An application for initial issuance of a license shall
22 be accompanied by the fee prescribed in this section.

23 (2)(a) Fees for initial issuance of a license shall be based on the
24 tier of the applicant as provided in section 75 of this act:

25 (i) For tier 1 (microbusinesses), five hundred dollars;

26 (ii) For tier 2 (small businesses), one thousand dollars; and

27 (iii) For tier 3 (large-scale operators), one thousand five hundred
28 dollars.

29 (b) The commission shall waive seventy-five percent of the fee for
30 any social equity applicant.

31 (c) The commission shall not charge a fee for an application for a

1 patient delivery license.

2 (3) An application for renewal of a license shall be accompanied by
3 a fee in an amount equal to the fee for initial issuance of such license.

4 (4) Fees paid to the commission under this section shall be remitted
5 to the State Treasurer for credit as follows:

6 (a) Fifty percent shall be credited to the Medical Cannabis Control
7 Fund; and

8 (b) Fifty percent shall be remitted to the county, city, or village
9 treasurer of the local governing body with jurisdiction over the licensed
10 premises.

11 (5)(a) The city or village treasurer shall credit fees received
12 under this section to the school fund of the school district lying wholly
13 or partially within the corporate limits of such city or village.

14 (b) The county treasurer shall credit fees received under this
15 section to the school fund of the county.

16 **Sec. 81.** (1) Except as provided in subsection (2) of this section,
17 the commission shall approve or deny an application for issuance or
18 renewal of a license within one hundred twenty days after receiving a
19 completed application and the appropriate fee.

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

22 **Sec. 82.** Upon receiving an application for a license, the
23 commission shall notify the clerk of the city or village in which such
24 license is sought or, if the license sought is not sought within a city
25 or village, the county clerk of the county in which such license is
26 sought, of the receipt of the application and shall include one copy of
27 the application with the notice. No such license shall be issued or
28 denied by the commission until the expiration of the time allowed for the
29 receipt of a recommendation of denial or a resident objection requiring a
30 hearing under subsection (1) or (2) of section 86 of this act. During the
31 period of forty-five days after the date of receipt by mail or electronic

1 delivery of such application from the commission, the local governing
2 body of such city, village, or county may make and submit to the
3 commission recommendations relative to the granting or denial of such
4 license to the applicant.

5 **Sec. 83.** (1) If no hearing is required pursuant to subsection (1)
6 or (2) of section 86 of this act and the commission has no objections
7 pursuant to subsection (3) of such section, the commission may waive the
8 forty-five-day objection period and, if not otherwise prohibited by law,
9 cause a license to be signed by its chairperson, attested by its
10 executive director over the seal of the commission, and issued in the
11 manner provided in subsection (4) of this section as a matter of course.

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

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

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

20 (c) The applicant has demonstrated that the type of management and
21 control to be exercised over the premises described in the application
22 will be sufficient to ensure that the licensed business can conform to
23 all provisions and requirements of the Nebraska Medical Cannabis
24 Regulation Act and rules and regulations adopted and promulgated
25 thereunder; and

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

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

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

31 (b) Any resident objection made in accordance with section 86 of

1 this act;

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

4 (d) The nature of the neighborhood or community of the location of
5 the proposed licensed premises;

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

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

13 (g) The adequacy of existing law enforcement;

14 (h) Zoning restrictions;

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

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

20 (4) Licenses issued or renewed by the commission shall be mailed or
21 delivered electronically to:

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

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

27 (ii) The fee for publication of notice of renewal as provided in
28 section 89 of this act; and

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

31 (b) The licensee, upon confirmation from the clerk of the city,

1 village, or county that the necessary fees and taxes described in
2 subdivision (4)(a) of this section have been received.

3 **Sec. 84.** (1) In addition to the factors set forth in section 83 of
4 this act, the commission may deny issuance or renewal of a license for
5 good cause.

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

7 (a) The licensee or applicant has violated, does not meet, or has
8 failed to comply with any of the terms, conditions, or provisions of the
9 Nebraska Medical Cannabis Regulation Act, any rules and regulations
10 adopted and promulgated thereunder, or any ordinance;

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

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

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

19 **Sec. 85.** (1) For purposes of this section, school means any public
20 or private elementary or secondary school.

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

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

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

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

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

1 zones;

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

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

6 (5) A local governing body may prohibit the operation of any type of
7 licensed premises other than a dispensary.

8 **Sec. 86.** (1) The commission shall hold a hearing on an application
9 for a license if, within forty-five days after the date the application
10 was received by the city, village, or county clerk, the commission
11 receives a recommendation of denial from the city, village, or county.

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

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

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

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

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

1 employee of the commission.

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

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

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

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

18 **Sec. 87.** (1) When a local governing body receives from the
19 commission the notice and copy of application as provided in section 82
20 of this act for a license within the jurisdiction of the local governing
21 body, the local governing body may fix a time and place for a hearing at
22 which the local governing body shall receive evidence, either orally or
23 by affidavit from the applicant and any other person, bearing upon the
24 propriety of the issuance of a license.

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

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

1 at the time of the hearing.

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

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

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

15 **Sec. 88.** (1) Ninety days prior to the expiration date of an
16 existing license, the commission shall notify the licensee of the
17 expiration date by first-class mail at the licensee's address of record
18 with the commission.

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

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

30 (3)(a) The commission may renew the license if the licensee is
31 qualified to receive a license, the location of the licensed premises has

1 not changed, and the licensed premises remain suitable to be used as
2 such.

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

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

7 **Sec. 89.** The city, village, or county clerk shall cause to be
8 published in a legal newspaper in or of general circulation in such city,
9 village, or county, one time between January 10 and January 30 of the
10 year in which a license is up for renewal, individual notice of the right
11 of automatic renewal of such license. The notice shall be in
12 substantially the following form:

13 NOTICE OF RENEWAL OF MEDICAL CANNABIS LICENSE

14 Notice is hereby given pursuant to section 89 of this act that [list
15 type of license] license may be automatically renewed for one year from
16 May 1, 20...., for the following licensee:

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

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

24 (Name)

25 (City, village, or county) Clerk

26 **Sec. 90.** Upon the conclusion of any renewal hearing required by
27 section 89 of this act, the local governing body may request a licensee
28 to submit an application as provided in section 88 of this act.

29 **Sec. 91.** A license is valid for a period of two years after the
30 date of issuance unless revoked or suspended pursuant to the Nebraska
31 Medical Cannabis Regulation Act or the rules and regulations adopted and

1 promulgated thereunder.

2 **Sec. 92.** Each license issued under the Nebraska Medical Cannabis
3 Regulation Act shall:

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

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

8 **Sec. 93.** (1) At all times, a licensee shall possess and maintain
9 possession of the premises for which the license is issued by ownership,
10 lease, rental, or other arrangement for possession of the premises.

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

13 **Sec. 94.** (1) Each licensee shall personally manage the licensed
14 premises or employ a separate and distinct manager on the licensed
15 premises and shall report the name of the manager to the commission.

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

18 **Sec. 95.** (1) A license is not transferable without approval of the
19 commission as provided in this section. A license shall not be
20 transferred during the first two years of its issuance. An application
21 for transfer of ownership of a license shall be:

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

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

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

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

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

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

31 (c) The particular premises of the licensed premises, designating

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

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

5 (e) A statement that:

6 (i) If the application is submitted before January 1, 2030, that the
7 applicant satisfies the residency requirements of section 78 of this act;
8 and

9 (ii) The applicant is not disqualified under section 79 of this act;

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

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

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

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

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

29 **Sec. 96.** (1) A licensee shall not relocate the licensed premises
30 from the place specified in the license without approval of the
31 commission as provided in this section. An application for relocation of

1 a licensed premises shall be:

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

3 (b) Accompanied by a nonrefundable fee of one thousand dollars; and

4 (c) Verified by oath or affirmation of the persons prescribed by the

5 commission.

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

7 include:

8 (a) The name and address of the applicant;

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

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

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

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

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

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

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

29 **Sec. 97.** (1) A license shall be purely a personal privilege.

30 (2) A license shall not:

31 (a) Constitute property;

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

2 (c) Except as provided in section 95 of this act, be alienable or
3 transferable, voluntarily or involuntarily; or

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

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

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

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

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

27 **Sec. 98.** The commission, in its discretion, may revoke or elect not
28 to renew any license if it determines that the licensed premises have
29 been inactive, without good cause, for at least one year.

30 **Sec. 99.** The commission and local governing bodies shall cause
31 frequent inspection to be made on the premises of all licensees. If it is

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

7 **Sec. 100.** (1) In the discharge of any duty under the Nebraska
8 Medical Cannabis Regulation Act, the commission may issue subpoenas and
9 compel the attendance of witnesses and the production of any papers,
10 books, accounts, documents, and testimony.

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

19 **Sec. 101.** Any five residents of the jurisdiction of the local
20 governing body in which a licensed premises is located shall have the
21 right to file a complaint with the local governing body stating that any
22 licensee subject to the jurisdiction of such local governing body has
23 been or is violating the Nebraska Medical Cannabis Regulation Act, any
24 rule or regulation adopted and promulgated thereunder, or any ordinance
25 regulating cannabis. Such complaint shall be in writing in the form
26 prescribed by the local governing body and shall be signed and sworn to
27 by the parties complaining. The complaint shall state the particular
28 statute, rule or regulation, or ordinance believed to have been violated
29 and the facts in detail upon which such belief is based. If the local
30 governing body is satisfied that the complaint substantially charges a
31 violation and that from the facts alleged there is reasonable cause for

1 such belief, it shall set the matter for hearing within ten days after
2 the date of the filing of the complaint and shall serve notice upon the
3 licensee of the time and place of such hearing and of the particular
4 charge in the complaint. The complaint shall in all cases be disposed of
5 by resolution by the local governing body within thirty days after the
6 date the complaint was filed. Such resolution shall be deemed the final
7 order for purposes of appeal to the commission as provided in section 108
8 of this act.

9 **Sec. 102.** (1) The commission may, on its own motion or on
10 complaint, after investigation and opportunity for a public hearing at
11 which the licensee must be afforded an opportunity to be heard, sanction
12 a licensee for a violation by the licensee or by its agents or employees
13 of the Nebraska Medical Cannabis Regulation Act, any rules and
14 regulations adopted and promulgated thereunder, any ordinance regulating
15 cannabis, or any of the terms, conditions, or provisions of the license.

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

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

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

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

1 (6) Any license may be summarily suspended by the commission without
2 notice pending any prosecution, investigation, or public hearing of a
3 licensee.

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

8 **Sec. 103.** Upon the completion of any hearing held regarding
9 discipline of a license, the director may dismiss the action or impose
10 any of the following sanctions:

11 (1) Censure;

12 (2) Probation;

13 (3) Limitation;

14 (4) Civil penalty;

15 (5) Suspension for up to six months;

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

18 (7) Revocation.

19 **Sec. 104.** (1) If a civil penalty is imposed pursuant to section 103
20 of this act, it shall not exceed twenty thousand dollars.

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

30 **Sec. 105.** (1) If the commission determines that cannabis in the
31 possession of a licensee is involved in a violation of the Nebraska

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

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

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

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

30 (5) For purposes of this section, associated property means
31 containers, equipment, supplies, and other property closely associated

1 with the conduct that is the subject of the violation.

2 **Sec. 106.** The state, local governments, and any state or local
3 agency shall not be required to cultivate or care for any cannabis seized
4 for a violation of the Nebraska Medical Cannabis Regulation Act.

5 **Sec. 107.** (1) A copy of the rule, regulation, order, or decision of
6 the commission denying an application or suspending, revoking, or
7 imposing another sanction against a licensee or of any notice required by
8 any proceeding before it, certified under the seal of the commission,
9 shall be served upon each party of record to the proceeding before the
10 commission. Service upon any attorney of record for any such party shall
11 be deemed to be service upon such party. Each party appearing before the
12 commission shall enter the party's appearance and indicate to the
13 commission the party's address for such service. The mailing of a copy of
14 any rule, regulation, order, or decision of the commission or of any
15 notice by the commission, in the proceeding, to such party at such
16 address shall be deemed to be service upon such party.

17 (2) Within thirty days after the service described in subsection (1)
18 of this section, such party may apply for a rehearing with respect to any
19 matters determined by the commission. The commission shall receive and
20 consider such application for a rehearing within thirty days after its
21 filing with the executive director of the commission. If such application
22 for rehearing is granted, the commission shall proceed as promptly as
23 possible to consider the matters presented by such application. No appeal
24 shall be allowed from any decision of the commission except as provided
25 in section 108 of this act.

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

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

31 (a) The applicant or licensee;

1 (b) Any individual objecting pursuant to subsection (2) of section
2 86 of this act;

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

5 (d) The commission.

6 **Sec. 108.** Any order or decision by the commission granting or
7 denying issuance or renewal of a license, a request to transfer ownership
8 of a license, or a request to relocate a licensed premises; suspending,
9 revoking, or imposing another sanction against a licensee; or refusing to
10 suspend, revoke, or impose another sanction against a licensee may be
11 appealed. The appeal shall be in accordance with the Administrative
12 Procedure Act.

13 **Sec. 109.** Nothing in the Nebraska Medical Cannabis Regulation Act
14 shall be construed to limit a law enforcement agency's ability to
15 investigate unlawful activity in relation to a licensee.

16 **Sec. 110.** A local governing body shall have the following powers,
17 functions, and duties with respect to licenses within its jurisdiction:

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

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

29 (a) Determining that such violation has occurred;

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

31 (c) The verdict in a prosecution related to such an ongoing police

1 investigation if the prosecuting attorney determines that reporting such
2 violation prior to the verdict would jeopardize such prosecution;

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

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

15 (5) To cancel or revoke on its own motion any license if, upon the
16 same notice and hearing as provided in section 101 of this act, it
17 determines that the licensee has violated any of the provisions of the
18 act, any rule or regulation adopted and promulgated pursuant to the act,
19 or any ordinance relating to cannabis. Such order of cancellation or
20 revocation may be appealed to the commission within thirty days after the
21 date of the order by filing a notice of appeal with the commission. The
22 commission shall handle the appeal in the manner provided for hearing on
23 an application in section 86 of this act; and

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

27 **Sec. 111.** (1) Local governing bodies shall only have authority to
28 approve applications and deny licenses pursuant to the Nebraska Medical
29 Cannabis Regulation Act.

30 (2)(a) Subject to section 65 of this act, a local governing body may
31 regulate by ordinance, not inconsistent with the Nebraska Medical

1 Cannabis Regulation Act, the business of all licensees operating within
2 the jurisdiction of the local governing body.

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

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

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

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

12 (3) Except as provided in subsection (5) of section 85 of this act,
13 any ordinance regulating conduct authorized by the Nebraska Medical
14 Cannabis Regulation Act shall not make it unreasonably impracticable to
15 operate as a licensee.

16 **Sec. 112.** (1) No licensee shall:

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

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

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

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

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

27 (b) The commission; or

28 (c) A person designated by the commission.

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

31 (a) Another dispensary;

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

2 (c) A person designated by the commission.

3 **Sec. 113.** (1) For purposes of this section:

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

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

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

17 **Sec. 114.** All cultivation, processing, and manufacture of cannabis
18 shall:

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

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

27 **Sec. 115.** Each licensee shall:

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

31 (2) Secure the inventory and equipment of the licensed premises

1 during and after operating hours to deter and prevent theft of cannabis.

2 **Sec. 116.** A licensee shall not permit the consumption of cannabis
3 on any licensed premises.

4 **Sec. 117.** (1) Each licensee shall keep a complete set of all
5 records necessary to fully document the business transactions of the
6 licensee, all of which shall be open at all times during business hours
7 for the inspection and examination by the commission or its designee.

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

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

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

29 (5) If a licensee or an agent or employee of a licensee fails to
30 maintain or provide the records required pursuant to the Nebraska Medical
31 Cannabis Regulation Act, the licensee shall be subject to a citation and

1 fine of up to fifteen thousand dollars per individual violation.

2 **Sec. 118.** (1) Every sale or transfer of cannabis from one licensee
3 to another licensee shall be recorded on a sales invoice or receipt.

4 Sales invoices and receipts may be maintained electronically. Sales
5 invoices and receipts shall:

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

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

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

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

12 (a) Name and address of the purchaser;

13 (b) Date of sale and invoice number;

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

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

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

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

20 **Sec. 119.** Any licensee may provide a sample of its cannabis or
21 cannabis products to a testing facility for testing and research
22 purposes. The licensee shall maintain a record of what was provided to
23 the testing facility, the identity of the testing facility, and the
24 testing results.

25 **Sec. 120.** (1)(a) On or before January 1, 2026, the commission shall
26 develop a statewide track and trace system that is capable of tracking
27 and tracing information concerning cannabis cultivated, processed,
28 manufactured, distributed, transported, sold, tested, or disposed of in
29 this state by all licensees.

30 (b) The commission shall maintain the confidentiality of information
31 in the track and trace system as provided in section 69 of this act.

1 (2) Each licensee shall, in accordance with the commission's rules
2 and regulations, use a seed-to-sale tracking system. Any such system
3 shall be approved by the commission before use. The system must be
4 capable of:

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

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

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

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

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

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

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

22 **Sec. 121.** (1) No person shall add harmful additives to any cannabis
23 or cannabis product, including, but not limited to, those that are toxic,
24 designed to make the product addictive, designed to make the product
25 appealing to children, or misleading to consumers. This section does not
26 prohibit the addition of common baking or cooking ingredients.

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

28 **Sec. 122.** (1) No licensee shall cultivate, manufacture, sell, or
29 otherwise transact business with any products containing cannabinoids
30 other than those that were produced and distributed in compliance with
31 the Nebraska Medical Cannabis Regulation Act or the Nebraska Hemp Farming

1 Act.

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

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

9 (4) For purposes of this section:

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

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

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

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

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

31 **Sec. 123.** The commission shall adopt and promulgate rules and

1 regulations for the packaging of cannabis, cannabis products, and
2 concentrated cannabis which shall include:

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

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

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

10 **Sec. 124.** (1) Except as provided in subsection (2) of this section,
11 prior to transfer or sale to a qualified patient or registered caregiver
12 by a dispensary, all cannabis, cannabis products, and concentrated
13 cannabis shall be labeled and placed in an opaque, resealable, and child-
14 resistant package in accordance with the Nebraska Medical Cannabis
15 Regulation Act and the rules and regulations adopted and promulgated
16 thereunder.

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

20 (3) For purposes of this section:

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

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

29 **Sec. 125.** The label required by section 124 of this act shall
30 include the following information prominently displayed in a clear and
31 legible fashion and in a font size no smaller than nine-point Arial or

1 ten-point Times New Roman:

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

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

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

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

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

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

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

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

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

24 (10) For cannabis products and concentrated cannabis, a list of the
25 pharmacologically active ingredients, including, but not limited to,
26 delta-9 THC, cannabidiol, and other cannabinoid content; the delta-9 THC
27 and other cannabinoid amounts in milligrams per serving; servings per
28 package; the delta-9 THC and other cannabinoid amounts in milligrams for
29 the package total; and the potency of cannabis by reference to the amount
30 of delta-9 THC and cannabidiol in each serving;

31 (11) A batch or lot number;

1 (12) A description of the type of product, such as flower, edible,
2 or concentrate; and

3 (13) Any other information or statement required by the commission.

4 **Sec. 126.** The principal display area of any packaging or label
5 required by section 124 of this act shall:

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

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

10 **Sec. 127.** The label required under section 124 of this act shall,
11 for edible cannabis products:

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

15 (2) List all ingredients and disclose nutritional information in the
16 same manner as the federal nutritional labeling requirements in 21 C.F.R.
17 101.9, as such section existed on January 1, 2025; and

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

19 **Sec. 128.** A licensee shall not market, advertise, sell, or cause to
20 be sold a cannabis product if the product's container, packaging, or
21 advertising:

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

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

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

28 (4) Includes an image of a celebrity.

29 **Sec. 129.** The commission may by rule or regulation exempt multi-
30 serving liquid cannabis products from the labeling requirements of
31 section 125 of this act when such requirements are unreasonably

1 impracticable, if:

2 (1) The multi-serving liquid is packaged in a structure that uses a
3 single mechanism to achieve both child-resistance and accurate pouring
4 measurement of each liquid serving in increments equal to or less than
5 ten milligrams of active delta-9 THC per serving, with no more than one
6 hundred milligrams of active delta-9 THC total per package; and

7 (2) The measurement component is within the child-resistant cap or
8 closure of the bottle and is not a separate component.

9 **Sec. 130.** (1) Cannabis products that are edible, other than
10 tinctures or concentrates, shall be limited to a serving size of ten
11 milligrams of delta-9 THC.

12 (2) Cannabis products shall be subject to the following maximum
13 limits per package:

14 (a) Edible products other than tinctures or concentrates: One
15 hundred milligrams of delta-9 THC;

16 (b) Tinctures or concentrates: One thousand milligrams of delta-9
17 THC;

18 (c) Flower: Five ounces; and

19 (d) Inhalable concentrate or vapor products: Five grams of
20 cannabinoid extracts or concentrates.

21 **Sec. 131.** (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)(a) Each licensed cultivation site shall be limited to a maximum
31 flowering canopy area of ten thousand square feet, as measured by the

1 total square footage of space allocated for mature cannabis plants in the
2 flowering stage of growth, excluding areas designated for vegetative
3 growth, propagation, and storage.

4 (b) No restrictions shall be imposed on the number of plants
5 cultivated within the allowable canopy area if all plants remain within
6 the designated space limits.

7 (5) The commission shall adopt and promulgate rules and regulations
8 concerning the cultivation of cannabis, which shall include:

9 (a) Permitted and prohibited pesticides;

10 (b) Testing requirements for pesticide residues and other hazardous
11 substances;

12 (c) Destruction requirements and protocols for cannabis failing to
13 meet pesticide or hazardous substance requirements;

14 (d) Record-keeping requirements; and

15 (e) Waste disposal requirements and procedures.

16 **Sec. 132.** (1) A products manufacturer may process cannabis, conduct
17 extractions, and may manufacture cannabis products intended for use by
18 qualified patients.

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

20 (a) Cannabis-infused edibles, such as baked goods, candies, and
21 beverages;

22 (b) Tinctures;

23 (c) Capsules;

24 (d) Topical formulations, such as creams, balms, and lotions;

25 (e) Concentrates, such as oils, waxes, shatter, and distillates;

26 (f) Transdermal patches;

27 (g) Suppositories;

28 (h) Pre-rolled flower products; and

29 (i) Pre-filled vaporizer cartridges.

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

1 **Sec. 133.** A products manufacturer shall:

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

5 (2) Contract with an independent testing facility, subject to
6 approval by the commission, for purposes of testing products made by the
7 products manufacturer as to chemical composition, contamination, and
8 consistency;

9 (3) Enter cannabis purchased and cannabis products sold,
10 distributed, transferred, or disposed of into a seed-to-sale tracking
11 system; and

12 (4) Ensure that twenty-five percent of all cannabis purchased from
13 cultivators is purchased from licenses held by social equity applicants
14 or by a tier 1 (microbusiness) or tier 2 (small business) licensee.

15 **Sec. 134.** (1) A products manufacturer may use any extraction method
16 or solvent that complies with state and federal safety standards and the
17 rules and regulations of the commission. Approved solvents may include,
18 but are not limited to, ethanol, carbon dioxide, hydrocarbons such as
19 butane and propane, and water-based methods.

20 (2) A products manufacturer shall:

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

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

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

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

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

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

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

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

12 **Sec. 135.** (1) A dispensary may sell cannabis to qualified patients
13 and registered caregivers and other dispensaries pursuant to the
14 requirements and restrictions of the Nebraska Medical Cannabis Regulation
15 Act and the Nebraska Medical Cannabis Patient Protection Act.

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

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

21 **Sec. 136.** A dispensary shall do the following for every sale of
22 cannabis to a registered caregiver or qualified patient:

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

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

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

31 (4) In the case of a delivery order, receive payment before the

1 cannabis leaves the dispensary, subject to refund if the delivery cannot
2 be completed.

3 **Sec. 137.** A dispensary shall not sell a qualified patient or
4 registered caregiver more than an allowable amount of cannabis.

5 **Sec. 138.** The commission may adopt and promulgate rules and
6 regulations that limit the amount of cannabis inventory that a dispensary
7 may have on hand. Any such limitation must be commercially reasonable and
8 consider factors including a dispensary's sales history.

9 **Sec. 139.** A display case in a dispensary containing concentrated
10 cannabis shall include the potency of the concentrated cannabis next to
11 the name of the product.

12 **Sec. 140.** A dispensary shall only accept a return and issue a
13 refund if the cannabis has not been removed from the packaging in which
14 the cannabis arrived at the dispensary. This restriction applies even if
15 the packaging has been removed by dispensary staff prior to the sale.

16 **Sec. 141.** A dispensary shall not give away cannabis as part of a
17 promotional event.

18 **Sec. 142.** Physicians are not allowed to meet with individuals on
19 the dispensary's premises for the purpose of certifying them as qualified
20 patients.

21 **Sec. 143.** A dispensary shall report any theft or attempted theft of
22 cannabis to law enforcement within twenty-four hours after discovery.

23 **Sec. 144.** The licensed premises of a dispensary shall be designed
24 in order to accomplish the following:

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

30 (2) Only qualified patients, registered caregivers, and, if
31 requested by a qualified patient, up to two additional persons to support

1 the qualified patient, may enter any areas beyond the access point area.

2 **Sec. 145.** (1) A testing facility may analyze, test, and certify
3 cannabis, including for potency and the presence of contaminants, in
4 accordance with the Nebraska Medical Cannabis Regulation Act.

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

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

10 **Sec. 146.** (1) Except as provided in subsection (2) of this section,
11 a license shall not be issued or renewed for a testing facility unless
12 the facility is accredited by a body that is recognized by the
13 International Laboratory Accreditation Cooperation in an appropriate
14 category of testing pursuant to the International Organization for
15 Standardization.

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

22 **Sec. 147.** The commission shall adopt and promulgate rules and
23 regulations for testing requirements for testing facilities. The
24 commission may adopt standards based on those of the International
25 Organization for Standardization. The testing requirements shall include:

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

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

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

30 (c) The composition; and

31 (d) The presence of chemicals, including, but not limited to,

1 pesticides, herbicides, or growth regulators; and

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

4 **Sec. 148.** (1) A person who has an interest in a testing facility
5 shall not have any interest in any dispensary, cultivator, or products
6 manufacturer.

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

9 **Sec. 149.** The state or any local government shall not employ or use
10 the results of any test of cannabis conducted by a laboratory unless such
11 laboratory is a testing facility or otherwise accredited for the
12 particular field of testing in accordance with the rules and regulations
13 of the commission.

14 **Sec. 150.** Subject to the Nebraska Medical Cannabis Regulation Act
15 and the rules and regulations adopted and promulgated thereunder, a
16 transporter may transport cannabis and cannabis accessories between
17 licensees, but not to qualified patients or registered caregivers.

18 **Sec. 151.** (1) Subject to the Nebraska Medical Cannabis Regulation
19 Act and the rules and regulations adopted and promulgated thereunder, a
20 patient delivery licensee may transport cannabis and cannabis accessories
21 between a dispensary and a qualified patient or registered caregiver.

22 (2) A patient delivery licensee shall do the following for every
23 delivery of cannabis to a registered caregiver or qualified patient:

24 (a) Prior to delivery, ensure that the qualified patient or
25 registered caregiver presents a valid, unexpired registry card;

26 (b) Verify through the statewide track and trace system that the
27 qualified patient or registered caregiver is currently authorized to
28 purchase the amount of cannabis requested;

29 (c) Deliver cannabis in tamper-proof or tamper-evidence packaging;

30 (d) Not deliver more than an allowable amount of cannabis to a
31 qualified patient or registered caregiver; and

1 (e) Cooperate with the selling dispensary to ensure that cannabis is
2 entered properly in the dispensary's seed-to-sale tracking system.

3 **Sec. 152.** A violation of any provision of the Nebraska Medical
4 Cannabis Regulation Act for which a penalty is not otherwise provided
5 shall be a Class IV misdemeanor for a first offense and a Class II
6 misdemeanor for any subsequent offense.

7 **Sec. 153.** Any licensee who permits, assents, or is a party in any
8 way to any violation or infringement of the Nebraska Medical Cannabis
9 Regulation Act shall be deemed guilty of a violation of the act. Any
10 money loaned contrary to a provision of the act shall not be recovered
11 back. Any note, mortgage, or other evidence of indebtedness, any
12 security, or any lease or contract obtained or made contrary to the act
13 shall be unenforceable and void.

14 **Sec. 154.** If the owner of the licensed premises or any person from
15 whom the licensee derives the right to possession of such premises, or
16 the agent of such owner or person, knowingly permits the licensee to use
17 such licensed premises in violation of the terms of the Nebraska Medical
18 Cannabis Regulation Act, such owner, agent, or other person shall be
19 deemed guilty of a violation of the act to the same extent as such
20 licensee and be subject to the same punishment.

21 **Sec. 155.** Every act or omission of whatsoever nature constituting a
22 violation of any of the provisions of the Nebraska Medical Cannabis
23 Regulation Act by any officer, director, manager, or other agent or
24 employee of any licensee, if such act is committed or omission is made
25 with the authorization, knowledge, or approval of the licensee, shall be
26 deemed and held to be the act of such employer or licensee, and such
27 employer or licensee shall be punishable in the same manner as if such
28 act or omission had been done or omitted by him or her personally.

29 **Sec. 156.** For purposes of sections 156 to 166 of this act:

30 (1) Department means the Department of Economic Development;

31 (2) Disproportionately impacted area has the same meaning as in

1 section 76 of this act; and

2 (3) Social equity applicant has the same meaning as in section 76 of
3 this act.

4 **Sec. 157.** (1) The Medical Cannabis Business Equity Fund is created.
5 The fund shall contain money donated as gifts, bequests, or other
6 contributions from public or private entities or appropriated by the
7 Legislature.

8 (2) The fund shall be administered by the Department of Economic
9 Development. The department shall use the fund for carrying out sections
10 156 to 166 of this act.

11 (3) Any money in the Medical Cannabis Business Equity Fund available
12 for investment shall be invested by the state investment officer pursuant
13 to the Nebraska Capital Expansion Act and the Nebraska State Funds
14 Investment Act.

15 **Sec. 158.** The department, in consultation with the commission,
16 shall:

17 (1) Provide technical assistance and support to persons wishing to
18 apply as social equity applicants in preparing applications and obtaining
19 licensure;

20 (2) Provide education, mentorship, and funding opportunities to help
21 new licensees navigate the medical cannabis industry, focusing on
22 historically underrepresented communities; and

23 (3) Establish mentorship programs pairing tier 3 (large-scale
24 operators) with tier 1 (microbusinesses) or tier 2 (small businesses)
25 licenses held by social equity applicants to ensure knowledge transfer
26 and support.

27 **Sec. 159.** (1) The department, in consultation with the commission,
28 shall establish a business development grant program to provide grants to
29 applicants for licensure and to licensees for licensing and business
30 costs for licensed premises to be located in disproportionately impacted
31 areas or operated by social equity applicants.

1 (2) A person may apply for a grant by submitting an application to
2 the commission in a form and manner prescribed by the department.

3 (3) Grants under this section may be used:

4 (a) By a transporter to cover up to fifty percent of vehicle and
5 equipment costs;

6 (b) To assist patient delivery licensees with technology costs, such
7 as delivery tracking systems and secure storage systems; and

8 (c) To cover initial operating costs and startup costs.

9 (4) The department shall develop eligibility criteria for grants
10 under this section.

11 **Sec. 160.** The commission shall:

12 (1) Conduct subsidized or free training programs for social equity
13 applicants and license holders on issues relating to compliance with the
14 Nebraska Medical Cannabis Regulation Act and other laws and regulations
15 pertinent to licensees;

16 (2) Conduct free compliance training to dispensary staff for
17 dispensaries operated by social equity applicants;

18 (3) Adopt and promulgate rules and regulations to provide that:

19 (a) Twenty-five percent of any transportation contracts involving
20 state funds be awarded to social equity applicants;

21 (b) Tier 3 (large-scale operator) dispensaries allocate ten percent
22 of shelf space to cannabis and cannabis products from product
23 manufacturers and cultivators operated by social equity applicants;

24 (c) Tier 3 (large-scale operator) dispensaries implement a revenue-
25 sharing model whereby a portion of profits are reinvested into community
26 programs supporting disproportionately impacted areas; and

27 (d) Dispensaries shall offer reduced pricing to customers with
28 income below two hundred fifty percent of the federal poverty level
29 published annually by the United States Department of Health and Human
30 Services or such successor agency which publishes the federal poverty
31 level.

1 (4)(a) The commission shall establish a grant program to provide
2 grants to reimburse dispensaries that offer reduced pricing as provided
3 in subdivision (3)(d) of this section.

4 (b) A person may apply for a grant by submitting an application to
5 the commission in a form and manner prescribed by the commission.

6 (c) The commission shall develop eligibility criteria for grants
7 under this section.

8 **Sec. 161.** (1) The commission shall establish a grant program to
9 provide grants to nonprofit organizations that offer assistance to people
10 filing petitions under the Nebraska Medical Cannabis Justice Act and the
11 Cannabis Conviction Clean Slate Act.

12 (2) A person may apply for a grant by submitting an application to
13 the commission in a form and manner prescribed by the commission.

14 (3) The commission shall develop eligibility criteria for grants
15 under this section.

16 **Sec. 162.** (1) The Cannabis Community Reinvestment Fund is created.
17 The fund shall contain money donated as gifts, bequests, or other
18 contributions from public or private entities or appropriated by the
19 Legislature.

20 (2) The fund shall be administered by the commission, in
21 consultation with the Community Reinvestment Board created under section
22 163 of this act. The commission shall use the fund for carrying out
23 section 164 of this act.

24 (3) Any money in the Cannabis Community Reinvestment Fund available
25 for investment shall be invested by the state investment officer pursuant
26 to the Nebraska Capital Expansion Act and the Nebraska State Funds
27 Investment Act.

28 **Sec. 163.** (1) The Community Reinvestment Board is created. The
29 board shall be composed of seven members selected by the commission. Such
30 members shall include:

31 (a) At least three members who reside in disproportionately impacted

1 areas;

2 (b) Two members with expertise in community development, education,
3 or workforce training;

4 (c) One member with experience in public health or mental health
5 services; and

6 (d) One member representing social equity applicant licensees.

7 (2) The board shall advise the commission on the use of the Cannabis
8 Community Reinvestment Fund and provide oversight on the use of the fund.
9 The board shall ensure accountability, establish transparency measures,
10 and publish reports on the use of the fund.

11 **Sec. 164.** The commission shall use the Cannabis Community
12 Reinvestment Fund to support the following programs in disproportionately
13 impacted areas: Education and workforce development programs, mental
14 health and substance abuse services, re-entry programs for formerly
15 incarcerated individuals, and housing and community health initiatives.

16 **Sec. 165.** (1) The Cannabis Equity Oversight Committee is created.
17 The committee shall be composed of a number of members determined by the
18 commission. Such members shall be selected by the commission. Such
19 members shall include:

20 (a) Representatives from social equity applicant licensees;

21 (b) Persons from nonprofit organizations with a history of
22 advocating for criminal justice reform;

23 (c) Experts in public health, economic development, and cannabis
24 regulation; and

25 (d) At least one qualified patient.

26 (2) At least forty percent of the membership shall include people
27 with convictions for qualifying cannabis offenses as defined in section
28 76 of this act.

29 (3) The committee shall monitor the implementation of the Nebraska
30 Medical Cannabis Regulation Act with a focus on its effect on social
31 equity applicants and disproportionately impacted areas. The committee

1 shall collect and report data on such issues and on licensing
2 demographics broadly, community reinvestment impacts, and the
3 implementation and effect of the Nebraska Medical Cannabis Justice Act
4 and the Cannabis Conviction Clean Slate Act. On or before September 1,
5 2027, and annually thereafter, the committee shall electronically submit
6 a report to the Legislature.

7 **Sec. 166.** The Department of Health and Human Services shall create
8 and administer a program to cover costs of obtaining medical cannabis for
9 qualified patients that are eligible for medicaid.

10 **Sec. 167.** Sections 167 to 173 of this act shall be known and may be
11 cited as the Nebraska Medical Cannabis Justice Act.

12 **Sec. 168.** For purposes of the Nebraska Medical Cannabis Justice
13 Act:

14 (1) Eligible cannabis offense means a violation of section 28-416:

15 (a) Involving only marijuana or a quantifiable amount of the
16 substances, chemicals, or compounds described, defined, or delineated in
17 subdivision (c)(27) of Schedule I of section 28-405;

18 (b) Not involving any other controlled substances;

19 (c) Which did not involve the use of force against another person;

20 and

21 (d) Which was committed before the effective date of this act;

22 (2) Incarcerated individual means an individual serving a sentence
23 of imprisonment; and

24 (3) Prosecutor means the county attorney or other prosecuting office
25 or agency that was responsible for prosecuting the offense that resulted
26 in the sentence that is the subject of a petition or the successor of
27 such office or agency.

28 **Sec. 169.** (1) An incarcerated individual may file a petition for
29 resentencing for an eligible cannabis offense as provided in this
30 section.

31 (2) A petition under this section shall be filed in the court of

1 conviction. The petition shall be verified and shall include the
2 following:

3 (a) The name of the petitioner;

4 (b) The case number or numbers;

5 (c) The offense or offenses of conviction;

6 (d) The current sentence or sentences being served for such case
7 number or numbers;

8 (e) The date or approximate date of any offense and sentence that is
9 the subject of the petition;

10 (f) The name and court of the trial judge and sentencing judge;

11 (g) The specific counts for which resentencing is requested;

12 (h) A statement that the offense constitutes an eligible cannabis
13 offense; and

14 (i) Any other matters that the Nebraska Supreme Court may by rule
15 prescribe.

16 (3) A petition may include any evidence or materials in support
17 thereof, including, but not limited to, evidence of rehabilitation,
18 participation in programming, and letters of support.

19 (4) There shall be no filing fee for filing a petition under this
20 section.

21 **Sec. 170.** (1) Unless the petition and the files and records of the
22 case show to the satisfaction of the court that the offense is not an
23 eligible cannabis offense, the court shall cause notice of the petition
24 to be served on the prosecutor and set the matter for a hearing.

25 (2) The court may dismiss a second or successive petition from the
26 same incarcerated individual concerning the same sentence without
27 appointing a court or conducting a hearing.

28 (3) The incarcerated individual shall be present at the hearing
29 unless the individual waives the right to be present. This requirement
30 may be satisfied by the individual appearing by video teleconferencing if
31 the individual consents to such method of appearance.

1 (4) If the offense is an eligible cannabis offense, there shall be a
2 presumption that the petition should be granted, and the burden shall be
3 on the prosecutor to demonstrate why the petition should not be granted.

4 (5) In determining whether to grant a petition and if granted, the
5 petitioner's new sentence, the court shall consider:

6 (a) Whether the petitioner has a recent history of disciplinary
7 violations that indicate significant behavioral concerns;

8 (b) Whether the petitioner is a risk to public safety, with greater
9 weight given to any assessment of recent behavior or recent
10 individualized risk evaluation;

11 (c) Whether resentencing the petitioner would serve the goals of
12 restorative justice, enhance community well-being, or alleviate
13 correctional facility overcrowding;

14 (d) Evidence of rehabilitation and change in the incarcerated
15 individual's character;

16 (e) The circumstances of the original offense and any mitigating
17 factors that were not adequately considered in the original sentence;

18 (f) The factors set forth in section 29-2260; and

19 (g) Any other matter the court deems relevant.

20 (6) A court shall grant or deny a petition under this section within
21 ninety days after it is filed, unless the petitioner agrees to an
22 extension for good cause.

23 **Sec. 171.** If the court grants a petition for resentencing under
24 section 170 of this act, the court may resentence the incarcerated
25 individual as follows:

26 (1) The court may reduce the sentence to any term authorized by law
27 for the offense, including credit for time served;

28 (2) The court may grant parole eligibility if it was not previously
29 available; and

30 (3) The court may resentence the individual to time served if the
31 evidence strongly supports such a choice.

1 **Sec. 172.** (1) An order of the court dismissing a petition for
2 resentencing without a hearing is a final, appealable order.

3 (2) An order of the court granting or denying a petition for
4 resentencing is a final, appealable order. Appeal may be taken by the
5 incarcerated individual or the prosecutor.

6 **Sec. 173.** (1) The Nebraska Medical Cannabis Justice Act shall not
7 be construed to abridge or modify any existing remedy an incarcerated
8 individual may have under sections 29-3001 to 29-3004, habeas corpus, or
9 any other form of postconviction relief. Denial of a petition shall not
10 preclude any such remedies from being pursued or granted.

11 (2) A petition under the Nebraska Medical Cannabis Justice Act shall
12 not impact in any way or be impacted in any way by any pending
13 proceedings under sections 29-3001 to 29-3004 or by any other pending
14 habeas corpus or postconviction proceedings.

15 **Sec. 174.** Sections 174 to 184 of this act shall be known and may be
16 cited as the Cannabis Conviction Clean Slate Act.

17 **Sec. 175.** For purposes of the Cannabis Conviction Clean Slate Act,
18 the definitions found in the Cannabis Control Act, the Security, Privacy,
19 and Dissemination of Criminal History Information Act and sections 176
20 and 177 of this act apply.

21 **Sec. 176.** The terms conviction and adjudication include a
22 conviction or adjudication following trial or entry of a guilty plea or
23 plea of nolo contendere and include a forfeiture of bail, bond, or other
24 security deposited to secure appearance by a person charged with an
25 offense.

26 **Sec. 177.** Eligible cannabis offense has the same meaning as in
27 section 168 of this act.

28 **Sec. 178.** (1) Beginning July 1, 2026, a person shall automatically
29 be eligible for clean slate relief under sections 180 and 181 of this act
30 for an eligible cannabis offense if:

31 (a) The eligible cannabis offense was committed on or after January

1 1, 2010, and before the effective date of this act;

2 (b) Such person has completed the sentence for such offense; and

3 (c) Such person has paid all court-ordered financial obligations
4 related to such offense or such obligations have been otherwise
5 discharged or waived.

6 (2) Eligibility for relief under this section shall be determined
7 internally and administratively by the State Court Administrator and does
8 not require any involvement by the person in interest.

9 (3) Beginning July 1, 2026, the State Court Administrator shall, on
10 a monthly basis:

11 (a) Identify all persons eligible for relief under subsection (1) of
12 this section; and

13 (b) Notify the court of conviction or adjudication of such
14 determination.

15 (4) Each court of conviction or adjudication shall, on a monthly
16 basis, issue orders for clean slate relief under sections 180 and 181 of
17 this act for each person for whom the court received a notification under
18 subsection (3) of this section.

19 (5) The State Court Administrator is not required to proceed under
20 subsection (3) of this section if the State Court Administrator
21 determines that the person in interest is deceased.

22 (6) This section terminates on January 1, 2030.

23 **Sec. 179.** (1) A person convicted of, or adjudicated for, an
24 eligible cannabis offense may petition the court for clean slate relief
25 under sections 180 and 181 of this act if such person has completed the
26 sentence for such offense and paid all court-ordered financial
27 obligations related to such offense or such obligations have been
28 otherwise discharged or waived.

29 (2) This section applies to an eligible cannabis offense regardless
30 of when it was committed.

31 (3)(a) The petition shall be filed in the court of conviction or

1 adjudication. There shall be no filing or docketing fee charged by the
2 court for the filing of a petition except for the fee authorized by this
3 subsection. The court may charge a filing fee in an amount set by the
4 State Court Administrator. The fee shall be set at an amount to recoup
5 the costs associated with administering the Clean Slate Act, but shall
6 not exceed forty dollars.

7 (b) The filing fee shall not be required for any person who provides
8 proof of income below two hundred fifty percent of the federal poverty
9 level published annually by the United States Department of Health and
10 Human Services or such successor agency which publishes the federal
11 poverty level.

12 (4) The court shall provide notice of the filing of the petition to
13 the appropriate county attorney or city attorney within ten days. Within
14 thirty days after receipt of notice, the county attorney or city attorney
15 may file objections to the petition. If no objection is timely filed, the
16 court shall grant the petition without further hearing if the
17 requirements of this section have been met.

18 (5) If the court determines that the person in interest meets the
19 eligibility requirements of this section, the court shall grant the
20 petition.

21 (6) Upon granting a petition under this section, the court shall
22 issue an order for clean slate relief under sections 180 and 181 of this
23 act.

24 (7) An order granting or denying a petition under this section is a
25 final, appealable order for purposes of section 25-1902.

26 (8) A court shall grant or deny a petition under this section within
27 ninety days after it is filed, unless the petitioner agrees to an
28 extension for good cause.

29 **Sec. 180.** (1) An order for clean slate relief shall:

30 (a) Nullify the conviction;

31 (b) Remove all civil disabilities and disqualifications imposed as a

1 result of the conviction; and

2 (c) Notify the person in interest that such person should consult
3 with an attorney regarding the effect of the order, if any, on such
4 person's ability to possess a firearm under state or federal law.

5 (2) An order for clean slate relief shall not:

6 (a) Require the reinstatement of any office, employment, or position
7 which was previously held and lost or forfeited as a result of the
8 conviction; or

9 (b) Affect eligibility for, or obligations relating to, a commercial
10 driver's license.

11 **Sec. 181.** (1) Following entry of a court order granting a person
12 clean slate relief under section 180 of this act, a criminal justice
13 agency shall respond to a public inquiry in the same manner as if there
14 were no criminal history record information, and criminal history record
15 information shall not be disseminated to any person other than a criminal
16 justice agency, except as provided in subsections (4) and (5) of this
17 section.

18 (2) In issuing an order for clean slate relief, the court shall:

19 (a) Order that all records, including any information or other data
20 concerning any proceedings relating to the case, including the arrest,
21 taking into custody, petition, complaint, indictment, information, trial,
22 hearing, adjudication, correctional supervision, dismissal, or other
23 disposition or sentence, are not part of the public record and shall not
24 be disseminated to persons other than criminal justice agencies, except
25 as provided in subsections (4) and (5) of this section;

26 (b) Send notice of the order to (i) the Nebraska Commission on Law
27 Enforcement and Criminal Justice, (ii) the Nebraska State Patrol, and
28 (iii) law enforcement agencies, county attorneys, and city attorneys
29 referenced in the court record;

30 (c) If the order relates to an adjudication, send notice of the
31 order to (i) the Department of Motor Vehicles, if the adjudication

1 included impoundment or prohibition to obtain a license or permit
2 pursuant to section 43-287, and (ii) the Department of Health and Human
3 Services, if the person in interest was a ward of the state at the time
4 the proceeding was initiated or if the department was a party in the
5 proceeding;

6 (d) Order all parties notified under subdivisions (2)(b) and (c) of
7 this section to seal all records pertaining to the case; and

8 (e) If the case was transferred from one court to another, send
9 notice of the order to seal the record to the original, transferring
10 court.

11 (3) In any application for employment, bonding, licensing,
12 education, or other right or privilege, any appearance as a witness, or
13 any other public inquiry, a person shall not be questioned with respect
14 to any offense for which the record is sealed. If an inquiry is made in
15 violation of this subsection, the person may respond as if the offense
16 never occurred.

17 (4) A criminal justice agency may, with respect to criminal history
18 record information sealed under this section, disclose, disseminate,
19 respond to inquiries regarding, or allow inspection of such criminal
20 history record information:

21 (a) If the person in interest has made a notarized request for the
22 release of information, to the extent authorized in such release;

23 (b) If the person in interest is currently the subject of
24 prosecution or correctional control as the result of a separate arrest;

25 (c) If the person in interest is currently an announced candidate
26 for or holder of public office;

27 (d) If the criminal history record information is kept unidentified,
28 and the record is used for purposes of surveying or summarizing
29 individual or collective law enforcement agency activity or practices, or
30 the dissemination is requested consisting only of release of criminal
31 history record information showing (i) dates of arrests, (ii) reasons for

1 arrests, and (iii) the nature of the dispositions, including, but not
2 limited to, reasons for not prosecuting the case or cases;

3 (e) To individuals and agencies for the express purpose of research,
4 evaluative, or statistical activities pursuant to an agreement with a
5 criminal justice agency that specifically authorizes access to the
6 information, limits the use of the information to research, evaluative,
7 or statistical activities, and ensures the confidentiality and security
8 of the information; and

9 (f) In response to an inquiry for employment, security, or other
10 purposes to the extent disclosure of such criminal history record
11 information is required by:

12 (i) Federal law, including rules and regulations, and including
13 rules and regulations promulgated by a self-regulatory organization
14 created under federal law; or

15 (ii) State law, including rules or regulations, relating to
16 operation of a motor vehicle or caring for or interacting with children,
17 including, but not limited to, determining whether an application filed
18 or a license issued under sections 71-1901 to 71-1906.01, the Child Care
19 Licensing Act, or the Children's Residential Facilities and Placing
20 Licensure Act or a certificate issued under sections 79-806 to 79-815
21 should be denied, suspended, or revoked.

22 (5) In addition to disclosures authorized under subsection (4) of
23 this section, inspection of criminal history record information relating
24 to an adjudication that has been sealed under this section may be made by
25 the persons and for the purposes authorized in section 43-2,108.05.

26 **Sec. 182.** An appeal by a person in interest who is denied clean
27 slate relief shall be expedited. If, on appeal, it is determined that the
28 person in interest was wrongfully denied clean slate relief, the state
29 shall pay such person's attorney's fees for the appeal.

30 **Sec. 183.** (1) Upon petition of the county attorney or city
31 attorney, and with notice to the person in interest and opportunity to be

1 heard, the court shall vacate an order for clean slate relief issued
2 pursuant to section 179 of this act if the court determines that the
3 order was erroneously entered and not in accordance with the Cannabis
4 Conviction Clean Slate Act.

5 (2) Upon entry of an order under subsection (1) of this section, the
6 court shall send notice of such order as provided in subdivision (2)(b)
7 of section 181 of this act.

8 **Sec. 184.** The State Court Administrator may adopt and promulgate
9 rules and regulations as necessary to carry out the Cannabis Conviction
10 Clean Slate Act.

11 **Sec. 185.** (1) The State Court Administrator shall establish a
12 statewide campaign to inform residents of their eligibility for relief
13 under the Nebraska Medical Cannabis Justice Act and the Cannabis
14 Conviction Clean Slate Act and provide resources for navigating the
15 petition process under each act.

16 (2) On or before July 1, 2027, and annually thereafter, the
17 administrator shall electronically submit a report to the Legislature
18 with data concerning the number of petitions filed, denied, and granted
19 under such acts and reporting on the implementation of such acts.

20 **Sec. 186.** Section 28-416, Revised Statutes Cumulative Supplement,
21 2024, is amended to read:

22 28-416 (1) Except as authorized by the Uniform Controlled Substances
23 Act, the Nebraska Medical Cannabis Patient Protection Act, or the
24 Nebraska Medical Cannabis Regulation Act, it shall be unlawful for any
25 person knowingly or intentionally: (a) To manufacture, distribute,
26 deliver, dispense, or possess with intent to manufacture, distribute,
27 deliver, or dispense a controlled substance; or (b) to create,
28 distribute, or possess with intent to distribute a counterfeit controlled
29 substance.

30 (2) Except as provided in subsections (4), (5), (7), (8), (9), and
31 (10) of this section, any person who violates subsection (1) of this

1 section with respect to: (a) A controlled substance classified in
2 Schedule I, II, or III of section 28-405 which is an exceptionally
3 hazardous drug shall be guilty of a Class II felony; (b) any other
4 controlled substance classified in Schedule I, II, or III of section
5 28-405 shall be guilty of a Class IIA felony; or (c) a controlled
6 substance classified in Schedule IV or V of section 28-405 shall be
7 guilty of a Class IIIA felony.

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

18 (4)(a) Except as authorized by the Uniform Controlled Substances
19 Act, any person eighteen years of age or older who knowingly or
20 intentionally manufactures, distributes, delivers, dispenses, or
21 possesses with intent to manufacture, distribute, deliver, or dispense a
22 controlled substance or a counterfeit controlled substance (i) to a
23 person under the age of eighteen years, (ii) in, on, or within one
24 thousand feet of the real property comprising a public or private
25 elementary, vocational, or secondary school, a community college, a
26 public or private college, junior college, or university, or a
27 playground, or (iii) within one hundred feet of a public or private youth
28 center, public swimming pool, or video arcade facility shall be punished
29 by the next higher penalty classification than the penalty prescribed in
30 subsection (2), (7), (8), (9), or (10) of this section, depending upon
31 the controlled substance involved, for the first violation and for a

1 second or subsequent violation shall be punished by the next higher
2 penalty classification than that prescribed for a first violation of this
3 subsection, but in no event shall such person be punished by a penalty
4 greater than a Class IB felony.

5 (b) For purposes of this subsection:

6 (i) Playground means any outdoor facility, including any parking lot
7 appurtenant to the facility, intended for recreation, open to the public,
8 and with any portion containing three or more apparatus intended for the
9 recreation of children, including sliding boards, swingsets, and
10 teeterboards;

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

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

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

26 (b) Except as authorized by the Uniform Controlled Substances Act,
27 it shall be unlawful for any person eighteen years of age or older to
28 knowingly and intentionally employ, hire, use, cause, persuade, coax,
29 induce, entice, seduce, or coerce any person under the age of eighteen
30 years to aid and abet any person in the manufacture, transportation,
31 distribution, carrying, delivery, dispensing, preparation for delivery,

1 offering for delivery, or possession with intent to do the same of a
2 controlled substance or a counterfeit controlled substance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (13) Except as provided in the Nebraska Medical Cannabis Patient
30 Protection Act or the Nebraska Medical Cannabis Regulation Act or section
31 28-1701, any person knowingly or intentionally possessing marijuana

1 weighing one ounce or less or any substance containing a quantifiable
2 amount of the substances, chemicals, or compounds described, defined, or
3 delineated in subdivision (c)(27) of Schedule I of section 28-405 shall:

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

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

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

15 (14) Any person convicted of violating this section, if placed on
16 probation, shall, as a condition of probation, satisfactorily attend and
17 complete appropriate treatment and counseling on drug abuse provided by a
18 program authorized under the Nebraska Behavioral Health Services Act or
19 other licensed drug treatment facility.

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

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

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

1 (18) In addition to the existing penalties available for a violation
2 of subsection (1) of this section, including any criminal attempt or
3 conspiracy to violate subsection (1) of this section, a sentencing court
4 may order that any money, securities, negotiable instruments, firearms,
5 conveyances, or electronic communication devices as defined in section
6 28-833 or any equipment, components, peripherals, software, hardware, or
7 accessories related to electronic communication devices be forfeited as a
8 part of the sentence imposed if it finds by clear and convincing evidence
9 adduced at a separate hearing in the same prosecution, following
10 conviction for a violation of subsection (1) of this section, and
11 conducted pursuant to section 28-1601, that any or all such property was
12 derived from, used, or intended to be used to facilitate a violation of
13 subsection (1) of this section.

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

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

18 (i) For the first offense, the court may, as a part of the judgment
19 of conviction or adjudication, (A) impound any such licenses or permits
20 for thirty days and (B) require such person to attend a drug education
21 class;

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

27 (iii) For a third or subsequent offense, the court may, as a part of
28 the judgment of conviction or adjudication, (A) impound any such licenses
29 or permits for twelve months and (B) require such person to complete no
30 fewer than sixty hours of community service, to attend a drug education
31 class, and to submit to a drug assessment by a licensed alcohol and drug

1 counselor; and

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

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

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

17 (iii) For a third or subsequent offense, the court may, as part of
18 the judgment of conviction or adjudication, (A) prohibit such person from
19 obtaining any permit or any license pursuant to the act for which such
20 person would otherwise be eligible until twelve months after the date of
21 such order and (B) require such person to complete no fewer than sixty
22 hours of community service, to attend a drug education class, and to
23 submit to a drug assessment by a licensed alcohol and drug counselor.

24 A copy of an abstract of the court's conviction or adjudication
25 shall be transmitted to the Director of Motor Vehicles pursuant to
26 sections 60-497.01 to 60-497.04 if a license or permit is impounded or a
27 juvenile is prohibited from obtaining a license or permit under this
28 subsection.

29 **Sec. 187.** Section 28-439, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 28-439 (1) As used in sections 28-101, 28-431, and 28-439 to 28-444,

1 unless the context otherwise requires, drug paraphernalia shall mean all
2 equipment, products, and materials of any kind which are used, intended
3 for use, or designed for use, in manufacturing, injecting, ingesting,
4 inhaling, or otherwise introducing into the human body a controlled
5 substance in violation of sections 28-101, 28-431, and 28-439 to 28-444
6 or the Uniform Controlled Substances Act. It shall include, but not be
7 limited to, the following:

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

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

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

17 (d) ~~(4)~~ Objects used, intended for use, or designed for use in
18 ingesting, inhaling, or otherwise introducing marijuana, cocaine,
19 hashish, or hashish oil into the human body, which shall include but not
20 be limited to the following:

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

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

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

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

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

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

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

- 1 ~~(viii) (h)~~ Carburetor pipes;
- 2 ~~(ix) (i)~~ Electric pipes;
- 3 ~~(x) (j)~~ Air-driven pipes;
- 4 ~~(xi) (k)~~ Chillums;
- 5 ~~(xii) (l)~~ Bongs; and
- 6 ~~(xiii) (m)~~ Ice pipes or chillers.

7 (2) This section does not apply to conduct involving cannabis
8 accessories as defined in section 2 of this act when such conduct is
9 lawful under the Nebraska Medical Cannabis Patient Protection Act or the
10 Nebraska Medical Cannabis Regulation Act.

11 **Sec. 188.** Section 53-105, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 53-105 There is hereby created the Nebraska Liquor Control
14 Commission, consisting of three members to be appointed by the Governor,
15 subject to confirmation by a majority of the members elected to the
16 Legislature, no more than two of whom shall be members of the same
17 political party, and no two shall be citizens of the same congressional
18 district. The members of the Nebraska Liquor Control Commission shall
19 also serve as members of the Nebraska Medical Cannabis Commission as
20 provided in section 48 of this act.

21 **Sec. 189.** Section 53-106, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 53-106 The Governor shall appoint three members of the commission,
24 one of whom the Governor ~~he~~ shall designate as chairperson ~~chairman~~. One
25 member shall be appointed every two years and shall hold office for a
26 period of six years. Any appointee may be removed by the Governor, after
27 an opportunity to be heard, for malfeasance, misfeasance, or neglect in
28 office. No person shall be appointed to the commission, or continue to
29 hold that office after appointment, while holding any other office or
30 position under the laws of this state, any other state, or of the United
31 States, except that the commissioners shall also serve as members of the

1 Nebraska Medical Cannabis Commission as provided in section 48 of this
2 act.

3 **Sec. 190.** Section 53-110, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 53-110 (1) For purposes of this section:

6 (a) Cannabis has the same meaning as in section 2 of this act;

7 (b) Commission means the Nebraska Liquor Control Commission and the
8 Nebraska Medical Cannabis Commission;

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

13 (d) Covered offense means:

14 (i) A felony; or

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

17 (2) (1) No person shall be appointed as a commissioner, the
18 executive director of the commission, or an employee of the commission
19 who is not a citizen of the United States and who has not resided within
20 the State of Nebraska successively for two years next preceding the date
21 of his or her appointment.

22 (3) (2) No person (a) convicted of a covered offense or who has
23 pleaded guilty to a felony or any violation of any federal or state law
24 concerning the manufacture or sale of alcoholic liquor prior or
25 subsequent to the passage of the Nebraska Liquor Control Act, (b) who has
26 paid a fine or penalty in settlement of any prosecution against him or
27 her for any violation of such laws, or (c) who has forfeited his or her
28 bond to appear in court to answer charges for any such violation shall be
29 appointed commissioner.

30 (4)(a) (3)(a) Except as otherwise provided in subdivision (b) of
31 this subsection, a commissioner or employee of the commission shall

1 ~~not may~~, directly or indirectly, individually, as a member of a
2 partnership, as a member of a limited liability company, or as a
3 shareholder of a corporation; ~~have~~

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

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

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

11 (iv) Have any interest whatsoever in the purchases or sales made by
12 the persons authorized by the Nebraska Medical Cannabis Regulation Act or
13 the Nebraska Medical Cannabis Patient Protection Act to purchase or to
14 sell cannabis.

15 (b) With the written approval of the executive director, an employee
16 of the commission, other than the executive director or a division
17 manager, may accept part-time or seasonal employment with a person
18 licensed or regulated by the commission. No such employment shall be
19 approved if the licensee receives more than fifty percent of the
20 licensee's gross revenue from the sale or dispensing of alcoholic liquor
21 or cannabis.

22 (5) ~~(4)~~ This section shall not prevent any commissioner, the
23 executive director, or any employee from purchasing and keeping in his or
24 her possession for the use of himself, herself, or members of his or her
25 family or guests any:

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

28 (b) Cannabis which may be purchased or kept by any qualified patient
29 or registered caregiver pursuant to the Nebraska Medical Cannabis Patient
30 Protection Act.

31 **Sec. 191.** Section 53-111, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 53-111 (1) A commissioner, the executive director of the commission,
3 or any person appointed or employed by the commission shall not solicit
4 or accept any gift, gratuity, emolument, or employment from any person
5 subject to the Nebraska Liquor Control Act or the Nebraska Medical
6 Cannabis Regulation Act or from any officer, agent, or employee thereof
7 or solicit, request from, or recommend, directly or indirectly, to any
8 such person or to any officer, agent, or employee thereof the appointment
9 of any person to any place or position. Any such person and every
10 officer, agent, or employee thereof may not offer to any commissioner,
11 the executive director, or any person appointed or employed by the
12 commission any gift, gratuity, emolument, or employment. If a
13 commissioner, the executive director, or any person appointed or employed
14 by the commission violates this section, he or she shall be removed from
15 his or her office or employment. Every person violating this section
16 shall be guilty of a Class II misdemeanor.

17 **Sec. 192.** Section 60-6,211.08, Reissue Revised Statutes of Nebraska,
18 is amended to read:

19 60-6,211.08 (1) For purposes of this section:

20 (a) Alcoholic beverage means (i) beer, ale, porter, stout, and other
21 similar fermented beverages, including sake or similar products, of any
22 name or description containing one-half of one percent or more of alcohol
23 by volume, brewed or produced from malt, wholly or in part, or from any
24 substitute therefor, (ii) wine of not less than one-half of one percent
25 of alcohol by volume, or (iii) distilled spirits which is that substance
26 known as ethyl alcohol, ethanol, or spirits of wine in any form,
27 including all dilutions and mixtures thereof from whatever source or by
28 whatever process produced. Alcoholic beverage does not include trace
29 amounts not readily consumable as a beverage;

30 (b) Cannabis has the same meaning as in section 2 of this act;

31 (c) ~~(b)~~ Highway means a road or street including the entire area

1 within the right-of-way;

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

8 (e) ~~(d)~~ Open ~~alcoholic beverage~~ container, except as provided in
9 subsection (3) of section 53-123.04 and subdivision (1)(c) of section
10 53-123.11, means any bottle, can, or other receptacle:

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

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

14 (f) ~~(e)~~ Passenger area means the area designed to seat the driver
15 and passengers while the motor vehicle is in operation and any area that
16 is readily accessible to the driver or a passenger while in their seating
17 positions, including any compartments in such area. Passenger area does
18 not include the area behind the last upright seat of such motor vehicle
19 if the area is not normally occupied by the driver or a passenger and the
20 motor vehicle is not equipped with a trunk.

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

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

30 (4) This section does not apply to possession or consumption of
31 alcoholic beverages by persons who are passengers of, but not drivers of,

1 a limousine or bus being used in a charter or special party service as
2 defined by rules and regulations adopted and promulgated by the Public
3 Service Commission and subject to Chapter 75, article 3. Such passengers
4 may possess open ~~alcoholic beverage~~ containers of alcoholic beverages and
5 may consume alcoholic beverages while such limousine or bus is in a
6 public parking area or on any highway in this state if (a) the driver of
7 the limousine or bus is prohibited from consuming alcoholic liquor and
8 (b) alcoholic liquor is not present in any area that is readily
9 accessible to the driver while in the driver's seat, including any
10 compartments in such area.

11 **Sec. 193.** Section 71-5727, Revised Statutes Cumulative Supplement,
12 2024, is amended to read:

13 71-5727 (1) Smoke or smoking means inhaling, exhaling, burning, or
14 carrying any lighted or heated:

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

18 (b) Cannabis as defined in section 2 of this act.

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

22 **Sec. 194.** Section 77-2701.48, Reissue Revised Statutes of Nebraska,
23 is amended to read:

24 77-2701.48 (1) Bundled transaction means the retail sale of two or
25 more products, except real property and services to real property, when
26 (a) the products are otherwise distinct and identifiable and (b) the
27 products are sold for one non-itemized price. Bundled transaction does
28 not include the sale of any products in which the sales price varies, or
29 is negotiable, based on the selection by the purchaser of the products
30 included in the transaction.

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

1 (a) Packaging, such as containers, boxes, sacks, bags, and bottles
2 or other materials such as wrapping, labels, tags, and instruction guides
3 that accompany the retail sale of the products and are incidental or
4 immaterial to the retail sale thereof. Examples of packaging that are
5 incidental or immaterial include grocery sacks, shoeboxes, dry cleaning
6 garment bags, and express delivery envelopes and boxes;

7 (b) A product provided free of charge with the required purchase of
8 another product. A product is provided free of charge if the sales price
9 of the product purchased does not vary depending on the inclusion of the
10 product provided free of charge; and

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

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

19 (4) A transaction that otherwise meets the definition of a bundled
20 transaction is not a bundled transaction if it is (a) the retail sale of
21 tangible personal property and a service where the tangible personal
22 property is essential to the use of the service, and is provided
23 exclusively in connection with the service, and the true object of the
24 transaction is the service, (b) the retail sale of services when one
25 service is provided that is essential to the use or receipt of a second
26 service and the first service is provided exclusively in connection with
27 the second service and the true object of the transaction is the second
28 service, or (c) a transaction that includes taxable products and
29 nontaxable products and the purchase price or sales price of the taxable
30 products is de minimus. De minimus means the seller's purchase price or
31 sales price of the taxable products is ten percent or less of the total

1 purchase price or sales price of the bundled products. Sellers shall use
2 either the purchase price or the sales price of the products to determine
3 if the taxable products are de minimus. Sellers may not use a combination
4 of the purchase price and sales price of the products to determine if the
5 taxable products are de minimus. Sellers shall use the full term of a
6 service contract to determine if the taxable products are de minimus.

7 (5) Bundled transaction does not include the retail sale of exempt
8 tangible personal property and taxable tangible personal property if (a)
9 the transaction includes food and food ingredients, drugs, durable
10 medical equipment, mobility enhancing equipment, over-the-counter drugs,
11 prosthetic devices, or medical supplies as such terms are defined in
12 section 77-2704.09 and (b) the seller's purchase price or sales price of
13 the taxable tangible personal property is fifty percent or less of the
14 total purchase price or sales price of the bundled tangible personal
15 property. Sellers may not use a combination of the purchase price and
16 sales price of the tangible personal property when making the fifty-
17 percent determination for a transaction.

18 **Sec. 195.** Section 77-2704.09, Reissue Revised Statutes of Nebraska,
19 is amended to read:

20 77-2704.09 (1) Sales and use taxes shall not be imposed on the gross
21 receipts from the sale, lease, or rental of and the storage, use, or
22 other consumption in this state of (a) insulin, (b) mobility enhancing
23 equipment and drugs, not including over-the-counter drugs, when sold for
24 a patient's use under a prescription, and (c) the following when sold for
25 a patient's use under a prescription and which are of the type eligible
26 for coverage under the medical assistance program established pursuant to
27 the Medical Assistance Act: Durable medical equipment; home medical
28 supplies; prosthetic devices; oxygen; and oxygen equipment.

29 (2) For purposes of this section:

30 (a)(i) ~~(a)~~ Drug means a compound, substance, preparation, and
31 component of a compound, substance, or preparation, other than food and

1 food ingredients, dietary supplements, or alcoholic beverages:

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

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

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

9 (ii) Drug does not include cannabis obtained pursuant to the
10 Nebraska Medical Cannabis Patient Protection Act;

11 (b) Durable medical equipment means equipment which can withstand
12 repeated use, is primarily and customarily used to serve a medical
13 purpose, generally is not useful to a person in the absence of illness or
14 injury, is appropriate for use in the home, and is not worn in or on the
15 body. Durable medical equipment includes repair and replacement parts for
16 such equipment;

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

21 (d) Mobility enhancing equipment means equipment which is primarily
22 and customarily used to provide or increase the ability to move from one
23 place to another, which is not generally used by persons with normal
24 mobility, and which is appropriate for use either in a home or a motor
25 vehicle. Mobility enhancing equipment includes repair and replacement
26 parts for such equipment. Mobility enhancing equipment does not include
27 any motor vehicle or equipment on a motor vehicle normally provided by a
28 motor vehicle manufacturer;

29 (e) Over-the-counter drug means a drug that contains a label that
30 identifies the product as a drug as required by 21 C.F.R. 201.66, as such
31 regulation existed on January 1, 2003. The over-the-counter drug label

1 includes a drug facts panel or a statement of the active ingredients with
2 a list of those ingredients contained in the compound, substance, or
3 preparation;

4 (f) Oxygen equipment means oxygen cylinders, cylinder transport
5 devices including sheaths and carts, cylinder studs and support devices,
6 regulators, flowmeters, tank wrenches, oxygen concentrators, liquid
7 oxygen base dispensers, liquid oxygen portable dispensers, oxygen tubing,
8 nasal cannulas, face masks, oxygen humidifiers, and oxygen fittings and
9 accessories;

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

14 (h) Prosthetic devices means a replacement, corrective, or
15 supportive device worn on or in the body to artificially replace a
16 missing portion of the body, prevent or correct physical deformity or
17 malfunction, or support a weak or deformed portion of the body, and
18 includes any supplies used with such device and repair and replacement
19 parts.

20 **Sec. 196.** Section 77-27,132, Revised Statutes Cumulative Supplement,
21 2024, is amended to read:

22 77-27,132 (1) There is hereby created a fund to be designated the
23 Revenue Distribution Fund which shall be set apart and maintained by the
24 Tax Commissioner. Revenue not required to be credited to the General Fund
25 or any other specified fund may be credited to the Revenue Distribution
26 Fund. Credits and refunds of such revenue shall be paid from the Revenue
27 Distribution Fund. The balance of the amount credited, after credits and
28 refunds, shall be allocated as provided by the statutes creating such
29 revenue.

30 (2) The Tax Commissioner shall pay to a depository bank designated
31 by the State Treasurer all amounts collected under the Nebraska Revenue

1 Act of 1967. The Tax Commissioner shall present to the State Treasurer
2 bank receipts showing amounts so deposited in the bank, and of the
3 amounts so deposited the State Treasurer shall:

4 (a)(i) For transactions occurring on or after October 1, 2014, and
5 before July 1, 2024, credit to the Game and Parks Commission Capital
6 Maintenance Fund all of the proceeds of the sales and use taxes imposed
7 pursuant to section 77-2703 on the sale or lease of motorboats as defined
8 in section 37-1204, personal watercraft as defined in section 37-1204.01,
9 all-terrain vehicles as defined in section 60-103, and utility-type
10 vehicles as defined in section 60-135.01; and

11 (ii) For transactions occurring on or after July 1, 2024, credit to
12 the Game and Parks Commission Capital Maintenance Fund all of the
13 proceeds of the sales and use taxes imposed pursuant to section 77-2703
14 on the sale or lease of motorboats as defined in section 37-1204,
15 personal watercraft as defined in section 37-1204.01, all-terrain
16 vehicles as defined in section 60-103, and utility-type vehicles as
17 defined in section 60-135.01, and from such proceeds, transfers shall be
18 made to the Nebraska Emergency Medical System Operations Fund as provided
19 in section 37-327.02;

20 (b) Credit to the Highway Trust Fund all of the proceeds of the
21 sales and use taxes derived from the sale or lease for periods of more
22 than thirty-one days of motor vehicles, trailers, and semitrailers,
23 except that the proceeds equal to any sales tax rate provided for in
24 section 77-2701.02 that is in excess of five percent derived from the
25 sale or lease for periods of more than thirty-one days of motor vehicles,
26 trailers, and semitrailers shall be credited to the Highway Allocation
27 Fund;

28 (c) For transactions occurring on or after July 1, 2013, and before
29 July 1, 2042, of the proceeds of the sales and use taxes derived from
30 transactions other than those listed in subdivisions (2)(a), (b), and
31 (e), and (f) of this section from a sales tax rate of one-quarter of one

1 percent, credit monthly eighty-five percent to the Highway Trust Fund and
2 fifteen percent to the Highway Allocation Fund;

3 (d) Of the proceeds of the sales and use taxes derived from
4 transactions other than those listed in subdivisions (2)(a), (b), ~~and~~
5 (e), and (f) of this section, credit to the Property Tax Credit Cash Fund
6 the amount certified under section 77-27,237, if any such certification
7 is made; ~~and~~

8 (e) For transactions occurring on or after July 1, 2023, credit to
9 the Department of Transportation Aeronautics Capital Improvement Fund all
10 of the proceeds of the sales and use taxes imposed pursuant to section
11 77-2703 on the sale or lease of aircraft as defined in section 3-101;
12 and -

13 (f) Credit the proceeds of the sales and use taxes imposed pursuant
14 to section 77-2703 on the sale of cannabis by dispensaries to qualified
15 patients and registered caregivers under the Nebraska Medical Cannabis
16 Patient Protection Act as follows:

17 (i) Fifty percent to the Medical Cannabis Control Fund;

18 (ii) Twenty-five percent to the Medical Cannabis Business Equity
19 Fund; and

20 (iii) Twenty-five percent to the Cannabis Community Reinvestment
21 Fund.

22 The balance of all amounts collected under the Nebraska Revenue Act
23 of 1967 shall be credited to the General Fund.

24 **Sec. 197.** Section 77-4303, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 77-4303 (1) A tax is hereby imposed on marijuana and controlled
27 substances at the following rates:

28 (a) On each ounce of marijuana or each portion of an ounce, one
29 hundred dollars;

30 (b) On each gram or portion of a gram of a controlled substance that
31 is customarily sold by weight or volume, one hundred fifty dollars; or

1 (c) On each fifty dosage units or portion thereof of a controlled
2 substance that is not customarily sold by weight, five hundred dollars.

3 (2) For purposes of calculating the tax under this section,
4 marijuana or any controlled substance that is customarily sold by weight
5 or volume shall be measured by the weight of the substance in the
6 dealer's possession. The weight shall be the actual weight, if known, or
7 the estimated weight as determined by the Nebraska State Patrol or other
8 law enforcement agency. Such determination shall be presumed to be the
9 weight of such marijuana or controlled substances for purposes of
10 sections 77-4301 to 77-4316.

11 (3) The tax shall not be imposed upon a person registered or
12 otherwise lawfully in possession of marijuana or a controlled substance
13 pursuant to Chapter 28, article 4, or lawfully in possession of cannabis
14 under the Nebraska Medical Cannabis Patient Protection Act or the
15 Nebraska Medical Cannabis Regulation Act.

16 **Sec. 198.** Section 81-2,239, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 81-2,239 Sections 81-2,239 to 81-2,292 and section 200 of this act
19 and the provisions of the Food Code and the Current Good Manufacturing
20 Practice In Manufacturing, Packing, or Holding Human Food adopted by
21 reference in sections 81-2,257.01 and 81-2,259, shall be known and may be
22 cited as the Nebraska Pure Food Act.

23 **Sec. 199.** Section 81-2,263, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 81-2,263 If there is an inconsistency between sections 81-2,239 to
26 81-2,292 and section 200 of this act and any code adopted by reference,
27 the requirements of the sections shall control.

28 **Sec. 200.** Edible cannabis products sold under the Nebraska Medical
29 Cannabis Regulation Act are subject to the Nebraska Pure Food Act to the
30 same extent as other items of food.

31 **Sec. 201.** Section 81-1021, Reissue Revised Statutes of Nebraska, is

1 amended to read:

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

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

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

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

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

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

29 (c) The Military Department;

30 (d) Vocational rehabilitation counselors and the Department of
31 Health and Human Services for the purposes of communicable disease

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

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

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

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

11 (h) The Department of Justice.

12 **Sec. 202.** Original sections 28-439, 53-105, 53-106, 53-110, 53-111,
13 60-6,211.08, 77-2701.48, 77-2704.09, 77-4303, 81-2,239, 81-2,263, and
14 81-1021, Reissue Revised Statutes of Nebraska, sections 28-416, 71-5727,
15 and 77-27,132, Revised Statutes Cumulative Supplement, 2024, sections 1,
16 2, and 3, Initiative Law 2024, No. 437, and sections 1, 3, 4, and 5,
17 Initiative Law 2024, No. 438, are repealed.

18 **Sec. 203.** The following sections are outright repealed: Sections
19 28-463, 28-464, 28-465, 28-466, 28-467, 28-468, and 28-469, Reissue
20 Revised Statutes of Nebraska, and sections 2 and 6, Initiative Law 2024,
21 No. 438.

22 **Sec. 204.** Since an emergency exists, this act takes effect when
23 passed and approved according to law.