

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|--|--------------|-----------|--------------|-----------|
| | FY 2025-26 | | FY 2026-27 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | See Below | See Below | See Below | See Below |

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 483 amends the Nebraska Medical Cannabis Patient Protection Act (Act) as a result of Initiative Law 2024, No. 437.

The bill changes the definition of allowable amount of cannabis to mean permissible cannabis products containing up to 300 milligrams of delta-9 THC instead meaning five ounces of cannabis.

The bill removes language that states that allowable amount of cannabis does not include the weight of any other ingredient combined with cannabis as part of topical or oral administrations, food, drink, or other preparations. The bill also removes language that states cannabis includes marijuana, hashish, and concentrated cannabis. Cannabis accessories means any equipment, products, or materials of any kind that are used, intended for use, or designed for use in storing or containing permissible cannabis products, or for ingesting, or otherwise introducing permissible cannabis products into the human body. The bill provides that a health care practitioner must practice in Nebraska under the Act. The definition of permissible cannabis is added to mean cannabis in the form of a pill or liquid tincture.

The bill provides exceptions regarding legality under section 28-416 connected to the Nebraska Medical Cannabis Patient Protection Act and the Nebraska Medical Cannabis Regulation Act.

The bill amends section 28-439 to provide that this section in statute does not apply to conduct involving the mentioned cannabis accessories when such conduct is lawful under the Nebraska Medical Cannabis Patient Protection Act or the Nebraska Medical Cannabis Regulation Act.

The bill amends section 28-476 to provide that this section in statute does not apply to cannabis transported in accordance with the Nebraska Medical Cannabis Patient Protection Act or the Nebraska Medical Cannabis Regulation Act.

The bill amends the Nebraska Liquor Control Act (Act).

The bill provides that the members of the Nebraska Liquor Control Commission shall also serve as members of the Nebraska Medical Cannabis Commission as provided in section 4 of Initiative Law 2024, No. 438. The bill amends section 53-110 under the Act to provide the definition of Commission to mean the Nebraska Liquor Control Commission and the Nebraska Medical Cannabis Commission and harmonizes provisions under the Act in connection to Initiatives No. 437 and 438.

The bill removes those lawfully in possession of cannabis under the Nebraska Medical Cannabis Patient Protection Act or the Nebraska Medical Cannabis Regulation Act from the tax on marijuana and controlled substances under section 77-4303.

Sections 28-463 through 28-469 are outright repealed which terminated on October 1, 2019.

The bill contains the emergency clause.

The Supreme Court estimates minimal impact to it as a result of the bill. There is no basis to disagree with this estimate.

The Nebraska State Patrol (NSP) estimates costs for equipment, supplies, and other operational expenses as well as for 1 FTE Forensic Technician and 3 FTE Forensic Scientist I's beginning FY27 as a result of the bill. NSP also estimates revenue decreases to their Drug Control and Education Cash Fund of \$30,000 per fiscal year as a result of excluding those lawfully in possession of cannabis as a result of the Nebraska Medical Cannabis Patient Protection Act and the Nebraska Medical Cannabis Regulation Act from the tax under section 77-4303 with a corresponding increase to General Fund and decrease to Cash Fund appropriations to cover agency expenses. We estimate minimal revenue losses to the Department of Revenue's Marijuana and Controlled Substances Tax Administration Fund as well as revenue losses to counties as a result of this tax change.

The Nebraska Liquor Control Commission notes it is unable to determine the fiscal impact of expenditures or revenue as a result of this bill. The Commission is unclear if it is responsible for administering the ballot initiatives 437 and 438. The ballot initiatives would require appropriations to administer the responsibilities outlined in those initiatives. However, the appropriations to administer the initiatives depend upon if the new Nebraska Medical Cannabis Commission is a stand-alone agency or housed administratively under the Nebraska Liquor Control Commission.

The Nebraska Department of Agriculture estimates no fiscal impact to it as a result of the bill. There is no basis to disagree with this estimate.

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| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | |
| LB: 483 | AM: | AGENCY/POLT. SUB: 05 Supreme Court | |
| REVIEWED BY: Joe Massey | | DATE: 2/26/2025 | PHONE: (402) 471-4181 |
| COMMENTS: No basis to disagree with the 05 Supreme Court assessment of minimal fiscal impact from LB 483. | | | |

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|--|-----|--|-----------------------|
| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | |
| LB: 483 | AM: | AGENCY/POLT. SUB: Nebraska Department of Agriculture | |
| REVIEWED BY: Joe Massey | | DATE: 1/28/2025 | PHONE: (402) 471-4181 |
| COMMENTS: Concur with the Nebraska Department of Agriculture assessment of no fiscal impact from LB 483. | | | |

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|--|-----|---|-----------------------|
| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | |
| LB: 483 | AM: | AGENCY/POLT. SUB: Nebraska State Patrol | |
| REVIEWED BY: Joe Massey | | DATE: 2/7/2025 | PHONE: (402) 471-4181 |
| COMMENTS: No basis to disagree with the Nebraska State Patrol's assessment of fiscal impact from LB: 483 | | | |

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|---|-----|--|-----------------------|
| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | |
| LB: 483 | AM: | AGENCY/POLT. SUB: Lancaster County Department of Corrections | |
| REVIEWED BY: Joe Massey | | DATE: 1/27/2025 | PHONE: (402) 471-4181 |
| COMMENTS: No basis to disagree with the Lancaster County Department of Corrections assessment of no fiscal impact from LB 483 | | | |

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| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | |
| LB: 483 | AM: | AGENCY/POLT. SUB: Lincoln Police Department | |
| REVIEWED BY: Joe Massey | | DATE: 2/7/2025 | PHONE: (402) 471-4181 |
| COMMENTS: No basis to disagree with the Lincoln Police Department's assessment of no fiscal impact from LB 483. | | | |

LB⁽¹⁾ 483

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County Department of Corrections

Prepared by: ⁽³⁾ Lt. Joe Anderson

Date Prepared: ⁽⁴⁾ 1-24-25

Phone: ⁽⁵⁾ (402) 441-1919

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | FY 2025-26 | | FY 2026-27 | |
|---------------|--------------|---------|--------------|---------|
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | | | | |

Explanation of Estimate:

No Fiscal Impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

| Personal Services: | | | | |
|---------------------------|---------------------|-------|--------------|--------------|
| POSITION TITLE | NUMBER OF POSITIONS | | 2025-26 | 2026-27 |
| | 25-26 | 26-27 | EXPENDITURES | EXPENDITURES |
| | | | | |
| | | | | |
| Benefits..... | | | | |
| Operating..... | | | | |
| Travel..... | | | | |
| Capital outlay..... | | | | |
| Aid..... | | | | |
| Capital improvements..... | | | | |
| TOTAL..... | | | | |

State Agency OR Political Subdivision Name: ⁽²⁾ Liquor Control Commission

Prepared by: ⁽³⁾ LeAnna Prange

Date Prepared: ⁽⁴⁾ 2/27/25

Phone: ⁽⁵⁾ 471-4892

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | FY 2025-26 | | FY 2026-27 | |
|---------------|--------------|---------|--------------|---------|
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | 0 | 0 | 0 | 0 |
| CASH FUNDS | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 |
| OTHER FUNDS | 0 | 0 | 0 | 0 |
| TOTAL FUNDS | 0 | 0 | 0 | 0 |

Explanation of Estimate:

Unable to estimate fiscal impact of expenditures or revenue. It is unclear if Liquor Control Commission is responsible for administering the ballot initiatives.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| POSITION TITLE | NUMBER OF POSITIONS | | 2025-26 | 2026-27 |
|---------------------------|---------------------|-------|--------------|--------------|
| | 25-26 | 26-27 | EXPENDITURES | EXPENDITURES |
| | | | | |
| | | | | |
| Benefits..... | | | | |
| Operating..... | | | | |
| Travel..... | | | | |
| Capital outlay..... | | | | |
| Aid..... | | | | |
| Capital improvements..... | | | | |
| TOTAL..... | | | | |

Please complete ALL (5) blanks in the first three lines.

2025

LB⁽¹⁾ 483

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lincoln Police Department

Prepared by: ⁽³⁾ Captain Todd Kocian #940 Date Prepared: ⁽⁴⁾ 01-29-2025 Phone: ⁽⁵⁾ 402-441-1871

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2025-26</u> | | <u>FY 2026-27</u> | |
|---------------|---------------------|----------------|---------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | _____ | _____ | _____ | _____ |
| CASH FUNDS | _____ | _____ | _____ | _____ |
| FEDERAL FUNDS | _____ | _____ | _____ | _____ |
| OTHER FUNDS | _____ | _____ | _____ | _____ |
| TOTAL FUNDS | ===== | ===== | ===== | ===== |

Explanation of Estimate:

This bill changes provisions specific to the allowable amount of medical cannabis a qualified patient may possess and designates members of the Nebraska Liquor Control Commission will also serve on the Nebraska Medical Cannabis Commission.

Based on current draft of this bill I do not believe there would be a fiscal impact to our agency.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2025-26</u> | <u>2026-27</u> |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
| | <u>25-26</u> | <u>26-27</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| Benefits..... | | | _____ | _____ |
| Operating..... | | | _____ | _____ |
| Travel..... | | | _____ | _____ |
| Capital outlay..... | | | _____ | _____ |
| Aid..... | | | _____ | _____ |
| Capital improvements..... | | | _____ | _____ |
| TOTAL..... | | | _____ | _____ |

Please complete ALL (5) blanks in the first three lines.

2025

LB⁽¹⁾ 483

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State Patrol

Prepared by: ⁽³⁾ Carol Aversman Date Prepared: ⁽⁴⁾ 01/31/2025 Phone: ⁽⁵⁾ 402-471-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | FY 2025-26 | | FY 2026-27 | |
|---------------|--------------|------------|--------------|------------|
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | \$30,000 | | \$1,993,976 | |
| CASH FUNDS | (\$30,000) | (\$30,000) | (\$30,000) | (\$30,000) |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | | (\$30,000) | \$1,963,976 | (\$30,000) |

Explanation of Estimate:

Impact to the Nebraska State Patrol Crime Laboratory

This bill will have an impact on the Nebraska State Patrol Crime Laboratory. LB 483 allows for the possession and use of medicinal cannabis products with delta-9 tetrahydrocannabinol (THC) concentrations higher than those specified as hemp products, for individuals with qualifying medical conditions. Visual examination cannot differentiate hemp products from high delta-9 THC medicinal cannabis products or high delta-9 THC illicit products. The high delta-9 THC medicinal cannabis products would be exempt from the penalties which exist in Nebraska Revised Statute 28-416 if they are possessed and used by someone with a qualifying condition and approved by a qualified health practitioner but these and other illicit high delta-9 THC products will fall under these penalties if not prescribed by qualified practitioners and possessed by qualified individuals, additionally penalties do not exist for hemp products. Due to these factors, the crime laboratory estimates there could be a significant increase in the number of samples requiring testing to determine legality to possess and use. This estimation is based on the impact that was seen when the hemp legislation was enacted in 2019. At that time the laboratory validated and began using a semi-quantitative method for plant material samples only. The laboratory does not currently have a validated method for performing this semi-quantitative analysis on oil, wax, or edible products which would include cannabis products as defined by LB 483. To provide testing needed for potential prosecution of violations of the rules set forth in this bill, the laboratory will need to develop and validate, at a minimum, semi-quantitative testing to determine delta-9 THC concentration of permissible cannabis products as defined in LB 483. Validations are time consuming and draw on resources normally devoted to case sample analysis so an impact to backlog and turnaround time for cases will be expected.

Data supports that semi-quantitative delta-9 THC concentration testing takes at least four times longer than identification testing, and costs roughly six times more. Because of the availability of substances allowed in LB 483, if no mitigation of testing requirements for violations is created, the crime laboratory will need to add resources to reduce the negative impacts to the judicial system in the form of increased backlog and turnaround time for all controlled substance related cases such as those that include methamphetamine and fentanyl. To properly allocate resources in the form of staff, the Drug Section of the crime laboratory will require 2 Forensic Scientists. The cost for these employees is reflected as beginning July 1, 2026. Completion of the crime laboratory addition is anticipated in late summer or early fall of 2026. Space does not currently exist to house new additional employees or equipment that are needed because of this bill until the expansion project is completed. The equipment needed for these scientists will include 2 Gas Chromatographs, 2 Gas Chromatographs/Mass Spectrometers, and 1 High Performance Liquid Chromatograph with UV detector.

An increase in driving under the influence of drug submissions which will impact the Toxicology Section is anticipated because of this legislation. The Crime Lab is currently the only laboratory providing toxicology services for DUI-D prosecution in Nebraska. The cost of 1 forensic scientist for this section has been included in the fiscal note, beginning July 1, 2026. The equipment needed for this scientist includes Immuno-Assay Screening instrument and 1 High Performance Liquid Chromatograph/triple quad Mass Spectrometer (HPLC/QQQMS).

The Crime Lab also estimates that the increase in submissions will require 1 Forensic Technician to handle the increase in evidence received by the lab, and its management, until testing is completed, and it is returned to the submitting agencies. The fiscal note includes the cost of this added personnel beginning July 1, 2026.

As described above, multiple pieces of lab equipment will be required to meet the anticipated demands of LB 483. The 2 Gas Chromatographs have been included in the Fiscal Note at a cost of \$90,000. The 2 Gas Chromatograph/Mass Spectrometers are reflected at a cost of \$300,000. The HPLC/UV is reflected at a cost of \$190,000. The Immuno-Assay Screening Instrument has been included at a cost of \$77,000, and the HPLC/QQQ at a cost of \$650,000. Maintenance contracts for the additional lab equipment are estimated at an annual ongoing cost of \$79,714 per year. Laboratory supplies have been included based upon an estimated 3,000 samples @ \$80.00 per sample for consumables/supplies, for a total of \$240,000. Actual cases could be more or less; the number that will be received is unknown. Other ongoing operational expenses include office supplies (\$600), computer leases (\$2,772) and OCIO expenses (\$8,880). Office furniture and workstations are estimated at a total cost of \$23,200 in additional capital outlay.

Note that the current facility expansion plan did not include the space needed for addition of the instrumentation and staff to mitigate the impact of cannabis testing made necessary by this legislation, it included space for growth based on national trends of other controlled substance cases. Utilizing space for a cannabis testing section will impact the ability for future expansion to accommodate non-cannabis testing within the controlled substance and toxicology sections.

Impact to the Drug Control and Education Cash Fund

The Agency is identified by statute as the recipient of a portion of the revenues collected by the Department of Revenue related to a tax on marijuana and controlled substances (Section 77-4303 Revised Statutes of Nebraska). It is also the recipient of restitution that has been paid, as ordered by the court in cases where such taxes have not been paid. These revenues are required to be deposited in the Drug Control and Education Cash Fund. Annual revenues in recent years have been approximately \$150,000. LB 483 includes language to remove the tax on medicinal marijuana that would be deposited in the Drug Control and Education Cash Fund. The National Institute of Health has published statistics that indicate medicinal use of marijuana is 23% in states where recreational use is illegal. For purposes of this fiscal note, it has been assumed that 20% or \$30,000 annually of tax revenue would be lost due to the removal of tax provisions to the Patrol. These funds have historically been used to purchase vehicles and equipment for drug investigators and to purchase crime lab equipment needed for drug investigations. The Fiscal note reflects the reduction in revenues and expenses to this cash fund beginning 7/1/2025, and the corresponding increase in General Funds to cover these expenses (drug investigator vehicle purchases and crime lab equipment).

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2025-26</u> | <u>2026-27</u> |
|--------------------------------------|----------------------------|--------------|---------------------|---------------------|
| | <u>25-26</u> | <u>26-27</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| NE State Patrol Forensic Technician | | 1 | | \$43,346 |
| NE State Patrol Forensic Scientist I | | 3 | | \$180,217 |
| Benefits..... | | | | \$78,247 |
| Operating..... | | | | \$331,966 |
| Travel..... | | | | |
| Capital outlay..... | | | | \$1,330,200 |
| Aid..... | | | | |
| Capital improvements..... | | | | |
| TOTAL..... | | | | \$1,963,976 |

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Agriculture

Prepared by: ⁽³⁾ Ashley Dempsey Date Prepared: ⁽⁴⁾ 1/24/2025 Phone: ⁽⁵⁾ 402-429-2487

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | FY 2025-26 | | FY 2026-27 | |
|---------------|--------------|---------|--------------|---------|
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | | | | |

Explanation of Estimate:

No fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| POSITION TITLE | NUMBER OF POSITIONS | | 2025-26 | 2026-27 |
|---------------------------|---------------------|-------|--------------|--------------|
| | 25-26 | 26-27 | EXPENDITURES | EXPENDITURES |
| | | | | |
| | | | | |
| Benefits..... | | | | |
| Operating..... | | | | |
| Travel..... | | | | |
| Capital outlay..... | | | | |
| Aid..... | | | | |
| Capital improvements..... | | | | |
| TOTAL..... | | | | |

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Association of County Officials

Prepared by: ⁽³⁾ Elaine Menzel

Date Prepared: ⁽⁴⁾ 1/28 /2025

Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | FY 2025-26 | | FY 2026-27 | |
|---------------|--------------|---------|--------------|---------|
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | | | | |

Explanation of Estimate:

LB483 limits permissible forms of medical cannabis to pills or liquid tinctures.

It is unknown at this time to what degree LB483 would fiscally impact counties due to the uncertainty of the number of occurrences that would happen; however, it is projected that county attorneys would have fewer prosecutions.

| BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE | | | | |
|---|---------------------|-------|--------------|--------------|
| Personal Services: | | | | |
| POSITION TITLE | NUMBER OF POSITIONS | | 2025-26 | 2026-27 |
| | 25-26 | 26-27 | EXPENDITURES | EXPENDITURES |
| | | | | |
| | | | | |
| Benefits..... | | | | |
| Operating..... | | | | |
| Travel..... | | | | |
| Capital outlay..... | | | | |
| Aid..... | | | | |
| Capital improvements..... | | | | |
| TOTAL..... | | | | |

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe

Date Prepared: ⁽⁴⁾ 2/25/2025

Phone: ⁽⁵⁾ 402-326-9215

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | FY 2025-26 | | FY 2026-27 | |
|---------------|--------------|---------|--------------|---------|
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | | | | |

Explanation of Estimate:

Minimal fiscal impact to provide judicial education. No additional resources required.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

| Personal Services: | | | | |
|---------------------------|---------------------|-------|--------------|--------------|
| POSITION TITLE | NUMBER OF POSITIONS | | 2025-26 | 2026-27 |
| | 25-26 | 26-27 | EXPENDITURES | EXPENDITURES |
| | | | | |
| | | | | |
| Benefits..... | | | | |
| Operating..... | | | | |
| Travel..... | | | | |
| Capital outlay..... | | | | |
| Aid..... | | | | |
| Capital improvements..... | | | | |
| TOTAL..... | | | | |