LEGISLATURE OF NEBRASKA

ONE HUNDRED FIFTH LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 344

Introduced by Albrecht, 17; at the request of the Governor.
Read first time January 12, 2017

Committee:

- 1 A BILL FOR AN ACT relating to public health and welfare; to amend 2 sections 28-401, 38-319, 38-321, 38-2104, 38-2117, 38-2122, 38-2123, 3 38-2124, 38-2125, 38-2826.01, 44-772, 44-776, 44-777, 44-793, 4 71-423, and 71-430, Reissue Revised Statutes of Nebraska, and sections 68-1017.02, 71-401, 71-403, 71-413, 71-2411, 71-2445, and 5 6 77-2704.12, Revised Statutes Cumulative Supplement, 2016; to change 7 credentialing provisions relating to mental health and substance use 8 disorders under the Health Care Facility Licensure Act and the Uniform Credentialing Act; to provide for mental health substance 9 abuse centers; to define and redefine terms; to harmonize 10 provisions; and to repeal the original sections. 11
- 12 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 28-401, Reissue Revised Statutes of Nebraska, is

- 2 amended to read:
- 3 28-401 As used in the Uniform Controlled Substances Act, unless the
- 4 context otherwise requires:
- 5 (1) Administer means to directly apply a controlled substance by
- 6 injection, inhalation, ingestion, or any other means to the body of a
- 7 patient or research subject;
- 8 (2) Agent means an authorized person who acts on behalf of or at the
- 9 direction of another person but does not include a common or contract
- 10 carrier, public warehouse keeper, or employee of a carrier or warehouse
- 11 keeper;
- 12 (3) Administration means the Drug Enforcement Administration of the
- 13 United States Department of Justice;
- 14 (4) Controlled substance means a drug, biological, substance, or
- 15 immediate precursor in Schedules I to V of section 28-405. Controlled
- 16 substance does not include distilled spirits, wine, malt beverages,
- 17 tobacco, or any nonnarcotic substance if such substance may, under the
- 18 Federal Food, Drug, and Cosmetic Act, 21 U.S.C. 301 et seq., as such act
- 19 existed on January 1, 2014, and the law of this state, be lawfully sold
- 20 over the counter without a prescription;
- 21 (5) Counterfeit substance means a controlled substance which, or the
- 22 container or labeling of which, without authorization, bears the
- 23 trademark, trade name, or other identifying mark, imprint, number, or
- 24 device, or any likeness thereof, of a manufacturer, distributor, or
- 25 dispenser other than the person or persons who in fact manufactured,
- 26 distributed, or dispensed such substance and which thereby falsely
- 27 purports or is represented to be the product of, or to have been
- 28 distributed by, such other manufacturer, distributor, or dispenser;
- 29 (6) Department means the Department of Health and Human Services;
- 30 (7) Division of Drug Control means the personnel of the Nebraska
- 31 State Patrol who are assigned to enforce the Uniform Controlled

- 1 Substances Act;
- 2 (8) Dispense means to deliver a controlled substance to an ultimate
- 3 user or a research subject pursuant to a medical order issued by a
- 4 practitioner authorized to prescribe, including the packaging, labeling,
- 5 or compounding necessary to prepare the controlled substance for such
- 6 delivery;
- 7 (9) Distribute means to deliver other than by administering or
- 8 dispensing a controlled substance;
- 9 (10) Prescribe means to issue a medical order;
- 10 (11) Drug means (a) articles recognized in the official United
- 11 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United
- 12 States, official National Formulary, or any supplement to any of them,
- 13 (b) substances intended for use in the diagnosis, cure, mitigation,
- 14 treatment, or prevention of disease in human beings or animals, and (c)
- 15 substances intended for use as a component of any article specified in
- 16 subdivision (a) or (b) of this subdivision, but does not include devices
- or their components, parts, or accessories;
- 18 (12) Deliver or delivery means the actual, constructive, or
- 19 attempted transfer from one person to another of a controlled substance,
- 20 whether or not there is an agency relationship;
- 21 (13) Marijuana means all parts of the plant of the genus cannabis,
- 22 whether growing or not, the seeds thereof, and every compound,
- 23 manufacture, salt, derivative, mixture, or preparation of such plant or
- 24 its seeds, but does not include the mature stalks of such plant, hashish,
- 25 tetrahydrocannabinols extracted or isolated from the plant, fiber
- 26 produced from such stalks, oil or cake made from the seeds of such plant,
- 27 any other compound, manufacture, salt, derivative, mixture, or
- 28 preparation of such mature stalks, the sterilized seed of such plant
- 29 which is incapable of germination, or cannabidiol obtained pursuant to
- 30 sections 28-463 to 28-468. When the weight of marijuana is referred to in
- 31 the Uniform Controlled Substances Act, it means its weight at or about

- 1 the time it is seized or otherwise comes into the possession of law
- 2 enforcement authorities, whether cured or uncured at that time. When
- 3 industrial hemp as defined in section 2-5701 is in the possession of a
- 4 person as authorized under section 2-5701, it is not considered marijuana
- 5 for purposes of the Uniform Controlled Substances Act;
- 6 (14) Manufacture means the production, preparation, propagation,
- 7 conversion, or processing of a controlled substance, either directly or
- 8 indirectly, by extraction from substances of natural origin,
- 9 independently by means of chemical synthesis, or by a combination of
- 10 extraction and chemical synthesis, and includes any packaging or
- 11 repackaging of the substance or labeling or relabeling of its container.
- 12 Manufacture does not include the preparation or compounding of a
- 13 controlled substance by an individual for his or her own use, except for
- 14 the preparation or compounding of components or ingredients used for or
- 15 intended to be used for the manufacture of methamphetamine, or the
- 16 preparation, compounding, conversion, packaging, or labeling of a
- 17 controlled substance: (a) By a practitioner as an incident to his or her
- 18 prescribing, administering, or dispensing of a controlled substance in
- 19 the course of his or her professional practice; or (b) by a practitioner,
- 20 or by his or her authorized agent under his or her supervision, for the
- 21 purpose of, or as an incident to, research, teaching, or chemical
- 22 analysis and not for sale;
- 23 (15) Narcotic drug means any of the following, whether produced
- 24 directly or indirectly by extraction from substances of vegetable origin,
- 25 independently by means of chemical synthesis, or by a combination of
- 26 extraction and chemical synthesis: (a) Opium, opium poppy and poppy
- 27 straw, coca leaves, and opiates; (b) a compound, manufacture, salt,
- 28 derivative, or preparation of opium, coca leaves, or opiates; or (c) a
- 29 substance and any compound, manufacture, salt, derivative, or preparation
- 30 thereof which is chemically equivalent to or identical with any of the
- 31 substances referred to in subdivisions (a) and (b) of this subdivision,

- 1 except that the words narcotic drug as used in the Uniform Controlled
- 2 Substances Act does not include decocainized coca leaves or extracts of
- 3 coca leaves, which extracts do not contain cocaine or ecgonine, or
- 4 isoquinoline alkaloids of opium;
- 5 (16) Opiate means any substance having an addiction-forming or
- 6 addiction-sustaining liability similar to morphine or being capable of
- 7 conversion into a drug having such addiction-forming or addiction-
- 8 sustaining liability. Opiate does not include the dextrorotatory isomer
- 9 of 3-methoxy-n methylmorphinan and its salts. Opiate includes its racemic
- 10 and levorotatory forms;
- 11 (17) Opium poppy means the plant of the species Papaver somniferum
- 12 L., except the seeds thereof;
- 13 (18) Poppy straw means all parts, except the seeds, of the opium
- 14 poppy after mowing;
- 15 (19) Person means any corporation, association, partnership, limited
- 16 liability company, or one or more persons;
- 17 (20) Practitioner means a physician, a physician assistant, a
- 18 dentist, a veterinarian, a pharmacist, a podiatrist, an optometrist, a
- 19 certified nurse midwife, a certified registered nurse anesthetist, a
- 20 nurse practitioner, a scientific investigator, a pharmacy, a hospital, or
- 21 any other person licensed, registered, or otherwise permitted to
- 22 distribute, dispense, prescribe, conduct research with respect to, or
- 23 administer a controlled substance in the course of practice or research
- 24 in this state, including an emergency medical service as defined in
- 25 section 38-1207;
- 26 (21) Production includes the manufacture, planting, cultivation, or
- 27 harvesting of a controlled substance;
- 28 (22) Immediate precursor means a substance which is the principal
- 29 compound commonly used or produced primarily for use and which is an
- 30 immediate chemical intermediary used or likely to be used in the
- 31 manufacture of a controlled substance, the control of which is necessary

- 1 to prevent, curtail, or limit such manufacture;
- 2 (23) State means the State of Nebraska;
- 3 (24) Ultimate user means a person who lawfully possesses a
- 4 controlled substance for his or her own use, for the use of a member of
- 5 his or her household, or for administration to an animal owned by him or
- 6 her or by a member of his or her household;
- 7 (25) Hospital has the same meaning as in section 71-419;
- 8 (26) Cooperating individual means any person, other than a
- 9 commissioned law enforcement officer, who acts on behalf of, at the
- 10 request of, or as agent for a law enforcement agency for the purpose of
- 11 gathering or obtaining evidence of offenses punishable under the Uniform
- 12 Controlled Substances Act;
- 13 (27) Hashish or concentrated cannabis means (a) the separated resin,
- 14 whether crude or purified, obtained from a plant of the genus cannabis or
- 15 (b) any material, preparation, mixture, compound, or other substance
- 16 which contains ten percent or more by weight of tetrahydrocannabinols.
- 17 When resins extracted from industrial hemp as defined in section 2-5701
- 18 are in the possession of a person as authorized under section 2-5701,
- 19 they are not considered hashish or concentrated cannabis for purposes of
- 20 the Uniform Controlled Substances Act;
- 21 (28) Exceptionally hazardous drug means (a) a narcotic drug, (b)
- 22 thiophene analog of phencyclidine, (c) phencyclidine, (d) amobarbital,
- 23 (e) secobarbital, (f) pentobarbital, (g) amphetamine, or (h)
- 24 methamphetamine;
- 25 (29) Imitation controlled substance means a substance which is not a
- 26 controlled substance or controlled substance analogue but which, by way
- 27 of express or implied representations and consideration of other relevant
- 28 factors including those specified in section 28-445, would lead a
- 29 reasonable person to believe the substance is a controlled substance or
- 30 controlled substance analogue. A placebo or registered investigational
- 31 drug manufactured, distributed, possessed, or delivered in the ordinary

1 course of practice or research by a health care professional shall not be

- 2 deemed to be an imitation controlled substance;
- 3 (30)(a) Controlled substance analogue means a substance (i) the
- 4 chemical structure of which is substantially similar to the chemical
- 5 structure of a Schedule I or Schedule II controlled substance as provided
- 6 in section 28-405 or (ii) which has a stimulant, depressant, analgesic,
- 7 or hallucinogenic effect on the central nervous system that is
- 8 substantially similar to or greater than the stimulant, depressant,
- 9 analgesic, or hallucinogenic effect on the central nervous system of a
- 10 Schedule I or Schedule II controlled substance as provided in section
- 11 28-405. A controlled substance analogue shall, to the extent intended for
- 12 human consumption, be treated as a controlled substance under Schedule I
- of section 28-405 for purposes of the Uniform Controlled Substances Act;
- 14 and
- 15 (b) Controlled substance analogue does not include (i) a controlled
- 16 substance, (ii) any substance generally recognized as safe and effective
- 17 within the meaning of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C.
- 18 301 et seq., as such act existed on January 1, 2014, (iii) any substance
- 19 for which there is an approved new drug application, or (iv) with respect
- 20 to a particular person, any substance if an exemption is in effect for
- 21 investigational use for that person, under section 505 of the Federal
- 22 Food, Drug, and Cosmetic Act, 21 U.S.C. 355, as such section existed on
- 23 January 1, 2014, to the extent conduct with respect to such substance is
- 24 pursuant to such exemption;
- 25 (31) Anabolic steroid means any drug or hormonal substance,
- 26 chemically and pharmacologically related to testosterone (other than
- 27 estrogens, progestins, and corticosteroids), that promotes muscle growth
- 28 and includes any controlled substance in Schedule III(d) of section
- 29 28-405. Anabolic steroid does not include any anabolic steroid which is
- 30 expressly intended for administration through implants to cattle or other
- 31 nonhuman species and has been approved by the Secretary of Health and

- 1 Human Services for such administration, but if any person prescribes,
- 2 dispenses, or distributes such a steroid for human use, such person shall
- 3 be considered to have prescribed, dispensed, or distributed an anabolic
- 4 steroid within the meaning of this subdivision;
- 5 (32) Chart order means an order for a controlled substance issued by
- 6 a practitioner for a patient who is in the hospital where the chart is
- 7 stored or for a patient receiving detoxification treatment or maintenance
- 8 treatment pursuant to section 28-412. Chart order does not include a
- 9 prescription;
- 10 (33) Medical order means a prescription, a chart order, or an order
- 11 for pharmaceutical care issued by a practitioner;
- 12 (34) Prescription means an order for a controlled substance issued
- 13 by a practitioner. Prescription does not include a chart order;
- 14 (35) Registrant means any person who has a controlled substances
- 15 registration issued by the state or the administration;
- 16 (36) Reverse distributor means a person whose primary function is to
- 17 act as an agent for a pharmacy, wholesaler, manufacturer, or other entity
- 18 by receiving, inventorying, and managing the disposition of outdated,
- 19 expired, or otherwise nonsaleable controlled substances;
- 20 (37) Signature means the name, word, or mark of a person written in
- 21 his or her own hand with the intent to authenticate a writing or other
- 22 form of communication or a digital signature which complies with section
- 23 86-611 or an electronic signature;
- 24 (38) Facsimile means a copy generated by a system that encodes a
- 25 document or photograph into electrical signals, transmits those signals
- 26 over telecommunications lines, and reconstructs the signals to create an
- 27 exact duplicate of the original document at the receiving end;
- 28 (39) Electronic signature has the definition found in section
- 29 86-621;
- 30 (40) Electronic transmission means transmission of information in
- 31 electronic form. Electronic transmission includes computer-to-computer

- 1 transmission or computer-to-facsimile transmission;
- 2 (41) Long-term care facility means an intermediate care facility, an
- 3 intermediate care facility for persons with developmental disabilities, a
- 4 long-term care hospital, a mental health <u>substance</u> use <u>treatment</u> center,
- 5 a nursing facility, or a skilled nursing facility, as such terms are
- 6 defined in the Health Care Facility Licensure Act;
- 7 (42) Compounding has the same meaning as in section 38-2811;
- 8 (43) Cannabinoid receptor agonist shall mean any chemical compound
- 9 or substance that, according to scientific or medical research, study,
- 10 testing, or analysis, demonstrates the presence of binding activity at
- one or more of the CB1 or CB2 cell membrane receptors located within the
- 12 human body; and
- 13 (44) Lookalike substance means a product or substance, not
- 14 specifically designated as a controlled substance in section 28-405, that
- 15 is either portrayed in such a manner by a person to lead another person
- 16 to reasonably believe that it produces effects on the human body that
- 17 replicate, mimic, or are intended to simulate the effects produced by a
- 18 controlled substance or that possesses one or more of the following
- 19 indicia or characteristics:
- 20 (a) The packaging or labeling of the product or substance suggests
- 21 that the user will achieve euphoria, hallucination, mood enhancement,
- 22 stimulation, or another effect on the human body that replicates or
- 23 mimics those produced by a controlled substance;
- 24 (b) The name or packaging of the product or substance uses images or
- 25 labels suggesting that it is a controlled substance or produces effects
- 26 on the human body that replicate or mimic those produced by a controlled
- 27 substance;
- 28 (c) The product or substance is marketed or advertised for a
- 29 particular use or purpose and the cost of the product or substance is
- 30 disproportionately higher than other products or substances marketed or
- 31 advertised for the same or similar use or purpose;

- 1 (d) The packaging or label on the product or substance contains
- 2 words or markings that state or suggest that the product or substance is
- 3 in compliance with state and federal laws regulating controlled
- 4 substances;
- 5 (e) The owner or person in control of the product or substance uses
- 6 evasive tactics or actions to avoid detection or inspection of the
- 7 product or substance by law enforcement authorities;
- 8 (f) The owner or person in control of the product or substance makes
- 9 a verbal or written statement suggesting or implying that the product or
- 10 substance is a synthetic drug or that consumption of the product or
- 11 substance will replicate or mimic effects on the human body to those
- 12 effects commonly produced through use or consumption of a controlled
- 13 substance;
- 14 (g) The owner or person in control of the product or substance makes
- 15 a verbal or written statement to a prospective customer, buyer, or
- 16 recipient of the product or substance implying that the product or
- 17 substance may be resold for profit; or
- 18 (h) The product or substance contains a chemical or chemical
- 19 compound that does not have a legitimate relationship to the use or
- 20 purpose claimed by the seller, distributor, packer, or manufacturer of
- 21 the product or substance or indicated by the product name, appearing on
- 22 the product's packaging or label or depicted in advertisement of the
- 23 product or substance.
- 24 Sec. 2. Section 38-319, Reissue Revised Statutes of Nebraska, is
- 25 amended to read:
- 26 38-319 The department, with the recommendation of the board, may
- 27 issue a license based on licensure in another jurisdiction to an
- 28 individual who (1) meets the requirements of the Alcohol and Drug
- 29 Counseling Practice Act, (2) meets or substantially equivalent
- 30 requirements as determined by the department, with the recommendation of
- 31 the board, or (3) holds a license or certification that is current in

- 1 another jurisdiction that authorizes the applicant to provide alcohol and
- 2 <u>drug counseling</u>, has at least two hundred seventy hours of alcohol and
- 3 drug counseling education, has at least three years of full-time alcohol
- 4 and drug counseling practice following initial licensure or certification
- 5 in the other jurisdiction and has passed an alcohol and drug counseling
- 6 <u>examination</u>.
- 7 Sec. 3. Section 38-321, Reissue Revised Statutes of Nebraska, is
- 8 amended to read:
- 9 38-321 (1)—The department, with the recommendation of the board,
- 10 shall adopt and promulgate rules and regulations to administer the
- 11 Alcohol and Drug Counseling Practice Act, including rules and regulations
- 12 governing:
- 13 (1) (a) Ways of clearly identifying students, interns, and other
- 14 persons providing alcohol and drug counseling under supervision;
- (2) (b) The rights of persons receiving alcohol and drug counseling;
- 16 (3) (c) The rights of clients to gain access to their records,
- 17 except that records relating to substance abuse may be withheld from a
- 18 client if an alcohol and drug counselor determines, in his or her
- 19 professional opinion, that release of the records to the client would not
- 20 be in the best interest of the client or would pose a threat to another
- 21 person, unless the release of the records is required by court order;
- 22 (4) (d) The contents and methods of distribution of disclosure
- 23 statements to clients of alcohol and drug counselors; and
- 24 <u>(5) (e)</u> Standards of professional conduct and a code of ethics.
- 25 (2) The rules and regulations governing certified alcohol and drug
- 26 counselors shall remain in effect to govern licensure until modified
- 27 under this section, except that if there is any conflict with the Alcohol
- 28 and Drug Counseling Practice Act, the provisions of the act shall
- 29 prevail.
- 30 Sec. 4. Section 38-2104, Reissue Revised Statutes of Nebraska, is
- 31 amended to read:

- 1 38-2104 (1) Approved educational program means a program of
- 2 education and training accredited by an agency listed in subsection (2)
- 3 of this section or approved by the board. Such approval may be based on
- 4 the program's accreditation by an accrediting agency with requirements
- 5 <u>similar to an agency listed in subsection (2) of this section</u>or on
- 6 standards established by the board in the manner and form provided in
- 7 section 38-133.
- 8 (2) Approved educational program includes a program of education and
- 9 training accredited by:
- 10 (a) The Commission on Accreditation for Marriage and Family Therapy
- 11 Education;
- 12 <u>(b) The Council for Accreditation of Counseling and Related</u>
- 13 <u>Educational Programs;</u>
- 14 (c) The Council on Rehabilitation Education;
- 15 (d) The Council on Social Work Education; or
- 16 <u>(e) The American Psychological Association for a doctoral degree</u>
- 17 program enrolled in by a person who has a master's degree or its
- 18 <u>equivalent in psychology.</u>
- 19 Sec. 5. Section 38-2117, Reissue Revised Statutes of Nebraska, is
- 20 amended to read:
- 21 38-2117 Mental health program means an <u>approved</u> educational program
- 22 in a field such as, but not limited to, social work, professional
- 23 counseling, marriage and family therapy, human development, psychology,
- 24 or family relations, the content of which contains an emphasis on
- 25 therapeutic mental health and course work in psychotherapy and the
- 26 assessment of mental disorders.
- Sec. 6. Section 38-2122, Reissue Revised Statutes of Nebraska, is
- 28 amended to read:
- 29 38-2122 A person shall be qualified to be a licensed mental health
- 30 practitioner if he or she:
- 31 (1) Has received a master's or doctorate degree, a doctoral degree,

- 1 or the equivalent of a master's degree, as determined by the board, that
- 2 consists of course work and training which was primarily therapeutic
- 3 mental health in content and included a practicum or internship and was
- 4 from an approved educational program. Practicums or internships completed
- 5 after September 1, 1995, must include a minimum of three hundred clock
- 6 hours of direct client contact under the supervision of a qualified
- 7 physician, a licensed psychologist, or a licensed mental health
- 8 practitioner;
- 9 (2) Has successfully completed three thousand hours of supervised
- 10 experience in mental health practice of which fifteen hundred hours were
- in direct client contact in a setting where mental health services were
- 12 being offered and the remaining fifteen hundred hours included, but were
- 13 not limited to, review of client records, case conferences, direct
- 14 observation, and video observation. For purposes of this subdivision,
- 15 supervised means monitored by a qualified physician, a licensed clinical
- 16 psychologist, or a certified master social worker, certified professional
- 17 counselor, or marriage and family therapist qualified for certification
- 18 on September 1, 1994, for any hours completed before such date or by a
- 19 qualified physician, a psychologist licensed to engage in the practice of
- 20 psychology, or a licensed mental health practitioner for any hours
- 21 completed after such date, including evaluative face-to-face contact for
- 22 a minimum of one hour per week. Such three thousand hours shall be
- 23 accumulated after completion of the master's degree, doctoral degree, or
- 24 equivalent of the master's or doctorate degree and during the five years
- 25 immediately preceding the application for licensure; and
- 26 (3) Has satisfactorily passed an examination approved by the board.
- 27 An individual who by reason of educational background is eligible for
- 28 certification as a certified master social worker, a certified
- 29 professional counselor, or a certified marriage and family therapist
- 30 shall take and pass a certification examination approved by the board
- 31 before becoming licensed as a mental health practitioner.

- Sec. 7. Section 38-2123, Reissue Revised Statutes of Nebraska, is
- 2 amended to read:
- 3 38-2123 (1) A person who needs to obtain the required three thousand
- 4 hours of supervised experience in mental health practice as specified in
- 5 section 38-2122 to qualify for a mental health practitioner license shall
- 6 obtain a provisional mental health practitioner license. To qualify for a
- 7 provisional mental health practitioner license, such person shall:
- 8 (a) Have a master's or doctorate degree, a doctoral degree, or the
- 9 equivalent of a master's degree, as determined by the board, that
- 10 consists of course work and training which was primarily therapeutic
- 11 mental health in content and included a practicum or internship and was
- 12 from <u>a mental health</u> an approved educational program as specified in such
- 13 section <u>38-2122;</u>
- (b) Apply prior to earning the three thousand hours of supervised
- 15 experience; and
- 16 (c) Pay the provisional mental health practitioner license fee.
- 17 (2) The rules and regulations approved by the board and adopted and
- 18 promulgated by the department shall not require that the applicant have a
- 19 supervisor in place at the time of application for a provisional mental
- 20 <u>health practitioner license</u>. The applicant shall provide the department
- 21 with the name and license number of his or her supervisor within thirty
- 22 days after beginning employment under the provisional mental health
- 23 practitioner license.
- 24 (3) (2) A provisional mental health practitioner license shall
- 25 expire upon receipt of licensure as a mental health practitioner or five
- 26 years after the date of issuance, whichever comes first.
- 27 (4) (3) A person who holds a provisional mental health practitioner
- 28 license shall inform all clients that he or she holds a provisional
- 29 license and is practicing mental health under supervision and shall
- 30 identify the supervisor. Failure to make such disclosure is a ground for
- 31 discipline as set forth in section 38-2139.

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1 Sec. 8. Section 38-2124, Reissue Revised Statutes of Nebraska, is

- 2 amended to read:
- 3 38-2124 (1) No person shall hold himself or herself out as an
- 4 independent mental health practitioner unless he or she is licensed as
- 5 such by the department. A person shall be qualified to be a licensed
- 6 independent mental health practitioner if he or she:
- 7 (a)(i)(A) Graduated with a master's or doctoral degree from an
- 8 educational program which is accredited, at the time of graduation or
- 9 within four years after graduation, by the Council for Accreditation of
- 10 Counseling and Related Educational Programs, the Commission or
- 11 Accreditation for Marriage and Family Therapy Education, or the Council
- 12 on Social Work Education or (B) graduated with a master's or doctoral
- 13 degree from an educational program deemed by the board to be equivalent
- 14 in didactic content and supervised clinical experience to an accredited
- 15 program;
- 16 (ii)(A) Is licensed as a licensed mental health practitioner or (B)
- 17 is licensed as a provisional mental health practitioner and has
- 18 satisfactorily passed an examination approved by the board pursuant to
- 19 subdivision (3) of section 38-2122; and
- 20 (iii) Has three thousand hours of experience obtained in a period of
- 21 not less than two nor more than five years and supervised by a licensed
- 22 physician, a licensed psychologist, or a licensed independent mental
- 23 health practitioner, one-half of which is comprised of experience with
- 24 clients diagnosed under the major mental illness or disorder category; or
- 25 (b)(i) Graduated from an educational program which does not meet the
- 26 requirements of subdivision (a)(i) of this subsection;
- 27 (ii)(A) Is licensed as a licensed mental health practitioner or (B)
- 28 is licensed as a provisional mental health practitioner and has
- 29 satisfactorily passed an examination approved by the board pursuant to
- 30 subdivision (3) of section 38-2122; and
- 31 (iii) Has seven thousand hours of experience obtained in a period of

- 1 not less than ten years and supervised by a licensed physician, a
- 2 licensed psychologist, or a licensed independent mental health
- 3 practitioner, one-half of which is comprised of experience with clients
- 4 diagnosed under the major mental illness or disorder category.
- 5 (2) The experience required under this section shall be documented
- 6 in a reasonable form and manner as prescribed by the board, which may
- 7 consist of sworn statements from the applicant and his or her employers
- 8 and supervisors. The board shall not in any case require the applicant to
- 9 produce individual case records.
- 10 (3) The application for an independent mental health practitioner
- 11 license shall include the applicant's social security number.
- 12 Sec. 9. Section 38-2125, Reissue Revised Statutes of Nebraska, is
- 13 amended to read:
- 14 38-2125 The department, with the recommendation of the board, may
- 15 issue a license based on licensure in another jurisdiction to an
- 16 individual who (1) meets the licensure requirements of the Mental Health
- 17 Practice Act or substantially equivalent requirements as determined by
- 18 the department, with the recommendation of the board, or (2) has been in
- 19 active practice in the appropriate discipline for at least five years
- 20 following initial licensure or certification in another jurisdiction and
- 21 <u>has passed the Nebraska jurisprudence examination</u>.
- 22 Sec. 10. Section 38-2826.01, Reissue Revised Statutes of Nebraska,
- 23 is amended to read:
- 24 38-2826.01 Long-term care facility means an intermediate care
- 25 facility, an intermediate care facility for persons with developmental
- 26 disabilities, a long-term care hospital, a mental health <u>substance use</u>
- 27 <u>treatment</u> center, a nursing facility, or a skilled nursing facility, as
- 28 such terms are defined in the Health Care Facility Licensure Act.
- 29 Sec. 11. Section 44-772, Reissue Revised Statutes of Nebraska, is
- 30 amended to read:
- 31 44-772 Mental health substance use Substance abuse treatment center

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1 shall mean a facility an institution licensed as a mental health

- 2 substance <u>use</u> abuse treatment center by the Department of Health and
- 3 Human Services and defined in section 71-423 71-430, which provides a
- 4 program for the inpatient or outpatient treatment of alcoholism pursuant
- 5 to a written treatment plan approved and monitored by a physician and
- 6 which is affiliated with a hospital under a contractual agreement with an
- 7 established system for patient referral.
- 8 Sec. 12. Section 44-776, Reissue Revised Statutes of Nebraska, is
- 9 amended to read:
- 10 44-776 Primary treatment shall mean inpatient treatment rendered in
- 11 a structured and scheduled setting to prevent further ingestion of
- 12 alcoholic beverages, to relieve the pain of the withdrawal syndrome, and
- 13 to provide intensive therapy or rehabilitation, when such treatment is
- 14 rendered in a hospital or a mental health substance use abuse treatment
- 15 center which is certified or accredited to render such care.
- Sec. 13. Section 44-777, Reissue Revised Statutes of Nebraska, is
- 17 amended to read:
- 18 44-777 Outpatient treatment shall mean counseling and therapy
- 19 provided on a nonresidential basis when such treatment is rendered in or
- 20 through a hospital, a substance abuse treatment center, or an outpatient
- 21 program which is certified or accredited to render such care.
- 22 Sec. 14. Section 44-793, Reissue Revised Statutes of Nebraska, is
- 23 amended to read:
- 24 44-793 (1) On or after January 1, 2000, notwithstanding section
- 25 44-3,131, any health insurance plan delivered, issued, or renewed in this
- 26 state (a) if coverage is provided for treatment of mental health
- 27 conditions other than alcohol or substance abuse, (i) shall not establish
- 28 any rate, term, or condition that places a greater financial burden on an
- 29 insured for access to treatment for a serious mental illness than for
- 30 access to treatment for a physical health condition and (ii) if an out-
- 31 of-pocket limit is established for physical health conditions, shall

- 1 apply such out-of-pocket limit as a single comprehensive out-of-pocket
- 2 limit for both physical health conditions and mental health conditions,
- 3 or (b) if no coverage is to be provided for treatment of mental health
- 4 conditions, shall provide clear and prominent notice of such noncoverage
- 5 in the plan.
- 6 (2) If a health insurance plan provides coverage for serious mental
- 7 illness, the health insurance plan shall cover health care rendered for
- 8 treatment of serious mental illness (a) by a mental health professional,
- 9 (b) by a person authorized by the rules and regulations of the Department
- 10 of Health and Human Services to provide treatment for mental illness, (c)
- 11 in a mental health substance use treatment center as defined in section
- 12 71-423, or (d) in any other health care facility licensed under the
- 13 Health Care Facility Licensure Act that provides a program for the
- 14 treatment of a mental health condition pursuant to a written plan. The
- 15 issuer of a health insurance plan may require a health care provider
- 16 under this subsection to enter into a contract as a condition of
- 17 providing benefits.
- 18 (3) The Director of Insurance may disapprove any plan that the
- 19 director determines to be inconsistent with the purposes of this section.
- 20 Sec. 15. Section 68-1017.02, Revised Statutes Cumulative Supplement,
- 21 2016, is amended to read:
- 22 68-1017.02 (1)(a) The Department of Health and Human Services shall
- 23 apply for and utilize to the maximum extent possible, within limits
- 24 established by the Legislature, any and all appropriate options available
- 25 to the state under the federal Supplemental Nutrition Assistance Program
- 26 and regulations adopted under such program to maximize the number of
- 27 Nebraska residents being served under such program within such limits.
- 28 The department shall seek to maximize federal funding for such program
- 29 and minimize the utilization of General Funds for such program and shall
- 30 employ the personnel necessary to determine the options available to the
- 31 state and issue the report to the Legislature required by subdivision (b)

1 of this subsection.

- 2 (b) The department shall submit electronically an annual report to the Health and Human Services Committee of the Legislature by December 1 3 4 on efforts by the department to carry out the provisions of this subsection. Such report shall provide the committee with all necessary 5 and appropriate information to enable the committee to conduct a 6 meaningful evaluation of such efforts. Such information shall include, 7 but not be limited to, a clear description of various options available 8 9 to the state under the federal Supplemental Nutrition Assistance Program, the department's evaluation of and any action taken by the department 10 with respect to such options, the number of persons being served under 11 such program, and any and all costs and expenditures associated with such 12 program. 13
- (c) The Health and Human Services Committee of the Legislature, after receipt and evaluation of the report required in subdivision (b) of this subsection, shall issue recommendations to the department on any further action necessary by the department to meet the requirements of this section.
- (2)(a) The department shall develop a state outreach plan to promote access by eligible persons to benefits of the Supplemental Nutrition Assistance Program. The plan shall meet the criteria established by the Food and Nutrition Service of the United States Department of Agriculture for approval of state outreach plans. The Department of Health and Human Services may apply for and accept gifts, grants, and donations to develop and implement the state outreach plan.
- (b) For purposes of developing and implementing the state outreach plan, the department shall partner with one or more counties or nonprofit organizations. If the department enters into a contract with a nonprofit organization relating to the state outreach plan, the contract may specify that the nonprofit organization is responsible for seeking sufficient gifts, grants, or donations necessary for the development and

- 1 implementation of the state outreach plan and may additionally specify
- 2 that any costs to the department associated with the award and management
- 3 of the contract or the implementation or administration of the state
- 4 outreach plan shall be paid out of private or federal funds received for
- 5 development and implementation of the state outreach plan.
- 6 (c) The department shall submit the state outreach plan to the Food
- 7 and Nutrition Service of the United States Department of Agriculture for
- 8 approval on or before August 1, 2011, and shall request any federal
- 9 matching funds that may be available upon approval of the state outreach
- 10 plan. It is the intent of the Legislature that the State of Nebraska and
- 11 the Department of Health and Human Services use any additional public or
- 12 private funds to offset costs associated with increased caseload
- 13 resulting from the implementation of the state outreach plan.
- 14 (d) The department shall be exempt from implementing or
- 15 administering a state outreach plan under this subsection, but not from
- 16 developing such a plan, if it does not receive private or federal funds
- 17 sufficient to cover the department's costs associated with the
- 18 implementation and administration of the plan, including any costs
- 19 associated with increased caseload resulting from the implementation of
- 20 the plan.
- 21 (3)(a)(i) On or before October 1, 2011, the department shall create
- 22 a TANF-funded program or policy that, in compliance with federal law,
- 23 establishes categorical eligibility for federal food assistance benefits
- 24 pursuant to the Supplemental Nutrition Assistance Program to maximize the
- 25 number of Nebraska residents being served under such program in a manner
- 26 that does not increase the current gross income eligibility limit.
- 27 (ii) Such TANF-funded program or policy shall eliminate all asset
- 28 limits for eligibility for federal food assistance benefits, except that
- 29 the total of liquid assets which includes cash on hand and funds in
- 30 personal checking and savings accounts, money market accounts, and share
- 31 accounts shall not exceed twenty-five thousand dollars pursuant to the

1 Supplemental Nutrition Assistance Program, as allowed under federal law

- 2 and under 7 C.F.R. 273.2(j)(2).
- 3 (iii) This subsection becomes effective only if the department
- 4 receives funds pursuant to federal participation that may be used to
- 5 implement this subsection.
- 6 (b) For purposes of this subsection:
- 7 (i) Federal law means the federal Food and Nutrition Act of 2008, 7
- 8 U.S.C. 2011 et seq., and regulations adopted under the act; and
- 9 (ii) TANF means the federal Temporary Assistance for Needy Families
- 10 program established in 42 U.S.C. 601 et seq.
- 11 (4)(a) Within the limits specified in this subsection, the State of
- 12 Nebraska opts out of the provision of the federal Personal Responsibility
- 13 and Work Opportunity Reconciliation Act of 1996, as such act existed on
- 14 January 1, 2009, that eliminates eligibility for the Supplemental
- 15 Nutrition Assistance Program for any person convicted of a felony
- 16 involving the possession, use, or distribution of a controlled substance.
- 17 (b) A person shall be ineligible for Supplemental Nutrition
- 18 Assistance Program benefits under this subsection if he or she (i) has
- 19 had three or more felony convictions for the possession or use of a
- 20 controlled substance or (ii) has been convicted of a felony involving the
- 21 sale or distribution of a controlled substance or the intent to sell or
- 22 distribute a controlled substance. A person with one or two felony
- 23 convictions for the possession or use of a controlled substance shall
- 24 only be eligible to receive Supplemental Nutrition Assistance Program
- 25 benefits under this subsection if he or she is participating in or, since
- 26 <u>the date of conviction</u>, has completed a state-licensed or nationally
- 27 accredited substance abuse treatment program that is nationally
- 28 accredited or provided in a mental health substance use treatment center
- 29 <u>licensed under the Health Care Facility Licensure Act</u> since the date of
- 30 conviction. The determination of such participation or completion shall
- 31 be made by the treatment provider administering the program.

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1 Sec. 16. Section 71-401, Revised Statutes Cumulative Supplement,

- 2 2016, is amended to read:
- 3 71-401 Sections 71-401 to 71-474 and sections 20 and 22 of this act
- 4 shall be known and may be cited as the Health Care Facility Licensure
- 5 Act.
- 6 Sec. 17. Section 71-403, Revised Statutes Cumulative Supplement,
- 7 2016, is amended to read:
- 8 71-403 For purposes of the Health Care Facility Licensure Act,
- 9 unless the context otherwise requires, the definitions found in sections
- 10 71-404 to 71-431 and section 20 of this act shall apply.
- 11 Sec. 18. Section 71-413, Revised Statutes Cumulative Supplement,
- 12 2016, is amended to read:
- 13 71-413 Health care facility means an ambulatory surgical center, an
- 14 assisted-living facility, a center or group home for the developmentally
- 15 disabled, a critical access hospital, a general acute hospital, a health
- 16 clinic, a hospital, an intermediate care facility, an intermediate care
- 17 facility for persons with developmental disabilities, a long-term care
- 18 hospital, a mental health <u>substance use treatment</u> center, a nursing
- 19 facility, a pharmacy, a psychiatric or mental hospital, a public health
- 20 clinic, a rehabilitation hospital, or a skilled nursing facility, or a
- 21 substance abuse treatment center.
- 22 Sec. 19. Section 71-423, Reissue Revised Statutes of Nebraska, is
- 23 amended to read:
- 24 71-423 Mental health <u>substance use treatment</u> center means a facility
- 25 where shelter, food, and counseling, supervision, diagnosis, treatment,
- 26 care, rehabilitation, assessment, or related services professionally
- 27 <u>directed</u> are provided for a period of more than twenty-four consecutive
- 28 hours to persons residing at such facility who have a mental <u>illness</u>
- 29 disease, disorder, or substance use disorder or both, with the intention
- 30 of reducing or ameliorating the disorder or disorders or the effects of
- 31 the disorder or disorders disability.

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- 1 Sec. 20. Mental illness means a wide range of mental health
- 2 <u>disorders that affect mood, thinking, and behavior and can result in</u>
- 3 significantly impaired judgment, behavior, capacity to recognize reality,
- 4 or ability to address basic life necessities and requires care and
- 5 treatment for health, safety, or recovery of the individual or for the
- 6 <u>safety of others.</u>
- 7 Sec. 21. Section 71-430, Reissue Revised Statutes of Nebraska, is
- 8 amended to read:
- 9 71-430 Substance use disorder means the recurrent use of alcohol,
- 10 drugs, or both causing clinically and functionally significant
- 11 <u>impairment</u>, such as health problems, disability, and failure to meet
- 12 <u>major responsibilities at work, school, or home. Substance use disorders</u>
- 13 may be designated as mild, moderate, or severe to indicate the level of
- 14 severity, which is determined by the number of diagnostic criteria met by
- 15 an individual.
- 16 (1) Substance abuse treatment center means a facility, including any
- 17 private dwelling, where shelter, food, and care, treatment, maintenance,
- 18 or related services are provided in a group setting to persons who are
- 19 substance abusers.
- 20 (2) Substance abuse treatment center includes programs and services
- 21 that are provided on an outpatient basis primarily or exclusively to
- 22 persons who are substance abusers but does not include services that can
- 23 be rendered only by a physician or within a hospital.
- 24 (3) For purposes of this section:
- 25 (a) Substance abuse means the abuse of substances which have
- 26 significant mood-changing or perception-changing capacities, which are
- 27 likely to be physiologically or psychologically addictive, and the
- 28 continued use of which may result in negative social consequences; and
- 29 (b) Abuse means the use of substances in ways that have or are
- 30 likely to have significant adverse social consequences.
- 31 Sec. 22. A health care facility applying for a license as a mental

- 1 health substance use treatment center shall designate whether the license
- 2 <u>is to be issued to provide services for mental health disorders only, for</u>
- 3 substance use disorders only, or for both mental health and substance use
- 4 <u>disorders</u>. A <u>license</u> issued to provide services for mental health
- 5 disorders only permits the facility to admit only persons with mental
- 6 health disorders. A license issued to provide services for substance use
- 7 disorders only permits the facility to admit only persons with substance
- 8 use disorders. A license issued to provide services for both mental
- 9 health and substance use disorders permits the facility to admit persons
- 10 with mental health disorders, substance use disorders, or both mental
- 11 health disorders and substance use disorders.
- 12 Sec. 23. Section 71-2411, Revised Statutes Cumulative Supplement,
- 13 2016, is amended to read:
- 14 71-2411 For purposes of the Emergency Box Drug Act:
- 15 (1) Authorized personnel means any medical doctor, doctor of
- 16 osteopathy, registered nurse, licensed practical nurse, nurse
- 17 practitioner, pharmacist, or physician assistant;
- 18 (2) Department means the Department of Health and Human Services;
- 19 (3) Drug means any prescription drug or device or legend drug or
- 20 device defined under section 38-2841, any nonprescription drug as defined
- 21 under section 38-2829, any controlled substance as defined under section
- 22 28-405, or any device as defined under section 38-2814;
- 23 (4) Emergency box drugs means drugs required to meet the immediate
- 24 therapeutic needs of patients when the drugs are not available from any
- 25 other authorized source in time to sufficiently prevent risk of harm to
- 26 such patients by the delay resulting from obtaining such drugs from such
- 27 other authorized source;
- 28 (5) Long-term care facility means an intermediate care facility, an
- 29 intermediate care facility for persons with developmental disabilities, a
- 30 long-term care hospital, a mental health substance use treatment center,
- 31 a nursing facility, or a skilled nursing facility, as such terms are

- 1 defined in the Health Care Facility Licensure Act;
- 2 (6) Multiple dose vial means any bottle in which more than one dose
- 3 of a liquid drug is stored or contained;
- 4 (7) Pharmacist means a pharmacist as defined in section 38-2832 who
- 5 is employed by a supplying pharmacy or who has contracted with a long-
- 6 term care facility to provide consulting services; and
- 7 (8) Supplying pharmacy means a pharmacy that supplies drugs for an
- 8 emergency box located in a long-term care facility. Drugs in the
- 9 emergency box are owned by the supplying pharmacy.
- 10 Sec. 24. Section 71-2445, Revised Statutes Cumulative Supplement,
- 11 2016, is amended to read:
- 12 71-2445 For purposes of the Automated Medication Systems Act:
- 13 (1) Automated medication distribution machine means a type of
- 14 automated medication system that stores medication to be administered to
- 15 a patient by a person credentialed under the Uniform Credentialing Act;
- 16 (2) Automated medication system means a mechanical system that
- 17 performs operations or activities, other than compounding,
- 18 administration, or other technologies, relative to storage and packaging
- 19 for dispensing or distribution of medications and that collects,
- 20 controls, and maintains all transaction information and includes, but is
- 21 not limited to, a prescription medication distribution machine or an
- 22 automated medication distribution machine. An automated medication system
- 23 may only be used in conjunction with the provision of pharmacist care;
- 24 (3) Chart order means an order for a drug or device issued by a
- 25 practitioner for a patient who is in the hospital where the chart is
- 26 stored, for a patient receiving detoxification treatment or maintenance
- 27 treatment pursuant to section 28-412, or for a resident in a long-term
- 28 care facility in which a long-term care automated pharmacy is located
- 29 from which drugs will be dispensed. Chart order does not include a
- 30 prescription;
- 31 (4) Hospital has the definition found in section 71-419;

- 1 (5) Long-term care automated pharmacy means a designated area in a
- 2 long-term care facility where an automated medication system is located,
- 3 that stores medications for dispensing pursuant to a medical order to
- 4 residents in such long-term care facility, that is installed and operated
- 5 by a pharmacy licensed under the Health Care Facility Licensure Act, and
- 6 that is licensed under section 71-2451;
- 7 (6) Long-term care facility means an intermediate care facility, an
- 8 intermediate care facility for persons with developmental disabilities, a
- 9 long-term care hospital, a mental health <u>substance use treatment</u> center,
- 10 a nursing facility, or a skilled nursing facility, as such terms are
- 11 defined in the Health Care Facility Licensure Act;
- 12 (7) Medical order means a prescription, a chart order, or an order
- 13 for pharmaceutical care issued by a practitioner;
- 14 (8) Pharmacist means any person who is licensed by the State of
- 15 Nebraska to practice pharmacy;
- 16 (9) Pharmacist care means the provision by a pharmacist of
- 17 medication therapy management, with or without the dispensing of drugs or
- 18 devices, intended to achieve outcomes related to the cure or prevention
- 19 of a disease, elimination or reduction of a patient's symptoms, or
- 20 arresting or slowing of a disease process;
- 21 (10) Pharmacist remote order entry means entering an order into a
- 22 computer system or drug utilization review by a pharmacist licensed to
- 23 practice pharmacy in the State of Nebraska and located within the United
- 24 States, pursuant to medical orders in a hospital, long-term care
- 25 facility, or pharmacy licensed under the Health Care Facility Licensure
- 26 Act;
- 27 (11) Practice of pharmacy means (a) the interpretation, evaluation,
- 28 and implementation of a medical order, (b) the dispensing of drugs and
- 29 devices, (c) drug product selection, (d) the administration of drugs or
- 30 devices, (e) drug utilization review, (f) patient counseling, (g) the
- 31 provision of pharmaceutical care, and (h) the responsibility for

- 1 compounding and labeling of dispensed or repackaged drugs and devices,
- 2 proper and safe storage of drugs and devices, and maintenance of proper
- 3 records. The active practice of pharmacy means the performance of the
- 4 functions set out in this subdivision by a pharmacist as his or her
- 5 principal or ordinary occupation;
- 6 (12) Practitioner means a certified registered nurse anesthetist, a
- 7 certified nurse midwife, a dentist, an optometrist, a nurse practitioner,
- 8 a physician assistant, a physician, a podiatrist, or a veterinarian;
- 9 (13) Prescription means an order for a drug or device issued by a
- 10 practitioner for a specific patient, for emergency use, or for use in
- immunizations. Prescription does not include a chart order;
- 12 (14) Prescription medication distribution machine means a type of
- 13 automated medication system that packages, labels, or counts medication
- 14 in preparation for dispensing of medications by a pharmacist pursuant to
- 15 a prescription; and
- 16 (15) Telepharmacy means the provision of pharmacist care, by a
- 17 pharmacist located within the United States, using telecommunications,
- 18 remote order entry, or other automations and technologies to deliver care
- 19 to patients or their agents who are located at sites other than where the
- 20 pharmacist is located.
- 21 Sec. 25. Section 77-2704.12, Revised Statutes Cumulative Supplement,
- 22 2016, is amended to read:
- 23 77-2704.12 (1) Sales and use taxes shall not be imposed on the gross
- 24 receipts from the sale, lease, or rental of and the storage, use, or
- 25 other consumption in this state of purchases by (a) any nonprofit
- 26 organization created exclusively for religious purposes, (b) any
- 27 nonprofit organization providing services exclusively to the blind, (c)
- 28 any nonprofit private educational institution established under sections
- 29 79-1601 to 79-1607, (d) any regionally or nationally accredited,
- 30 nonprofit, privately controlled college or university with its primary
- 31 campus physically located in Nebraska, (e) any nonprofit (i) hospital,

- 1 (ii) health clinic when one or more hospitals or the parent corporations 2 of the hospitals own or control the health clinic for the purpose of reducing the cost of health services or when the health clinic receives 3 federal funds through the United States Public Health Service for the 4 purpose of serving populations that are medically underserved, (iii) 5 skilled nursing facility, (iv) intermediate care facility, (v) assisted-6 7 living facility, (vi) intermediate care facility for persons with 8 developmental disabilities, (vii) nursing facility, (viii) home health 9 agency, (ix) hospice or hospice service, (x) respite care service, (xi) mental health substance use treatment center licensed under the Health 10 Care Facility Licensure Act, or (xii) substance abuse treatment center 11 licensed under the Health Care Facility Licensure Act, or (xiii) center 12 for independent living as defined in 29 U.S.C. 796a, (f) any nonprofit 13 14 licensed residential child-caring agency, (g) any nonprofit licensed child-placing agency, or (h) any nonprofit organization certified by the 15 16 Department of Health and Human Services to provide community-based services for persons with developmental disabilities. 17
- (2) Any organization listed in subsection (1) of this section shall apply for an exemption on forms provided by the Tax Commissioner. The application shall be approved and a numbered certificate of exemption received by the applicant organization in order to be exempt from the sales and use tax.
- 23 (3) The appointment of purchasing agents shall be recognized for the 24 purpose of altering the status of the construction contractor as the 25 ultimate consumer of building materials which are physically annexed to the structure and which subsequently belong to the owner of the 26 organization or institution. The appointment of purchasing agents shall 27 28 be in writing and occur prior to having any building materials annexed to real estate in the construction, improvement, or repair. The contractor 29 who has been appointed as a purchasing agent may apply for a refund of or 30 use as a credit against a future use tax liability the tax paid on 31

- 1 inventory items annexed to real estate in the construction, improvement,
- 2 or repair of a project for a licensed not-for-profit institution.
- 3 (4) Any organization listed in subsection (1) of this section which
- 4 enters into a contract of construction, improvement, or repair upon
- 5 property annexed to real estate without first issuing a purchasing agent
- 6 authorization to a contractor or repairperson prior to the building
- 7 materials being annexed to real estate in the project may apply to the
- 8 Tax Commissioner for a refund of any sales and use tax paid by the
- 9 contractor or repairperson on the building materials physically annexed
- 10 to real estate in the construction, improvement, or repair.
- 11 (5) Any person purchasing, storing, using, or otherwise consuming
- 12 building materials in the performance of any construction, improvement,
- 13 or repair by or for any institution enumerated in subsection (1) of this
- 14 section which is licensed upon completion although not licensed at the
- 15 time of construction or improvement, which building materials are annexed
- 16 to real estate and which subsequently belong to the owner of the
- 17 institution, shall pay any applicable sales or use tax thereon. Upon
- 18 becoming licensed and receiving a numbered certificate of exemption, the
- 19 institution organized not for profit shall be entitled to a refund of the
- 20 amount of taxes so paid in the performance of such construction,
- 21 improvement, or repair and shall submit whatever evidence is required by
- 22 the Tax Commissioner sufficient to establish the total sales and use tax
- 23 paid upon the building materials physically annexed to real estate in the
- 24 construction, improvement, or repair.
- 25 Sec. 26. Original sections 28-401, 38-319, 38-321, 38-2104,
- 26 38-2117, 38-2122, 38-2123, 38-2124, 38-2125, 38-2826.01, 44-772, 44-776,
- 27 44-777, 44-793, 71-423, and 71-430, Reissue Revised Statutes of Nebraska,
- 28 and sections 68-1017.02, 71-401, 71-403, 71-413, 71-2411, 71-2445, and
- 29 77-2704.12, Revised Statutes Cumulative Supplement, 2016, are repealed.