

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 919

Introduced by Wayne, 13.

Read first time January 10, 2020

Committee:

- 1 A BILL FOR AN ACT relating to the Nebraska Hemp Farming Act; to amend
- 2 sections 2-507 and 2-5701, Revised Statutes Supplement, 2019; to
- 3 change provisions relating to approval and denial of license
- 4 applications and licensing agreements; and to repeal the original
- 5 sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 2-507, Revised Statutes Supplement, 2019, is
2 amended to read:

3 2-507 (1) The department may adopt and promulgate rules and
4 regulations governing the approval and denial of cultivator, processor-
5 handler, and broker license and renewal applications. Such applications
6 shall only be denied if they are incomplete or deficient, including for
7 nonpayment of the required application and registration fees, or if the
8 applicant does not meet minimum qualifications. Otherwise such
9 applications shall be approved. Minimum qualifications include, but are ~~r~~
10 ~~including, but~~ not limited to:

11 (a) The applicant, if an individual, is at least eighteen years of
12 age;

13 (b) The site registered by the applicant is located in this state;

14 (c) The applicant has no unpaid fees or fines owed to the state
15 under the Nebraska Hemp Farming Act;

16 (d) The applicant has not had a cultivator, processor-handler, or
17 broker license revoked in the five years preceding the date of
18 application; or

19 (e) Any individual listed in the application for a cultivator,
20 processor-handler, or broker license has not been convicted of a felony
21 related to a controlled substance under either state or federal law
22 within the preceding ten years.

23 (2) If an application is incomplete or deficient, the department
24 shall, in a timely manner, notify the applicant in writing describing the
25 reason or reasons and request additional information. If such application
26 is not corrected or supplemented within thirty days after the
27 department's request, the department shall deny the application.

28 (3) Any person who intentionally and materially falsifies any
29 information contained in an application under the Nebraska Hemp Farming
30 Act shall be ineligible to obtain a license to operate as a cultivator,
31 processor-handler, or broker.

1 (4) A person aggrieved by the denial of a license may request a
2 hearing pursuant to section 2-513.

3 Sec. 2. Section 2-5701, Revised Statutes Supplement, 2019, is
4 amended to read:

5 2-5701 (1) A postsecondary institution in this state or the
6 Department of Agriculture may cultivate industrial hemp if the industrial
7 hemp is cultivated for purposes of research conducted under an
8 agricultural pilot program or other agricultural or academic research.

9 (2) Sites used for cultivating industrial hemp must be certified by,
10 and registered with, the Department of Agriculture.

11 (3)(a) Prior to approval by the United States Secretary of
12 Agriculture of the state plan as provided in section 2-516, a person with
13 a valid licensing agreement with the department pursuant to this section
14 may cultivate, handle, or process industrial hemp as a part of the
15 department's agricultural pilot program. Qualified applicants shall be
16 approved ~~selected at random~~ by the department. To be qualified to apply
17 and to retain a valid licensing agreement, a cultivator or processor-
18 handler shall comply with all applicable requirements set forth in the
19 Nebraska Hemp Farming Act, except that a licensing agreement shall be
20 required in lieu of any license requirements under the act.

21 (b) A cultivator or processor-handler shall pay the license
22 application fee, site registration fee, and site modification fee, if
23 applicable, established in section 2-508 for each one-year licensing
24 agreement and shall be required to submit a report for department
25 research purposes. The report shall be submitted as required by the
26 department. All fees collected by the department under this section shall
27 be remitted to the State Treasurer for credit to the Nebraska Hemp
28 Program Fund.

29 (c) Licensing agreements shall establish procedures for sampling and
30 testing of industrial hemp, effective destruction of noncompliant
31 industrial hemp, and department inspections to monitor compliance with

1 the agreements.

2 (d) A cultivator or processor-handler who has had a licensing
3 agreement terminated for failure to comply with the agreement or the
4 Nebraska Hemp Farming Act, or any rules or regulations adopted and
5 promulgated under the act, may request a hearing as set forth in section
6 2-513.

7 (e) The Department of Agriculture may adopt and promulgate rules and
8 regulations as necessary to carry out this section.

9 (4) For purposes of this section:

10 (a) Agricultural pilot program means a pilot program to study the
11 cultivation or marketing of industrial hemp;

12 (b) Cultivate and cultivator have the same meaning as in section
13 2-503;

14 (c) Handle has the same meaning as in section 2-503;

15 (d) Industrial hemp means hemp as defined in section 2-503;

16 (e) Postsecondary institution has the same meaning as in section
17 2-503; and

18 (f) Process and processor-handler have the same meaning as in
19 section 2-503.

20 Sec. 3. Original sections 2-507 and 2-5701, Revised Statutes
21 Supplement, 2019, are repealed.