

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 651**

Introduced by Conrad, 46.

Read first time January 22, 2025

Committee:

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

1 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  
31 with 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) Nothing in the Nebraska Medical Cannabis Patient Protection Act:



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

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

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

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

11       (3) Nothing in the Nebraska Medical Cannabis Patient Protection Act  
12 shall be construed to:

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

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

17       (c) Prohibit a person, an employer, a corporation, or any other  
18 entity which occupies, owns, or controls property from prohibiting or  
19 otherwise regulating the growing, possession, consumption, use,  
20 distribution, display, transfer, transportation, or sale of cannabis, on  
21 or in that property; or

22       (d) Prohibit an employer from establishing and enforcing a drug-  
23 testing policy, drug-free workplace policy, or zero-tolerance drug  
24 policy.

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

30       Sec. 6. (1) Any school, health care facility or health care service  
31 licensed pursuant to the Health Care Facility Licensure Act, licensed

1 child care facility as defined in section 43-4308, or foster care  
2 facility as defined in section 43-1301 may adopt reasonable restrictions  
3 on the use of cannabis by students, residents, or persons receiving care  
4 or services, including that:

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

7 (b) Cannabis may not be smoked;

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

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

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

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

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

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

27 (a) Either:

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

30 (ii) If the individual is younger than eighteen years of age, the  
31 individual has the written permission of a legal guardian or parent with

1 authority to make health care decisions for the individual; or

2 (iii) If the individual is eighteen years of age or older and has a  
3 legal guardian, the individual has the written permission of such  
4 guardian;

5 (b) The individual has been diagnosed with a qualifying medical  
6 condition; and

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

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

13 (4)(a) A health care practitioner may include in the written  
14 recommendation a notation that an individual shall be allowed to possess  
15 an amount of cannabis in excess of the allowable amount of cannabis. The  
16 practitioner may include such notation if the practitioner determines, in  
17 his or her professional judgment, that such greater quantity is necessary  
18 or appropriate due to factors including, but not limited to, the medical  
19 condition of the individual, the mode of administration of cannabis used  
20 by the individual, transportation difficulties faced by the individual,  
21 and the distance of the individual's residence from dispensaries.

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

24 (i) The reason or reasons the increased quantity shall be allowed;  
25 and

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

28 (c) A qualified patient who has been issued a registry card may  
29 request a health care practitioner to update a previously issued written  
30 recommendation to include a notation under this subsection. If the  
31 practitioner issues an updated written recommendation with such a

1 notation, the qualified patient shall immediately be eligible to possess  
2 such greater quantity of cannabis. The qualified patient shall notify the  
3 department, in a form and manner prescribed by the department, within  
4 thirty days after receiving such notation. Failure to so notify the  
5 department shall render the notation invalid.

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

9 **Sec. 8.** (1) The department shall establish and maintain a registry  
10 program for qualified patients and registered caregiver. The registry  
11 shall include (a) the name, address, and telephone number of each  
12 qualified patient and registered caregiver, (b) the health care  
13 practitioner that provided the written recommendation for the patient,  
14 and (c) the registered caregiver for the qualified patient, if any.

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

19 **Sec. 9.** (1) An individual may apply to the department to be  
20 enrolled in the registry program as a qualified patient by submitting an  
21 application to the department in the form and manner prescribed by the  
22 department.

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

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

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

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

29 (i) Written permission from the individual's legal guardian or  
30 parent with authority to make health care decisions for the individual;

31 and

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

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

5        (i) Written permission of such guardian; and

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

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

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

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

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

17        (3) An individual enrolled in the registry program as a qualified  
18 patient may renew such registration by submitting a renewal application  
19 in a form and manner prescribed by the department within ninety days  
20 before the registration will expire. The application shall be accompanied  
21 by a written recommendation dated within ninety days preceding the date  
22 the application is submitted.

23        **Sec. 10.** (1) A person may apply to the department to be enrolled in  
24 the registry program as a registered caregiver by submitting an  
25 application to the department in the form and manner prescribed by the  
26 department.

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

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

30        (ii) If the applicant is a health care facility or a home health  
31 agency:

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

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

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

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

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

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

15       **Sec. 11.** (1) Within thirty days after receipt of an application for  
16 initial enrollment or renewal of enrollment in the registry under section  
17 9 or 10 of this act, the department shall either enroll the person as a  
18 qualified patient or registered caregiver, renew such enrollment, or give  
19 written notice of denial.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14       (4)(a) Except as provided in subdivision (4)(b) of this section, an  
15 individual who is a qualified patient may also serve as a registered  
16 caregiver for other qualified patients. In such case, the individual  
17 shall submit separate applications under sections 9 and 10 of this act  
18 and obtain separate qualified patient and registered caregiver registry  
19 cards.

20       (b) An individual who is a qualified patient and who has a  
21 registered caregiver shall not serve as a registered caregiver for other  
22 qualified patients.

23       (5)(a) No individual shall serve as a registered caregiver for more  
24 than three qualified patients.

25       (b) A qualified patient shall have no more than two registered  
26 caregivers.

27       **Sec. 13.** A registered caregiver may possess cannabis, cannabis  
28 products, and cannabis accessories on behalf of one or more qualified  
29 patients served by the registered caregiver. The registered caregiver may  
30 possess a separate allowable amount of cannabis for each such patient,  
31 including the registered caregiver, if the registered caregiver is also a

1 qualified patient. The caregiver shall separately label and store  
2 cannabis, cannabis products, and cannabis accessories for each such  
3 patient.

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

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

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

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

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

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

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

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

25 (3) A person transporting cannabis to a dispensary for disposal  
26 under this section shall contact the department, and the department shall  
27 coordinate delivery arrangements between such person and the dispensary.  
28 The department will provide the individual with a written, temporary  
29 authorization to transport such cannabis, which will include details  
30 regarding the delivery arrangements approved by the department.

31 **Sec. 15.** If cannabis belonging to a qualified patient or registered



1 caregiver is stolen or lost, the qualified patient or registered  
2 caregiver shall notify the department within five days after learning of  
3 such theft or loss.

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

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

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

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

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

15 **Sec. 17.** A health care practitioner shall not be subject to arrest,  
16 prosecution, or penalty in any manner, or denied any right or privilege,  
17 including, but not limited to, civil penalty or disciplinary action by  
18 the department or by any other occupational or professional licensing  
19 board, solely for providing a written recommendation or for stating that,  
20 in the health care practitioner's professional opinion, a patient is  
21 likely to receive therapeutic or palliative benefit from use of cannabis  
22 to treat or alleviate the patient's qualifying medical condition.

23 **Sec. 18.** The governing body of a county, city, or village shall not  
24 prohibit the delivery of cannabis, cannabis products, or cannabis  
25 accessories for use under the Nebraska Medical Cannabis Patient  
26 Protection Act either expressly or through the enactment of ordinances or  
27 regulations that make the delivery impracticable in the respective  
28 jurisdiction.

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

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

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

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

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

12       Section 1. Sections 1 to 5 6 of this act and sections 21 to 47, 50  
13 to 71 and 73 to 153 of this act shall be known and may be cited as the  
14 Nebraska Medical Cannabis Regulation Act.

15       **Sec. 21.** For purposes of the Nebraska Medical Cannabis Regulation  
16 Act, the definitions found in sections 3 and 22 to 47 of this act apply.

17       **Sec. 22.** Cancel means to discontinue all rights and privileges of a  
18 license.

19       **Sec. 23.** Cannabis for medical purposes means cannabis and cannabis  
20 accessories intended for use by qualified patients and registered  
21 caregivers pursuant to the Nebraska Medical Cannabis Patient Protection  
22 Act for the alleviation of a qualifying medical condition.

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

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

26       **Sec. 26.** Cultivator means a person licensed by the commission, as  
27 part of a vertical license, to cultivate and process cannabis plants  
28 pursuant to the Nebraska Medical Cannabis Regulation Act for sale to  
29 dispensaries, to products manufacturers, and to other cultivators, but  
30 not to qualified patients or registered caregivers.

31       **Sec. 27.** Dispensary means a person licensed by the commission, as

1 part of a vertical license, to:

2 (1) Purchase cannabis from cultivators;

3 (2) Purchase cannabis products from products manufacturers and other  
4 dispensaries; and

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

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

10 (a) A violent offense;

11 (b) A violation of the Nebraska Medical Cannabis Regulation Act or a  
12 violation of a substantially equivalent law of another jurisdiction in  
13 the United States; or

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

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

19 (3) For purposes of this section:

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

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

23 (c) Violent offense means:

24 (i) A felony violation of any of the following: Section 28-303,  
25 28-304, 28-305, 28-306, 28-308, 28-309, 28-310.01, 28-311, 28-311.01,  
26 28-311.03, 28-311.08, 28-313, 28-314, 28-316.01, 28-319, 28-319.01,  
27 28-320, 28-320.01, 28-320.02, 28-322.02, 28-322.03, 28-322.04, 28-322.05,  
28 28-323, 28-324, 28-386, 28-391, 28-392, 28-393, 28-394, 28-397, 28-398,  
29 28-502, 28-503, 28-507, 28-703, 28-707, 28-813.01, 28-831, 28-833,  
30 28-904, 28-905, 28-912, 28-929, 28-930, 28-931, 28-931.01, 28-932,  
31 28-933, 28-934, 28-1005, 28-1009, 28-1105.01, 28-1205, 28-1212.02,

1 28-1212.04, 28-1221, 28-1222, 28-1223, 28-1224, 28-1351, 28-1463.03,  
2 28-1463.05, or 42-924;

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

5 (A) Sexual contact or sexual penetration; or

6 (B) The threat to inflict serious bodily injury or death on another  
7 person, the infliction of serious bodily injury on another person, or  
8 causing the death of another person;

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

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

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

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

21 **Sec. 31.** Licensed premises means the premises specified in an  
22 application for a license under the Nebraska Medical Cannabis Regulation  
23 Act, which are owned by or in the possession of the licensee and within  
24 which the licensee is authorized to cultivate, process, manufacture,  
25 distribute, transport, sell, or test cannabis in accordance with the  
26 Nebraska Medical Cannabis Regulation Act.

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

29 **Sec. 33.** Local governing body means (1) the city council or village  
30 board of trustees of a city or village within which the licensed premises  
31 are located or (2) if the licensed premises are not within the corporate

1 limits of a city or village, the county board of the county within which  
2 the licensed premises are located.

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

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

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

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

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

16 **Sec. 39.** Products manufacturer means a person licensed by the  
17 commission, as part of a vertical license, to conduct extraction and to  
18 manufacture cannabis products pursuant to the Nebraska Medical Cannabis  
19 Regulation Act for sale and distribution to dispensaries and other  
20 products manufacturers, but not to qualified patients or registered  
21 caregivers.

22 **Sec. 40.** Revoke means to permanently void and recall all rights and  
23 privileges of a license.

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

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

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

30 (3) Is approved by the commission.

31 **Sec. 42.** Suspend means to cause a temporary interruption of all

1 rights and privileges of a license.

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

5 **Sec. 44.** THC means tetrahydrocannabinol.

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

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

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

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

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

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

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

30 (4) The Governor may appoint two additional members, subject to  
31 confirmation by a majority of the members elected to the Legislature, to

1 serve with the members of the Nebraska Liquor Control Commission as  
2 members of the Nebraska Medical Cannabis Commission. The members  
3 appointed pursuant to this subsection shall serve six-year terms.

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

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

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

14 **Sec. 50.** A majority of the members of the commission shall  
15 constitute a quorum to transact business, but no vacancy shall impair the  
16 right of the remaining commissioners to exercise all of the powers of the  
17 commission. Every act of a majority of the commissioners shall be deemed  
18 to be the act of the commission.

19 **Sec. 51.** (1) The commission shall have an executive director, to be  
20 appointed by the commission. The executive director of the Nebraska  
21 Liquor Control Commission may also serve as the executive director of the  
22 Nebraska Medical Cannabis Commission, or the Nebraska Medical Cannabis  
23 Commission may appoint a separate individual to serve as its executive  
24 director. If the commission appoints a separate individual, such  
25 appointment shall be subject to the approval of the Governor.

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

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

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

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

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

14           **Sec. 54.**     The commissioners, the executive director of the  
15 commission, and all employees of the commission shall be reimbursed for  
16 expenses incurred in the discharge of their official duties as provided  
17 in sections 81-1174 to 81-1177. The commission may also incur necessary  
18 expenses for office furniture and other incidental expenses. No  
19 commissioner, executive director, or employee of the commission shall  
20 request or be allowed mileage or other traveling expenses unless such  
21 sections are strictly complied with.

22           **Sec. 55.**     (1) The office of the commission shall be in Lincoln, but  
23 the commission may, with the approval of the Governor, establish and  
24 maintain branch offices at places other than the seat of government.

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

28           (3) The commission may, for authentication of its records, process,  
29 and proceedings, adopt, keep, and use a common seal, of which seal  
30 judicial notice shall be taken in all of the courts of the state. Any  
31 process, notice, or other paper which the commission is authorized by law



1 to issue shall be deemed sufficient if signed by the chairperson and  
2 executive director of the commission and authenticated by such seal. All  
3 acts, orders, proceedings, rules, regulations, entries, minutes, and  
4 other records of the commission and all reports and documents filed with  
5 the commission may be proved in any court of this state by copy thereof  
6 certified to by the executive director attached.

7 **Sec. 56.** The Attorney General shall designate an assistant attorney  
8 general or assistant attorneys general, when requested by the commission  
9 and directed by the Governor, and the services of such assistant attorney  
10 general or assistant attorneys general shall be available to the  
11 commission whenever demanded. The compensation of such assistant attorney  
12 general or assistant attorneys general as are assigned to the commission  
13 shall be paid by the office of the Attorney General.

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

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

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

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

29 (3) This section shall not prevent any commissioner, the executive  
30 director, or any employee from engaging in any conduct as a qualified  
31 patient or registered caregiver that is protected under the Nebraska

1 Medical Cannabis Patient Protection Act.

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

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

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

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

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

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

21 **Sec. 59.** (1) A commissioner, the executive director, or a  
22 commission employee with regulatory oversight responsibilities for  
23 licensees shall not work for, represent, or provide consulting services  
24 to or otherwise derive pecuniary gain from a licensee or other business  
25 entity established for the primary purpose of providing services to the  
26 medical cannabis industry for a period of six months following such  
27 person's last day of service to, or employment with, the commission.

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

29 **Sec. 60.** On or before January 1, 2027, and annually thereafter, the  
30 commission shall publish a report of its actions during the preceding  
31 year, including a comprehensive description of its activities and

1 including the number of licensees of each class issued; enforcement  
2 actions in which fines, suspensions, revocations, or other disciplinary  
3 sanctions were issued; and a statement of revenue and expenses of the  
4 commission.

5 **Sec. 61.** The commission and the Department of Agriculture,  
6 Department of Revenue, and Department of Health and Human Services shall  
7 work collaboratively in furtherance of the intent of the Nebraska Medical  
8 Cannabis Regulation Act and to ensure that the cultivation, processing,  
9 manufacture, distribution, transportation, testing, and sale of cannabis  
10 in this state is conducted in accordance with the act.

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

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

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

24 (c) Requirements and procedures for testing cannabis for potency and  
25 the presence of contaminants and to otherwise ensure the safety of  
26 qualified patients;

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

31 (e) Specifications of duties of officers and employees of the

1 commission;

2 (f) Instructions for local governing bodies and law enforcement  
3 officers;

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

7 (h) Documentation for identifying licensees and their owners,  
8 officers, managers, and employees;

9 (i) A schedule of penalties for violations and procedures for  
10 issuing and appealing citations for violations of statutes and rules and  
11 issuing administrative citations;

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

20 (k) Regulations on the storage of, warehouses for, and  
21 transportation of cannabis;

22 (l) Regulations concerning the statewide track and trace system and  
23 seed-to-sale tracking system as provided in section 120 of this act;

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

30 (n) Rules concerning disposal of cannabis by licensees, qualified  
31 patients, registered caregivers, and others as deemed necessary or

1 appropriate by the commission;

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

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

6 (q) Sanitary requirements for dispensaries;

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

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

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

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

17 **Sec. 63.** The commission may develop such forms, applications, and  
18 other documentation as are necessary or convenient in the discretion of  
19 the commission for the administration of the Nebraska Medical Cannabis  
20 Regulation Act or any rules and regulations adopted and promulgated  
21 thereunder.

22 **Sec. 64.** Nothing in the Nebraska Medical Cannabis Regulation Act  
23 shall be construed as delegating to the commission the power to fix  
24 prices for cannabis.

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

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

30 (2) Require testing of cannabis before the commission has licensed  
31 any testing facilities or, if such facilities have been licensed, before

1 such facilities are capable of performing any required tests in a timely  
2 manner;

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

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

9 (5) Prohibit cultivation of cannabis using inorganic cultivation  
10 methods.

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

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

18 (3) The commission may update such material as often as it deems  
19 necessary.

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

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

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

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

31 **Sec. 68.** The commission may request the State Fire Marshal to

1 inspect any licensed premises or premises for which a license is sought  
2 for fire safety pursuant to section 81-502. The State Fire Marshal shall  
3 assess a fee for such inspection pursuant to section 81-505.01 payable by  
4 such licensee or applicant. The State Fire Marshal may delegate the  
5 authority to make such inspections to qualified local fire prevention  
6 personnel pursuant to section 81-502.

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

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

13 (b) Which reveals any qualified patient or registered caregiver  
14 information; or

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

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

23 **Sec. 70.** A person who discloses confidential records or information  
24 in violation of the Nebraska Medical Cannabis Regulation Act shall be  
25 guilty of a Class II misdemeanor.

26 **Sec. 71.** (1) The Medical Cannabis Control Fund is created. The fund  
27 shall consist of all fees, gifts, grants, and other money, excluding  
28 finances and civil penalties, received or collected by the commission under  
29 the Nebraska Medical Cannabis Regulation Act.

30 (2) The commission shall use the fund for the administration and  
31 enforcement of the Nebraska Medical Cannabis Regulation Act. The fund may

1 be used to cover any such administrative or enforcement costs, including,  
2 but not limited to, salary and benefits; expenses incurred by the  
3 commission in producing or distributing the forms, materials, and other  
4 documentation required by the act; costs of equipment needed to enforce  
5 the act; and costs associated with electronic regulatory transactions,  
6 industry education events, and enforcement training.

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

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

13 **Sec. 72.** Section 3, Initiative Law 2024, No. 438, is amended to  
14 read:

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

23 (2) Conduct protected by the Nebraska Medical Cannabis Regulation  
24 Act this section shall not be subject to the Uniform Controlled  
25 Substances Act.

26 **Sec. 73.** A contract entered into by a licensee or its employees or  
27 agents, or by those who allow their property to be used by a licensee or  
28 its employees or agents, shall not be unenforceable on the basis that  
29 possessing, cultivating, processing, manufacturing, distributing,  
30 dispensing, testing, transporting, selling, or using cannabis is  
31 prohibited by federal law. It is the public policy of the State of



1 Nebraska that such contracts shall be enforceable to the same extent as  
2 other contracts.

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

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

12 **Sec. 75.** There shall be the following classes of licenses under the  
13 Nebraska Medical Cannabis Regulation Act:

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

19 **Sec. 76.** (1) The commission may issue a vertical license that  
20 authorizes the licensee to operate an integrated medical cannabis  
21 business. Each vertical license shall allow the licensee to operate:

- 22 (a) One dispensary license per congressional district;
- 23 (b) One products manufacturing license; and
- 24 (c) One cultivation license.

25 (2) A person shall only operate as a dispensary, products  
26 manufacturer, or cultivator as part of a vertical license.

27 (3) Until January 1, 2030, the commission shall not issue more than  
28 ten vertical licenses statewide.

29 (4) An applicant for a vertical license shall only be required to  
30 pay a single licensing fee under section 95 of this act. However, each  
31 sublicense shall be separately subject to discipline and shall be subject

1 to the approval and issuance process and local oversight provided in  
2 sections 75 to 98 of this act.

3 **Sec. 77.** (1) Beginning January 1, 2026, a person may apply for a  
4 license under the Nebraska Medical Cannabis Regulation Act. An  
5 application for issuance or renewal of a license shall be:

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

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

8 (c) Verified by oath or affirmation of the persons prescribed by the  
9 commission.

10 (2) An application for issuance or renewal of a license shall  
11 include:

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

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

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

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

21 (e) A statement that:

22 (i) If the application is submitted before January 1, 2030, the  
23 applicant satisfies the residency requirements of section 78 of this act;  
24 and

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

26 (f) A statement that the applicant intends to operate the business  
27 authorized by the license on the applicant's own behalf and not as the  
28 agent of any other person and that if licensed the applicant will operate  
29 such business on the applicant's own behalf and not as the agent for any  
30 other person;

31 (g) A statement that the applicant intends to superintend in person

1 the management of the business licensed and that, if so licensed, the  
2 applicant will superintend in person the management of the business; and

3 (h) Such other information as the commission may from time to time  
4 direct.

5 (3)(a) An applicant for initial issuance shall also submit two  
6 legible sets of fingerprints to be furnished to the Federal Bureau of  
7 Investigation through the Nebraska State Patrol for a national criminal  
8 history record check and the fee for such record check payable to the  
9 patrol. The applicant shall authorize release of the national criminal  
10 history record check to the commission.

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

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

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

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

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

30 (1) The commission shall not issue or renew a license unless at  
31 least fifty-one percent of the ownership of the applicant is comprised of

1 natural persons who have been residents of Nebraska for at least two  
2 years; and

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

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

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

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

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

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

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

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

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

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

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

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

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

2       (10) A publicly traded company.

3       **Sec. 80.**   (1)(a) An application for initial issuance of a license  
4       shall be accompanied by a fee in an amount determined by the commission.

5       (b) The fee for initial issuance of a license shall be an amount  
6       determined by the commission, which shall be at least fifty thousand  
7       dollars and not more than one hundred thousand dollars. The commission  
8       shall set the fee in an amount to cover the commission's expenses in  
9       carrying out its responsibilities under the Nebraska Medical Cannabis  
10       Regulation Act. The commission may adjust the fee annually within the  
11       limits set by this subsection.

12       (2)(a) An application for renewal of a license shall be accompanied  
13       by a fee in an amount determined by the commission.

14       (b) The fee for renewal of a license shall be an amount determined  
15       by the commission, which shall be at least ten thousand dollars and not  
16       more than twenty-five thousand dollars. The commission shall set the fee  
17       in an amount to cover the commission's expenses in carrying out its  
18       responsibilities under the Nebraska Medical Cannabis Regulation Act. The  
19       commission may adjust the fee annually within the limits set by this  
20       subsection.

21       (3) Application fees paid to the commission shall be remitted to the  
22       State Treasurer for credit as follows:

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

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

28       (4)(a) The city or village treasurer shall credit fees received  
29       under this section to the school fund of the school district lying wholly  
30       or partially within the corporate limits of such city or village.

31       (b) The county treasurer shall credit fees received under this

1 section to the school fund of the county.

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

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

8 **Sec. 82.** Upon receiving an application for a license, the  
9 commission shall notify the clerk of the city or village in which such  
10 license is sought or, if the license sought is not sought within a city  
11 or village, the county clerk of the county in which such license is  
12 sought, of the receipt of the application and shall include one copy of  
13 the application with the notice. No such license shall be issued or  
14 denied by the commission until the expiration of the time allowed for the  
15 receipt of a recommendation of denial or a resident objection requiring a  
16 hearing under subsection (1) or (2) of section 86 of this act. During the  
17 period of forty-five days after the date of receipt by mail or electronic  
18 delivery of such application from the commission, the local governing  
19 body of such city, village, or county may make and submit to the  
20 commission recommendations relative to the granting or denial of such  
21 license to the applicant.

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

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

31 (a) The applicant is fit, willing, and able to properly provide the

1 service proposed within the city, village, or county where the premises  
2 described in the application are located;

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

6 (c) The applicant has demonstrated that the type of management and  
7 control to be exercised over the premises described in the application  
8 will be sufficient to ensure that the licensed business can conform to  
9 all provisions and requirements of the Nebraska Medical Cannabis  
10 Regulation Act and rules and regulations adopted and promulgated  
11 thereunder; and

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

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

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

17 (b) Any resident objection made in accordance with section 86 of  
18 this act;

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

21 (d) The nature of the neighborhood or community of the location of  
22 the proposed licensed premises;

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

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

30 (g) The adequacy of existing law enforcement;

31 (h) Zoning restrictions;

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

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

6       (4) Until January 1, 2030, vertical licenses shall be issued on a  
7 competitive, merit-based application process. Applicants will be  
8 evaluated on eight core criteria, with primary emphasis placed on  
9 comprehensive business plans, financial stability, facility design, and  
10 operational readiness, collectively ensuring a solid foundation for  
11 sustainable operations. Additional prioritization will be given to  
12 applicants demonstrating local ownership through Nebraska residency, a  
13 proven compliance history in regulated industries, relevant industry  
14 experience, and robust diversity, equity, and inclusion initiatives. This  
15 scoring process is designed to foster a transparent, equitable, and  
16 community-focused cannabis industry, ensuring public safety and patient  
17 accessibility while maximizing local economic benefits.

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

31       (ii) Products manufacturer facilities may operate in industrial

1 zones; and

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

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

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

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

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

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

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

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

31 (4)(a) Hearings upon such applications shall be conducted as

1 provided in this subsection.

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

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

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

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

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

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

31 (4) Such hearing shall be held not more than forty-five days after

1 the date of receipt of the notice from the commission, and after such  
2 hearing the local governing body shall cause to be recorded in the minute  
3 record of their proceedings a resolution recommending either issuance or  
4 denial of such license.

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

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

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

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

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

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

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

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

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

11       NOTICE OF RENEWAL OF MEDICAL CANNABIS LICENSE

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

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

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

22       (Name)

23       (City, village, or county) Clerk

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

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

31       **Sec. 92.** Each license issued under the Nebraska Medical Cannabis

1 Regulation Act shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (c) The particular premises of the licensed premises, designating  
30 the premises by street and number if practicable or, if not, by such  
31 other description as definitively locates the premises;

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

3       (e) A statement that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28       (2) A license shall not:

29       (a) Constitute property;

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

31       (c) Except as provided in section 95 of this act, be alienable or



1 transferable, voluntarily or involuntarily; or

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

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

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

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

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

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

28 **Sec. 99.** The commission and local governing bodies shall cause  
29 frequent inspection to be made on the premises of all licensees. If it is  
30 found that any such licensee is violating any provision of the Nebraska  
31 Medical Cannabis Regulation Act or the rules and regulations of the

1 commission adopted and promulgated under the act or is failing to observe  
2 in good faith the purposes of the act, the license may be suspended,  
3  canceled, or revoked after the licensee is given notice and an  
4  opportunity to be heard.

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

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

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

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

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

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

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

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

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

30       (6) Any license may be summarily suspended by the commission without  
31 notice pending any prosecution, investigation, or public hearing of a

1 licensee.

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

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

9 (1) Censure;

10 (2) Probation;

11 (3) Limitation;

12 (4) Civil penalty;

13 (5) Suspension for up to six months;

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

16 (7) Revocation.

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

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

28 **Sec. 105.** (1) If the commission determines that cannabis in the  
29 possession of a licensee is involved in a violation of the Nebraska  
30 Medical Cannabis Regulation Act, the rules and regulations adopted and  
31 promulgated thereunder, an ordinance regulating cannabis, or any terms or

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

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

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

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

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

31 **Sec. 106.** The state, local governments, and any state or local

1 agency shall not be required to cultivate or care for any cannabis seized  
2 for a violation of the Nebraska Medical Cannabis Regulation Act.

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

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

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

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

29 (a) The applicant or licensee;

30 (b) Any individual objecting pursuant to subsection (2) of section  
31 86 of this act;

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

3       (d) The commission.

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

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

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

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

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

27       (a) Determining that such violation has occurred;

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

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

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

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

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

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

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

28       (2)(a) Subject to section 65 of this act, a local governing body may  
29 regulate by ordinance, not inconsistent with the Nebraska Medical  
30 Cannabis Regulation Act, the business of all licensees operating within  
31 the jurisdiction of the local governing body.



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

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

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

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

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

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

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

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

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

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

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

25       (b) The commission; or

26       (c) A person designated by the commission.

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

29       (a) Another dispensary;

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

31       (c) A person designated by the commission.

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

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

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

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

15           **Sec. 114.** All cultivation, processing, and manufacture of cannabis  
16 shall:

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

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

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

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

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

31           **Sec. 116.** A licensee shall not permit the consumption of cannabis

1 on any licensed premises.

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

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

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

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

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

31 **Sec. 118.** (1) Every sale or transfer of cannabis from one licensee

1 to another licensee shall be recorded on a sales invoice or receipt.  
2 Sales invoices and receipts may be maintained electronically. Sales  
3 invoices and receipts shall:

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

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

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

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

10 (a) Name and address of the purchaser;

11 (b) Date of sale and invoice number;

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

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

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

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

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

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

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

30 (2) Each licensee shall, in accordance with the commission's rules  
31 and regulations, use a seed-to-sale tracking system. Any such system

1 shall be approved by the commission before use. The system must be  
2 capable of:

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

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

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

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

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

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

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

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

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

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

31 (2) A cannabis product may include cannabinoids extracted or derived

1 from cannabis cultivated and processed in accordance with the Nebraska  
2 Medical Cannabis Regulation Act, but shall not include synthetic  
3 cannabinoids.

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

7 (4) For purposes of this section:

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

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

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

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

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

29 **Sec. 123.** The commission shall adopt and promulgate rules and  
30 regulations for the packaging of cannabis, cannabis products, and  
31 concentrated cannabis which shall include:

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

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

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

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

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

18       (3) For purposes of this section:

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

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

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

31       (1) The source and date of cultivation, the type of product, and the

1 date of manufacturing and packaging;

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

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

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

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

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

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

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

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

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

29 (11) A batch or lot number;

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



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

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

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

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

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

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

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

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

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

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

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

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

26       (4) Includes an image of a celebrity.

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

31       (1) The multi-serving liquid is packaged in a structure that uses a

1 single mechanism to achieve both child-resistance and accurate pouring  
2 measurement of each liquid serving in increments equal to or less than  
3 ten milligrams of active delta-9 THC per serving, with no more than one  
4 hundred milligrams of active delta-9 THC total per package; and

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

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

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

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

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

16 (c) Flower: Five ounces; and

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

19 **Sec. 131.** (1) Subject to the Nebraska Medical Cannabis Regulation  
20 Act and the rules and regulations adopted and promulgated thereunder, a  
21 cultivator may cultivate and process cannabis plants for sale to  
22 dispensaries, to products manufacturers, and to other cultivators, but  
23 not to qualified patients or registered caregivers.

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

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

28 (4)(a) Each licensed cultivation site shall be limited to a maximum  
29 flowering canopy area of ten thousand square feet, as measured by the  
30 total square footage of space allocated for mature cannabis plants in the  
31 flowering stage of growth, excluding areas designated for vegetative

1 growth, propagation, and storage.

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

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

7 (a) Permitted and prohibited pesticides;

8 (b) Testing requirements for pesticide residues and other hazardous  
9 substances;

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

12 (d) Record-keeping requirements; and

13 (e) Waste disposal requirements and procedures.

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

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

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

20 (b) Tinctures;

21 (c) Capsules;

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

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

24 (f) Transdermal patches;

25 (g) Suppositories;

26 (h) Pre-rolled flower products; and

27 (i) Pre-filled vaporizer cartridges.

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

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

31 (1) Process and prepare cannabis into a form allowable under the

1 Nebraska Medical Cannabis Regulation Act prior to distribution to any  
2 dispensary;

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

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

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

15 (2) A products manufacturer shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31       **Sec. 138.** The commission may adopt and promulgate rules and

1 regulations that limit the amount of cannabis inventory that a dispensary  
2 may have on hand. Any such limitation must be commercially reasonable and  
3 consider factors including a dispensary's sales history.

4 **Sec. 139.** A display case in a dispensary containing concentrated  
5 cannabis shall include the potency of the concentrated cannabis next to  
6 the name of the product.

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

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

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

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

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

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

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

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

31 (2) When a testing facility has completed testing a sample of

1 cannabis, the sample shall be disposed of in accordance with the rules  
2 and regulations of the commission.

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

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

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

17 **Sec. 147.** The commission shall adopt and promulgate rules and  
18 regulations for testing requirements for testing facilities. The  
19 commission may adopt standards based on those of the International  
20 Organization for Standardization. The testing requirements shall include:

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

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

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

25 (c) The composition; and

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

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

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

1 manufacturer.

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

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

9 **Sec. 150.** A violation of any provision of the Nebraska Medical  
10 Cannabis Regulation Act for which a penalty is not otherwise provided  
11 shall be a Class IV misdemeanor for a first offense and a Class II  
12 misdemeanor for any subsequent offense.

13 **Sec. 151.** Any licensee who permits, assents, or is a party in any  
14 way to any violation or infringement of the Nebraska Medical Cannabis  
15 Regulation Act shall be deemed guilty of a violation of the act. Any  
16 money loaned contrary to a provision of the act shall not be recovered  
17 back. Any note, mortgage, or other evidence of indebtedness, any  
18 security, or any lease or contract obtained or made contrary to the act  
19 shall be unenforceable and void.

20 **Sec. 152.** If the owner of the licensed premises or any person from  
21 whom the licensee derives the right to possession of such premises, or  
22 the agent of such owner or person, knowingly permits the licensee to use  
23 such licensed premises in violation of the terms of the Nebraska Medical  
24 Cannabis Regulation Act, such owner, agent, or other person shall be  
25 deemed guilty of a violation of the act to the same extent as such  
26 licensee and be subject to the same punishment.

27 **Sec. 153.** Every act or omission of whatsoever nature constituting a  
28 violation of any of the provisions of the Nebraska Medical Cannabis  
29 Regulation Act by any officer, director, manager, or other agent or  
30 employee of any licensee, if such act is committed or omission is made  
31 with the authorization, knowledge, or approval of the licensee, shall be



1 deemed and held to be the act of such employer or licensee, and such  
2 employer or licensee shall be punishable in the same manner as if such  
3 act or omission had been done or omitted by him or her personally.

4       **Sec. 154.** Section 28-416, Revised Statutes Cumulative Supplement,  
5 2024, is amended to read:

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

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

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

1 applies.

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

20 (b) For purposes of this subsection:

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

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

30 (iii) Youth center means any recreational facility or gymnasium,  
31 including any parking lot appurtenant to the facility or gymnasium,

1 intended primarily for use by persons under eighteen years of age which  
2 regularly provides athletic, civic, or cultural activities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 (b) At least twenty-eight grams but less than one hundred forty

1 grams shall be guilty of a Class IC felony; or

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

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

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

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

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

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

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

30 (14) Any person convicted of violating this section, if placed on  
31 probation, shall, as a condition of probation, satisfactorily attend and

1 complete appropriate treatment and counseling on drug abuse provided by a  
2 program authorized under the Nebraska Behavioral Health Services Act or  
3 other licensed drug treatment facility.

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

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

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

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

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

30 (a) If the person convicted or adjudicated of violating this section  
31 is eighteen years of age or younger and has one or more licenses or

1 permits issued under the Motor Vehicle Operator's License Act:

2 (i) For the first offense, the court may, as a part of the judgment  
3 of conviction or adjudication, (A) impound any such licenses or permits  
4 for thirty days and (B) require such person to attend a drug education  
5 class;

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

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

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

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

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

1 (iii) For a third or subsequent offense, the court may, as part of  
2 the judgment of conviction or adjudication, (A) prohibit such person from  
3 obtaining any permit or any license pursuant to the act for which such  
4 person would otherwise be eligible until twelve months after the date of  
5 such order and (B) require such person to complete no fewer than sixty  
6 hours of community service, to attend a drug education class, and to  
7 submit to a drug assessment by a licensed alcohol and drug counselor.

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

13 **Sec. 155.** Section 28-439, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

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

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

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

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



1       (d) ~~(4)~~ Objects used, intended for use, or designed for use in  
2 ingesting, inhaling, or otherwise introducing marijuana, cocaine,  
3 hashish, or hashish oil into the human body, which shall include but not  
4 be limited to the following:

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

8       (ii) ~~(b)~~ Water pipes;

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

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

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

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

15       (vii) ~~(g)~~ Chamber pipes;

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

17       (ix) ~~(i)~~ Electric pipes;

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

19       (xi) ~~(k)~~ Chillums;

20       (xii) ~~(l)~~ Bonges; and

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

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

26       **Sec. 156.** Section 53-105, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28       53-105 There is hereby created the Nebraska Liquor Control  
29 Commission, consisting of three members to be appointed by the Governor,  
30 subject to confirmation by a majority of the members elected to the  
31 Legislature, no more than two of whom shall be members of the same

1 political party, and no two shall be citizens of the same congressional  
2 district. The members of the Nebraska Liquor Control Commission shall  
3 also serve as members of the Nebraska Medical Cannabis Commission as  
4 provided in section 48 of this act.

5 **Sec. 157.** Section 53-106, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 53-106 The Governor shall appoint three members of the commission,  
8 one of whom the Governor ~~he~~ shall designate as chairperson ~~chairman~~. One  
9 member shall be appointed every two years and shall hold office for a  
10 period of six years. Any appointee may be removed by the Governor, after  
11 an opportunity to be heard, for malfeasance, misfeasance, or neglect in  
12 office. No person shall be appointed to the commission, or continue to  
13 hold that office after appointment, while holding any other office or  
14 position under the laws of this state, any other state, or of the United  
15 States, except that the commissioners shall also serve as members of the  
16 Nebraska Medical Cannabis Commission as provided in section 48 of this  
17 act.

18 **Sec. 158.** Section 53-110, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 53-110 (1) For purposes of this section:

21 (a) Cannabis has the same meaning as in section 2 of this act;

22 (b) Commission means the Nebraska Liquor Control Commission and the  
23 Nebraska Medical Cannabis Commission;

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

28 (d) Covered offense means:

29 (i) A felony; or

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

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

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

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

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

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

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

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

30           (b) With the written approval of the executive director, an employee  
31 of the commission, other than the executive director or a division

1 manager, may accept part-time or seasonal employment with a person  
2 licensed or regulated by the commission. No such employment shall be  
3 approved if the licensee receives more than fifty percent of the  
4 licensee's gross revenue from the sale or dispensing of alcoholic liquor  
5 or cannabis.

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

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

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

15 **Sec. 159.** Section 53-111, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

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

1           **Sec. 160.** Section 60-6,211.08, Reissue Revised Statutes of Nebraska,  
2 is amended to read:

3           60-6,211.08 (1) For purposes of this section:

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

14           **(b) Cannabis has the same meaning as in section 2 of this act;**

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

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

23           **(e) ~~(d)~~ Open alcoholic beverage container, except as provided in  
24 subsection (3) of section 53-123.04 and subdivision (1)(c) of section  
25 53-123.11, means any bottle, can, or other receptacle:**

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

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

29           **(f) ~~(e)~~ Passenger area means the area designed to seat the driver  
30 and passengers while the motor vehicle is in operation and any area that  
31 is readily accessible to the driver or a passenger while in their seating**

1 positions, including any compartments in such area. Passenger area does  
2 not include the area behind the last upright seat of such motor vehicle  
3 if the area is not normally occupied by the driver or a passenger and the  
4 motor vehicle is not equipped with a trunk.

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

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

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

26 **Sec. 161.** Section 71-5727, Revised Statutes Cumulative Supplement,  
27 2024, is amended to read:

28 71-5727 (1) Smoke or smoking means inhaling, exhaling, burning, or  
29 carrying any lighted or heated:

30 (a) Cigar ~~cigar~~, cigarette, pipe, hookah, or any other lighted or  
31 heated tobacco or plant product intended for inhalation, whether natural

1 or synthetic, in any manner or in any form; or -

2 (b) Cannabis as defined in section 2 of this act.

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

6 **Sec. 162.** Section 77-2701.02, Revised Statutes Cumulative  
7 Supplement, 2024, is amended to read:

8 77-2701.02 Pursuant to section 77-2715.01:

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

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

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

17 (4) Commencing on the start of the first calendar quarter after July  
18 20, 2002, and until July 1, 2023, the rate of the sales tax levied  
19 pursuant to section 77-2703 shall be five and one-half percent;

20 (5) Commencing July 1, 2023, and until July 1, 2024, the rate of the  
21 sales tax levied pursuant to section 77-2703 shall be five and one-half  
22 percent, except that such rate shall be two and three-quarters percent on  
23 transactions occurring within a good life district as defined in section  
24 77-4403; and

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

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

1           (b) Four percent for sales of cannabis by dispensaries to qualified  
2 patients and registered caregivers under the Nebraska Medical Cannabis  
3 Patient Protection Act.

4           **Sec. 163.** Section 77-2701.48, Reissue Revised Statutes of Nebraska,  
5 is amended to read:

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

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

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

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

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

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



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

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

31           **Sec. 164.** Section 77-2704.09, Reissue Revised Statutes of Nebraska,

1 is amended to read:

2 77-2704.09 (1) Sales and use taxes shall not be imposed on the gross  
3 receipts from the sale, lease, or rental of and the storage, use, or  
4 other consumption in this state of (a) insulin, (b) mobility enhancing  
5 equipment and drugs, not including over-the-counter drugs, when sold for  
6 a patient's use under a prescription, and (c) the following when sold for  
7 a patient's use under a prescription and which are of the type eligible  
8 for coverage under the medical assistance program established pursuant to  
9 the Medical Assistance Act: Durable medical equipment; home medical  
10 supplies; prosthetic devices; oxygen; and oxygen equipment.

11 (2) For purposes of this section:

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

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

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

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

22 (ii) Drug does not include cannabis obtained pursuant to the  
23 Nebraska Medical Cannabis Patient Protection Act;

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

30 (c) Home medical supplies means supplies primarily and customarily  
31 used to serve a medical purpose which are appropriate for use in the home

1 and are generally not useful to a person in the absence of illness or  
2 injury;

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

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

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

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

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

1 parts.

2       **Sec. 165.** Section 77-27,132, Revised Statutes Cumulative Supplement,  
3 2024, is amended to read:

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

12       (2) The Tax Commissioner shall pay to a depository bank designated  
13 by the State Treasurer all amounts collected under the Nebraska Revenue  
14 Act of 1967. The Tax Commissioner shall present to the State Treasurer  
15 bank receipts showing amounts so deposited in the bank, and of the  
16 amounts so deposited the State Treasurer shall:

17       (a)(i) For transactions occurring on or after October 1, 2014, and  
18 before July 1, 2024, credit to the Game and Parks Commission Capital  
19 Maintenance Fund all of the proceeds of the sales and use taxes imposed  
20 pursuant to section 77-2703 on the sale or lease of motorboats as defined  
21 in section 37-1204, personal watercraft as defined in section 37-1204.01,  
22 all-terrain vehicles as defined in section 60-103, and utility-type  
23 vehicles as defined in section 60-135.01; and

24       (ii) For transactions occurring on or after July 1, 2024, credit to  
25 the Game and Parks Commission Capital Maintenance Fund all of the  
26 proceeds of the sales and use taxes imposed pursuant to section 77-2703  
27 on the sale or lease of motorboats as defined in section 37-1204,  
28 personal watercraft as defined in section 37-1204.01, all-terrain  
29 vehicles as defined in section 60-103, and utility-type vehicles as  
30 defined in section 60-135.01, and from such proceeds, transfers shall be  
31 made to the Nebraska Emergency Medical System Operations Fund as provided

1 in section 37-327.02;

2 (b) Credit to the Highway Trust Fund all of the proceeds of the  
3 sales and use taxes derived from the sale or lease for periods of more  
4 than thirty-one days of motor vehicles, trailers, and semitrailers,  
5 except that the proceeds equal to any sales tax rate provided for in  
6 section 77-2701.02 that is in excess of five percent derived from the  
7 sale or lease for periods of more than thirty-one days of motor vehicles,  
8 trailers, and semitrailers shall be credited to the Highway Allocation  
9 Fund;

10 (c) For transactions occurring on or after July 1, 2013, and before  
11 July 1, 2042, of the proceeds of the sales and use taxes derived from  
12 transactions other than those listed in subdivisions (2)(a), (b), ~~and~~  
13 ~~(e), and (f)~~ of this section from a sales tax rate of one-quarter of one  
14 percent, credit monthly eighty-five percent to the Highway Trust Fund and  
15 fifteen percent to the Highway Allocation Fund;

16 (d) Of the proceeds of the sales and use taxes derived from  
17 transactions other than those listed in subdivisions (2)(a), (b), ~~and~~  
18 ~~(e), and (f)~~ of this section, credit to the Property Tax Credit Cash Fund  
19 the amount certified under section 77-27,237, if any such certification  
20 is made; ~~and~~

21 (e) For transactions occurring on or after July 1, 2023, credit to  
22 the Department of Transportation Aeronautics Capital Improvement Fund all  
23 of the proceeds of the sales and use taxes imposed pursuant to section  
24 77-2703 on the sale or lease of aircraft as defined in section 3-101;  
25 ~~and -~~

26 (f) Credit to the Medical Cannabis Control Fund all of the proceeds  
27 of the sales and use taxes imposed pursuant to section 77-2703 on the  
28 sale of cannabis by dispensaries to qualified patients and registered  
29 caregivers under the Nebraska Medical Cannabis Patient Protection Act.

30 The balance of all amounts collected under the Nebraska Revenue Act  
31 of 1967 shall be credited to the General Fund.

1           **Sec. 166.** Section 77-4303, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           77-4303 (1) A tax is hereby imposed on marijuana and controlled  
4 substances at the following rates:

5           (a) On each ounce of marijuana or each portion of an ounce, one  
6 hundred dollars;

7           (b) On each gram or portion of a gram of a controlled substance that  
8 is customarily sold by weight or volume, one hundred fifty dollars; or

9           (c) On each fifty dosage units or portion thereof of a controlled  
10 substance that is not customarily sold by weight, five hundred dollars.

11           (2) For purposes of calculating the tax under this section,  
12 marijuana or any controlled substance that is customarily sold by weight  
13 or volume shall be measured by the weight of the substance in the  
14 dealer's possession. The weight shall be the actual weight, if known, or  
15 the estimated weight as determined by the Nebraska State Patrol or other  
16 law enforcement agency. Such determination shall be presumed to be the  
17 weight of such marijuana or controlled substances for purposes of  
18 sections 77-4301 to 77-4316.

19           (3) The tax shall not be imposed upon a person registered or  
20 otherwise lawfully in possession of marijuana or a controlled substance  
21 pursuant to Chapter 28, article 4, or lawfully in possession of cannabis  
22 under the Nebraska Medical Cannabis Patient Protection Act or the  
23 Nebraska Medical Cannabis Regulation Act.

24           **Sec. 167.** Section 81-2,239, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26           81-2,239 Sections 81-2,239 to 81-2,292 and section 169 of this act  
27 and the provisions of the Food Code and the Current Good Manufacturing  
28 Practice In Manufacturing, Packing, or Holding Human Food adopted by  
29 reference in sections 81-2,257.01 and 81-2,259, shall be known and may be  
30 cited as the Nebraska Pure Food Act.

31           **Sec. 168.** Section 81-2,263, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 81-2,263 If there is an inconsistency between sections 81-2,239 to  
3 81-2,292 and section 169 of this act and any code adopted by reference,  
4 the requirements of the sections shall control.

5 **Sec. 169.** Edible cannabis products sold under the Nebraska Medical  
6 Cannabis Regulation Act are subject to the Nebraska Pure Food Act to the  
7 same extent as other items of food.

8 **Sec. 170.** Section 81-1021, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10 81-1021 (1) All motor vehicles acquired by the State of Nebraska  
11 except any vehicle rented as a bureau fleet vehicle shall be indelibly  
12 and conspicuously lettered, in plain letters of a contrasting color or  
13 reflective material:

14 (a) On each side thereof with the words State of Nebraska and  
15 following such words the name of whatever board, department, bureau,  
16 division, institution, including the University of Nebraska or state  
17 college, office, or other state expending agency of the state to which  
18 the motor vehicle belongs; and

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

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

22 (a) The Nebraska State Patrol, the Public Service Commission, the  
23 Game and Parks Commission, deputy state sheriffs employed by the Nebraska  
24 Brand Committee and State Fire Marshal for state law enforcement  
25 purposes, inspectors employed by the Nebraska Liquor Control Commission  
26 or the Nebraska Medical Cannabis Commission, and persons employed by the  
27 Tax Commissioner for state revenue enforcement purposes, the exemption  
28 for state law enforcement purposes and state revenue enforcement purposes  
29 being confined strictly to the seven agencies specifically named;

30 (b) The Department of Health and Human Services or the Department of  
31 Correctional Services for the purpose of apprehending and returning

1 escaped offenders or parole violators to facilities in the Department of  
2 Correctional Services and transporting offenders and personnel of the  
3 Department of Correctional Services and patients and personnel of the  
4 Department of Health and Human Services who are engaged in off-campus  
5 program activities;

6 (c) The Military Department;

7 (d) Vocational rehabilitation counselors and the Department of  
8 Health and Human Services for the purposes of communicable disease  
9 control, for the prevention and control of those communicable diseases  
10 which endanger the public health, or used by the Department of Health and  
11 Human Services in the enforcement of drug control laws or for other  
12 investigation purposes;

13 (e) The Department of Agriculture for special investigative  
14 purposes;

15 (f) The Nebraska Motor Vehicle Industry Licensing Board for  
16 investigative purposes;

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

19 (h) The Department of Justice.

20 **Sec. 171.** Original sections 28-439, 53-105, 53-106, 53-110, 53-111,  
21 60-6,211.08, 77-2701.48, 77-2704.09, 77-4303, 81-2,239, 81-2,263, and  
22 81-1021, Reissue Revised Statutes of Nebraska, sections 28-416, 71-5727,  
23 77-2701.02, and 77-27,132, Revised Statutes Cumulative Supplement, 2024,  
24 sections 1, 2, and 3, Initiative Law 2024, No. 437, and sections 1, 3, 4,  
25 and 5, Initiative Law 2024, No. 438, are repealed.

26 **Sec. 172.** The following sections are outright repealed: Sections  
27 28-463, 28-464, 28-465, 28-466, 28-467, 28-468, and 28-469, Reissue  
28 Revised Statutes of Nebraska, and sections 2 and 6, Initiative Law 2024,  
29 No. 438.

30 **Sec. 173.** Since an emergency exists, this act takes effect when  
31 passed and approved according to law.