

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1235**

Introduced by General Affairs Committee: Holdcroft, 36, Chairperson; Andersen, 49; Clouse, 37; DeKay, 40; Storm, 23.

Read first time January 21, 2026

Committee: General Affairs

1 A BILL FOR AN ACT relating to medical cannabis; to amend sections  
2 77-2701.48, 77-2704.09, and 77-4303, Reissue Revised Statutes of  
3 Nebraska, section 77-27,132, Revised Statutes Cumulative Supplement,  
4 2024, and sections 71-24,103, 71-24,104, 71-24,105, 71-24,106,  
5 71-24,107, 71-24,108, 71-24,109, 71-24,110, and 71-24,111, Revised  
6 Statutes Supplement, 2025; to change and transfer provisions of the  
7 Nebraska Medical Cannabis Patient Protection Act and the Nebraska  
8 Medical Cannabis Regulation Act; to provide for a registry of health care  
9 patients and caregivers; to provide for a directory of health care practitioners; to  
10 provide duties for health care practitioners; to provide for licensure and fees; to provide powers and duties for the  
11 Nebraska Medical Cannabis Commission; to provide for rules and  
12 regulations, penalties, discipline, appeals, and authority to recall  
13 unsafe or mislabeled cannabis; to provide for taxation of sales of  
14 medical cannabis and distribution of the revenue; to remove medical  
15 cannabis from the marijuana and controlled substances tax; to  
16 harmonize provisions; to repeal the original sections; and to  
17 declare an emergency.

18

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

1       **Section 1.** Section 71-24,103, Revised Statutes Supplement, 2025, is  
2       amended to read:

3       ~~71-24,103~~ Sections 1 to 12 of this act ~~71-24,103 to 71-24,105~~ shall  
4       be known and may be cited as the Nebraska Medical Cannabis Patient  
5       Protection Act.

6       **Sec. 2.** Section 71-24,104, Revised Statutes Supplement, 2025, is  
7       amended to read:

8       ~~71-24,104~~ For purposes of the Nebraska Medical Cannabis Patient  
9       Protection Act:

10       (1)(a) Allowable amount of cannabis means up to five ounces of  
11       cannabis.

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

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

19       (b) Cannabis includes marijuana, hashish, and concentrated cannabis.

20       (c) Cannabis does not include hemp, as defined in section 2-503, nor  
21       does it include the mature stalks of the plant, fiber produced from such  
22       stalks, oil or cake made from the seeds of the plant, the sterilized seed  
23       of the plant which is incapable of germination, or cannabidiol contained  
24       in a drug product approved by the federal Food and Drug Administration;

25       (3) Cannabis accessories means any equipment, products, or materials  
26       of any kind that are used, intended for use, or designed for use in  
27       storing, vaporizing, or containing cannabis, or for ingesting, inhaling,  
28       or otherwise introducing cannabis into the human body;

29       (4) Caregiver means:

30       (a) In the case of a qualified patient who is eighteen years of age  
31       or older and is not under the protection of a legal guardian, an

1    individual a person who:

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

3        (ii) Has been designated by a qualified patient in a signed

4    affidavit;

5        (b) In the case of a qualified patient who is younger than eighteen

6    years of age or a qualified patient under the protection of a legal

7    guardian:

8        (i) The legal guardian or a parent with authority to make health

9    care decisions for of the qualified patient; or

10       (ii) A person designated in a sworn affidavit by the legal guardian

11    or parent with authority to make health care decisions; or

12       (c) A health care facility as defined in section 71-413 or a home

13    health agency as defined in section 71-417, if the facility or agency has

14    been designated by a qualified patient or the legal guardian or parent

15    with authority to make health care decisions for of a qualified patient

16    in a sworn affidavit and if the facility or agency has agreed in writing

17    to serve as a caregiver for the qualified patient;

18       (5) Commission means the Nebraska Medical Cannabis Commission;

19       (6) ~~(5)~~ Health care practitioner means a physician, an osteopathic

20    physician, a physician assistant, or a nurse practitioner licensed under

21    the Uniform Credentialing Act ~~or who is licensed in any state and~~

22    ~~practicing in compliance with the Uniform Credentialing Act;~~

23       (7) Patient and caregiver registry means the registry of persons

24    seeking to become qualified patients and registered caregivers

25    established by the commission under section 4 of this act;

26       (8) Practitioner directory means the directory of health care

27    practitioners established by the commission under section 8 of this act;

28       (9) ~~(6)~~ Qualified patient means an individual who:

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

30        (b) ~~(a) An individual eighteen years of age or older with a~~

31    ~~written recommendation from a health care practitioner; or~~

1       (c) In the case of an (b) An individual who is younger than eighteen  
2       years of age or who is under the protection of a legal guardian, has with  
3       a written recommendation from a health care practitioner and with the  
4       written permission of a legal guardian or parent with authority to make  
5       health care decisions for the individual or of the guardian; and

6       (d) Is enrolled in the patient and caregiver registry;

7       (10) Qualifying medical condition means a medical condition for  
8       which a health care practitioner has determined, based on a professional  
9       medical assessment of the patient's health status:

10       (a) That the condition, its related symptoms, or side effects of the  
11       condition's treatment can be appropriately treated or alleviated with  
12       medical cannabis; and

13       (b) That, in the practitioner's professional judgment, and in  
14       accordance with the accepted standards of care that a reasonable and  
15       prudent practitioner would apply when recommending any medication or  
16       course of treatment, the potential benefits of medical cannabis outweigh  
17       the potential harms;

18       (11) Registered caregiver means a caregiver who is enrolled in the  
19       patient and caregiver registry; and

20       (12) (7) Written recommendation means a valid signed and dated  
21       declaration from a health care practitioner that complies with section 7  
22       of this act stating that, in the health care practitioner's professional  
23       judgment, the potential benefits of cannabis outweigh the potential harms  
24       for the alleviation of a patient's medical condition, its symptoms, or  
25       side effects of the condition's treatment. A written recommendation is  
26       valid for two years after the date of issuance or for a period of time  
27       specified by the health care practitioner on the written recommendation.

28       **Sec. 3.** Section 71-24,105, Revised Statutes Supplement, 2025, is  
29       amended to read:

30       71-24,105 (1) Subject to the requirements of the Nebraska Medical  
31       Cannabis Patient Protection Act, it shall not be an offense under state

1 or local law for:

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

6 (b) A registered caregiver to assist a qualified patient with the  
7 activities set forth in subdivision (1)(a) of this section by possessing  
8 and acquiring an allowable amount of cannabis and cannabis accessories on  
9 behalf of the qualified patient, and delivering an allowable amount of  
10 cannabis and cannabis accessories to the qualified patient, and providing  
11 assistance in administering or consuming such cannabis. A registered  
12 caregiver may possess cannabis and cannabis accessories on behalf of one  
13 or more qualified patients served by the registered caregiver. The  
14 registered caregiver may possess a separate allowable amount of cannabis  
15 for each such patient, including the registered caregiver, if the  
16 registered caregiver is also a qualified patient. The caregiver shall  
17 separately store cannabis and cannabis accessories for each such patient.

18 (2) Conduct protected by the Nebraska Medical Cannabis Patient  
19 Protection Act ~~this section~~ shall not be subject to the Uniform  
20 Controlled Substances Act.

21 Sec. 4. (1) The commission shall establish and maintain a registry  
22 for persons seeking to become qualified patients and registered  
23 caregivers.

24 (2) The commission shall ensure that information in the registry and  
25 from applications under sections 5 and 6 of this act is kept confidential  
26 to protect the privacy of applicants and people enrolled in the registry.  
27 Such information shall not be considered a public record subject to  
28 disclosure pursuant to sections 84-712 to 84-712.09.

29 (3)(a) The registry shall provide for a unique identification number  
30 for each qualified patient and registered caregiver enrolled in the  
31 registry.

1       (b) No medical records shall be stored in the registry.

2       (c) The commission shall provide a method for law enforcement  
3       officers to digitally verify an individual's status as a qualified  
4       patient or registered caregiver.

5       **Sec. 5.** (1) An individual may apply to the commission to be  
6       enrolled in the patient and caregiver registry as a potential qualified  
7       patient by submitting an application to the commission in the form and  
8       manner prescribed by the commission. The application shall be accompanied  
9       by a nonrefundable application processing fee in an amount determined by  
10      the commission, not to exceed thirty dollars.

11      (2) Enrollment in the registry as a potential qualified patient  
12      shall be valid for a period of two years.

13      (3) A qualified patient may renew such registration by submitting a  
14      renewal application in a form and manner prescribed by the commission  
15      within ninety days before the registration will expire. The application  
16      shall be accompanied by a nonrefundable application processing fee in an  
17      amount determined by the commission, not to exceed thirty dollars.

18      (4) The commission shall provide a method of applying for issuance  
19      and renewal of a registration on the commission's website. The online  
20      application shall be easily accessible and shall allow for online payment  
21      of the application processing fee.

22       **Sec. 6.** (1) An individual may apply to the commission to be  
23       enrolled in the patient and caregiver registry as a registered caregiver  
24       by submitting an application to the commission in the form and manner  
25       prescribed by the commission. The application shall be accompanied by a  
26       nonrefundable application processing fee in an amount determined by the  
27       commission, not to exceed thirty dollars.

28      (2) Enrollment in the registry as a registered caregiver shall be  
29      valid for a period of two years. A registered caregiver may renew such  
30      registration by submitting a renewal application in a form and manner  
31      prescribed by the commission within ninety days before the registration

1 will expire. The application shall be accompanied by a nonrefundable  
2 application processing fee in an amount determined by the commission, not  
3 to exceed thirty dollars.

4 (3) The commission shall provide a method of applying for issuance  
5 and renewal of a registration on the commission's website. The online  
6 application shall be easily accessible and shall allow for online payment  
7 of the application processing fee.

8 (4)(a) Except as provided in subdivision (4)(b) of this section, an  
9 individual who is a qualified patient may also serve as a registered  
10 caregiver for other qualified patients. In such case, the individual  
11 shall submit separate applications under sections 5 and 6 of this act.

12 (b) An individual who is a qualified patient and who has a  
13 registered caregiver shall not serve as a registered caregiver for other  
14 qualified patients.

15 **Sec. 7.** (1) In order to be considered a qualified patient, an  
16 individual shall receive a written recommendation from a health care  
17 practitioner as provided in this section.

18 (2) A health care practitioner may issue a written recommendation to  
19 an individual if:

20 (a) The practitioner is enrolled in the practitioner directory;  
21 (b) The practitioner verifies that the individual is enrolled in the  
22 patient and caregiver registry as a person seeking to become a qualified  
23 patient;

24 (c) Either:

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

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

30 (iii) If the individual is eighteen years of age or older and has a  
31 legal guardian, the individual has the written permission of such

1 guardian; and

2 (d) The individual has a qualifying medical condition.

3 (3) A written recommendation shall be signed and dated by the  
4 practitioner and shall include the practitioner's mailing address,  
5 telephone number, and email address.

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

9 (5) For the purposes of this section, the term written shall be  
10 construed to include electronic records, documents, or communications  
11 generated, transmitted, or stored using software applications or digital  
12 platforms that are customarily utilized within the health care industry.  
13 Such electronic documentation shall be deemed equivalent to traditional  
14 paper documents, provided that it complies with all applicable standards  
15 for security, confidentiality, authenticity, and integrity as prescribed  
16 by the commission by rule and regulation.

17 (6) A health care practitioner that issues written recommendations  
18 shall maintain records of each recommendation issued, including the date  
19 of issuance and expiration, in accordance with applicable state and  
20 federal law.

21 **Sec. 8.** (1) The commission shall establish and maintain a directory  
22 of health care practitioners who may issue written recommendations to  
23 qualified patients.

24 (2) A health care practitioner's enrollment in the directory shall  
25 be a public record, but the commission shall maintain the confidentiality  
26 of any private or confidential information contained in applications  
27 under section 9 of this act.

28 (3)(a) The practitioner directory shall provide for a unique  
29 identification number for each practitioner enrolled in the directory.

30 (b) No medical records shall be stored in the practitioner  
31 directory.

1       **Sec. 9.** (1) A health care practitioner may apply to the commission  
2        to be enrolled in the practitioner directory by submitting an application  
3        to the commission in the form and manner prescribed by the commission.  
4        The application shall be accompanied by a nonrefundable application  
5        processing fee in an amount determined by the commission, not to exceed  
6       one hundred fifty dollars.

7           (2) Enrollment in the practitioner directory shall be valid for a  
8       period of two years.

9           (3) A health care practitioner may renew such enrollment by  
10       submitting a renewal application in a form and manner prescribed by the  
11       commission within ninety days before the enrollment will expire. The  
12       application shall be accompanied by a nonrefundable application  
13       processing fee in an amount determined by the commission, not to exceed  
14       one hundred fifty dollars.

15           (4) The commission shall provide a method of applying for issuance  
16       and renewal of enrollment on the commission's website. The online  
17       application shall be easily accessible and shall allow for online payment  
18       of the application processing fee.

19       **Sec. 10.** A health care practitioner that issues written  
20       recommendations shall not:

21           (1) Accept, solicit, or offer any form of pecuniary remuneration  
22       from or to any person licensed under the Nebraska Medical Cannabis  
23       Regulation Act;

24           (2) Accept, solicit, or offer any form of pecuniary remuneration  
25       from or to any caregiver, except that this subdivision shall not prohibit  
26       payment to a practitioner by a caregiver who is paying the practitioner  
27       for services provided to a qualified patient;

28           (3) Offer a discount or any other thing of value to a qualified  
29       patient who uses or agrees to use a particular caregiver or particular  
30       dispensary as defined in section 14 of this act;

31           (4) Be located at the same physical address as a dispensary; or

1       (5) Hold an economic interest in any entity licensed under the  
2 Nebraska Medical Cannabis Regulation Act.

3       **Sec. 11.** (1) The commission may suspend or revoke the enrollment of  
4 a qualified patient or registered caregiver in the caregiver or patient  
5 registry for:

6       (a) Making a knowingly false and material statement in an  
7 application for enrollment or renewal of a registration;

8       (b) Possessing cannabis or cannabis accessories in a manner not  
9 permitted by the Nebraska Medical Cannabis Patient Protection Act;

10       (c) Transferring cannabis or cannabis accessories to another person  
11 except as permitted by the Nebraska Medical Cannabis Patient Protection  
12 Act; or

13       (d) Any violation of the Uniform Controlled Substances Act.

14       (2) The commission may suspend or revoke the enrollment of a health  
15 care practitioner in the practitioner directory for:

16       (a) Making a knowingly false and material statement in an  
17 application for initial enrollment or renewal;

18       (b) Violating section 10 of this act;

19       (c) Having such person's credential under the Uniform Credentialing  
20 Act cancelled, suspended, revoked, or otherwise subject to discipline; or

21       (d) Any violation of the Uniform Controlled Substances Act.

22       **Sec. 12.** The commission may adopt and promulgate rules and  
23 regulations to carry out the Nebraska Medical Cannabis Patient Protection  
24 Act.

25       **Sec. 13.** Section 71-24,106, Revised Statutes Supplement, 2025, is  
26 amended to read:

27       71-24,106 Sections 13 to 33 of this act 71-24,106 to 71-24,111 shall  
28 be known and may be cited as the Nebraska Medical Cannabis Regulation  
29 Act.

30       **Sec. 14.** Section 71-24,107, Revised Statutes Supplement, 2025, is  
31 amended to read:

1       71-24,107 For purposes of the Nebraska Medical Cannabis Regulation  
2   Act, the definitions in section 2 of this act and the following  
3   definitions apply:

4       (1)(a) Cannabis means all parts of the plant of the genus cannabis  
5   whether growing or not, the seeds thereof, the resin extracted from any  
6   part of the plant, and every compound, manufacture, salt, derivative,  
7   mixture, or preparation of the plant, its seeds, or its resin.

8       (b) Cannabis includes marijuana, hashish, and concentrated cannabis.

9       (c) Cannabis does not include hemp, as defined in section 2-503, nor  
10   does it include the mature stalks of the plant, fiber produced from such  
11   stalks, oil or cake made from the seeds of the plant, the sterilized seed  
12   of the plant which is incapable of germination, or cannabidiol contained  
13   in a drug product approved by the federal Food and Drug Administration;

14       (2) Cannabis equipment accessories means any equipment, products, or  
15   materials of any kind that are used, intended for use, or designed for  
16   use in planting, propagating, cultivating, growing, harvesting,  
17   composting, manufacturing, compounding, converting, producing,  
18   processing, preparing, testing, analyzing, packaging, repackaging,  
19   storing, vaporizing, or containing cannabis, or for ingesting, inhaling,  
20   or otherwise introducing cannabis into the human body;

21       (3) Cannabis for medical purposes means cannabis, cannabis products,  
22   and cannabis accessories intended for use by qualified patients and  
23   registered caregivers pursuant to the Nebraska Medical Cannabis  
24   Regulation Act pursuant to any law enacted contemporaneously with the  
25   adoption of the Nebraska Medical Cannabis Regulation Act or at any time  
26   thereafter and which makes penalties inapplicable to the use of cannabis  
27   by qualified patients for the alleviation of a qualifying patient's  
28   qualifying medical condition, its symptoms, or side effects of the  
29   condition's treatment;

30       (4) Cannabis products means products that are comprised of cannabis,  
31   cannabis concentrate, or cannabis extract, and other ingredients, and

1 that are intended for use or consumption, such as, but not limited to,  
2 edible products, ointments, and tinctures;

3 (5) Dispensary means a person licensed by the commission to:

4 (a) Purchase cannabis for medical purposes and cannabis equipment  
5 from other licensees; and

6 (b) Sell and transfer cannabis for medical purposes and cannabis  
7 equipment to qualified patients, registered caregivers, and other  
8 licensees pursuant to the requirements and restrictions of the Nebraska  
9 Medical Cannabis Regulation Act;

10 (6) License means a license issued by the commission pursuant to the  
11 Nebraska Medical Cannabis Regulation Act;

12 (7) Licensed premises means the premises specified in an application  
13 for a license under the Nebraska Medical Cannabis Regulation Act, which  
14 are owned by or in the possession of the licensee and within which the  
15 licensee is authorized to cultivate, process, manufacture, distribute,  
16 transport, sell, or test cannabis for medical purposes and cannabis  
17 equipment in accordance with the Nebraska Medical Cannabis Regulation  
18 Act;

19 (8) Licensee means a person licensed by the commission pursuant to  
20 the Nebraska Medical Cannabis Regulation Act to cultivate, process,  
21 manufacture, distribute, transport, sell, or test cannabis for medical  
22 purposes and cannabis equipment in accordance with the act;

23 (9) Local governing body means (a) the city council or village board  
24 of trustees of a city or village within which the licensed premises are  
25 located or (b) if the licensed premises are not within the corporate  
26 limits of a city or village, the county board of the county within which  
27 the licensed premises are located;

28 (10) Ordinance means any ordinance, regulation, resolution, or other  
29 law duly enacted by a local governing body;

30 (11) Premises means a distinctly identified and definite location,  
31 as required by the commission, and may include a building, a part of a

1     building, a room, or any other definite contiguous area; and

2       (12) Secondary tracking system means an inventory tracking system  
3       that:

4           (a) Is designed to track cannabis from either seed or immature plant  
5       stage until the cannabis is transferred to a licensee, sold to a  
6       qualified patient or registered caregiver, or destroyed by a licensee;

7           (b) Meets the requirements of section 33 of this act; and

8           (c) Is approved by the commission.

9       (5) Commission means the Nebraska Medical Cannabis Commission;

10       (6) Registered cannabis establishment means a private entity  
11       registered pursuant to the Nebraska Medical Cannabis Regulation Act that  
12       possesses, manufactures, distributes, delivers, or dispenses cannabis for  
13       medical purposes; and

14       (7) Registration means a registration granted by the commission to a  
15       private entity that processes, manufactures, distributes, delivers, or  
16       dispenses cannabis for medical purposes.

17       **Sec. 15.** Section 71-24,108, Revised Statutes Supplement, 2025, is  
18       amended to read:

19       71-24,108 (1) Subject to the requirements of the Nebraska Medical  
20       Cannabis Regulation Act, it shall not be an offense under state law for a  
21       licensee registered cannabis establishment, or its employees, and its or  
22       agents to possess, cultivate, process, manufacture, distribute,  
23       transport, sell, deliver, and test cannabis equipment and dispense  
24       cannabis for medical purposes, provided such conduct complies with  
25       applicable rules and regulations adopted and promulgated by the  
26       commission pursuant to the act Nebraska Medical Cannabis Regulation Act.

27       (2) Conduct protected by the Nebraska Medical Cannabis Regulation  
28       Act this section shall not be subject to the Uniform Controlled  
29       Substances Act.

30       **Sec. 16.** Section 71-24,109, Revised Statutes Supplement, 2025, is  
31       amended to read:

1       71-24,109 (1) For purposes of providing the necessary licensure  
2 registration and regulation of persons that possess, cultivate, process,  
3 manufacture, distribute, transport, sell, deliver, and test cannabis  
4 equipment and dispense cannabis for medical purposes pursuant to the  
5 Nebraska Medical Cannabis Regulation Act, the Nebraska Medical Cannabis  
6 Commission is created.

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

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

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

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

19       (6) Each member of the Nebraska Medical Cannabis Commission shall  
20 receive an annual salary of twelve thousand five hundred dollars. Such  
21 salary shall be paid in equal monthly installments.

22       **Sec. 17.** Section 71-24,110, Revised Statutes Supplement, 2025, is  
23 amended to read:

24       71-24,110 The power to regulate all phases of the control of the  
25 possession, cultivation, processing, manufacture, distribution,  
26 transportation, selling, delivery, and testing of cannabis equipment and  
27 dispensing of cannabis for medical purposes by licensees registered  
28 cannabis establishments in the state pursuant to the Nebraska Medical  
29 Cannabis Regulation Act is vested exclusively in the commission.

30       **Sec. 18.** A majority of the members of the commission shall  
31 constitute a quorum to transact business, but no vacancy shall impair the

1 right of the remaining commissioners to exercise all of the powers of the  
2 commission. Every act of a majority of the commissioners shall be deemed  
3 to be the act of the commission.

4 Sec. 19. (1) The commission shall have an executive director, to be  
5 appointed by the commission. The executive director of the Nebraska  
6 Liquor Control Commission may also serve as the executive director of the  
7 Nebraska Medical Cannabis Commission, or the Nebraska Medical Cannabis  
8 Commission may appoint a separate individual to serve as its executive  
9 director. If the Nebraska Medical Cannabis Commission appoints a separate  
10 individual, such appointment shall be subject to the approval of the  
11 Governor.

12 (2) The salary of the executive director shall be fixed by the  
13 Nebraska Medical Cannabis Commission and payable monthly.

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

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

26 Sec. 21. The Nebraska Medical Cannabis Commission and the Nebraska  
27 Liquor Control Commission may share staff and resources in carrying out  
28 their respective duties.

29 Sec. 22. Section 71-24,111, Revised Statutes Supplement, 2025, is  
30 amended to read:

31 71-24,111 (1) The commission shall:

1       (a) Establish (1) No later than July 1, 2025, establish criteria to  
2 accept or deny applications for licenses registrations, including  
3 adopting, promulgating, and enforcing reasonable rules, regulations, and  
4 eligibility standards for such licenses registrations; and

5       (b) Grant licenses (2) No later than October 1, 2025, begin granting  
6 registrations to applicants that meet eligibility standards and other  
7 requirements established by the commission. ∕

8       (2)(a) The commission may provide for different classes of licenses  
9 that authorize specific conduct relating to cannabis for medical purposes  
10 and cannabis equipment, such as cultivation, processing, manufacture,  
11 distribution, transportation, selling, delivery, and testing.

12       (b) The commission may place limits on the number of licenses  
13 issued, with different limits for different classes of licenses.

14       (c) The commission may by rule and regulation provide for a schedule  
15 of fees for issuance and renewal of licenses. No fee shall exceed twenty-  
16 five thousand dollars.

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

23       (3) The commission shall have the power to:

24       (a) (3) Grant, deny, revoke, and suspend licenses registrations  
25 based upon reasonable criteria and procedures established by the  
26 commission;

27       (b) Adopt (4) Have the authority to adopt, promulgate, and enforce  
28 distinct sets of rules and regulations for different categories of  
29 licenses registered cannabis establishments;

30       (c) (5) Administer oaths or affirmations as necessary to carry out  
31 the Nebraska Medical Cannabis Regulation Act;

1        (d) (6) Issue subpoenas for the attendance of witnesses or the  
2 production of any records, books, memoranda, documents, or other papers  
3 or things at or prior to any hearing as is necessary to enable the  
4 commission to effectively discharge its duties;

5        (e) (7) Inspect the operation of any licensee registered cannabis  
6 establishment for the purpose of verifying compliance with rules and  
7 regulations adopted and promulgated by the commission;

8        (8) Have the authority to impose, subject to judicial review under  
9 the Administrative Procedure Act, administrative fines for each violation  
10 of any rules and regulations adopted and promulgated pursuant to the  
11 Nebraska Medical Cannabis Regulation Act;

12        (9) Collect administrative fines imposed under this section and  
13 remit the fines to the State Treasurer for distribution in accordance  
14 with Article VII, section 5, of the Constitution of Nebraska;

15        (f) (10) Establish procedures for the governance of the commission;

16        (g) (11) Acquire necessary offices, facilities, counsel, and staff;  
17 and

18        (h) (12) Do all things necessary and proper to carry out its powers  
19 and duties under the Nebraska Medical Cannabis Regulation Act, including  
20 the adoption and promulgation of rules and regulations and such other  
21 actions as permitted by the Administrative Procedure Act.

22        (4) The commission may adopt and promulgate any rules and  
23 regulations necessary for the proper regulation and control of the  
24 cultivation, processing, manufacture, distribution, transportation, sale,  
25 delivery, and testing of cannabis for medical purposes and cannabis  
26 equipment and for the enforcement of the Nebraska Medical Cannabis  
27 Regulation Act.

28        Sec. 23. The commission may contract with third-party vendors in  
29 order to carry out its duties under the Nebraska Medical Cannabis  
30 Regulation Act.

31        Sec. 24. The commission may develop such forms, applications, and

1    other documentation as are necessary or convenient in the discretion of  
2    the commission for the administration of the Nebraska Medical Cannabis  
3    Regulation Act or any rules and regulations adopted and promulgated  
4    thereunder.

5        Sec. 25. Nothing in the Nebraska Medical Cannabis Regulation Act  
6    shall be construed as delegating to the commission the power to fix  
7    prices for cannabis.

8        Sec. 26. The commission may call upon other departments of the  
9    state, political subdivisions, law enforcement agencies, and prosecutors  
10   for such information and assistance as the commission deems necessary in  
11   the performance of its duties.

12        Sec. 27. (1) The commission shall maintain the confidentiality of  
13   reports or other information obtained from a licensee:

14        (a) Containing any individualized data, information, or records  
15   related to the licensee or its operation, including sales information,  
16   financial records, tax returns, credit reports, cultivation information,  
17   information concerning cannabis product manufacturing, testing results,  
18   or security information and plans;

19        (b) Which reveals any qualified patient or registered caregiver  
20   information; or

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

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

29        (3) Information and reports that are confidential under this section  
30   shall not be considered public records subject to disclosure pursuant to  
31   sections 84-712 to 84-712.09.

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

4       **Sec. 28.** (1) The Nebraska Medical Cannabis Commission Cash Fund is  
5 created. The fund shall consist of transfers from the Legislature and all  
6 fees, gifts, grants, and other money, excluding civil penalties, received  
7 or collected by the commission under the Nebraska Medical Cannabis  
8 Regulation Act and the Nebraska Medical Cannabis Patient Protection Act.

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

18       (3) Transfers may be made from the Nebraska Medical Cannabis  
19 Commission Cash Fund to the General Fund at the direction of the  
20 Legislature.

21       (4) Any money in the Nebraska Medical Cannabis Commission Cash Fund  
22 available for investment shall be invested by the state investment  
23 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska  
24 State Funds Investment Act.

25       **Sec. 29.** If the commission determines that cannabis in the  
26 possession of a licensee is involved in a violation of the Nebraska  
27 Medical Cannabis Regulation Act, the rules and regulations adopted and  
28 promulgated thereunder, an ordinance regulating cannabis, or any terms or  
29 conditions of a license, the commission may declare such cannabis to be  
30 contraband and seize and destroy or dispose of it in accordance with  
31 rules and regulations of the commission.

1       **Sec. 30.** Upon the completion of any hearing held regarding  
2       discipline of a license, the director may dismiss the action or impose  
3       any of the following sanctions:

4           (1) Censure;  
5           (2) Probation;  
6           (3) Limitation;  
7           (4) Civil penalty, not to exceed twenty thousand dollars;  
8           (5) Suspension for up to six months;  
9           (6) Seizure of cannabis that is the subject of a violation of the  
10       Nebraska Medical Cannabis Regulation Act; or  
11       (7) Revocation.

12       **Sec. 31.** (1) Any final order or decision of the commission  
13       suspending, cancelling, revoking, conditioning, limiting, or otherwise  
14       sanctioning an existing license; imposing a civil penalty; or denying the  
15       renewal of an existing license may be appealed. The appeal shall be in  
16       accordance with the Administrative Procedure Act.

17           (2) The Administrative Procedure Act shall not apply to commission  
18       determinations regarding initial licensure, including, but not limited  
19       to, application completeness, eligibility determinations, scoring,  
20       ranking, lottery entry, selection, or denial of an application for  
21       initial issuance of a license. Such determinations shall not be subject  
22       to contested case proceedings under the Administrative Procedure Act.

23           (3) Nothing in this section shall be construed to limit judicial  
24       review of a final agency action as otherwise provided by law.

25       **Sec. 32.** (1) The commission may issue recall orders requiring any  
26       licensee to surrender or destroy any cannabis for medical purposes or  
27       cannabis equipment in a manner prescribed by the commission if the  
28       commission determines such cannabis equipment to be unsafe or mislabeled  
29       or otherwise in violation of the Nebraska Medical Cannabis Regulation Act  
30       or the rules and regulations thereunder.

31           (2) The commission may adopt and promulgate rules and regulations to

1 carry out this section.

2 Sec. 33. (1) The commission shall procure, maintain, and control a  
3 centralized computerized seed-to-sale tracking system to track cannabis  
4 and cannabis products from seed or immature plant stage through transfer,  
5 processing, and sale or disposal, and to provide the commission access to  
6 information necessary for regulatory oversight, inventory accountability,  
7 diversion prevention, and enforcement.

8 (2) Each licensee shall use the seed-to-sale tracking system in the  
9 form and manner prescribed by the commission by rule and regulation.

10 (3) The commission may adopt and promulgate rules and regulations to  
11 implement this section, including requirements governing data entry,  
12 reporting timelines, inventory reconciliation, audit access, allowable  
13 secondary tracking systems, confidentiality protections, and standards  
14 necessary to ensure the integrity and traceability of the seed-to-sale  
15 tracking system.

16 **Sec. 34.** Section 77-2701.48, Reissue Revised Statutes of Nebraska,  
17 is amended to read:

18 77-2701.48 (1) Bundled transaction means the retail sale of two or  
19 more products, except real property and services to real property, when  
20 (a) the products are otherwise distinct and identifiable and (b) the  
21 products are sold for one non-itemized price. Bundled transaction does  
22 not include the sale of any products in which the sales price varies, or  
23 is negotiable, based on the selection by the purchaser of the products  
24 included in the transaction.

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

26 (a) Packaging, such as containers, boxes, sacks, bags, and bottles  
27 or other materials such as wrapping, labels, tags, and instruction guides  
28 that accompany the retail sale of the products and are incidental or  
29 immaterial to the retail sale thereof. Examples of packaging that are  
30 incidental or immaterial include grocery sacks, shoeboxes, dry cleaning  
31 garment bags, and express delivery envelopes and boxes;

1        (b) A product provided free of charge with the required purchase of  
2 another product. A product is provided free of charge if the sales price  
3 of the product purchased does not vary depending on the inclusion of the  
4 product provided free of charge; and

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

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

13       (4) A transaction that otherwise meets the definition of a bundled  
14 transaction is not a bundled transaction if it is (a) the retail sale of  
15 tangible personal property and a service where the tangible personal  
16 property is essential to the use of the service, and is provided  
17 exclusively in connection with the service, and the true object of the  
18 transaction is the service, (b) the retail sale of services when one  
19 service is provided that is essential to the use or receipt of a second  
20 service and the first service is provided exclusively in connection with  
21 the second service and the true object of the transaction is the second  
22 service, or (c) a transaction that includes taxable products and  
23 nontaxable products and the purchase price or sales price of the taxable  
24 products is de minimus. De minimus means the seller's purchase price or  
25 sales price of the taxable products is ten percent or less of the total  
26 purchase price or sales price of the bundled products. Sellers shall use  
27 either the purchase price or the sales price of the products to determine  
28 if the taxable products are de minimus. Sellers may not use a combination  
29 of the purchase price and sales price of the products to determine if the  
30 taxable products are de minimus. Sellers shall use the full term of a  
31 service contract to determine if the taxable products are de minimus.

1       (5) Bundled transaction does not include the retail sale of exempt  
2       tangible personal property and taxable tangible personal property if (a)  
3       the transaction includes food and food ingredients, drugs, durable  
4       medical equipment, mobility enhancing equipment, over-the-counter drugs,  
5       prosthetic devices, or medical supplies as such terms are defined in  
6       section 77-2704.09 and (b) the seller's purchase price or sales price of  
7       the taxable tangible personal property is fifty percent or less of the  
8       total purchase price or sales price of the bundled tangible personal  
9       property. Sellers may not use a combination of the purchase price and  
10      sales price of the tangible personal property when making the fifty-  
11      percent determination for a transaction.

12       **Sec. 35.** Section 77-2704.09, Reissue Revised Statutes of Nebraska,  
13      is amended to read:

14       77-2704.09 (1) Sales and use taxes shall not be imposed on the gross  
15      receipts from the sale, lease, or rental of and the storage, use, or  
16      other consumption in this state of (a) insulin, (b) mobility enhancing  
17      equipment and drugs, not including over-the-counter drugs, when sold for  
18      a patient's use under a prescription, and (c) the following when sold for  
19      a patient's use under a prescription and which are of the type eligible  
20      for coverage under the medical assistance program established pursuant to  
21      the Medical Assistance Act: Durable medical equipment; home medical  
22      supplies; prosthetic devices; oxygen; and oxygen equipment.

23       (2) For purposes of this section:

24       (a)(i) (a) Drug means a compound, substance, preparation, and  
25      component of a compound, substance, or preparation, other than food and  
26      food ingredients, dietary supplements, or alcoholic beverages:

27       (A) (i) Recognized in the official United States Pharmacopoeia,  
28      official Homeopathic Pharmacopoeia of the United States, or official  
29      National Formulary, and any supplement to any of them;

30       (B) (ii) Intended for use in the diagnosis, cure, mitigation,  
31      treatment, or prevention of disease; or

1        (C) (iii) Intended to affect the structure or any function of the  
2    body; and

3        (ii) Drug does not include cannabis sold to a qualified patient or  
4    registered caregiver by a dispensary pursuant to the Nebraska Medical  
5    Cannabis Regulation Act;

6        (b) Durable medical equipment means equipment which can withstand  
7    repeated use, is primarily and customarily used to serve a medical  
8    purpose, generally is not useful to a person in the absence of illness or  
9    injury, is appropriate for use in the home, and is not worn in or on the  
10   body. Durable medical equipment includes repair and replacement parts for  
11   such equipment;

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

16       (d) Mobility enhancing equipment means equipment which is primarily  
17   and customarily used to provide or increase the ability to move from one  
18   place to another, which is not generally used by persons with normal  
19   mobility, and which is appropriate for use either in a home or a motor  
20   vehicle. Mobility enhancing equipment includes repair and replacement  
21   parts for such equipment. Mobility enhancing equipment does not include  
22   any motor vehicle or equipment on a motor vehicle normally provided by a  
23   motor vehicle manufacturer;

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

30       (f) Oxygen equipment means oxygen cylinders, cylinder transport  
31   devices including sheaths and carts, cylinder studs and support devices,

1 regulators, flowmeters, tank wrenches, oxygen concentrators, liquid  
2 oxygen base dispensers, liquid oxygen portable dispensers, oxygen tubing,  
3 nasal cannulas, face masks, oxygen humidifiers, and oxygen fittings and  
4 accessories;

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

9 (h) Prosthetic devices means a replacement, corrective, or  
10 supportive device worn on or in the body to artificially replace a  
11 missing portion of the body, prevent or correct physical deformity or  
12 malfunction, or support a weak or deformed portion of the body, and  
13 includes any supplies used with such device and repair and replacement  
14 parts.

15 **Sec. 36.** Section 77-27,132, Revised Statutes Cumulative Supplement,  
16 2024, is amended to read:

17 77-27,132 (1) There is hereby created a fund to be designated the  
18 Revenue Distribution Fund which shall be set apart and maintained by the  
19 Tax Commissioner. Revenue not required to be credited to the General Fund  
20 or any other specified fund may be credited to the Revenue Distribution  
21 Fund. Credits and refunds of such revenue shall be paid from the Revenue  
22 Distribution Fund. The balance of the amount credited, after credits and  
23 refunds, shall be allocated as provided by the statutes creating such  
24 revenue.

25 (2) The Tax Commissioner shall pay to a depository bank designated  
26 by the State Treasurer all amounts collected under the Nebraska Revenue  
27 Act of 1967. The Tax Commissioner shall present to the State Treasurer  
28 bank receipts showing amounts so deposited in the bank, and of the  
29 amounts so deposited the State Treasurer shall:

30 (a)(i) For transactions occurring on or after October 1, 2014, and  
31 before July 1, 2024, credit to the Game and Parks Commission Capital

1 Maintenance Fund all of the proceeds of the sales and use taxes imposed  
2 pursuant to section 77-2703 on the sale or lease of motorboats as defined  
3 in section 37-1204, personal watercraft as defined in section 37-1204.01,  
4 all-terrain vehicles as defined in section 60-103, and utility-type  
5 vehicles as defined in section 60-135.01; and

6 (ii) For transactions occurring on or after July 1, 2024, credit to  
7 the Game and Parks Commission Capital Maintenance Fund all of the  
8 proceeds of the sales and use taxes imposed pursuant to section 77-2703  
9 on the sale or lease of motorboats as defined in section 37-1204,  
10 personal watercraft as defined in section 37-1204.01, all-terrain  
11 vehicles as defined in section 60-103, and utility-type vehicles as  
12 defined in section 60-135.01, and from such proceeds, transfers shall be  
13 made to the Nebraska Emergency Medical System Operations Fund as provided  
14 in section 37-327.02;

15 (b) Credit to the Highway Trust Fund all of the proceeds of the  
16 sales and use taxes derived from the sale or lease for periods of more  
17 than thirty-one days of motor vehicles, trailers, and semitrailers,  
18 except that the proceeds equal to any sales tax rate provided for in  
19 section 77-2701.02 that is in excess of five percent derived from the  
20 sale or lease for periods of more than thirty-one days of motor vehicles,  
21 trailers, and semitrailers shall be credited to the Highway Allocation  
22 Fund;

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

29 (d) Of the proceeds of the sales and use taxes derived from  
30 transactions other than those listed in subdivisions (2)(a), (b), and  
31 (e), and (f) of this section, credit to the Property Tax Credit Cash Fund

1 the amount certified under section 77-27,237, if any such certification  
2 is made; and

3 (e) For transactions occurring on or after July 1, 2023, credit to  
4 the Department of Transportation Aeronautics Capital Improvement Fund all  
5 of the proceeds of the sales and use taxes imposed pursuant to section  
6 77-2703 on the sale or lease of aircraft as defined in section 3-101;  
7 and -

8 (f) Credit to the School District Property Tax Relief Credit Fund  
9 all of the proceeds of the sales and use taxes imposed pursuant to  
10 section 77-2703 on the sale of cannabis by dispensaries to qualified  
11 patients and registered caregivers under the Nebraska Medical Cannabis  
12 Regulation Act.

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

15 **Sec. 37.** Section 77-4303, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17 77-4303 (1) A tax is hereby imposed on marijuana and controlled  
18 substances at the following rates:

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

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

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

25 (2) For purposes of calculating the tax under this section,  
26 marijuana or any controlled substance that is customarily sold by weight  
27 or volume shall be measured by the weight of the substance in the  
28 dealer's possession. The weight shall be the actual weight, if known, or  
29 the estimated weight as determined by the Nebraska State Patrol or other  
30 law enforcement agency. Such determination shall be presumed to be the  
31 weight of such marijuana or controlled substances for purposes of

1 sections 77-4301 to 77-4316.

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

7 **Sec. 38.** Original sections 77-2701.48, 77-2704.09, and 77-4303,  
8 Reissue Revised Statutes of Nebraska, section 77-27,132, Revised Statutes  
9 Cumulative Supplement, 2024, and sections 71-24,103, 71-24,104,  
10 71-24,105, 71-24,106, 71-24,107, 71-24,108, 71-24,109, 71-24,110, and  
11 71-24,111, Revised Statutes Supplement, 2025, are repealed.

12 **Sec. 39.** Since an emergency exists, this act takes effect when  
13 passed and approved according to law.