

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
9 patients and caregivers; to provide for a directory of health care
10 practitioners; to provide duties for health care practitioners; to
11 provide for licensure and fees; to provide powers and duties for the
12 Nebraska Medical Cannabis Commission; to provide for rules and
13 regulations, penalties, discipline, appeals, and authority to recall
14 unsafe or mislabeled cannabis; to provide for taxation of sales of
15 medical cannabis and distribution of the revenue; to remove medical
16 cannabis from the marijuana and controlled substances tax; to
17 harmonize provisions; to repeal the original sections; and to
18 declare an emergency.

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) Has ~~(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.