**TITLE 238 NEBRASKA MEDICAL CANNABIS COMMISSION**

**CHAPTER 1 REGISTERED CANNABIS ESTABLISHMENTS**

**01. SCOPE AND AUTHORITY.** These regulations implement the Nebraska Medical Cannabis Regulation Act as authorized by Nebraska Revised Statute § 71-24,106 *et seq*. (Neb. Rev. Stat.).

**02. DEFINITIONS.** The definitions found in Neb. Rev. Stat. § 71-24,104 and § 71-24,107 and the following definitions apply:

02.01 ADULTERANT. Adulterant means any poisonous or deleterious substance in a quantity that may be injurious to health, including: pesticides, heavy metals, solvents, microbial life, toxins, foreign matter, or artificially derived cannabinoids.

02.02 ADVERSE EVENT. Adverse event means an unfavorable or harmful medical occurrence, such as an abnormal sign, symptom, or disease.

02.03 ANALYTE. Analyte means a substance or chemical component that is undergoing analysis.

02.04 APPLICANT. Applicant means the entity or individual(s) applying for a registered cannabis establishment license.

02.05 BATCH. Batch means a quantity of:

(A) Medical cannabis concentrate produced on a particular date and time, following clean up until the next clean up, during which the same lots of medical cannabis are used;

(B) Medical cannabis product produced on a particular date and time, following clean up until the next clean up, during which medical cannabis concentrate is used; or

(C) Cannabis flower from a single strain and growing cycle packaged on a particular date and time, following clean up until the next clean up, during which lots of medical cannabis are being used.

02.06 CANNABINOID. Cannabinoid means any naturally occurring derivative of cannabigerolic acid (CAS 25555-57-1) or any chemical compound that is both structurally and chemically similar to a derivative of cannabigerolic acid.

02.07 CANNABIS DERIVATIVE PRODUCT. Cannabis derivative product means a medical cannabis product made using cannabis concentrate.

02.08 CERTIFICATE OF ANALYSIS. Certificate of analysis means a document produced by a testing laboratory listing the quantities of the various analytes for the performed testing. It must also include the name of the testing laboratory, the

laboratory's address, the laboratory's authorized signatory's name and dated signature, contact information for the laboratory's representative, and the laboratory's applicable accreditations under the International Organization for Standardization (ISO) 17025 and International Electrotechnical Commission (IEC).

02.09 CLONE. Clone means a non-flowering plant cut from a mother plant that is capable of developing into a new plant and has shown no signs of flowering.

02.10 COVERED LOCATION. Covered location means any school, business operating under a license issued pursuant to the Nebraska Child Care Licensing Act Neb. Rev. Stat. § 71-1908 to § 71-1923.03, and any church, hospital, or mental health substance use treatment center as defined by Neb. Rev. Stat. § 71-423.

02.11 CULTIVATOR. Cultivator means a registered establishment licensed to cultivate and process cannabis plants for the purposes of selling to Nebraska-licensed product manufacturers, and to other Nebraska-licensed cultivators, but cannot transfer cannabis plants or cannabis products to qualified patients, caregivers, or any other unlicensed entity not permitted under this chapter.

02.12 DELTA-9-TETRAHYDROCANNABINOL. Delta-9-tetrahydrocannabinol (delta-9-THC) means the cannabinoid identified as CAS #1972-08-03, the primary psychotropic cannabinoid in cannabis.

02.13 DIRECTORY. Directory means the Recommending Health Care Practitioner Directory established by this chapter.

02.14 DISPENSARY. Dispensary means a registered cannabis establishment licensed to possess and sell medical cannabis to qualified patients and caregivers.

02.15 FINAL PRODUCT. Final product means a reasonably homogenous medical cannabis product created using the same standard operating procedures and the same formulation in its final packaged form, or for a nebulizer in a sealed cartridge.

02.16 FLOWERING PLANT. Flowering plant means a medical cannabis plant from the time it exhibits the first signs of sexual maturity through harvest.

02.17 FOREIGN MATTER. Foreign matter means any matter that is present in a medical cannabis lot that is not a part of the cannabis plant or any matter that is present in medical cannabis or a medical cannabis product that is not listed as an ingredient, including seeds.

02.18 IMMATURE PLANT. Immature plant means a nonflowering cannabis plant that has not demonstrated signs of flowering.

02.19 LICENSE. License means a registration granted by the Nebraska Medical Cannabis Commission in accordance with the Nebraska Medical Cannabis Regulation Act.

02.20 LOCAL GOVERNMENT. Local government means a village, town, city, or county.

02.21 LOT. Lot means the quantity of:

(A) Flower from a single strain of cannabis and growing cycle produced on a particular date and time, following clean up until the next clean up, during which the same materials are used; or

(B) Trim, leaves, or other plant matter from cannabis produced on a particular date and time, following clean up until the next clean up.

02.22 MEDICAL CANNABIS CULTIVATION BYPRODUCT. Medical cannabis cultivation byproduct means any portion of a cannabis plant that is not intended to be sold as a medical cannabis product

02.23 MEDICAL CANNABIS WASTE. Medical cannabis waste means medical cannabis that is unused, unwanted, damaged, defective, expired, or contaminated.

02.24 MEDICAL CANNABIS CONCENTRATE. Medical cannabis concentrate shall mean concentrate that is separated from the cannabis plant through a chemical or physical process and may result in a matter with a higher concentration of cannabinoids than naturally occurring in the plant.

02.25 MOTHER PLANT. Mother plant means a cannabis plant that is grown or maintained for the purpose of generating clones, and that will not be used to produce plant material for sale to a licensed product manufacturer or a licensed dispensary.

02.26 PEST. Pest means:

(A) Any insect, rodent, nematode, fungus, weed, snail, slug; or

(B) Any other form of terrestrial or aquatic plant or animal life, virus, bacteria, or other microorganisms that are injurious to health or to the environment.

02.27 PESTICIDE. Pesticide means any:

(A) Substance, herbicide, or mixture of substances, including a living organism, that is intended to prevent, destroy, control, repel, attract, or mitigate any insect, rodent, nematode, snail, slug, fungus, weed, or other forms of plant or animal life that are considered to be a pest;

(B) Any substance, herbicide, or mixture of substances intended to be used as a plant regulator, defoliant, or desiccant; or

(C) Any spray adjuvant, such as a wetting agent, spreading agent, deposit builder, adhesive, or emulsifying agent with deflocculating properties of its own, used with a pesticide to aid in the application or effect of a pesticide.

02.28 PRODUCT MANUFACTURER. Product Manufacturer means a registered cannabis establishment licensed to process cannabis, conduct extractions, and manufacture cannabis products for sale or transfer to dispensaries, but cannot sell or transfer cannabis plants or cannabis products to qualified patients, caregivers, or any other unlicensed entity not permitted under this chapter.

02.29 PRODUCTION BATCH. Production batch means:

(A) Any amount of medical cannabis concentrate or nonliquid medical cannabis products, of the same category and produced using the same extraction methods, standard operating procedures, and an identical group of harvest batch of raw plant material; or

(B) Any amount of medical cannabis product of the same exact type produced using the same ingredients, standard operating procedures, and same production batch of medical cannabis concentrate or same harvest batch of medical cannabis.

02.30 SAMPLING TECHNICIAN. Sampling technician means a person tasked with collecting a representative sample of medical cannabis, medical cannabis concentrate, or medical cannabis product from a registered cannabis establishment who is:

(A) An employee or agent of the Commission;

(B) An employee of an independent cannabis laboratory that performs sampling; or

(C) A person authorized by the Commission to perform sampling.

02.31 SYNTHETIC CANNABINOID SUBSTANCE. A synthetic cannabinoid substance means a substance that is either:

(A) A semi-synthetic cannabinoid that is created by a chemical reaction that converts one cannabinoid extracted from a cannabis plant into a different cannabinoid substance; or

(B) A synthetic cannabinoid that was produced by using chemical synthesis, chemical modification, or chemical conversion, inclusion using in-vitro biosynthesis or another bioconversion method.

Synthetic cannabinoid substance does not include cannabinoids produced via decarboxylation of naturally occurring acidic forms of cannabinoids, such as tetrahydrocannabinolic acid, into the corresponding neutral cannabinoid, such as THC, through the use of heat or light without the use of chemical reagents or catalysts, and that results in no other chemical change.

02.32 THC ANALOG. THC analog means a substance that is structurally or pharmacologically substantially similar to, or is represented as being similar to, Delta-9-tetrahydrocannabinol (delta-9-THC). THC analog does not include the following substances or the naturally occurring acid forms of the following substances:

(A) Cannabichromene (CBC), the cannabinoid identified as CAS# 20675-51-8;
(B) Cannabicyclol (CBL), the cannabinoid identified as CAS# 21366-63-2;
(C) Cannabidiol (CBD), the cannabinoid identified as CAS# 13956-29-1;
(D) Cannabidivarol (CBDV), the cannabinoid identified as CAS# 24274-48-4;
(E) Cannabielsoin (CBE), the cannabinoid identified as CAS# 52025-76-0;
(F) Cannabigerol (CBG), the cannabinoid identified as CAS# 25654-31-3;
(G) Cannabigerovarin (CBGV), the cannabinoid identified as CAS# 55824-11-8;
(H) Cannabinol (CBN), the cannabinoid identified as CAS# 521-35-7;
(I) Cannabivarin (CBV), the cannabinoid identified as CAS# 33745-21-0; or
(J)Delta-9-tetrahydrocannabivarin (THCV), the cannabinoid identified as CAS# 31262-37-0.

02.33 TOTAL CBD. Total CBD means the sum of the determined amounts of Cannabidiol (CBD) and Cannabidiolic acid (CBDA).

02.34 TOTAL THC. Total THC means the sum of the determined amounts of Delta-9-tetrahydrocannabinol (delta-9-THC) and Delta-9-tetrahydrocannabinolic acid (delta-9-THCA) according to the formula: Total THC = delta-9-THC + (delta-

9-THCA x 0.877), plus the percentage of weight of Delta-8-Tetrahydrocannabinol, Delta-10-tetrahydrocannabinol, and Exo-tetrahydrocannabinol.

02.35 TRANSPORTER. Transporter means a registered cannabis establishment with a valid product manufacturer license and a valid transportation certification.

02.36 UNKNOWN CANNABINOID. Unknown cannabinoid means any component of a medical cannabis, medical cannabis concentrate, or medical cannabis product that a laboratory determines is likely to be a cannabinoid by comparison of physical properties, including molecular weight, retention time, and absorption spectra, but is not included in Table 1 or Table 2 in Section 14.

02.37 UNUSABLE AND UNRECOGNIZABLE. Unusable and unrecognizable means all components of the medical cannabis waste that are indistinguishable from and incapable of being ingested, inhaled, injected, swallowed, or otherwise used for medical use. Acceptable methods of rendering the waste unusable and unrecognizable include thermal treatment or melting; shredding, grinding, or tearing; and incorporating the medical cannabis waste with other municipal waste. If medical cannabis waste is incorporated with other municipal waste, the mixture shall be at least 50% non-cannabis waste by volume.

02.38 WATER ACTIVITY. Water activity means a dimensionless measure of the water present in a substance that is available to microorganisms; calculated as the partial vapor pressure of water in the substance divided by the standard state partial vapor pressure of pure water at the same temperature.

## 03. REGISTERED CANNABIS ESTABLISHMENT APPLICATION PROCESS.

03.01 APPLICATION TIME PERIODS. Applications for registered establishments will be accepted only during the time period published on the Commission's website. The time period may be extended by publication of a new deadline on the website.

03.02 COMPLETE APPLICATION. Applications are considered complete if the application includes all information and documents required by this chapter.

03.03 APPLICATION SUBMISSION. Applications shall be submitted to the Commission by electronic submission to the electronic mail address on the Commission's webpage, by submission through an electronic application portal designated by the Commission, or by first-class United States mail to the mailing address on the Commission's website. If submitted by United States first-class mail, the application shall be postmarked no later than the date of the application deadline. If submitted electronically, the application shall be received by the Commission no later than 11:59 p.m. on the date of the application deadline.

003.03(A) APPLICATION FEE. All applicants shall pay an application fee of five thousand dollars ($5,000) when submitting their application. An application will not be entered into the lottery until the application fee is paid. The application fee is refundable before the application deadline if an applicant chooses to withdraw their application from consideration. Once the application deadline is reached, the application fee is not refundable.

003.03(B) APPLICATION RESTRICTIONS. The following restrictions apply to all applications.

(i) An applicant may not:

(1) Submit more than one application for the same license type during the same application time period; or

(2) Submit applications for more than one license type issued under this chapter during the same application time period; and

(ii) Applications which include any of the same officers, owners, or minority owners who hold any financial interests (other than a security interest, lien, or encumbrance) or any of the voting interests of an entity, including any parent and subsidiary entities, will be considered as being submitted by the same applicant.

03.04 LOTTERY. In the event there are more applications than available licenses, the Commission will select applicants for available licenses by lottery.

03.04(A) ENTRY INTO LOTTERY. Any application which violates the Application Restrictions subsection of this chapter will not be entered into the lottery. Applications submitted after the application time period will not be entered into the lottery. Prior to entry into the lottery, the Commission, or its agents or employees, shall:

(i) Notify the applicant when the applicant's application was received, if the application was submitted during the application time period;

(ii) Conduct a pre-lottery review of all applications received during the application time period to ensure that applications are complete and compliant with the regulations promulgated under this Chapter. The pre-lottery review shall only determine whether the applicants included all the information required under these regulations, including any license-specific requirements, and that nothing in the application would violate the regulations.

(iii) Notify the applicant that the pre-lottery review was completed. The Commission will notify the applicant and either inform them their application failed to comply with the regulations or was entered into the lottery.

03.04(B) APPLICATION IDENTIFICATION FOR LOTTERY. Applications entered into the lottery will be assigned an application identifier by the Commission. The assigned identifiers will be transmitted to the entity conducting the lottery. Any entity or individual conducting the lottery will do so without reference to the identifies of the applicants, and will not be provided with any additional information about the applicant other than the assigned identifier.

03.04(C) LOTTERY DRAWING. Assigned identifiers will be randomly drawn and listed in the order drawn. If licenses are issued by judicial district, separate drawings will occur for each district.

03.04(D) APPLICATION REVIEW. After identifiers are drawn, the Commission will review the application corresponding to the selected identifier, beginning with the first identifier drawn, to determine if the application meets eligibility scoring requirements for licensure.

03.04(E) ELIGIBILITY SCORING REQUIREMENTS. Applications will be scored based on several core criteria, with primary emphasis placed on comprehensive business plans, financial stability, facility design, and operational readiness, collectively ensuring a solid foundation for sustainable operations. Applications with an average score of more than 70 points out of 100 points will be eligible for licensure.

03.04(F) APPROVAL. If an application being reviewed is determined by the Commission to meet all licensure eligibility requirements in this chapter, the license will be approved. An application may be denied as allowed by this chapter.

03.04(G) AVAILABLE LICENSES. Once an application is approved or denied the Commission will review the next application in the order drawn until the available licenses are issued. Once all available licenses are issued, the remaining applications entered into the lottery for that application time period will be denied a license for failure to be selected in that lottery.

03.05 LICENSURE WITHOUT LOTTERY. In the event fewer applications are received in an application time period than there are available licenses, or for applications for licenses without a limit on the number of licenses to be issued, all compliant applications will be reviewed by the Commission. Applications submitted after the application time period will not be considered for licensure. Any application which

violates the Application Restrictions subsection of this chapter will not be considered. Applications with an average score of more than 70 points out of 100 points will be eligible for licensure.

03.06 SUBSEQUENT APPLICATION TIME PERIOD. A subsequent application time period may be granted if:

(i) No applications are submitted for a license type, or no applications are submitted for a license type in a judicial district, a second application time period may be set for that license type or that judicial district; or

(ii) All submitted applications have been reviewed and licenses remain available for a license type or a judicial district, a second application time period may be set for that license type or that judicial district.

03.06(A) SUBSEQUENT APPLICATION TIME PERIOD LOTTERY. In the event there are more applications than available licenses after a subsequent application time period is utilized, the Commission will select applicants for available licenses through the lottery. The lottery will be conducted in accordance with this chapter. If after a subsequent lottery, licenses remain available for a license type or a judicial district, the Commission may initiate additional general application time periods for that license type or that judicial district.

03.07 ACCEPTANCE OF LICENSE. All applicants approved for licensure will be given five (5) business days to confirm acceptance of the license in writing. Failure to timely accept the license may result in deactivation or revocation of the license and the license may be offered to the next eligible applicant in drawn order.

03.08 NON-REFUNDABLE APPLICATION FEE. If a fee is required for an application, the application fee once submitted is non-refundable regardless of whether a license is issued. An application fee will be refunded to the applicant if the applicant withdraws their application before the application time period concludes.

03.09 LICENSE DURATION. If a fee is required for an application or renewal, licenses are valid for a period of one year from the date of issuance. If a fee is not required for the application or renewal, licenses are valid for a period of six (6) months from the date of issuance.

## 04. DISPENSARY LICENSE APPLICATION.

04.01 VERTICAL LICENSING. Vertical licensing is not permitted. A dispensary applicant may not possess more than one (1) license type authorized by this chapter.

04.02 FINGER PRINTING. An applicant for initial issuance of any license under this chapter shall also submit required fingerprints, to be furnished for every person included

in the application, to the Nebraska State Patrol for a National criminal history record information check and a fee for such record check payable to the patrol. The applicant shall authorize the release of any criminal history record information check to the Commission.

04.03 RESIDENCY REQUIREMENTS. The following residency and citizenship requirements apply.

(A) If the applicant is an individual, the individual must be a United State Citizen and have been a resident of Nebraska for no less than four (4) years immediately preceding the application.

(B) If the applicant is an entity:

(i) The entity must be majority owned by a United States citizen(s) who has been a resident(s) of Nebraska for no less than four (4) years immediately preceding the application; and

(ii) The entity's officers and directors must have been a resident(s) of Nebraska for no less than four years (4) immediately preceding the application.

(C) If the applicant is an individual applying on behalf of an entity, or if the applicant is both an individual and an entity, the requirements of both (A) and (B) of this subsection shall be met.

(D) For the purposes of this subsection, majority owned means more than fifty percent (50%) of the financial interests (other than a security interest, lien, or encumbrance) or more than fifty percent (50%) of the voting interests of an entity, including any parent and subsidiary entities.

(E) To satisfy the residency requirements an individual shall provide proof of three (3) of the following for the four (4) years immediately preceding the application:

(i) A Nebraska vehicle registration;

(ii) Owned or rented property in Nebraska;

(iii) Use of a Nebraska mailing address;

(iv) Use of a Nebraska address on state or federal tax returns;

(v) A Nebraska voter registration; or

(vi) A Nebraska driver's license.

04.04 REQUIRED INFORMATION. An dispensary application shall include the following:

(A) The name and address of the applicant and, if applicable, the applicant's officers, directors, and owners, including any minority owner who holds any financial interests (other than a security interest, lien, or encumbrance) or any voting interests of an entity, including any parent and subsidiary entities;

(B) A statement that the applicant and, if applicable, the applicant's officers, directors, and owners satisfy the residency requirements provided in this chapter, and that none are a prohibited person as defined by this chapter;

(C) The premises for which a license is sought, designating the premises by street and number, if practicable, or by such other description as to definitively locate the premises;

(D) The name of the owner(s) of the premises upon which the business licensed is to be operated;

(E) A statement that the applicant is in compliance with all applicable federal, state, or local laws, regulations, rules, or ordinances;

(F) A statement that the applicant has paid all federal, state, and local taxes that are due, as well as any additional fees imposed by law;

(G) A summary of the applicant's business experience and a business plan meeting the criteria set forth in this chapter;

(H) Valid government-issued photo identification cards that include the date of birth of the applicant, and the applicant's officers, directors, and owners; and

(I) Any additional requirements based on the type of license the applicant is applying for as set forth in this chapter.

04.05 BUSINESS PLAN REQUIREMENTS. A business plan submitted by a dispensary license applicant shall include the following:

(A) Proof of financial capability to build, launch, and sustain the dispensary, including access to capital, a detailed budget, and funding sources;

(B) Facility design and operational readiness, including compliance with all applicable federal, state, and local laws, regulations, rules and ordinances, and a demonstration of readiness to commence operations;

(C) Demonstration of how the applicant(s) meets the residency requirements in this chapter;

(D) Any experience in operating a business in a regulated industry;

(E) Any experience in cannabis cultivation, cannabis manufacturing, or cannabis retail;

(F) Leadership team qualifications; and

(G) Financial projections for the next year.

04.06 FALSE STATEMENTS. If any false statement is made in any part of the application, the license may be denied or revoked.

04.07 PROHIBITED PERSONS. A license shall not be issued to or held by:

(A) Any person who has been convicted of any felony or any controlled substance related offense within the preceding ten (10) years;

(B) An entity if any of its officers, directors, or owners have been convicted of any felony or any controlled substance related offense within the preceding ten (10) years;

(C) An entity if any of its officers, directors, or owners have had a license or permit suspended or revoked pursuant to these regulations;

(D) A person under the age of majority;

(E) Any state, county, municipality, or other political subdivision, any branch, department, agency, or subdivision of any of the foregoing, or any corporation or other body established by law to carry out any government function;

(F) A health care practitioner who has issued one or more written recommendations or written orders in the preceding five (5) years; or

(G) A person who has had any citation, fine, sanction, injunction or court judgment levied against the person, or a business owned by the person, involving cannabis or cannabinoid related operations or sales.

04.08 LOCATION. No dispensary license will be issued for any premises located within one thousand feet of any covered location. Except that this subsection shall not apply to any licensee operating a registered cannabis establishment that was in operation prior to the covered location being established. One thousand feet (1,000 ft) will be measured in a straight line from the nearest property line of the covered location to the nearest perimeter wall of the licensed premises.

04.09 LICENSEE RELOCATION. A licensee shall not relocate a registered cannabis establishment from the address or location as specified in the license, unless the

licensee can show an exceptional change of circumstances and the Commission approves the license relocation.

04.10 LICENSEE RELOCATION APPLICATION AND FEE. A licensee seeking to change the address or location of their registered cannabis establishment shall apply for relocation with the Commission by completing a form provided by the Commission. The licensee shall provide in the form the exceptional change of circumstances that requires the licensee to relocate. When the licensee submits the application to the Commission for relocation, the licensee shall provide a relocation fee of one thousand five hundred dollars ($1500).

04.11 LICENSE TRANSFER. Licenses are non-transferrable.

04.12 NUMBER OF LICENSES ALLOWED. No more than one (1) dispensary license shall be issued in any one district court judicial district as defined in Neb. Rev. Stat. § 24-301.02. If during any calendar year the Commission finds the number of licensed dispensaries in any judicial district(s) is not sufficient to meet the demand for medical cannabis or medical cannabis products, the Commission may grant an additional one (1) dispensary license in the identified judicial district(s) during the following year.

04.13 LICENSE FEE. A registered cannabis establishment shall pay a fee of fifteen thousand dollars ($15,000) for the issuance of a dispensary license after it accepts the license as provided in 03.07.

**05. CULTIVATOR LICENSE APPLICATION.**

05.01 VERTICAL LICENSING. Vertical licensing is not permitted. A cultivator applicant may not possess more than one license type authorized by this chapter.

05.02 FINGER PRINTING. An applicant for initial issuance of any license under this chapter shall also submit required fingerprints, to be furnished for every person included in the application, to the Nebraska State Patrol for a National criminal history record information check and a fee for such record check payable to the patrol. The applicant shall authorize the release of any criminal history record information check to the Commission.

05.03 RESIDENCY REQUIREMENTS. The following residency and citizenship requirements apply.

(A) If the applicant is an individual, the individual must be a United State Citizen and have been a resident of Nebraska for no less than four (4) years immediately preceding the application.

(B) If the applicant is an entity:

(i) The entity must be majority owned by a United States citizen(s) who has been a resident(s) of Nebraska for no less than four (4) years immediately preceding the application; and

(ii) The entity's officers and directors must have been a resident(s) of Nebraska for no less than four (4) years immediately preceding the application.

(C) If the applicant is an individual applying on behalf of an entity, or if the applicant is both an individual and an entity, the requirements of both (A) and (B) of this subsection shall be met.

(D) For the purposes of this subsection, majority owned means more than fifty percent (50%) of the financial interests (other than a security interest, lien, or encumbrance) or more than fifty percent (50%) of the voting interests of an entity, including any parent and subsidiary entities.

(E) To satisfy the residency requirements an individual shall provide proof of three (3) of the following for the four (4) years immediately preceding the application:

(i) A Nebraska vehicle registration;

(ii) Owned or rented property in Nebraska;

(iii) Use of a Nebraska mailing address;

(iv) Use of a Nebraska address on state or federal tax returns;

(v) A Nebraska voter registration; or

(vi) A Nebraska driver's license.

05.04 REQUIRED INFORMATION. A cultivation application shall include the following:

(A) The name and address of the applicant and if applicable, the applicant's officers, directors, and owners, including any minority owner who holds any financial interests (other than a security interest, lien, or encumbrance), or any voting interests of an entity, including any parent and subsidiary entities;

(B) A statement that the applicant and, if applicable, the applicant's officers, directors, and owners satisfy the residency requirements provided in this chapter, and that none are a prohibited person as defined by this chapter;

(C) The premises for which a license is sought, designating the premises by street and number, if practicable, or by such other description as to definitively

locate the premises and whether cultivation will occur in an indoor facility, outdoor facility, greenhouse facility, or a combination thereof;

(D) The name of the owner(s) of the premises upon which the business licensed is to be operated;

(E) A statement that the applicant is in compliance with all applicable federal, state, or local laws, regulations, rules, or ordinances;

(F) A statement that the applicant has paid all federal, state, and local taxes that are due, as well as any additional fees imposed by law;

(G) A summary of the applicant's business experience and a business plan meeting the criteria set forth in this chapter;

(H) A valid government-issued photo identification card that includes the date of birth of the applicant, and the applicant's officers, directors, and owners; and

(I) Any additional requirements based on the type of license the applicant is applying for as set forth in this chapter.

05.05 BUSINESS PLAN REQUIREMENTS. A business plan submitted by a cultivation license applicant shall include the following:

(A) Proof of financial capability to build, launch, and sustain cultivation, including access to capital, a detailed budget, and funding sources;

(B) Facility design and operational readiness, including compliance with all applicable federal, state, and local laws, regulations, rules, and ordinances, and a demonstration of readiness to commence operations;

(C) Demonstration of how the applicant meets the residency requirements in this chapter;

(D) Any experience in operating a business in a regulated industry;

(E Any experience in cannabis cultivation, cannabis manufacturing, or cannabis retail;

(F) Leadership team qualifications; and

(G) Financial projections for the next year.

05.06 FALSE STATEMENTS. If any false statement is made in any part of the application, the license may be denied or revoked.

05.07 PROHIBITED PERSONS. A license shall not be issued to or held by:

(A) Any person who has been convicted of any felony, or any controlled substance related offense, within the preceding ten (10) years;

(B) An entity if any of its officers, directors, or owners have been convicted of any felony, or any controlled substance related offense, within the preceding ten (10) years;

(C) An entity if any of its officers, directors, or owners have had a license or permit suspended or revoked pursuant to these regulations;

(D) A person under the age of majority;

(E) Any state, county, municipality, or other political subdivision, any branch, department, agency, or subdivision of any of the foregoing, or any corporation or other body established by law to carry out any government function;

(F) A health care practitioner who has issued one or more written recommendations or written orders in the preceding five (5) years; or

(G) A person who has had any citation, fine, sanction, injunction or court judgment levied against the person, or a business owned by the person, involving cannabis or cannabinoid related operations or sales.

05.08 LOCATION. No cultivator license will be issued for any premises located within one thousand feet of any covered location. Except that this subsection shall not apply to any licensee operating a registered cannabis establishment that was in operation prior to the covered location being established. One thousand feet (1,000 ft) will be measured in a straight line from the nearest property line of the covered location to the nearest perimeter wall of the licensed premises.

05.09 LICENSEE RELOCATION. A licensee shall not relocate a registered cannabis establishment from the address or location as specified in the license, unless the licensee can show an exceptional change of circumstances and the Commission approves the license relocation.

05.10 LICENSEE RELOCATION APPLICATION AND FEE. A licensee seeking to change the address or location of their registered cannabis establishment shall apply for relocation with the Commission by completing a form provided by the Commission. The licensee shall provide in the form the exceptional change of circumstances that requires the licensee to relocate. When the licensee submits the application to the Commission for relocation, the licensee shall provide a relocation fee of one thousand five hundred dollars ($1500).

05.11 LICENSE TRANSFER. Licenses are non-transferrable.

05.12 NUMBER OF LICENSES ALLOWED. No more than four (4) cultivator licenses shall be issued in the state. If during any calendar year the Commission finds the number of licensed cultivators is not sufficient to meet the demand for medical cannabis or medical cannabis products, the Commission may grant an additional one (1) cultivator license during the following year.

05.13 LICENSE FEE. A registered cannabis establishment shall pay a fee of twenty-thousand dollars ($20,000) for the issuance of a cultivator license after it accepts the license as provided in 03.07.

**06. PRODUCT MANUFACTURER LICENSE AND TRANSPORTATION CERTIFICATION APPLICATION**.

06.01 VERTICAL LICENSING. Vertical licensing is not permitted. A product manufacturer applicant may not possess more than one license type authorized by this chapter.

06.02 FINGER PRINTING. An applicant for initial issuance of any license under this chapter shall also submit required fingerprints, to be furnished for every person included in the application, to the Nebraska State Patrol for a National criminal history record information check and a fee for such record check payable to the patrol. The applicant shall authorize the release of any criminal history record information check to the Commission.

06.03 RESIDENCY REQUIREMENTS. The following residency and citizenship requirements apply.

(A) If the applicant is an individual, the individual must be a United State Citizen and have been a resident of Nebraska for no less than four (4) years immediately preceding the application.

(B) If the applicant is an entity:

(i) The entity must be majority owned by a United States citizen(s) who has been a resident(s) of Nebraska for no less than four (4) years immediately preceding the application; and

(ii) The entity’s officers and directors must have been a resident(s) of Nebraska for no less than four (4) years immediately preceding the application.

(C) If the applicant is an individual applying on behalf of an entity, or if the applicant is both an individual and an entity, the requirements of both (A) and (B) of this subsection shall be met.

(D) For the purposes of this subsection, majority owned means more than fifty percent (50%) of the financial interests (other than a security interest, lien, or encumbrance) or more than fifty percent (50%) of the voting interests of an entity, including any parent and subsidiary entities.

(E) To satisfy the residency requirements an individual shall provide proof of three (3) of the following for the four (4) years immediately preceding the application:

(i) A Nebraska vehicle registration;

(ii) Owned or rented property in Nebraska;

(iii) Use of a Nebraska mailing address;

(iv) Use of a Nebraska address on state or federal tax returns;

(v) A Nebraska voter registration; or

(vi) A Nebraska driver's license.

06.04 REQUIRED INFORMATION. A product manufacturer application shall include the following:

(A) The name and address of the applicant and if applicable, the applicant's officers, directors, or owners, including any minority owner who holds any financial interests (other than a security interest, lien, or encumbrance) or any voting interests in the entity, including any parent and subsidiary entities;

(B) A statement that the applicant and, if applicable, the applicant's officers, directors, and owners satisfy the residency requirements provided in this chapter, and that none are a prohibited person as defined by this chapter;

(C) The premises for which a license is sought, designating the premises by street and number, if practicable, or by such other description as to definitively locate the premises;

(D) The name of the owner(s) of the premises upon which the business licensed is to be operated;

(E) A statement that the applicant is in compliance with all applicable federal, state, or local laws, regulations, rules, or ordinances;

(F) A statement that the applicant has paid all federal, state, and local taxes that are due, as well as any additional fees imposed by law;

(G) A summary of the applicant's business experience and a business plan meeting the criteria set forth in this chapter;

(H) A valid government-issued photo identification card that includes the date of birth of the applicant, and the applicant's officers, directors, and owners; and

(I) Any additional requirements based on the type of license and certification the applicant is applying for as set forth in this chapter.

06.05 BUSINESS PLAN REQUIREMENTS. A business plan submitted by a product manufacturer license applicant shall include the following:

(A) Proof of financial capability to build, launch, and sustain the product manufacturer, including access to capital, a detailed budget, and funding sources;

(B) Facility design and operational readiness, including compliance with all applicable federal, state, and local laws, regulations, rules, and ordinances, and a demonstration of readiness to commence operations;

(C) Demonstration of how the applicant meets the residency requirements in this chapter;

(D) Any experience in operating a business in a regulated industry;

(E) Any experience in cannabis cultivation, cannabis manufacturing, or cannabis retail;

(F) The product type and description for each product that will be manufactured by the applicant, including extraction methods, processing techniques, and the equipment that will be used for each medical cannabis product;

(G) Sanitation and manufacturing safety procedures for items intended for human consumption;

(H) A description of what Good Manufacturing Practices (GMP) the applicant will follow and how the applicant will ensure compliance, including, but not limited to, any testing protocols, operating procedures, quality assurance, and quality control;

(I) Documentation showing any certifications, such as for GMP, the applicant will pursue for their facility if granted a license;

(J) Description of any party the applicant plans to contract with or subcontract with for duties related to the manufacturing and testing of medical cannabis and medical cannabis products;

(K) Leadership team qualifications; and

(L) Financial projections for the next year.

06.06 FALSE STATEMENTS. If any false statement is made in any part of the application, the license may be denied or revoked.

06.07 PROHIBITED PERSONS. A license shall not be issued to or held by:

(A) Any person who has been convicted of any felony or any controlled substance related offense within the preceding ten (10) years;

(B) An entity if any of its officers, directors, or owners have been convicted of any felony or any controlled substance related offense within the preceding ten (10) years;

(C) An entity if any of its officers, directors, or owners have had a license or permit suspended or revoked pursuant to these regulations;

(D) A person under the age of majority;

(E) Any state, county, municipality, or other political subdivision, any branch, department, agency, or subdivision of any of the foregoing, or any corporation or other body established by law to carry out any government function;

(F) A health care practitioner who has issued one or more written recommendations or written orders in the preceding five years; or

(G) A person who has had any citation, fine, sanction, injunction or court judgment levied against the person, or a business owned by the person, involving cannabis or cannabinoid related operations or sales.

06.08 LOCATION. No manufacturer license will be issued for any premises located within one thousand feet of any covered location. Except that this subsection shall not apply to any licensee operating a registered cannabis establishment that was in operation prior to the covered location being established. One thousand feet (1,000 ft) will be measured in a straight line from the nearest property line of the covered location to the nearest perimeter wall of the licensed premises.

06.09 LICENSEE RELOCATION. A licensee shall not relocate a registered cannabis establishment from the address or location as specified in the license, unless the licensee can show an exceptional change of circumstances and the Commission approves the license relocation.

06.10 LICENSEE RELOCATION APPLICATION AND FEE. A licensee seeking to change the address or location of their registered cannabis establishment shall apply for relocation with the Commission by completing a form provided by the Commission. The licensee shall provide in the form the exceptional change of circumstances that requires the licensee to relocate. When the licensee submits the application to the Commission

for relocation, the licensee shall provide a relocation fee of one thousand five hundred dollars ($1500).

06.11 LICENSE TRANSFER. Licenses and transportation certifications are non-transferrable.

06.12 NUMBER OF LICENSES ALLOWED. No more than four (4) product manufacturer licenses shall be issued in the state. If during any calendar year the Commission finds the number of licensed product manufacturers is not sufficient to meet the demand for medical cannabis or medical cannabis products, the Commission may grant an additional one (1) product manufacturer license during the following year.

06.13 LICENSE FEE. A registered cannabis establishment shall pay a fee of twenty-thousand dollars ($20,000) for the issuance of a product manufacturer license after it accepts the license as provided in 03.07.

06.14 TRANSPORTATION CERTIFICATION. A product manufacturer license applicant may also seek a transportation certification. The transportation certification will permit product manufacturer licensees to transport medical cannabis, medical cannabis products, medical cannabis accessories, and medical cannabis waste between registered cannabis establishments, provide logistical services to other registered cannabis establishments, and store medical cannabis. Product manufacturers shall only be permitted to transport medical cannabis, medical cannabis products, medical cannabis accessories, and medical cannabis waste with a valid transportation certification granted by the Commission as set forth in this Chapter.

06.15 TRANSPORTATION CERTIFICATION APPLICATION REQUIREMENTS. A transportation certification application, submitted by a product manufacturer applicant, must include the following:

(A) Proof of financial capability to build, launch, and sustain the transportation services, including access to capital, a detailed budget, and funding sources;

(B) Facility design and operation readiness for transportation services, including compliance with all applicable state laws and regulations and a demonstration of readiness to commence transportation services in compliance with these regulations;

(C) A demonstration of how the applicant meets the requirements in this section; and

(D) A certification fee of ten thousand dollars ($10,000);

06.16 TRANSPORTATION CERTIFICATION APPLICATION. Any product manufacturer applicant that wishes to apply for a transportation certificate shall submit all the required

documentation for a transportation certificate with the product manufacturer application. There is no additional cost to submit a transportation certificate application with a product manufacturer application. When a transportation certification is submitted with a product manufacturer application, it shall be treated as one application, and is subject to any product manufacturer application requirements.

## 07. LICENSE RENEWAL, DENIAL, OR SURRENDER FOR ALL LICENSE TYPES.

07.01 RENEWAL APPLICATION PROCESS. A licensee may apply for renewal at least thirty (30) calendar days, but no sooner than ninety (90) calendar days, prior to the expiration date of an existing license. A registered cannabis establishment licensee which is not renewing an existing license shall provide written notice of non-renewal to the Commission no later than thirty (30) calendar days prior to the expiration date of the existing license.

07.02 RENEWAL FEE. A registered cannabis establishment shall pay the following fee based on the type of license it seeks to renew and shall pay the fee at the time of renewal:

(A) Cultivator license renewal shall be subject to a fee of twenty-three thousand five hundred dollars ($23,500) upon approval of renewal by the Commission;

(B) Product manufacturer license renewal shall be subject to a fee of twenty-three thousand, five hundred dollars ($23,500) upon approval of renewal by the Commission if the product manufacturer does not possess a Transportation Certification;

(C) Product manufacturer license renewal shall be subject to a fee of twenty-eight thousand, five hundred dollars ($28,500) upon approval of renewal by the Commission if the product manufacturer also possesses a Transportation Certification; and

(D) Dispensary license renewal shall be subject to a fee of eighteen thousand dollars ($18,000) upon approval of renewal by the Commission.

07.03 FINGER PRINTING. An applicant for initial issuance of any license under this chapter shall also submit required fingerprints, to be furnished for every person included in the application, to the Nebraska State Patrol for a National criminal history record information check and a fee for such record check payable to the patrol. The applicant shall authorize the release of any criminal history record information check to the Commission.

07.04 RESIDENCY REQUIREMENTS. The following residency and citizenship requirements apply.

(A) If the applicant is an individual, the individual must be a United State Citizen and have been a resident of Nebraska for no less than four (4) years immediately preceding the application.

(B) If the applicant is an entity:

(i) The entity must be majority owned by a United States citizen(s) who has been a resident(s) of Nebraska for no less than four (4) years immediately preceding the application; and

(ii) The entity's officers and directors, if any, must have been a resident of Nebraska for no less than four years (4) immediately preceding the application.

(C) If the applicant is an individual applying on behalf of an entity, or if the applicant is both an individual and an entity, the requirements of both (A) and (B) of this subsection must be met.

(D) For the purposes of this subsection, majority owned means more than fifty percent (50%) of the financial interests (other than a security interest, lien, or encumbrance) or more than fifty percent (50%) of the voting interests of an entity, including any parent and subsidiary entities.

(E) To satisfy the residency requirements, an individual must be able to show, upon request of the Commission, proof of three (3) of the following for the four (4) years immediately preceding the application:

(i) A Nebraska vehicle registration;

(ii) Owned or rented property in Nebraska;

(iii) Use of a Nebraska mailing address;

(iv) Use of a Nebraska address on state or federal tax returns;

(v) A Nebraska voter registration; or

(vi) A Nebraska driver's license.

07.05 REQUIRED INFORMATION. An application for any type of license renewal shall include the following:

(A) The name and address of the renewal applicant and if applicable, the applicant's officers, directors, or owners, including any minority owner who holds any financial interests (other than a security interest, lien, or encumbrance) or any voting interests in an entity, including any parent and subsidiary entities;

(B) A statement that the renewal applicant and the applicant's officers, directors, and owners satisfy the residency requirements provided in this chapter, and none are a prohibited person as defined by this chapter;

(C) The premises for which a license is issued, designating the premises by street and number, if practicable, or by such other description as to definitively locate the premises;

(D) The name of the owner(s) of the premises upon which the business licensed is to be operated;

(E) A statement that the renewal applicant is in compliance with all applicable federal, state, or local laws, regulations, rules, or ordinances;

(F) A statement that the renewal applicant has paid all federal, state, and local taxes that are due, as well as any additional fees imposed by law;

(G) A business plan meeting the criteria set out in this chapter;

(H) Valid government-issued identification card that includes the date of birth of the applicant, applicant's officers, directors, and owners; and

(I) Any additional requirements based on the type of license the applicant is applying for as set forth in this chapter.

07.06 BUSINESS PLAN REQUIREMENTS. A business plan submitted by an applicant shall include the following:

(A) Proof of financial capability to sustain the registered cannabis establishment, including access to capital, a detailed budget, and funding sources;

(B) Facility design and operational readiness, including compliance with all applicable federal, state, or local laws, regulations, rules and ordinances;

(C) Any unauthorized access, theft, or diversion of any medical cannabis, medical cannabis products, and medical cannabis accessories during any previous licensing period;

(D) Any data collected regarding production volumes, sales volumes, and transactions between registered cannabis establishments or transactions between licensed dispensaries and qualified patients or caregivers; and

(E) Financial projections for the next year.

07.07 FALSE STATEMENTS. If any false statement is made in any part of the renewal application, the license may be denied or revoked.

07.08 PROHIBITED PERSONS. A license shall not be granted to, renewed to or held by:

(A) Any person who has been convicted of any felony or any controlled substance related offense within the preceding ten (10) years;

(B) An entity if any of its officers, directors, or owners have been convicted of any felony or any controlled substance related offense within the preceding ten (10) years;

(C) An entity if any of its officers, directors, or owners have had a license or permit suspended or revoked pursuant to these regulations;

(D) A person under the age of majority;

(E) Any state, county, municipality, or other political subdivision, any branch, department, agency, or subdivision of any of the foregoing, or any corporation or other body established by law to carry out any government function;

(F) A health care practitioner who has issued one or more written recommendations or written orders in the preceding five (5) years; or

(G) A person who has had any citation, fine, sanction, injunction or court judgment levied against the person, or a business owned by the person, involving cannabis or cannabinoid related operations or sales.

07.09 LICENSE SURRENDER. A registered cannabis establishment may surrender a license prior to expiration of the license term. To properly surrender a license an establishment shall:

(i) Give at least thirty (30) days advance written notice to the Commission; and

(ii) Ensure proper collection and disposal of all medical cannabis or medical cannabis products prior to the license being surrendered, as set forth in this section.

07.09(A) IMMEDIATE REVOCATION. Failure to provide proper notice may result in immediate revocation.

07.09(B) VOLUNTARY NON-RENEWAL. For purposes of this chapter, the voluntary non-renewal of a registered cannabis establishment license is considered the surrender of that license.

07.09(C) FUTURE LICENSE DETERMINATIONS. A license properly surrendered is not a sanction or revocation for purposes of future license determinations under this chapter.

07.09(D) TRANSPORTATION CERTIFICATE SURRENDER. A product manufacturer with a valid transportation certificate may surrender its transportation certificate prior to the expiration of the certificate term, or its license term, and shall surrender the certification subject to the license surrender process described in this section.

07.10 LICENSE DENIAL. In addition to the other factors and requirements set forth in the Nebraska Medical Cannabis Regulation Act and these regulations, the Commission may deny issuance or renewal of a license for good cause.

07.10(A) TRANSPORTATION CERTIFICATE DENIAL. The Commission may deny the issuance or renewal of a transportation certificate for good cause.

07.11 GOOD CAUSE. For purposes of this section, good cause means:

(A) The licensee or applicant has violated the Nebraska Medical Cannabis Regulation Act or rules and regulations adopted and promulgated thereunder;

(B) The licensee or applicant has made a false statement deemed to be material by the Commission;

(C) The licensee or applicant has failed to comply with any special terms or conditions that were placed on its license pursuant to an order of the Commission;

(D) The license would otherwise violate any condition contained in this chapter;

(E) The licensee or applicant is not in compliance with state, federal, or local laws, regulations, rules, or ordinances;

(F) The licensee has not paid all federal, state, and local taxes that are due, as well as any additional fees imposed by law;

(G) The licensee had a license sanctioned or revoked under this chapter;

(H) The licensee had a similar license sanctioned or revoked in another United States' state or territory;

(I) The licensee failed to properly surrender a license issued under this chapter; or

(J) The application is not complete.

07.12 DENIAL BASED ON ADDRESS. No more than one registered cannabis establishment license can be issued for the same address or location. An application may be denied if the address or location of the licensed premises identified in the

application is already licensed or a license has been accepted with the same address or location.

**08. LICENSE SANCTIONS.**

08.01 SANCTIONS. A licensee may be sanctioned by the Commission for violations of this chapter, the Nebraska Medical Cannabis Regulation Act, or for good cause as defined by this chapter. Sanctions may include:

(A) License suspension;

(B) Licenses revocation;

(C) Fines;

(D) Limitations upon license;

(E) Terms of probation;

(F) Seizure or destruction of any cannabis, cannabis products, or cannabis accessories; or

(G) Any combination of the above.

08.02 INACTIVE REGISTERED CANNABIS ESTABLISHMENT. If a registered cannabis establishment has been inactive, without good cause, the Commission may revoke, cancel or elect not to renew the license of the registered cannabis establishment.

08.03 CONVICTIONS. A registered cannabis establishment's license may be revoked if the license holder is convicted of any felony or any controlled substance related offense during the term of the license.

08.04 LOCAL COMPLIANCE. A registered cannabis establishment's license may be sanctioned if the license holder or the establishment fails to comply with all applicable federal, state, or local government requirements.

**09. APPLICATION RECONSIDERATION AND LICENSEE APPEALS.**

09.01 APPLICATION RECONSIDERATION. An applicant may request reconsideration of an application denial in accordance with the process developed by the Commission. An applicant cannot request reconsideration of a denial based on exclusion from the lottery or failure to be drawn in the lottery process. Reconsideration meetings are not subject to the Nebraska Administrative Procedures Act.

09.02 LICENSEE APPEALS OF COMMISSION ACTIONS. A licensee may appeal a decision by the Commission to deny a license or to sanction a license or licensee, by requesting a fair hearing in accordance with the Nebraska Administrative Procedures

Act (Neb. Rev. Stat. §§ 84-901 *et al*.). A request to appeal must be submitted in writing to the Commission within ten (10) business days of the action to be appealed. Hearings will be conducted in accordance with the Nebraska Administrative Procedures Act

09.02(A) MODEL RULES ADOPTED. The Commission follows the model rules adopted by the Attorney General for practice and procedure governing hearings in contested cases found in Title 53 Nebraska Administrative Code (NAC).

## 10. REGISTERED CANNABIS ESTABLISHMENT MANAGEMENT STANDARDS.

10.01 MANAGER. Each licensee shall personally manage the licensed registered cannabis establishment, or employ, a separate and distinct manager for the licensed registered cannabis establishment, and shall report the name of the manager to the Commission. Each licensee shall submit the manager's background check to the Commission, as set forth in this Chapter.

10.02 MANAGEMENT CHANGE. The licensee shall report any change in manager to the Commission in the manner provided by the Commission.

10.03 BUSINESS PLAN CHANGE. If any information in the licensee's business plan submitted to the Commission significantly changes from when the licensee applied for their license, then the licensee shall provide notice of the significant change to the Commission within three (3) business days of making the change. A significant change shall not include any change in financial projections, leadership team qualifications, or any changes in experience for cannabis cultivation, cannabis manufacturing, or cannabis retail.

10.04 LICENSE PUBLISHING. A licensee shall possess and maintain a copy of the license in a conspicuous place visible to the public on the licensed premises.

10.05 MINORS ON PREMISES. No licensee shall allow any individual under the age of eighteen (18) on or in any licensed premises.

10.06 CONSUMPTION ON PREMISES. No licensee shall allow the consumption or use of any medical cannabis or medical cannabis products on or in any licensed premises.

10.07 EMPLOYEES OR AGENTS. No licensee shall employ, or maintain as an employee or agent, a prohibited person as set forth in this chapter.

10.08 SECURITY REQUIREMENTS. All registered cannabis establishments shall implement appropriate security measures to deter and prevent the unauthorized entrance into areas containing medical cannabis and the theft and diversion of medical cannabis and medical cannabis products. All establishments shall develop a comprehensive security plan. All videos, access logs, and any other monitoring data

shall be available to the Nebraska State Patrol, any other law enforcement agency, or the Commission upon request.

10.08(A) RESPONSIBLE ENTITY. Licensees are responsible for the security of all medical cannabis items on the licensed premises. Product manufacturers with valid transportation certificates are responsible for all medical cannabis, medical cannabis products, medical cannabis accessories, and medical cannabis waste in their possession during transit.

10.08(B) THEFT DETERRENCE. Licensees shall provide effective controls and procedures to guard against theft and diversion of medical cannabis and medical cannabis products.

10.08(C) WASTE STORAGE. Licensees shall store all medical cannabis waste in a secure waste receptacle that is locked with commercial-grade locks prior to any disposal or transfer. The receptacle shall be kept in a safe and secure location with limited access.

10.08(D) DATA SECURITY. Licensees shall maintain all patient data in a secured database that abides by state and federal laws. Licensees shall not provide any patient data to any other party except to the Commission, its agents and employees; any party licensed by the Commission; or a registered healthcare practitioner.

10.08(E) INTRA-FACILITY TRANSPORTATION PLAN. All registered cannabis establishments shall develop a written plan detailing specific security measures to secure and track any medical cannabis, medical cannabis products, or medical cannabis accessories that will be moved between facilities on the same plot of land owned or leased by the same licensee.

10.09 SECURITY EQUIPMENT MEASURES. All registered cannabis establishments shall ensure the security of cannabis products and the facility by installing and maintaining security equipment as follows:

(A) Devices or a series of devices to detect unauthorized intrusion, which may include a signal system interconnected with a radio frequency method, such as cellular or private radio signals, or other mechanical or electronic devices;

(B) Except in the case of outdoor cultivation, exterior lighting to facilitate surveillance, which shall cover exterior of all buildings, the perimeter of the facility, and any parking lots or areas directly outside the perimeter of the facility;

(C) Electronic video monitoring, which shall include video cameras that record at a rate of at least fifteen (15) frames per second, operate in a way as to provide continuous monitoring, and allow identification of people and activities in all

lighting levels. The Commission, or its agents and employees, shall have the ability to inspect the electronic video monitoring system and any footage upon request to the registered cannabis establishment. The registered cannabis establishment installing the electronic video monitoring system shall be subject to the following:

(i) The use of motion detection as a method of continuous monitoring is not permitted where cannabis product is or will be present;

(ii) All remote access shall be accomplished through https access or another Commission-approved format;

(iii) Video cameras shall provide footage of:

(1) All facility building entry and exit points, including windows;

(2) All loading docks and loading dock areas;

(3) All parking lots or parking areas surrounding the registered cannabis establishment;

(4) All areas of the facility and facility premises where medical cannabis or medical cannabis products are or will be present;

(5) Each point-of-sale location, if applicable;

(6) All vaults or safes where cannabis product is stored;

(7) All area on facility premises, including offsite warehouses and transport vehicles, where a seed-to-sale system is accessed;

(8) The entire perimeter of the facility, including at least twenty (20) feet of space around the perimeter of an outdoor grow area; and

(9) All medical cannabis and medical cannabis products, from at least two (2) angles, where medical cannabis or medical cannabis products are grown, cultivated, manufactured, sampled for testing, stored, weighed, packaged, processed for sale, sold, distributed, rendered unusable and unrecognizable, disposed, or loaded for transport.

(iv) All activities subject to video camera monitoring shall occur only in areas of the facility and premises that are monitored by video cameras as required by this Chapter

(v) Licensees shall ensure that each video camera used pursuant to this Section:

(1) Includes a date and time generator which accurately displays the date and time of recorded events on the recording in a manner that does not significantly obstruct the record view;

(2) Is installed in a manner that prevents the video camera from being readily obstructed, tampered with, or disabled; and

(3) Is cabled and does not solely operate via Wi-Fi.

(vi) Licensees shall store recordings from the video cameras for at least one hundred and twenty (120) days in a secure location or through a service or network that allows for providing copies of the recordings upon request by the Commission or its agents and employees at the expense of the licensee;

(vii) Licensees shall report to the Commission the recording storage mechanism used in the registered cannabis establishment. If the licensee changes its recording storage mechanism, the licensee shall provide the Commission with notification of such change and proof that the new storage mechanism is capable of storing all recordings for at least one hundred and twenty (120) days as soon as reasonably possible but no later than ten (10) days of such change;

(viii) Facilities shall have sufficient battery backup for video cameras and recording equipment to support at least sixty (60) minutes of recording in the event of a power outage; and

(ix) Surveillance recording and monitoring equipment shall be housed in a designated, locked, and secured room or other enclosure with restricted access.

(D) A method of immediate, automatic notification to alert law enforcement agencies of an unauthorized breach of security at the facility; and

(E) Security film on glass doors and storefronts.

10.10 SEED-TO-SALE SYSTEM. A registered cannabis establishment shall utilize a seed-to-sale system as required by this subsection.

10.10(A) MANDATORY USAGE. Prior to the implementation of a state inventory tracking system, a registered cannabis establishment shall use a Commission-approved seed-to-sale tracking system. Upon implementation of the state inventory tracking system, no registered cannabis establishment shall sell or otherwise transfer, purchase, obtain or otherwise accept the transfer of medical

cannabis or medical cannabis products that are not properly inputted and tracked in the state inventory tracking system.

10.10(B) OPTIONAL USAGE. Upon implementation of the state inventory tracking system, registered cannabis establishments may continue to use a Commission approved seed-to-sale tracking system. A seed-to-sale system shall integrate fully with the state inventory tracking system. If the seed-to-sale system does not integrate with the state inventory tracking system, or does integrate but does not share all required information, the registered cannabis establishment shall ensure all required information is reported directly into the State inventory tracking system.

10.11 RECLAMATION BOND REQUIREMENTS. Registered cannabis establishments shall, no later than thirty (30) calendar days after being issued a license, file with the Commission a bond covering the licensed premises. The bond shall meet the following requirements:

(A) A reclamation bond in an amount of no less than two hundred dollars ($200,000.00), to cover the costs of reclamation or to defray the cost of restoration of the property including removing equipment, destruction of waste, remediation of environmental hazards, prohibiting public access, addressing improperly coded buildings, determination of the final disposition of any seized property, or other reclamation costs;

(B) Name the State of Nebraska as the secured party; and

(C) Be issued by a surety company qualified to conduct business in Nebraska as a surety.

(i) For purposes of this subsection, "qualified" means a business that has a Certificate of Authority, License, or other formal authorization from the Nebraska Department of Insurance authorizing the surety to transact business in Nebraska as a surety.

(D) Remain in effect for a period of no less than one (1) year from the date of cancellation or expiration of bond.

10.12 PERFORMANCE BOND REQUIREMENTS. Registered cannabis establishments shall, no later than thirty (30) calendar days after being issued a license, file with the Commission a bond covering the lawful operation of the establishment. The bond shall meet the following requirements:

(A) A performance bond in an amount of no less than one hundred dollars ($100,000.00) to cover the costs of ensuring the lawful operations of the registered cannabis establishment, including compliance with this chapter;

(B) Name the State of Nebraska as the secured party; and

(C) Be issued by a surety company qualified to conduct business in Nebraska as a surety.

(i) For purposes of this subsection, "qualified" means a business that has a Certificate of Authority, License, or other formal authorization from the Nebraska Department of Insurance authorizing the surety to transact business in Nebraska as a surety.

(D) Remain in effect for a period of no less than one (1) year from the date of cancellation or expiration of bond.

10.13 ADDITIONAL BOND REQUIREMENTS. All registered cannabis establishments shall comply with these additional bond requirements.

10.13(A) BOND EXPIRATION. No later than thirty (30) calendar days prior to the expiration date of a required bond, a registered cannabis establishment shall provide proof to the Commission that if the bond has been renewed, or a new bond has been issued in the required amount.

10.13(B) CANCELLED BOND. Upon cancellation of a required bond, the registered cannabis establishment shall provide proof to the Commission of a new, alternate bond that meets all requirements set forth in this Chapter before the termination date of the previous bond.

10.13(C) BOND DURATION. A claim may be filed against any required bond up to one (1) year after revocation or surrender of the license or cancellation or expiration of the bond, whichever is later in time.

10.14 PRIVATE LEGAL REMEDIES. Nothing in this chapter shall prevent a landlord or landowner from requiring an additional bond or other form of security for purpose of renting or leasing real property to a registered cannabis establishment. Nor does this chapter limit any other private legal and equitable remedies.

10.15 REQUIRED NOTIFICATION. A registered cannabis establishment shall notify the Commission within three (3) business days of the following:

(A) The initiation and resolution of any citations, fines, judgments, lawsuits, legal proceedings, charges, or government investigations, involving cannabis-related operations, whether initiated, pending, or concluded, against the licensee and its owners in Nebraska and in any other state;

(B) Any adverse event report from a qualified patient, caregiver, or other registered cannabis establishment;

(C) Any change in the hours of operation, including temporary closures;

(D) Any suspected theft or attempted theft of medical cannabis from the registered cannabis establishment;

(E) Any change in manager; or

(F) Any licensee, manager, employee, agent, or any member with any financial or voting interest in the registered cannabis establishment is charged with a disqualifying offense as defined in this Chapter.

10.16 ADVERSE EVENT REPORTING. Adverse event reports shall be submitted utilizing the Commission-approved form and any consumer complaint shall be reported to the dispensary licensee, product manufacturer licensee, and cultivation licensee responsible for the medical cannabis product.

10.17 PREOPERATIONAL INSPECTION. Prior to any registered cannabis establishment beginning operation, the Commission, or its employees or agents, shall conduct a preoperational inspection of the facility. The preoperational inspection shall include the following:

(A) Evidence of completion of inspection by the State Fire Marshal and any denial or issuance of certificate of occupancy issued by the State Fire Marshal, if applicable;

(B) Evidence of either ownership of the property or agreement by owner of property to allow the operation of a registered cannabis establishment on the property;

(C) A final diagram of the registered cannabis establishment, including where all medical cannabis or medical cannabis products will be stored, and where security alarms, cameras, and other surveillance equipment will be located; and

(D) Evidence of compliance with these regulations and the business plan submitted to the Commission upon application for the license.

10.18 IDENTIFICATION CARDS. While inside a registered cannabis establishment, all employees of that establishment shall wear a form of identification that clearly identifies them as an employee. Each employee identification shall include:

(A) The name of the employee;

(B) Job title;

(C) Name of the registered cannabis establishment;

(D) A photographic image of the employee; and

(E) An alphanumeric identification number unique to the employee.

10.19 PERSONNEL RECORDS. All registered cannabis establishments shall keep personnel records, as required under Neb. Rev. Stat. § 48-612. In addition to any statutory requirements, each registered cannabis establishment shall retain the following information in each employee's personnel record:

(A) Each personnel record shall include documentation of completion of required training, including training related to privacy and confidentiality obligations.

(i) Privacy and confidentiality training, at a minimum, includes:

(1) The protection of patient and caregiver identities, registration status, and related information;

(2) The confidentiality of medical or health-related information obtained through employment;

(3) Restrictions on access to, use of, and disclosure of nonpublic Commission, licensing, inspection, investigation, and seed-to-sale tracking information;

(4) Proper handling, storage, and disposal of confidential records, including electronic and physical safeguards; and

(5) Limitations on employee access to confidential information to that which is necessary to perform assigned job duties.

(ii) Each employee shall sign and date a written acknowledgment of their obligation to comply with privacy and confidentiality requirements and applicable state and federal law.

(iii) A violation of this section may constitute grounds for sanctions.

(B) All continuing education or training the employee completed in addition to the required training;

(C) Any application, resume, or CV submitted to the registered cannabis establishment; and

(D) All discipline action taken against any employee.

10.20 CLOSED REGISTERED CANNABIS ESTABLISHMENT. At any time a registered cannabis establishment is not open for business, or does not have any employee(s) operating on site, the licensee shall ensure that:

(A) The registered cannabis establishment is securely locked with commercial-grade, non-residential door locks;

(B) All cannabis or cannabis products are locked in a secured storage area; and

(C) The alarm system is active.

10.21 DELINQUENCY REPORTING. No registered cannabis establishment or licensee shall accept or receive credit from any other registered cannabis establishment or licensee for a period exceeding thirty (30) days from the date of delivery of any such merchandise. Licensees shall report to the Commission information concerning extending or receiving credit in any manner.

## 11. DISPENSARY REQUIREMENTS.

11.01 POSSESSION FOR SALE OR TRANSFER. A dispensary may only possess, sell or transfer cannabis for medical purposes, as defined by Neb. Rev. Stat § 71-24,107, or those purposes expressed in this chapter. A dispensary shall not give away or otherwise offer or transfer cannabis as part of a promotional event.

11.02 CANNABIS PRODUCT. A dispensary may only obtain medical cannabis products from a Nebraska licensed product manufacturer with a valid transportation certificate. A dispensary may not possess, dispense, or cause to be transported any cannabis product that is not allowed under this chapter.

11.03 ELECTRONIC DELIVERY SYSTEM. A dispensary shall establish a system to receive written recommendations and written orders in electronic form directly from a health care practitioner(s). A dispensary shall retain all written recommendations and written orders received through its established electronic system for no less than seven (7) years. Written recommendations and written orders shall be from a health care practitioner enrolled in the Recommending Health Care Practitioner Directory in accordance with this chapter.

11.03(A) COMMISSION ACCESS. A dispensary shall provide the Commission real-time direct access to the dispensary's electronic delivery system.

11.04 SALE OF MEDICAL CANNABIS PRODUCTS. A dispensary may only sell medical cannabis products at its licensed premises and may not deliver or otherwise transport to a qualified patient, caregiver, or any other unlicensed entity not permitted under this Chapter. A dispensary may not sell or transfer medical cannabis to a qualified patient or caregiver unless the dispensary has received an electronic copy of the written recommendation issued within the last twenty-four (24) months, and a written order for the medical cannabis, directly from the recommending health care practitioner. The written recommendation shall comport with the requirements contained in the Neb. Rev. Stat. § 71-24,104, and the written order shall comport with the requirements of this chapter. A dispensary shall verify the identity of the qualified patient or caregiver by

requiring a valid state or government issued photo identification or a valid student photo identification issued by a Nebraska College or University.

11.04(A) LABELING REQUIREMENT. All medical cannabis or medical cannabis products sold or transferred by a dispensary shall have an affixed label which includes the name of the qualified patient, the recommending health care practitioner, the name of dispensary, the dispensary's address and phone number, and the name of the medical cannabis product.

11.04(B) PRODUCT QR CODE. All medical cannabis products sold shall include a unique product QR code issued by the State Inventory Tracking System along with providing additional, product-specific information and test results to the patient and to aid in facilitating product recalls. The product QR code shall be scanned by the dispensary at the time of sale.

11.04(C) UNIVERSAL SYMBOL REQUIREMENT. All medical cannabis products sold shall include the universal symbol, approved by the ASTM, indicating the product contains cannabis.

11.05 QUALIFIED PATIENT REQUIREMENT. A dispensary shall only sell medical cannabis to the qualified patient, who is eighteen (18) years of age or older, if the patient has a valid, unexpired written recommendation which includes the requirements contained in Neb. Rev. Stat. § 71-24,104. A dispensary shall only sell medical cannabis to the qualified patient as specified in the valid, unexpired written order which includes the requirements contained in this chapter.

11.06 CAREGIVER REQUIREMENT. A dispensary shall only sell medical cannabis to a caregiver under the following circumstances:

(A) When the qualified patient is at least eighteen (18) years of age and the caregiver has been designated by the qualified patient in a signed affidavit;

(B) When the qualified patient is under eighteen (18) years of age and the caregiver is the legal guardian or parent of the qualified patient and produces a signed attestation that meets the requirements of this chapter, or the caregiver is a person designated by the legal guardian or parent of the qualified patient in a sworn affidavit with the authority to make health care decisions on behalf of the qualified patient; or

(C) A health care facility or home health agency which meets the requirements set forth in Neb. Rev. Stat. § 71-24,104.

11.07 AFFIDAVIT REQUIREMENTS. Affidavits must meet the following requirements:

(A) When the qualified patient is at least eighteen (18) years of age and designates a caregiver:

(i) The full legal name and date of birth of the qualified patient;

(ii) The full legal name and date of birth of the caregiver;

(iii) A statement designating the named individual as the caregiver; and

(iv) The dated, notarized signature of the qualified patient;

(B) When the qualified patient is under eighteen (18) years of age or the qualified patient is under the protection of a legal guardian and the parent or legal guardian designates a caregiver:

(i) The full legal name and date of birth of the qualified patient;

(ii) The full legal name of the parent or legal guardian;

(iii) The nature of the parent or legal guardian's relationship to the qualified patient and a statement asserting legal authority to make health care decisions for the qualified patient;

(iv) The full legal name and date of birth of the caregiver;

(v) A statement designating the named individual as the caregiver; and

(vi) The dated, notarized signature of the authorizing parent or legal guardian; or

(C) When the caregiver is a health care facility or home health agency:

(i) The full legal name and date of birth of the qualified patient;

(ii) When the qualified patient is under eighteen (18) years of age or is under the care of parent or legal guardian, the full legal name of the authorizing parent or legal guardian;

(iii) When the qualified patient is under eighteen (18) years of age or is under the care of parent or legal guardian, the nature of the parent or legal guardian's relationship to the qualified patient and a statement asserting legal authority to make health care decisions for the qualified patient;

(iv) The health care facility or home health agency to be designated as the caregiver;

(v) A statement designating the named entity as the caregiver; and

(vi) The dated, notarized signature of the authorizing patient or authorizing parent or legal guardian.

11.08 ATTESTATION REQUIREMENTS. A signed attestation must contain the following:

(A) The full legal name of the qualified patient;

(B) The full legal name of the parent or legal guardian;

(C) The nature of the relationship to the patient; and

(D) The dated signature of the parent or legal guardian.

11.09 QUANTITY REQUIREMENT. A dispensary may not sell any amount of medical cannabis that would result in the qualified patient or caregiver possessing more than five (5) ounces as allowed by Neb. Rev. Stat. § 71-24,104, or more than the amount contained in the written order if less than five (5) ounces. A dispensary may not sell to a qualified patient or caregiver more than a thirty (30) day supply of medical cannabis based on the dosage rate in the written order. A dispensary may not sell more than five (5) grams of Total THC to the same qualified patient or for the same qualified patient in a ninety (90) day period. A dispensary shall not sell to a qualified patient or caregiver any medical cannabis within thirty (30) days after filling a valid written order.

11.10 NO REFILLS. A dispensary may not sell medical cannabis to the same qualified patient or caregiver for the same written order more than once.

11.11 DISPENSABLE PRODUCTS. A dispensary shall not sell any medical cannabis or medical cannabis product that that does not meet the requirements of this chapter.

11.11(A) ALLOWABLE PRODUCTS. The following product types or formulations are allowed:

(i) Oral tablets, capsules, or tinctures;

(ii) Gels, oils, creams, or other topical preparation;

(iii) Suppositories;

(iv) Transdermal patches;

(v) Nasal sprays; or

(vi) Liquids or oils for administration using a nebulizer or inhaler.

11.11(A)(1) COATING. For purposes of this chapter, coating means a thin layer or covering over a medical cannabis product to make the product swallowable.

11.11(B) UNALLOWABLE PRODUCTS. The following product types or formulations are not allowed:

(i) Raw plant material;

(ii) Any product administered by smoking, combustion, or vaping;

(iii) Any product containing artificial flavoring, natural flavoring, or coloring;

(iv) A food or drink that has cannabis baked, mixed, or otherwise infused into it;

(v) Any product that includes a synthetic cannabinoid substance;

(vi) Any product that exceeds a potency of sixty percent (60%) Total THC or a dose of forty (40) mg per dose;

(vii) Any product or packaging which would reasonably cause confusion as to whether the cannabis product is a food product;

(viii) Any product in the shape of a human, animal, marijuana leaf; or

(ix) Any tobacco, alcohol, or other intoxicating substance; or

(x) Any product that is not a medical cannabis or a medical cannabis product registered with the Commission.

11.12 DISPENSING PROHIBITION. A dispensary shall not dispense any medical cannabis product to any qualified patient that is pregnant or cannot satisfy all of the requirements of this section.

11.13 EXIT PACKAGING. A dispensary employee shall place every medical cannabis product that will be dispensed to a qualified patient or caregiver into an opaque bag and affix a copy of the qualified patient's written order to the opaque bag.

11.14 RECALL. A dispensary may voluntarily recall products that do not meet product specifications contained in this Chapter or that the dispensary or manufacturer determines should be recalled for public safety. Upon issuing a voluntary recall, the dispensary must provide notice to the Commission within twenty-four (24) hours of issuing the voluntary recall.

11.15 DISPOSAL OF MEDICAL CANNABIS AND PLANT MATERIAL. A dispensary shall permit a product manufacturer with a valid transportation certificate to retrieve medical cannabis waste for disposal from the dispensary. A dispensary shall maintain a written record of all medical cannabis returned to the product manufacturer for disposal.

11.16 DISPOSAL REQUIREMENTS. Pending return to a product manufacturer for disposal, a dispensary shall store, secure, manage, and record medical cannabis waste in accordance with all applicable federal, state, and local laws, rules, regulations, and ordinances.

11.17 RECORD REQUIREMENTS FOR DISPENSARIES. Registered cannabis establishments dispensing medical cannabis products to qualified patients or caregivers must retain the following records for no less than seven (7) years:

(A) Copies of all documents required under this chapter for sale of medical cannabis;

(B) Sales invoices or receipts for all sales of medical cannabis, which shall include the following:

(i) Name and address of purchaser;

(ii) Date of sale and invoice number;

(iii) Item, category, and quantity of medical cannabis products sold;

(iv) The cost to the purchaser, together with any discount applied to the price as shown on the invoice;

(v) The place from which transport of the medical cannabis products were made;

(vi) Seller’s name, license number, and address; and

(vii) Any associated manifests from a certified transporter;

(C) Daily inventory records which shall include the following;

(i) The type, quantity, and potency of all medical cannabis products;

(ii) Daily transactions, including electronically received written orders for each sale to medical cannabis to a qualified patient or caregiver; and

(iii) Any discrepancies between the daily inventory and daily transactions;

(D) A medical cannabis waste disposal log indicating the date and time, the name of the product manufacturer, the name of the product, and the quantity of medical cannabis products the product manufacturer received for disposal; and

(E) Records of all purchases of inventory and stock for purposes of sale which include:

(i) Transport manifests; and

(ii) The name and license number of all cultivators or manufacturers for all products sold or purchased by the establishment for sale.

**12. CULTIVATOR REQUIREMENTS.**

12.01 POSSESSION FOR CULTIVATION. A cultivator may only possess, cultivate, or process cannabis for medical purposes, as defined by Neb. Rev. Stat. § 71-24,107, or those purposes expressed in this chapter.

12.02 CULTIVATION FOR SALE. A cultivator may only cultivate or process cannabis for sale to a Nebraska licensed product manufacturer or other Nebraska licensed cultivator.

12.03 LOCATION. All cultivation of medical cannabis shall take place at the premises identified in the cultivator license. Cultivation may occur in outdoor, indoor, greenhouse facilities, or in any combination of these cultivation facilities.

12.04 LOCATION ACCESS. Cultivation locations must be secured to prevent access to any cannabis plants or products by animals, or individuals who are not authorized agents of the cultivator and not otherwise authorized access by law.

12.05 SIGNAGE. Licensed cultivators shall erect and maintain signage at the site of the cultivation locations that must be visible from the road at the primary entrance to the cultivation facility.

12.05(A) PRIMARY ENTRANCE. Primary entrance means the principal or main entrance of the cultivation facility which is used by staff or persons accessing the property.

12.05(B) SIGNAGE REQUIREMENTS. The signage shall be located at the perimeter of the property with dimensions measuring no less than eighteen (18) inches by twenty-four (24) inches with a font size of no less than two (2) inches and must meet the following requirements:

(i) Information required to be displayed on the sign shall be in black standardized font on a white background;

(ii) The signage shall comply with county regulations and local ordinances related to the real property where the cultivation facility is located; and

(iii) The following information shall be included:

(1) Business name;

(2) Physical address of the licensed business;

(3) Phone number of the licensed business; and

(4) Cultivator license number.

12.05(C) PERIMETER. Perimeter of the property refers to the outermost boundaries of the property that is licensed by the Commission as a cultivator.

12.06 NUMBER OF PLANTS. Cultivators must comply with the number of plant requirements set forth in this subsection. A cultivator may utilize any combination of indoor, outdoor, or greenhouse facilities, but may possess no more than one thousand two hundred fifty (1,250) flowering plants at one time.

12.07 CHEMICAL RESTRICTIONS. A cultivator may not use pesticides, herbicides, or fertilizers other than those certified organic by the Organic Materials Review Institute or another similar standards organization. No other chemicals may be used for the purposes of planting, growing, or cultivating medical cannabis.

12.08 TESTING. A cultivator may permit a testing lab to collect cannabis samples for testing and research for developmental purposes.

12.09 SEED OR PLANT STOCK. A cultivator may only obtain cannabis seeds, immature cannabis plants, or cannabis genetic material from another Nebraska licensed cultivator or a cultivator authorized to operate in another state of the United States.

12.10 RECALL. A cultivator may voluntarily recall products that do not meet product specifications contained in this chapter or that the cultivator determines should be recalled for public safety. Upon issuing a voluntary recall, the cultivator must provide notice to the Commission within twenty-four (24) hours of issuing the voluntary recall.

12.11 DISPOSAL OF MEDICAL CANNABIS AND PLANT MATERIAL. A cultivator must maintain a written record of all medical cannabis waste disposed of in accordance with this chapter.

12.12 DISPOSAL REQUIREMENTS. A cultivator shall store, secure, manage, and record medical cannabis waste and plant material waste in accordance with all applicable federal, state, and local laws, regulations, rules, and ordinances. Before transport of plant material waste, the cultivator shall render the plant material waste unusable and unrecognizable.

12.13 DISPOSAL REQUIREMENT EXCEPTIONS. The following materials are not considered medical cannabis waste and do not require treatment to render the materials unusable and unrecognizable, provided that the cannabis does not contain any cannabis flower or leaves with any visible trichomes:

(A) root balls, soil, or growing media; and

(B) stalks of cannabis plants.

12.14 RECORDS REQUIRED FOR CULTIVATORS. Cultivators must retain the following records for no less than seven (7) years:

(A) Sales invoices or receipts for all sales of medical cannabis, which shall include the following:

(i) Name and address of purchaser;

(ii) Date of sale and invoice number;

(iii) Item, category, and quantity of cannabis sold;

(iv) The cost to the purchaser, together with any discount applied to the price as shown on the invoice;

(v) The place from which transport of the cannabis was made;

(vi) Seller's name, license number and address; and

(vii) Any associated manifests from a certified transporter;

(B) Daily inventory records which shall include the following:

(i) The type, quantity, and potency of all medical cannabis;

(ii) Daily transactions; and

(iii) Any discrepancies between the daily inventory and daily transactions;

(C) Records of all purchases of inventory or stock for purposes of sale which include:

(i) Transport manifests; and

(ii) The name and license number of all cultivators and product manufacturers for all products sold or transferred, or purchased by the establishment for sale;

(D) When cannabis seeds are planted and total quantity of seeds planted;

(E) When each cannabis plant is in a vegetative state, flowering phase, harvested, transported, processed, destroyed, or sold;

(F) Description of each cannabis plant type cultivated to include type, Total THC content, and Total THC potency;

(G) All organic pesticides, herbicides, or fertilizers applied to cannabis plants or growing medium during cultivation and all ingredients contained in any organic pesticides, herbicides, or fertilizers applied to cannabis plants or growing medium during cultivation;

(H) All samples provided to a testing facility, the identity and address of the testing facility, and test results;

(I) A medical cannabis waste disposal log indicating the date and time, location, weight, method of destruction, mixing medium, and agent ID(s) of the employee(s) who destroyed the cannabis product; and

(J) The source of all cannabis seeds purchased, including the name of seller, contact information, and proof of authorization to operate a cannabis business in that state.

## 13. PRODUCT MANUFACTURER AND TRANSPORTATION CERTIFICATION REQUIREMENTS.

13.01 POSSESSION FOR MANUFACTURING. A manufacturer may only possess, manufacture, or process cannabis for medical purposes, as defined by Neb. Rev. Stat. § 71-24,107, or those purposes expressed in this chapter. A product manufacturer with a transportation certification may possess and transport cannabis to facilitate the transportation of medical cannabis, medical cannabis products, and medical cannabis accessories to registered cannabis establishments as allowed in this Chapter.

13.02 MANUFACTURING FOR SALE OR TRANSFER. A manufacturer may only manufacture, possess, or process cannabis for sale or transport to a Nebraska licensed dispensary or another Nebraska licensed product manufacturer. A manufacturer may transport medical cannabis, medical cannabis products, or medical cannabis waste only if it possesses a valid transportation certification.

13.03 LOCATION. All manufacturing of medical cannabis shall take place at the premise identified in the manufacturing license. All storage of medical cannabis for the purpose of transportation shall take place at the premise identified in the product manufacturer license and the transportation certification application.

13.04 LOCATION ACCESS. Manufacturing locations must be secured to prevent access to any cannabis plants or products by animals, or individuals who are not authorized agents of the manufacturer or otherwise authorized access by law.

13.05 TESTING. A product manufacturer may permit a testing lab to collect cannabis samples for testing and research for developmental purposes.

13.06 CANNABIS SEED, CANNABIS PLANT STOCK OR CANNABIS PRODUCT. A manufacturer may only obtain medical cannabis plants or medical cannabis products from a Nebraska licensed cultivator or another Nebraska licensed manufacturer.

13.07 ALLOWABLE PRODUCTS. A manufacturer may only manufacture products allowed to be sold by Nebraska licensed dispensaries to qualified patients or caregivers as set forth in this chapter. A manufacturer with a transportation certification shall only transport medical cannabis or medical cannabis products allowed to be sold or transferred under this chapter or the Nebraska Cannabis Regulation Act.

13.07(A) PRODUCT REGISTRATION. A manufacturer must register each medical cannabis product with the Commission. To register a product, the manufacturer must submit the following to the Commission:

(i) Certificate of analysis completed within the last ninety (90) days;

(ii) Potency and Total THC in the product;

(iii) A description of the manufacturing process, including the name and amount of all ingredients;

(iv) Intake instructions;

(v) Product package design;

(vi) Product label, which shall not be required to contain an expiration date at the time of application; and

(vii) The dispensaries to which the product manufacturer intends to sell the proposed products.

13.07(B) PRODUCT REGISTRATION FEE. A manufacturer seeking to register a medical cannabis product with the Commission must provide a fee of two hundred and fifty dollars ($250) for every product name it seeks to register. A manufacturer shall only need to register a product once for different dosage amounts as long as the product type and ingredients listed do not change.

13.07(C) PRODUCT TESTING. A manufacturer shall submit each medical cannabis product intended to be registered with the Commission for testing by a testing facility accredited under the International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC) standard 17025: 2017 standard. The scope of the accreditation shall include all cannabis product testing required by this chapter. The testing conducted on each product must comport with the testing requirements in this chapter.

13.07(D) TESTING RESULTS. A manufacturer shall submit the required testing results for each unique medical cannabis product lot intended to be registered to the Commission.

13.07(E) PRODUCT REGISTRATION EXPIRATION. A product registration will expire one (1) year after submission to the Commission.

13.07(F) PRODUCT REGISTRATION RENEWAL. A manufacturer may re-register a product no later than thirty (30) days, but no sooner than ninety (90) days, prior to the expiration date of the existing product registration. To re-register a product, the manufacturer shall submit the following to the Commission:

(i) Certificate of analysis completed within the last ninety (90) days;

(ii) Potency and Total THC in the product;

(iii) Any proposed changes to the intake instructions, product packaging design, or product label;

(iv) The following product data:

(1) Which dispensaries the product was sold;

(2) Quantity of the product was manufactured, and

(3) Quantity of the product the manufacturer has possession of at the time of the renewal; and

(v) A product registration renewal fee of one hundred dollars ($100).

13.08 PACKAGING. A product manufacturer may only sell or transfer products that are sealed and comport with the following:

(A) The package shall protect the product from contamination and shall not expose the product to any toxic or harmful substance; and

(B) The package shall be tamper-evident, which means the product shall be packaged in a container within which the product is sealed so that the contents cannot be opened without obvious destruction of the seal.

13.09 FOOD SAFETY STANDARDS. A product manufacturer must comply with all applicable laws regarding food standards. All ingredients, other than those naturally occurring in cannabis, shall be approved by the United States Food and Drug Administration.

13.10 RECALL. A product manufacturer may voluntarily recall products that do not meet product specifications contained in this chapter or that the manufacturer

determines should be recalled for public safety. Upon issuing a voluntary recall, the product manufacturer must provide notice to the Commission within twenty-four (24) hours of issuing the voluntary recall.

13.11 DISPOSAL OF MEDICAL CANNABIS AND PLANT MATERIAL. A product manufacturer with a transportation certification shall collect medical cannabis waste from Nebraska licensed dispensaries and Nebraska licensed cultivators. A product manufacturer with a valid transportation certificate shall record the name of the product, the time and date of the return, and the name of the dispensary or cultivator from which it received a returned product. A product manufacturer that collects medical cannabis waste may use it for research and development or retained samples, but the manufacturer shall not introduce medical cannabis returned from a dispensary or testing facility into lots of products intended for sale or transport. A manufacturer shall dispose of medical cannabis waste not being used or retained as allowed by this section and maintain a written record of disposal.

13.12 DISPOSAL REQUIREMENTS. A product manufacturer shall store, secure, manage, and record medical cannabis waste and plant material waste in accordance with all applicable federal, state, and local laws, rules, and regulations. Before transport of plant material waste, the manufacturer shall render the plant material waste unusable and unrecognizable. A product manufacturer shall dispose of all liquid and chemical product waste generated in the process of manufacturing medical cannabis in accordance with applicable federal, state, and local laws, regulations, rules and ordinances.

13.13 MANIFEST REQUIREMENTS. A manifest is required for all medical cannabis transported. A manifest shall contain the following information:

(A) The date the manifest was created;

(B) The license number, address, and contact information of the originating registered cannabis establishment;

(C) The license number, address, and contact information of the receiving registered cannabis establishment;

(D) The quantity, by weight and unit, and product type of the medical cannabis being transported;

(E) The name of each person accompanying the transport;

(F) The date and time of departure and delivery;

(G) The transport driver’s signature once the delivery has been completed;

(H) The name, date, and signature of the authorized agent of the receiving registered cannabis establishment confirming the time and receipt of the medical cannabis, medical cannabis products, medical cannabis accessories, and medical cannabis waste; and

(I) The product manufacturer license number associated with the certified transporter.

13.14 MANIFEST COPIES. A certified transporter is required to provide a copy of each manifest to the originating party and the receiving party.

13.15 VEHICLES PERMITTED. Vehicles permitted to transport medical cannabis, medical cannabis products, medical cannabis accessories, and medical cannabis waste shall:

(A) Be equipped with a locked storage compartment or container;

(B) Have no markings that would either identify or indicate the vehicle is being used to transport cannabis for medical purposes;

(C) Carry a copy of the valid transportation certification and product manufacturer license for the registered cannabis establishment that is the registered owner of the vehicle; and

(D) Meet the Nebraska requirements to be operated lawfully on public roads.

13.16 DRIVER REQUIREMENTS. A transport driver must:

(A) Have a means of communication to allow contact with the originating or receiving registered cannabis establishment and 911;

(B) Conspicuously display an employee identification badge issued by the licensed product manufacturer;

(C) Possess a valid Nebraska driver’s license for the class of motor vehicle used to transport;

(D) Not wear any clothing which would indicate possession of medical cannabis; and

(E) Not be a prohibited person as defined by this chapter.

13.17 RECORDS REQUIRED FOR MANUFACTURERS. Manufacturers must retain the following records for no less than seven (7) years:

(A) Sales invoices or receipts for all sales of medical cannabis, which shall include the following:

(i) Name and address of purchaser;

(ii) Date of sale and invoice number;

(iii) Item, category, and quantity of cannabis product sold;

(iv) The cost to the purchaser, together with any discount applied to the price as shown on the invoice;

(v) The place from which transport of the cannabis was made;

(vi) Seller's name, license number and address; and

(vii) All associated manifests from the certified transporter;

(B) Daily inventory records which shall include the following;

(i) The type, quantity, and potency of all medical cannabis products;

(ii) Daily transactions; and

(iii) Any discrepancies between the daily inventory and daily transactions;

(C) Records of all purchases of inventory or stock for purposes of sale or transfer which includes:

(i) Transport manifests; and

(ii) The name and license number of all cultivators, manufacturers, and dispensaries for all products sold, or purchased by the licensee for sale;

(D) Description of each cannabis product manufactured to include product type, Total THC content, and Total THC potency, and any other ingredients contained in each final product;

(E) All samples provided to a testing facility, the identity and address of the testing facility, and test results; and

(F) A medical cannabis waste disposal log indicating the date and time, location, method of destruction, mixing medium, and agent ID(s) of the employee(s) who destroyed the cannabis product.

13.18 ADDITIONAL RECORDS REQUIRED FOR MANUFACTURERS WITH TRANSPORTATION CERTIFICATIONS. Manufacturers with transportation certifications must retain the following records for no less than seven (7) years:

(A) Invoices or receipts for all transports of cannabis for medical purposes, which shall include the following:

(i) Name and address of each receiver, originator and payor;

(ii) Date of sale and invoice number;

(iii) Item, category, and quantity of cannabis product transported or stored;

(iv) The cost to the payor, together with any discount applied to the price as shown on the invoice; and

(v) Transporters name, license number and address;

(B) Daily inventory records which shall include the following;

(i) The type and quantity of all medical cannabis products stored or transported;

(ii) Daily transactions; and

(iii) Any discrepancies between the daily inventory and daily transactions; and

(C) Records of all transports which include:

(i) Transport manifests; and

(ii) The name and license number of all cultivators, manufacturers, and dispensaries for all products stored or transported, or purchased by the licensee for transport or storage.

## 14. TESTING REQUIREMENTS.

14.01 REQUIRED CANNABIS AND CANNABIS PRODUCT TESTS FOR CULTIVATORS. Before the transport of medical cannabis from a licensed cultivation facility to a licensed product manufacturer, the cultivation facility shall make a declaration to the Commission that the medical cannabis to be transported is either medical cannabis or a medical cannabis cultivation byproduct.

14.01(A) CULTIVATION BATCH TESTING. A representative sample of each batch or lot of medical cannabis shall be tested by an independent cannabis testing laboratory to determine:

(i) The water activity of the sample;

(ii) The amount of Total THC, Total THC potency, Total CBD, and any THC analog known to be present in the sample; and

(iii) The presence of adulterants in the sample, as specified in Table 1.

14.01(B) TIME OF TESTING. Required testing shall be performed either before the transfer of the medical cannabis to a product manufacturer or following the transfer of the medical cannabis to a product manufacturer.

14.01(C) MEDICAL CANNABIS BYPRODUCT. Medical cannabis cultivation byproduct shall either be:

(i) Chemically or physically processed to produce a cannabis concentrate for incorporation into cannabis derivative product; or

(ii) Destroyed pursuant to this chapter.

14.01(D) MEDICAL CANNABIS CONCENTRATE. Medical cannabis concentrate shall be tested by an independent cannabis testing laboratory before it is incorporated into a cannabis derivative product to determine:

(i) The cannabinoid profile; and

(ii) The presence of adulterants in the sample, as specified in Table 1.

14.02 REQUIRED TESTING FOR PRODUCT MANUFACTURERS. Before the transfer of a cannabis product to a dispensary, a product manufacturer shall have a representative sample of the product tested by an independent laboratory to determine:

(A) The water activity of the sample;

(B) The cannabinoid profile, including quantity of any cannabinoid or terpene to be listed on the product label; and

(C) The presence of adulterants in the sample, as specified in Table 1.

14.03 MYCOTOXIN TESTING. Mycotoxin testing shall be required for medical cannabis, medical cannabis products, and medical cannabis concentrate.

14.04 REMEDIATION. A cultivator or product manufacturer may remediate medical cannabis, medical cannabis concentrate, or a medical cannabis product that fails any of the required adulterant testing standards after submitting and gaining approval for a remediation plan from the Commission.

14.04(A) REMEDIATION PLAN. A remediation plan shall be submitted to the Commission within fifteen (15) calendar days of the receipt of a failed testing result.

14.04(A)(i) RESAMPLING. A remediation plan shall be carried out, and the medical cannabis, medical cannabis product, or medical cannabis concentrate shall be prepared for resampling within sixty (60) calendar days of Commission approval of the remediation plan. Resampling or retesting of a cannabis lot or batch that fails any of the required testing standards is not permitted until the lot or batch has been remediated.

14.04(A)(ii) MANDATORY RECALL. If a cannabis lot or batch is retested and fails three total times, then any product that was either sold from the cannabis lot or batch or manufactured from that lot or batch shall be subject to a mandatory recall.

14.04(B) DESTRUCTION. A medical cannabis lot or medical cannabis product batch that is not or cannot be remediated in the specified time shall be rendered unusable and unrecognizable and destroyed according to this Chapter.

14.05 TESTING RESULT RETENTION. The cultivator and product manufacturer shall:

(A) Keep a record of test results and any certificates of analysis for required tests, if applicable;

(B) Keep a copy of the certificate of analysis on the licensed premises; and

(C) Upon request by the Commission or its agents or employees, furnish copies of the test rests and any certificate of analyses.

**TABLE 1: Required Test by Sample Type**

| Test | Medical Cannabis | Medical Cannabis Concentrate | Medical Cannabis Product |
|---|---|---|---|
| Moisture Content | Required | X | X |
| Water Activity | Required | X | X |
| Foreign Matter | Required | Required | Required |
| Potency | Required | Required | Required |
| Microbial | Required | Required | Required |
| Pesticides | Required | Required | Required |
| Residual Solvents | X | Required | Required |
| Heavy Metals | Required | Required | Required |

14.06 SAMPLING CANNABIS PRODUCTS. The registered cannabis establishment that requests testing of a medical cannabis product lot, medical cannabis concentrate batch, or medical cannabis product batch shall make the entirety of the lot or batch available to the sampling technician.

14.06(A) SAMPLE LOCATION. The lot or batch being sampled shall be contained in a single location and physically separated from other lots or batches.

14.06(B) SAMPLING TECHNICIAN. The sample shall be collected by a sampling technician who is unaffiliated with the entity that requested testing of the medical cannabis lot or medical cannabis product batch. The sample shall be collected at the registered cannabis establishment where the product is grown or manufactured. The owner of the cannabis lot or cannabis product batch, and any of their employees or agents, may not assist in the selection of the sample.

14.06(C) REPRESENTATIVE SAMPLE. In addition to the following requirements, the representative sample shall be collected in a manner that is ISO 17025 compliant and:

(i) Collected using sterile gloves, instruments, and glass or plastic containers to collect the sample;

(ii) Place tamper proof tape on the container; and

(iii) Appropriately label the sample pursuant to this chapter.

14.07 SAMPLING MEDICAL CANNABIS PLANTS. For medical cannabis plant lots, the minimum representative sample shall be collected according to the following schedule:

(A)10 subunits with an average weight of one gram each for lots weighing 5 kilograms or less;

(B) 16 subunits with an average weight of one gram each for lots weighing 5.01-9 kilograms;

(C) 22 subunits with an average weight of one gram each for lots weighing 9.01-14 kilograms;

(D) 28 subunits with an average weight of one gram each for lots weighing 14.01-18 kilograms; or

(E) 32 subunits with an average weight of one gram each for lots weighing 18.01-23 kilograms.

14.08 SAMPLING MEDICAL CANNABIS CONCENTRATE. For medical cannabis concentrate, the minimum representative sample shall be collected according to the following schedule:

(A) 10 mL or grams for batches of one liter or kilogram or less; or

(B) 20 mL or grams for batches of four liters or kilograms or less.

14.09 SAMPLING FINAL PRODUCT. For medical cannabis products in their final product form, the minimum number of sample units that must be collected, the

combined total weight of which must be at least 10 grams, not including packaging materials, is as follows:

(A) Four (4) units for a sample product batch with 5-500 products;

(B) Six (6) units for a sample product batch with 501-1000 products;

(C) Eight (8) units for a sample product batch with 1,001-5,000 products; and

(D) Ten (10) units for a sample product batch with 5,001-10,000 products.

14.10 ADDITIONAL MATERIAL. Additional material may be included in the representative sample if the material is necessary to perform the required testing.

14.11 MOISTURE CONTENT TESTING AND WATER ACTIVITY STANDARDS. The moisture content of a sample and related lot of medical cannabis or medical cannabis product shall be reported on the certificate of analysis as a mass over mass percentage. A sample and related lot of medical cannabis fail quality assurance testing if the water activity of the representative sample is found to be greater than 0.65. A sample and related medical cannabis product batch intended for human consumption fail quality assurance testing if the water activity of the representative sample is greater than 0.65, unless water is a component of the product formulation and is listed as an ingredient.

14.12 FOREIGN MATTER STANDARDS. A sample and related lot or batch of medical cannabis or medical cannabis product fail quality assurance testing if:

(A) The sample contains foreign matter visible to the unaided human eye;

(B) The sample is found to contain microscopic foreign matter considered to be harmful or estimated to comprise greater than three percent (3%) of the mass of the representative sample as determined by the testing laboratory;

(C) Foreign matter is found that is suspected of having been intentionally added to the sample to increase its visual appeal or market value; or

(D) For a medical cannabis product, the total number of seeds found is greater than the net weight of the sample collected divided by 1.75.

14.13 POTENCY TESTING. A lot or batch of medical cannabis, medical cannabis concentrate, or medical cannabis product shall have its cannabinoid profile determined and listed on a certificate of analysis as Total THC, Total CBD, and the total concentration of any THC analog. A lot or batch of medical cannabis, medical cannabis concentrate, or medical cannabis product fail quality assurance testing for cannabinoid content if:

(A) It is not analyzed for each of the analytes listed in Table 2;

(B) The determined amount of any analyte exceeds its action level as set forth in Table 2;

(C) Any tetrahydrocannabinol acetate (THC-OAc) is found in a medical cannabis concentrate with a relative peak area greater than one percent (1%) of the total cannabinoid peak area or in a medical cannabis product with a relative peak area greater than one-half percent (0.5%) of the total cannabinoid peak area as determined by high-performance liquid chromatography with a diode array detector;

(D) Any synthetic cannabinoid substance found to be present as determined by high-performance liquid chromatography with a diode array detector (HPLC-DAD); or

(E) Unknown cannabinoids consist of greater than two percent (2%) of total cannabinoid peak area as determined by high-performance liquid chromatography with a diode array detector (HPLC-DAD).

**TABLE 2: Cannabinoid Components and Action Levels**

| Analyte | Chemical Abstract Service | Action Level |
|---|---|---|
| Δ9-Tetrahydrocannabidiol (Δ9-THC) | 1972-08-03 | No Limit |
| Δ8-Tetrahydrocannabidiol (Δ8-THC) | 5957-75-5 | No Limit |
| Δ9-Tetrahydrocannabinolic acid (THCA) | 23978-85-0 | No Limit |
| Δ9-Tetrahydrocannabivarin (THCV) | 31262-37-0 | No Limit |
| Cannabidiol (CBD) | 13956-29-1 | No Limit |
| Cannabidiolic acid (CBDA) | 1244-58-2 | No Limit |
| Cannabidivarin (CBDV) | 24274-48-4 | No Limit |
| Cannabinol (CBN) | 521-35-7 | No Limit |
| Cannabigerol (CBG) | 25654-31-3 | No Limit |
| Cannabichromene (CBC) | 20675-51-8 | No Limit |
| Cannabigerolic acid (CBGA) | 25555-57-1 | No Limit |

| | | |
|---|---|---|
| Cannabichromenic acid (CBCA) | 20408-52-0 | No Limit |
| 9R-Δ6a,10a-Tetrahydrocannabidiol (Δ3-THC) | 95720-01-7 | 1%[1] |
| 9S-Δ6a,10a-Tetrahydrocannabidiol (Δ3-THC) | 95720-02-8 | 1%[1] |
| (6aR,9R)-Δ10-Tetrahydrocannabidiol | 95543-62-7 | 1%[1] |
| (6aR,9S)-Δ10-Tetrahydrocannabidiol | 95588-87-7 | 1%[1] |
| Cannabicitran (CBTC) | 31508-71-1 | 2% |

[1] If the laboratory performing the testing cannot chromatographically separate 9(R+S)-Δ6a,10a-Tetrahydrocannabidiol or (6aR,9(R+S))-Δ10-Tetrahydrocannabidiol, then the action level for the combined isomers will be 1.5%.

14.14 MICROBIAL STANDARDS. A sample and related lot or batch of medical cannabis, medical cannabis concentrate, or medical cannabis product fail quality assurance testing for microbiological contaminants and pathogens if the results exceed the limits as set forth in Table 3. Each sample and related lot or batch shall be tested for total aerobic microbial count and total combined yeast and mold.

| **TABLE 3: Microbial Analytes and Action Levels** | |
|---|---|
| Material | Microbial Limit Requirement |
| Medical Cannabis | Total Aerobic Microbial Count<br>≤100,000 cfu/g Not detected in 1g:<br>Salmonella spp., STEC,<br>Aspergillus fumigatus, Aspergillus flavus, Aspergillus niger, and Aspergillus terreus |
| Cannabinoid Concentrate | Total Aerobic Microbial Count ≤10,000 cfu/g<br>Total Combined Yeast and Mold Count<br>≤1,000 cfu/g Not detectable in 1g:<br>STEC,<br>Salmonella spp., Aspergillus fumigatus, Aspergillus flavus, Aspergillus niger, and Aspergillus terreus |
| Infused Edible Products | Total Aerobic Microbial Count ≤10,000 cfu/g<br>Total Combined Yeast and Mold Count<br>≤1,000 cfu/g Not detectable in 1g:<br>STEC, Salmonella spp. |

| | |
|---|---|
| Infused Nonedible Products | Total Aerobic Microbial Count ≤250 cfu/g Total Yeast and Mold Count ≤250 cfu/g Not detectable in 1g: Pseudomonas aeruginosa, Staphylococcus aureus |
| Infused Suppository Products | Total Aerobic Microbial Count ≤10,000 cfu/g Total Combined Yeast and Mold Count ≤1,000 cfu/g Not detectable in 1 g: STEC, Salmonella spp., Pseudomonas, Staphylococcus aureus |

14.15 PESTICIDE STANDARDS. Only pesticides allowed by this chapter may be used in the cultivation of medical cannabis. If an independent cannabis laboratory identifies a pesticide that is above the action levels as set forth in Table 4 and this chapter, that lot or batch from which the sample was taken has failed quality assurance testing. The following provisions apply to pesticide testing:

(A) Permethrins should be measured as cumulative residue of cis- and trans-permethrin isomers (CAS numbers 54774- 45-7 and 51877-74-8);

(B) Pyrethrins should be measured as the cumulative residues of pyrethrin I (CAS 121-21-1), pyrethrin II (CAS 121- 29-9), cinerin 1 (CAS 25402-06-6), and jasmolin 1 (CAS 4466-14-2); and

(C) Abamectin is a composite of the amounts of avermectin B1a and avermectin B1b.

**TABLE 4: Pesticide Analytes and Action Levels**

| Analyte | Chemical Abstract Service (CAS) Registry number | Action Level ppm |
|---|---|---|
| Abamectin | 71751-41-2 | 0.15 |
| Acephate | 30560-19-1 | 0.4 |
| Acequinocyl | 57960-19-7 | 2.0 |
| Acetamiprid | 135410-20-7 | 0.2 |
| Aldicarb | 116-06-3 | 0.4 |
| Azoxystrobin | 131860-33-8 | 0.2 |
| Bifenazate | 149877-41-8 | 0.2 |
| Bifenthrin | 82657-04-3 | 0.2 |
| Boscalid | 188425-85-6 | 0.4 |
| Carbaryl | 63-25-2 | 0.2 |
| Carbofuran | 1563-66-2 | 0.2 |
| Chlorantraniliprole | 500008-45-7 | 0.2 |
| Chlorfenapyr | 122453-73-0 | 1.0 |
| Chlorpyrifos | 2921-88-2 | 0.2 |
| Clofentezine | 74115-24-5 | 0.2 |
| Cyfluthrin | 68359-37-5 | 1 |
| Cypermethrin | 52315-07-8 | 1 |

| | | |
|---|---|---|
| Daminozide | 1596-84-5 | 1 |
| DDVP (Dichlorvos) | 62-73-7 | 0.1 |
| Diazinon | 333-41-5 | 0.2 |
| Dimethoate | 60-51-5 | 0.2 |
| Ethoprophos | 13194-48-4 | 0.2 |
| Etofenprox | 80844-07-1 | 0.4 |
| Etoxazole | 153233-91-1 | 0.1 |
| Fenoxycarb | 72490-01-8 | 0.2 |
| Fenpyroximate | 134098-61-6 | 0.4 |
| Fipronil | 120068-37-3 | 0.4 |
| Flonicamid | 158062-67-0 | 1 |
| Fludioxonil | 131341-86-1 | 0.4 |
| Hexythiazox | 78587-05-0 | 1 |
| Imazalil | 35554-44-0 | 0.1 |
| Imidacloprid | 138261-41-3 | 0.4 |
| Kresoxim-methyl | 143390-89-0 | 0.4 |
| Malathion | 143390-89-0 | 0.2 |
| Metalaxyl | 57837-19-1 | 0.2 |
| Methiocarb | 2032-65-7 | 0.2 |
| Methomyl | 16752-77-5 | 0.1 |
| Methyl parathion | 298-00-0 | 0.2 |
| MGK-264 | 113-48-4 | 0.2 |
| Myclobutanil | 88671-89-0 | 0.2 |
| Naled | 300-76-5 | 0.5 |
| Oxamyl | 23135-22-0 | 1 |
| Paclobutrazol | 76738-62-0 | 0.4 |
| Permethrins | 52645-53-1 | 0.2 |
| Phosmet | 732-11-6 | 0.2 |
| Piperonyl_butoxide | 51-03-6 | 2 |
| Prallethrin | 23031-36-9 | 0.2 |
| Propiconazole | 60207-90-1 | 0.4 |
| Propoxur | 114-26-1 | 0.2 |
| Pyrethrins | 8003-34-7 | 1 |
| Pyridaben | 96489-71-3 | 0.2 |
| Spinosad | 168316-95-8 | 0.2 |
| Spiromestifen | 283594-90-1 | 0.2 |
| Spirotetramat | 203313-25-1 | 0.2 |
| Spiroxamine | 118134-30-8 | 0.4 |
| Tebuconazole | 80443-41-0 | 0.4 |
| Thiacloprid | 111988-49-9 | 0.2 |
| Thiamethoxam | 153719-23-4 | 0.2 |
| Trifloxystrobin | 141517-21-7 | 0.2 |

14.16 RESIDUAL SOLVENT STANDARDS. A sample and related lot or batch of medical cannabis, medical cannabis concentrate, or medical cannabis product fails quality assurance testing for residual solvents if the results exceed any of the limits provided in Table 5 unless the solvent is:

(i) A component of the product formulation;

(ii) Listed as an ingredient; and

(iii) Generally considered to be safe for the intended form of use.

14.16(A) XYLENES. Xylenes is a combination of the following:

(i) 1,2-dimethylbenzene;

(ii) 1,3-dimethylbenzene;

(iii) 1,4-dimethylbenzene; and

(iv) ethyl benzene.

**TABLE 5: List of Solvents and Action Levels**

| Solvent | Chemical Abstract Service (CAS) Registry number | Action level ppm |
|---|---|---|
| 1,2 Dimethoxyethane | 110-71-4 | 100 |
| 1,4 Dioxane | 123-9 | 380 |
| 1-Butanol | 71-36-3 | 5,000 |
| 1-Pentanol | 71-41-0 | 5,000 |
| 1-Propanol | 71-23-8 | 5,000 |
| 2-Butanol | 78-92-2 | 5,000 |
| 2-Butanone | 78-93-3 | 5,000 |
| 2-Ethoxyethanol | 110-80-5 | 160 |
| 2-methylbutane | 78-78-4 | 5,000 |
| 2-Propanol (IPA) | 67-63-0 | 5,000 |
| Acetone | 67-64-1 | 1,000 |
| Acetonitrile | 75-05-8 | 410 |
| Benzene | 71-43-2 | 2 |
| Butane | 106-97-8 | 1,000 |
| Cumene | 98-82-8 | 70 |
| Cyclohexane | 110-82-7 | 3,880 |
| Dichloromethane | 75-09-2 | 600 |
| 2,2-dimethylbutane | 75-83-2 | 290 |
| 2,3-dimethylbutane | 79-29-8 | 290 |
| 1,2-dimethylbutane | 95-47-6 | See Xylenes |
| 1,3-dimethylbutane | 108-38-3 | See Xylenes |
| 1,4-dimethylbutane | 106-42-3 | See Xylenes |
| Dimethyl sulfoxide | 67-68-5 | 5,000 |
| Ethanol | 64-17-5 | 1,000 |
| Ethyl acetate | 141-78-6 | 1,000 |
| Ethylbenzene | 100-41-4 | See Xylenes |
| Ethyl ether | 60-29-7 | 1,000 |
| Ethylene glycol | 107-21-1 | 620 |
| Ethylene oxide | 75-21-8 | 50 |
| Heptane | 142-82-5 | 1,000 |

| | | |
|---|---|---|
| n-Hexane | 110-54-3 | 60 |
| Isopropyl acetate | 290 | 5,000 |
| Methanol | 67-56-1 | 600 |
| Methylpropane | 75-28-5 | 5,000 |
| 2-Methylpentane | 107-83-5 | 290 |
| 3-Methylpentane | 96-14-0 | 290 |
| N.N-dimethylacetamide | 127-19-5 | 1,090 |
| N.N-dimethylformamide | 68-12-2 | 880 |
| Pentane | 109-66-0 | 1,000 |
| Propane | 74-98-6 | 1,000 |
| Pyridine | 110-86-1 | 100 |
| Sulfolane | 126-33-0 | 160 |
| Tetrahydrofuran | 109-99-9 | 720 |
| Toluene | 108-88-3 | 80 |
| Xylenes | 1330-20-7 | 430 |

14.17 HEAVY METAL STANDARDS. A sample and related lot or batch of medical cannabis, medical cannabis concentrate, or medical cannabis product fail quality assurance testing for heavy metals if the results exceed any of the limits provided in Table 6.

| **TABLE 6: Heavy Metals** | |
|---|---|
| Metals | Natural Health Products Acceptable limits in parts per million |
| Arsenic | <.2 inhaled<br><.4 non-inhaled |
| Cadmium | <0.2 |
| Lead | <.5 |
| Mercury | <0.4 |

14.18 MYCOTOXIN STANDARDS. A sample and related lot or batch of medical cannabis, medical cannabis concentrate, or medical cannabis product fail quality assurance testing for mycotoxin if the results exceed any of the limits provided in Table 7.

| **TABLE 7: Mycotoxin** | |
|---|---|
| Test | Specification |
| The Total of | |
| Aflatoxin B1, | |
| Aflatoxin B2, | |
| Aflatoxin G1, and | |
| Aflatoxin G2 | <20 ppb of substance |

| | |
|---|---|
| Ochratoxin A. | <20 ppb of substance |

## 15. LABELING AND PACKAGING REQUIREMENTS.

15.01 LABEL TEXT SIZE AND FONT. The labeling text on any container of medical cannabis product must be unobstructed and conspicuous. The labeling text shall be no smaller than ten (10) point font and in the following fonts: Arial, Helvetica, Garamond, or Times New Roman.

15.02 PACKAGING CONTAINER LABEL NECESSARY INFORMATION. The label for a medical cannabis product container shall include an information panel that includes only the following:

(A) The licensed manufacturer and its contact number or website address;

(B) The date of manufacture and expiration date;

(C) The product QR code issued by the State Inventory Tracking System as described in 11.04(B);

(D) The universal symbol approved by the ASTM;

(E) The expiration date; and

(F) Each of the following statements in capital letters:

(i) “KEEP OUT OF REACH OF CHILDREN AND ANIMALS”;

(ii) “FOR MEDICAL USE BY QUALIFIED PATIENTS ONLY”;

(iii) “THE INTOXICATING EFFECTS OF THIS PRODUCT MAY BE DELAYED”;

(iv) “THIS PRODUCT MAY IMPAIR THE ABILITY TO DRIVE OR OPERATE A MOTOR VEHICLE OR HEAVY MACHINERY, PLEASE USE EXTREME CAUTION”;

(v) “IT IS ILLEGAL TO TRANSFER MEDICAL CANNABIS TO ANOTHER PERSON;”

(vi) “CONSUMPTION OF TETRAHYDROCANNABINOL (THC) AND ANY FORM OF MEDICAL CANNABIS DURING PREGNANCY CAN CAUSE BIRTH DEFECTS;” and

(vii) “CONSUMPTION OF TETRAHYDROCANNABINOL (THC) AND ANY FORM OF MEDICAL CANNABIS MAY CAUSE HEALTH PROBLEMS, INCLUDING PSYCHOSIS.”

15.03 ADDITIONAL INFORMATION REQUIRED TO BE PROVIDED. Qualified patients or caregivers must be provided with the following information with each quantity of cannabis dispensed:

(A) A list of all product ingredients in descending order of predominance by weight or volume;

(B) The batch or lot number;

(C) Instructions for intake, such as method of consumption or application, and any preparation necessary prior to use;

(D) The Total THC in mg per dose and per container, including the amounts of the following in mg per dose: delta-8-THC, delta-9-THC, delta-9-THCA, delta-10-THC, and exo-tetrahydrocannabinol;

(E) The Total THC of the product;

(F) The unique manufacturer license number and unique registration number for the product; and

(G) A notice that adverse events may be reported to the dispensary and the method and contact information for reporting to the dispensary.

15.04 PACKAGING REQUIREMENTS FOR PRODUCTS SOLD AT LICENSED DISPENSARY. A package used to contain a cannabis product that is offered for sale at licensed dispensaries shall adhere to the following requirements:

(A) The package shall protect the product from contamination and shall not expose the product to any toxic or harmful substance;

(B) The package shall be tamper-evident, which means the product shall be packaged in a container within which a product is sealed so that the contents cannot be opened without obvious destruction of the seal;

(C) The package shall be child-resistant, which means the package shall be designated or constructed to be significantly difficult for children under five (5) years of age to open or otherwise obtain access to the product contained therein within a reasonable time and shall not be difficult for normal adults to open or obtain access to the product contained therein. A package shall be deemed child-resistant if it satisfies the standard for “special packaging” as set forth in the Poison Prevention Packaging Act of 1970 regulations (16 CFR § 1700(b)(4));

(D) The package shall be resealable, which means the package continues to function within effectiveness specifications set forth in the Poison Prevention Packaging Act of 1970 regulations for the number of opening and closings customary for its size and contents.

(E) The package shall only contain cannabis products in a single package which shall not contain more medical cannabis products than a thirty (30) day supply as provided in 11.07; and

(F) The package should match the product registration provided to and approved by the Commission.

15.05 PRODUCTS PACKAGED BUT NOT FOR SALE AT LICENSED DISPENSARIES. A package used to contain a medical cannabis product that will not be offered for sale at licensed dispensaries shall adhere to the following requirements:

(A) The name of the registered cannabis establishment;

(B) The expiration date, if applicable;

(C) A list of all ingredients;

(D) The net weight of the product;

(E) The date of production; and

(F) A warning that states: “THIS PRODUCT CONTAINS CANNABIS.”

15.06 LABELING PLACEMENT. Product packaging may not be designed in such a manner that the required elements for packaging and labeling are easily removed or separated from the package, such as placing required information on a part of the package that must be removed to access the product.

15.07 PROHIBITED PACKAGING. The product’s container, labeling, or packaging shall not contain any of the following:

(A) Depictions of cartoon-like fictional characters that mimic a character primarily aimed at entertaining minors;

(B) Trademarks or trade dress of products that imitate or mimic those products that are, or have been, primarily marketed to minors;

(C) Symbols that are primarily used to market products to minors;

(D) Images or likenesses of celebrities; or

(E) Any packaging or labeling which otherwise violates any federal, state, or local law, rule, regulation, ordinance, or trademark.

## 16. RECOMMENDING HEALTH CARE PRACTITIONER DIRECTORY.

16.01 RECOMMENDING HEALTH CARE PRACTITIONER. In order to submit written orders to a Nebraska licensed dispensary, a recommending health care practitioner shall meet all the requirements of this Chapter and enroll in the Recommending Health Care Practitioner Directory as established by the Commission. Only health care practitioners who primarily practice medicine in Nebraska may be enrolled.

16.01(A) ENROLLMENT INFORMATION. A health care practitioner must supply the following information when enrolling in the Directory:

(i) Name;

(ii) Health care practitioner license number;

(iii) All addresses associated with the health care practitioner's practice;

(iv) Health care practitioner type; and

(v) An attestation of education requirement completion as required by this section.

16.01(B) ENROLLMENT RENEWAL. A health care practitioner enrolled in the Recommending Health Care Practitioner Directory must re-enroll annually by submitting the enrollment and education information required by this chapter at least thirty (30) days prior to their current enrollment's expiration date, but no sooner than ninety (90) days prior to the expiration date.

16.02 EDUCATION REQUIREMENTS. A health care practitioner who enrolls in the Recommending Health Care Practitioner Directory must complete ten (10) hours of accredited courses related to medical cannabis within one (1) calendar year from the date of enrollment. To maintain enrollment in the Directory, the health care practitioner must complete, at a minimum, an annual accredited two (2) hour refresher course related to medical cannabis. Courses must be accredited by the Accreditation Council for Continuing Medical Education.

16.03 ELECTRONIC DELIVERY REQUIREMENT. Enrolled health care practitioners must send written recommendations and written orders to dispensaries utilizing the dispensary's established electronic delivery system and submit electronic copies of written recommendations and written orders to the Commission in the manner prescribed by the Commission, which may include submission through a secure Commission portal, a Commission-approved dispensary system, a point-of-sale system, or another approved electronic method. The Commission may establish required formats, data elements, security standards, authentication requirements, and submission timelines.

16.04 RESTRICTIONS. A health care practitioner enrolled in the Directory shall not:

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

(B) Accept, solicit, or offer any form of pecuniary renumeration from or to any qualified patient tor caregiver, except that this subdivision shall not prohibit payment to a practitioner by a qualified patient or a caregiver who is paying the practitioner for services provided to a qualified patient;

(C) Offer a discount or thing of value to a qualified patient who uses or agrees to use a particular dispensary or caregiver;

(D) Be located at the same physical address as a dispensary;

(E) Advertise for any registered cannabis establishment;

(F) Hold an economic interest in any entity licensed under the Nebraska Medical Cannabis Regulation Act;

(G) Electronically deliver the same written order for the same qualified patient to more than one dispensary;

(H) Electronically deliver more than one written order for the same qualified patient within thirty (30) days;

(I) Provide a written recommendation or written order to any qualified patient known to be pregnant; or

(J) Provide a written order for a patient if the health care practitioner did not provide the patient's written recommendation.

16.05 RECORD RETENTION. A health care practitioner enrolled in the Directory that sends a written recommendation or written order to a dispensary must retain records of each written recommendation or written order for no less than seven (7) years.

16.06 DISENROLLMENT. The Commission may disenroll a health care practitioner who fails to comply with the requirements of this chapter or fails to maintain a medical license in good standing.

16.07 MANDATORY REPORTING TO COMMISSION. An enrolled health care practitioner shall immediately notify the Commission in writing if the health care practitioner knows or has reason to know that any of the following events are true with respect to a patient for whom the health care practitioner issued a written recommendation or written order:

(A) The qualified patient no longer has the medical condition for which the written recommendation or written order were issued;

(B) The potential benefits of the use of medical cannabis no longer outweigh the potential harms for the alleviation of a patient's medical condition, its symptoms, or side effects of the condition's treatment;

(C) The qualified patient is deceased; or

(D) The qualified patient is known to be pregnant.

## 17. WRITTEN RECOMMENDATION AND WRITTEN ORDERS.

17.01 IN-PERSON APPOINTMENT. In order to receive a written recommendation or written order from an enrolled health care practitioner, a patient must attend an appointment in person.

17.02 PATIENT REGISTRY. If the Commission has established a Patient Registry, then any new patient is required to register with the registry after receiving a written recommendation. If the Commission has not established a Patient Registry, then any new patient shall be required to submit a Patient/Caregiver Form to their health care practitioner to sign and send to the Commission.

17.02(A) PATIENT/CAREGIVER FORM REQUIREMENT. A qualified patient shall complete a patient form, as provided by the Commission, and give it to their health care practitioner to sign and send to the Commission. If the qualified patient has a caregiver, who will be responsible for the patient's medical cannabis administration, then the caregiver shall complete a qualified patient form and a caregiver form, as provided by the Commission, and give the completed forms to the health care practitioner to send to the Commission.

17.03 PATIENT FORM CONTENT. A patient form must contain the following information:

(A) Patient's name;

(B) Patient's full address;

(C) Patient's date of birth;

(D) Patient's contact information;

(E) Statement attesting that the patient is in compliance with the Nebraska Medical Cannabis Regulation Act and associated administrative rules, and the date the patient attended the in-person appointment with the health care practitioner at which they received their written recommendation;

(F) Patient's dated signature;

(G) Health care practitioner's dated signature; and

(H) If the patient is under the age of majority and/or has a caregiver, the full name, date of birth, contact information, and full address of the patient's parent/legal guardian or caregiver and that person's dated signature.

17.04 CAREGIVER FORM CONTENT. A caregiver form must contain the following information:

(A) Caregiver's name;

(B) Caregiver's full address;

(C) Caregiver's date of birth;

(D) Caregiver's contact information;

(E) If the caregiver is a business entity, then the entity's EIN, the registered agent, and a list of all members, officers, directors, and managers, whatever is applicable;

(F) Statement attesting that the caregiver is in compliance with the Nebraska Medical Cannabis Regulation Act and all regulations associated with this Chapter, and the date the caregiver and patient attended the in-person appointment with the health care practitioner at which the patient received the written recommendation;

(G) Caregiver's dated signature;

(H) Health care practitioner's dated signature;

(I) The name, date of birth, full address, and contact information of the patient the caregiver is taking responsibility for; and

(J) Any sworn affidavit required by statute or regulation.

17.05 VALID WRITTEN RECOMMENDATION. A valid written recommendation must include:

(A) The patient's name and caregiver's name, if applicable;

(B) The patient's date of birth;

(C) The patient's contact information and caregiver's contact information, if applicable, including full address(es);

(D) The recommending health care practitioner's name, full address, medical license number, directory number, and dated signature;

(E) Statement attesting that the patient met with the recommending health care practitioner in person and the date the appointment occurred;

(F) Statement attesting that the recommending health care practitioner has received a patient form and caregiver form if applicable;

(G) Statement attesting that in the healthcare practitioner's professional judgment, the potential benefits of cannabis outweigh the potential harms for the alleviation of a patient's medical condition, its symptoms, or side effects of the condition's treatment, and that the patient is not known to be pregnant;

(H) The recommending health care practitioner's dated signature; and

(I) The dispensary location in which the qualified patient or caregiver will purchase their medical cannabis.

17.06 ELECTRONICALLY DELIVER WRITTEN RECOMMENDATION. A health care practitioner that recommends medical cannabis to a patient shall complete the written recommendation form and provide copies for the following:

(A) Send an electronic copy to the dispensary in which the qualified patient will collect their medical cannabis order;

(B) Provide a copy to the qualified patient or caregiver;

(C) Retain a copy for the health care practitioner's records; and

(D) Send an electronic copy to the Commission, along with the patient form, and caregiver form, if applicable.

17.07 WRITTEN RECOMMENDATION EXPIRATION. The written recommendation expires two years from the date the patient met with the recommending health care practitioner for an in-person appointment and received a written recommendation, unless the health care practitioner reports to the Commission that the qualified patient: no longer has the medical condition for which the written recommendation and written order were issued; the potential benefits of the use of medical cannabis no longer outweigh the potential harms for the alleviation of a patient's medical condition, its symptoms, or side effects of the condition's treatment; the qualified patient is deceased; or the qualified patient is known to be pregnant.

17.08 WRITTEN ORDER. A written order must include:

(A) The patient's name;

(B) The patient's date of birth;

(C) Any information regarding the patient's caregiver, if applicable;

(D) The medical cannabis product being recommended;

(E) The recommended dosage and potency;

(F) Name of dispensary the patient must utilize;

(G) The recommending health care practitioner's name, address, medical license number, directory number, and dated signature;

(H) The directions a health care practitioner recommends for use;

(I) The recommending health care practitioner's dated signature; and

(J) A statement attesting that the patient met with the recommending health care practitioner in person in the last twelve (12) months.

17.09 ELECTRONICALLY DELIVER WRITTEN ORDER. A health care practitioner that recommends medical cannabis to a patient shall complete the written order form and provide copies for the following:

(A) Send an electronic copy to the dispensary at which the patient's written recommendation was sent;

(B) Provide a copy to the patient or caregiver;

(C) Retain a copy for the health care practitioner's records; and

(D) Send an electronic copy to the Commission.

17.10 NEW WRITTEN ORDER. Within ten (10) days prior to the expiration of the 30-day period, a patient or caregiver may request a new order from the recommending health care practitioner.

17.11 RECOMMENDED DOSAGE. The health care practitioner's recommendation and order shall not permit a qualified patient or caregiver to receive a dosage above forty milligrams (40mg) per dose, a total dosage exceeding thirty (30) days of doses at the recommended dosage, or Total THC exceeding five grams (5g) in a ninety (90) day time period.

17.12 REQUIRED RECORDS. A health care practitioner enrolled in the directory that sends a written recommendation or written order to a dispensary must retain records of each written recommendation or written order for no less than seven (7) years.

## 18. STATE INVENTORY TRACKING SYSTEM.

18.01 STATE INVENTORY TRACKING SYSTEM. The Commission shall procure and maintain a centralized computer software tracking system that tracks cannabis from seed or immature plant stage through growth, harvest, and processing, to testing, transport, and sale, and allows real-time, twenty-four (24) hour access by the Commission to access data from each registered cannabis establishment. Each registered cannabis establishment shall be responsible for ensuring all medical cannabis sold or transported is recorded in the Tracking System. Each registered cannabis establishment shall use the Tracking System established by the Commission, either directly or by integrating its own enterprise software system with the Tracking System. Each registered cannabis establishment shall be responsible for compliance costs associated with the State Inventory Tracking System.

18.02 STATE INVENTORY TRACKING SYSTEM PARTICIPATION. Upon implementation of the state inventory tracking system, no registered cannabis establishment shall sell or otherwise transfer, purchase, obtain or otherwise accept the transfer of medical cannabis or medical cannabis products that are not properly inputted and tracked in the state inventory tracking system. Each registered cannabis establishment shall use the state inventory tracking system by inputting inventory tracking data required to be reported to the Commission directly into the state inventory tracking system. All registered cannabis establishments must have an inventory tracking system account activated to lawfully operate and must ensure all information is reported to the Commission securely and accurately tracked in real time or after each individual sale. Registered cannabis establishments shall ensure the following information and data are accurately tracked and timely reported to the Commission through the state inventory tracking system:

(A) The chain of custody of all medical cannabis and medical cannabis products, including every transaction with another registered cannabis establishment shall be tracked as follows:

(i) The name, address, license number, and phone number of the registered cannabis establishment that cultivated, manufactured, sold, purchased, or otherwise transferred the medical cannabis or medical cannabis product(s);

(ii) The type, item, strain, and category of medical cannabis or medical cannabis product(s) involved in the transaction;

(iii) The weight, quantity, Total THC content, and Total THC potency;

(iv) The batch number of the medical cannabis or medical cannabis product(s);

(v) The total price, any applicable discounts, and total amount spent in dollars;

(vi) All point-of-sale records as applicable;

(vii) All inventory and transport manifests and other documentation relating to the transport of medical cannabis or medical cannabis products as required by this chapter;

(viii) Testing results and information;

(ix) Waste records and information;

(x) Applicable sales or excise tax records, as well as information related to the extension of credit for that transaction, as applicable;

(xi) Associated unique identifier generated by the State Inventory Tracking System; and

(xii) Any other information as required by this chapter; and

(B) The entire life span of a registered cannabis establishment's stock of medical cannabis and medical cannabis products, including, at a minimum, notifying the Commission:

(i) When medical cannabis seeds or clones are planted;

(ii) When medical cannabis plants are harvested or destroyed;

(iii) When medical cannabis is transported, or otherwise transferred, sold, stolen, diverted, or lost;

(iv) When medical cannabis changes form, including, when it is planted, cultivated, processed, and infused or otherwise processed into a final product;

(v) A complete inventory of all medical cannabis, seeds, plant tissue, clones, usable medical cannabis, trim, shake, leaves, waste, other plant matter, and medical cannabis products;

(vi) All samples sent to a testing laboratory or used for internal quality testing or other purposes; and

(vii) Any other information as required by this chapter.

18.03 REGISTERED CANNABIS ESTABLISHMENT INVENTORY TRACKING REQUIREMENTS. Upon implementation of the state inventory tracking system, each registered cannabis establishment shall track, update, and report inventory in the state

inventory tracking system after each required inventory event. Registered cannabis establishments must ensure all on-premises and in-transit medical cannabis and medical cannabis product inventories are reconciled each day in the state inventory tracking system at the close of business.

18.04 INVENTORY TRACKING SYSTEM TAGS. Registered cannabis establishments are required to use inventory tracking system tags from the approved tag supplier for the State Inventory Tracking System. A registered cannabis establishment shall ensure an adequate supply of inventory tracking system tags at all times.

18.04(A) INVENTORY DESIGNATIONS. Registered cannabis establishments shall designate inventory as either medical cannabis plants, medical cannabis, medical cannabis products, medical cannabis byproduct, or medical cannabis waste.

18.04(B) UNACCOUNTED FOR INVENTORY TAGS. If a registered cannabis establishment is unable to account for unused inventory tracking system tags, the establishment shall report to the Commission and the state inventory tracking system vendor as soon as reasonably possible, but no later than forty-eight (48) hours.

18.04(C) INVENTORY TAG REQUIREMENTS. Inventory tracking tags must contain the legal name and correct license number of the establishment that ordered them. Registered cannabis establishments are prohibited from using another establishment's inventory tracking system tags or any other tags not supplied from the approved tag supplier described in this Chapter.

18.04(D) INVENTORY TRACKING TAG PLACEMENT. The inventory tracking system tag shall be placed on the container holding the medical cannabis plant and must remain physically near and clearly associated with the medical cannabis plant until the plant reaches twelve (12) inches in height. Clones must be tracked in the state inventory tracking system and must be associated with a wholesale package tag, whether cut from a mother plant or transferred from another licensee, prior to reaching twelve (12) inches in height. When the plant reaches twelve (12) inches in height, the inventory tracking system tag shall be securely fastened to a lower supporting branch. The inventory tracking system tag shall remain affixed for the entire life of the plant until disposal. If the plant changes forms, is removed from the original planting location after harvest, or is being trimmed, dried, or cured by the grower, the inventory tracking system tag shall be placed on the container holding the medical cannabis plants and/or must remain physically near and clearly associated with the medical cannabis plants until the plant is recorded in the state inventory tracking system, placed into a package, and affixed with the inventory tracking system tag.

18.04(E) TAGGED MOTHER PLANTS. Mother plants must be tagged before any cuttings or clones are generated therefrom.

18.04(F) WHOLESALE INVENTORY TAGS. Each wholesale package of medical cannabis must have an inventory tracking system tag during storage and transfer and may only contain one harvest batch of medical cannabis.

18.04(G) TRANSFER OF IMMATURE PLANTS. Prior to transfer, registered cannabis establishments shall ensure that each immature plant is properly affixed with an inventory tracking system tag if the plant was not previously tagged in accordance with this chapter.

18.04(H) STORAGE AND TRANSFER. Registered cannabis establishments must affix an inventory tracking system tag to all medical cannabis products during storage and transfer in one of the following manners:

(i) Individual units of medical cannabis products shall each be affixed with an inventory tracking system tag; or

(ii) Medical cannabis products combined in a single wholesale package may be affixed with one inventory tracking system tag only if all units are from the same production batch. If any medical cannabis or medical cannabis products are removed from a wholesale package, each individual unit or new wholesale package must be separately tagged.

18.04(I) WASTE. All packages of medical cannabis waste shall have an inventory tracking system tag affixed and the contents of the waste package shall be reported in the state inventory tracking system.

18.04(J) REPLACEMENT INVENTORY TAGS. If an inventory tracking system tag gets destroyed, stolen, or falls off of a medical cannabis plant or medical cannabis product, the registered cannabis establishment must affix a new inventory tracking system tag on the medical cannabis plant or medical cannabis product and document the change in the state inventory tracking system.

18.04(K) INVENTORY TAG REUSE. Registered cannabis establishments shall not reuse any inventory tracking system tag previously affixed to any regulated medical cannabis or medical cannabis products.

18.05 INVENTORY TRACKING SYSTEM ADMINISTRATORS AND EMPLOYEE USERS. Each registered cannabis establishment must designate at least one inventory tracking system administrator who must attend and complete all required inventory tracking system training provided by the state inventory tracking system vendor. Each registered cannabis establishment must have at least one director, owner, or manager, who is an inventory tracking system administrator. If the designated inventory tracking

system administrator changes, the establishment shall assign a new administrator within thirty (30) calendar days and report the change to the Commission.

18.05(A) USER LIST. Registered cannabis establishments shall maintain an accurate and complete list of all inventory tracking system administrators and employee users.

18.05(B) TRAINING REQUIREMENT. All owners and employees granted inventory tracking system account access for the purpose of conducting inventory tracking functions must be trained and authorized by the registered cannabis establishment before accessing the state inventory tracking system.

18.05(C) ACCOUNT USAGE. All inventory tracking system users shall be assigned an individual account in the state inventory tracking system. Any individual entering data into the state inventory tracking system shall only use the inventory tracking system account assigned specifically to that individual. Each inventory tracking system administrator and inventory tracking system user must have unique log-in credentials that shall not be used by any other person.

18.05(D) ACCOUNT ACCESS TERMINATION. Registered cannabis establishments shall terminate access within three (3) business days for any inventory tracking system administrator or employee user who no longer utilizes the state inventory tracking system.

18.06 STATE INVENTORY TRACKING SYSTEM AVAILABILITY. If at any time a registered cannabis establishment loses access to the state inventory tracking system due to circumstances beyond the establishment's control, the establishment shall keep and maintain records detailing all inventory tracking activities that were conducted during the loss of access. Once access is restored, all inventory tracking activities that occurred during the loss of access must be entered into the state inventory tracking system by the end of the next business day. If an establishment loses access to the state inventory tracking system due to circumstances within its control, the establishment may not perform any business activities that would be required to be reported into the state inventory tracking system until access is restored and reporting is resumed.

18.07 STATE INVENTORY TRACKING SYSTEM ACCESS. Only registered cannabis establishments and the Commission may access the state inventory tracking system. Law enforcement agents may request access to the state inventory tracking system, which the Commission may provide at its discretion. Each registered establishment is responsible for the cost of participating in the state inventory tracking system.

18.08 CONFIDENTIALITY. All information contained in the state inventory tracking system is confidential to the extent required by law.

18.09 STATE INVENTORY TRACKING SYSTEM FEE. All registered cannabis establishments must pay a fee of thirteen thousand dollars ($13,000) to the Commission for the establishment and use of the State Inventory Tracking System by February 1, 2027, or, if a license is issued after February 1, 2027, when the license is issued to the registered cannabis establishment.

18.10 STATE INVENTORY TRACKING SYSTEM RENEWAL FEE. All registered cannabis establishments must pay a renewal fee of thirteen thousand dollars ($13,000) to the Commission for the continued use of the State Inventory Tracking System when the registered cannabis establishment pays the fee to renew its license as set forth in this Chapter.

## 19. COMMISSION.

19.01 MAJORITY. A majority of the appointed Commission members shall constitute a quorum. Every act of the majority shall be deemed to be an act of the Commission.

19.02 EMPLOYEES. The Commission may appoint or employ the staff necessary to carry out the Nebraska Medical Cannabis Regulation Act or to perform the duties and exercise the powers of the Commission.

19.03 INVESTIGATION POWERS. The Commission may, on its own motion or on complaint, investigate registered cannabis establishments for compliance purposes and/or any violation of this chapter or the Nebraska Medical Cannabis Regulation Act.

19.03(A) ON-SITE INSPECTION. The Commission or its employees may enter onto a licensed premises or vehicle used for transportation purposes with or without notice for the purposes of enforcing or investigating compliance with this chapter of the Nebraska Medical Cannabis Regulation Act.

19.03(B) RECORD INSPECTION. The Commission or its employees may request copies of or view the originals of any record required to be kept by this chapter or the Nebraska Medical Cannabis Regulation Act.

19.03(C) REFUSAL OR OBSTRUCTION. Registered establishments must comply with all requests made by the Commission or its employees to investigate compliance with this chapter or the Nebraska Medical Cannabis Regulation Act. Obstructing an investigation or refusal to comply with any such request may result in sanctions including immediate license revocation.