

(Reprinted with amendments adopted on May 28, 2013)

SECOND REPRINT

S.B. 374

SENATE BILL NO. 374—SENATORS
SEGERBLOM; AND MANENDO

MARCH 18, 2013

JOINT SPONSORS: ASSEMBLYMEN
AIZLEY; HOGAN AND SWANK

Referred to Committee on Judiciary

SUMMARY—Provides for the registration of medical marijuana establishments authorized to cultivate or dispense marijuana or manufacture products containing marijuana for sale to persons authorized to engage in the medical use of marijuana. (BDR 15-89)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.
Effect on the State: Yes.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to medical marijuana; providing for the registration of medical marijuana establishments authorized to cultivate or dispense marijuana or manufacture products containing marijuana for sale to persons authorized to engage in the medical use of marijuana; setting forth the manner in which such establishments must register and operate; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Under existing law, the State of Nevada provides immunity from state and local
- 2 prosecution for possessing, delivering and producing marijuana in certain limited
- 3 amounts for patients with qualifying medical conditions, and their designated
- 4 primary caregivers, who apply to and receive from the Health Division of the
- 5 Department of Health and Human Services a registry identification card. Existing



law does not specify the manner in which qualifying patients and their designated primary caregivers are to obtain marijuana. (Chapter 453A of NRS)

This bill: (1) states that it is an unlawful act, punishable as a category E felony, to forge, counterfeit or attempt to forge or counterfeit a registry identification card; (2) provides for the registration of medical marijuana establishments, the three types of which are cultivation facilities, facilities for the production of edible marijuana products and medical marijuana dispensaries; (3) provides for the registration of medical marijuana establishment agents; (4) sets forth the crimes and acts which disqualify a person from serving as the owner, officer, board member or agent of such an establishment; (5) enumerates the acts for which a medical marijuana establishment registration certificate and a medical marijuana establishment agent registration card are immediately revocable; (6) establishes that it is a privilege and not a right to hold a medical marijuana establishment registration certificate or a medical marijuana establishment agent registration card; (7) sets forth the maximum fees which may be charged by the Health Division for the initial issuance and renewal of such certificates and cards; (8) sets forth the basic requirements for operating a medical marijuana establishment; and (9) directs the Health Division to adopt necessary regulations. This bill also increases the amounts of usable marijuana and live marijuana plants that a holder of a registry identification card and his or her designated primary caregiver are allowed to possess at any one time, matching the amounts allowed under the laws of the State of Arizona. This bill further authorizes the Director of the Department of Health and Human Services to request a temporary advance from the State General Fund to pay the costs of carrying out the registration requirements of this bill until sufficient revenues from registration fees are collected.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 207 of NRS is hereby amended by adding thereto a new section to read as follows:

1. It is unlawful for any person to counterfeit or forge or attempt to counterfeit or forge a registry identification card.

2. Any person who violates the provisions of subsection 1 is guilty of a category E felony and shall be punished as provided in NRS 193.130.

3. As used in this section, "registry identification card" has the meaning ascribed to it in NRS 453A.140.

Sec. 2. Chapter 453A of NRS is hereby amended by adding thereto the provisions set forth as sections 3 to 20, inclusive, of this act.

Sec. 3. "Crime of violence" means any felony:

1. Involving the use or threatened use of force or violence against the person or property of another; or

2. For which there is a substantial risk that force or violence may be used against the person or property of another in the commission of the felony.



1 **Sec. 3.5. “Cultivation facility” means a business that:**

2 **1. Is registered with the Division pursuant to section 10 of**
3 **this act; and**

4 **2. Acquires, possesses, cultivates, delivers, transfers,**
5 **transports, supplies or sells marijuana and related supplies to:**

6 **(a) Medical marijuana dispensaries;**

7 **(b) Facilities for the production of edible marijuana products;**
8 **or**

9 **(c) Other cultivation facilities.**

10 **Sec. 4. (Deleted by amendment.)**

11 **Sec. 5. (Deleted by amendment.)**

12 **Sec. 5.3. “Edible marijuana products” means products that:**

13 **1. Contain marijuana or an extract thereof;**

14 **2. Are intended for human consumption; and**

15 **3. Are presented in the form of foodstuffs, extracts, oils,**
16 **tinctures and other similar products.**

17 **Sec. 5.5. “Electronic verification system” means an**
18 **electronic database that:**

19 **1. Keeps track of data in real time; and**

20 **2. Is accessible by the Division and by registered medical**
21 **marijuana establishments.**

22 **Sec. 6. “Enclosed, locked facility” means a closet, display**
23 **case, room, greenhouse or other enclosed area that meets the**
24 **requirements of section 19.4 of this act and is equipped with locks**
25 **or other security devices which allow access only by a medical**
26 **marijuana establishment agent and the holder of a valid registry**
27 **identification card.**

28 **Sec. 7. 1. “Excluded felony offense” means:**

29 **(a) A crime of violence; or**

30 **(b) A violation of a state or federal law pertaining to controlled**
31 **substances, if the law was punishable as a felony in the**
32 **jurisdiction where the person was convicted.**

33 **2. The term does not include:**

34 **(a) A criminal offense for which the sentence, including any**
35 **term of probation, incarceration or supervised release, was**
36 **completed within the 10 previous years; or**

37 **(b) An offense involving conduct that would be immune from**
38 **arrest, prosecution or penalty pursuant to sections 10 to 20,**
39 **inclusive, of this act, except that the conduct occurred before**
40 **January 1, 2014, or was prosecuted by an authority other than the**
41 **State of Nevada.**

42 **Sec. 7.3. “Facility for the production of edible marijuana**
43 **products” means a business that:**

44 **1. Is registered with the Division pursuant to section 10 of**
45 **this act; and**



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2. *Acquires, possesses, manufactures, delivers, transfers, transports, supplies or sells edible marijuana products to medical marijuana dispensaries.*

Sec. 7.7. *“Inventory control system” means a process, device or other contrivance that may be used to monitor the chain of custody of marijuana used for medical purposes from the point of cultivation to the end consumer.*

Sec. 8. *“Medical marijuana dispensary” means a business that:*

1. *Is registered with the Division pursuant to section 10 of this act; and*

2. *Acquires, possesses, delivers, transfers, transports, supplies, sells or dispenses marijuana or related supplies and educational materials to the holder of a valid registry identification card.*

Sec. 8.3. *“Medical marijuana establishment” means:*

1. *A cultivation facility;*

2. *A facility for the production of edible marijuana products;*

3. *A medical marijuana dispensary; or*

4. *A business that has registered with the Division and paid the requisite fees to act as more than one of the types of businesses listed in subsections 1, 2 and 3.*

Sec. 8.5. *“Medical marijuana establishment agent” means an owner, officer, board member, employee or volunteer of a medical marijuana establishment.*

Sec. 8.6. *“Medical marijuana establishment agent registration card” means a registration card that is issued by the Division pursuant to section 13 of this act to authorize a person to volunteer or work at a medical marijuana establishment.*

Sec. 8.7. *“Medical marijuana establishment registration certificate” means a registration certificate that is issued by the Division pursuant to section 10 of this act to authorize the operation of a medical marijuana establishment.*

Sec. 8.8. *“THC” means delta-9-tetrahydrocannabinol, which is the primary active ingredient in marijuana.*

Sec. 9. (Deleted by amendment.)

Sec. 10. 1. *Each medical marijuana establishment must register with the Division.*

2. *A person who wishes to operate a medical marijuana establishment:*

(a) *Must submit to the Division an application on a form prescribed by the Division; and*

(b) *Must have been a resident of the State of Nevada for at least 3 years immediately preceding the date on which he or she submits the application.*



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3. Except as otherwise provided in sections 11 and 16 of this act, not later than 90 days after receiving an application to operate a medical marijuana establishment, the Division shall register the medical marijuana establishment and issue a medical marijuana establishment registration certificate and a random 20-digit alphanumeric identification number if:

(a) The person who wishes to operate the proposed medical marijuana establishment has submitted to the Division all of the following:

(1) The application fee, as set forth in section 12 of this act;

(2) An application, which must include:

(I) The legal name of the proposed medical marijuana establishment;

(II) The physical address where the proposed medical marijuana establishment will be located and the physical address of any co-owned additional or otherwise associated medical marijuana establishments, the locations of which may not be within 1,000 feet of a public or private school that provides formal education traditionally associated with preschool or kindergarten through grade 12, and that existed on the date on which the application for the proposed medical marijuana establishment was submitted to the Division;

(III) Evidence that the applicant controls not less than \$150,000 in liquid assets to cover the initial expenses of opening the proposed medical marijuana establishment and complying with the provisions of sections 10 to 20, inclusive, of this act;

(IV) Evidence that the applicant owns the property on which the proposed medical marijuana establishment will be located or has the written permission of the property owner to operate the proposed medical marijuana establishment on that property;

(V) For the applicant and each person who will be an owner, officer or board member of the proposed medical marijuana establishment, a complete set of the person's fingerprints and written permission of the person authorizing the Division to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;

(VI) The name, address and date of birth of each person who will be an owner, officer or board member of the proposed medical marijuana establishment; and

(VII) The name, address and date of birth of each person who will be employed by or otherwise provide labor at the proposed medical marijuana establishment as a medical marijuana establishment agent;



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1 (3) *Operating procedures consistent with rules of the*
2 *Division for oversight of the proposed medical marijuana*
3 *establishment, including, without limitation:*

4 (1) *Procedures to ensure the use of adequate security*
5 *measures; and*

6 (II) *The use of an electronic verification system and an*
7 *inventory control system, pursuant to sections 19.1 and 19.2 of this*
8 *act;*

9 (4) *If the proposed medical marijuana establishment will*
10 *sell or deliver edible marijuana products, proposed operating*
11 *procedures for handling such products which must be*
12 *preapproved by the Division;*

13 (5) *If the city, town or county in which the proposed*
14 *medical marijuana establishment will be located has enacted*
15 *zoning restrictions, a sworn statement certifying that the proposed*
16 *medical marijuana establishment is in compliance with those*
17 *restrictions; and*

18 (6) *Such other information as the Division may require by*
19 *regulation;*

20 (b) *None of the persons who would be owners, officers or*
21 *board members of the proposed medical marijuana establishment*
22 *have been convicted of an excluded felony offense;*

23 (c) *None of the persons who would be owners, officers or*
24 *board members of the proposed medical marijuana establishment*
25 *have:*

26 (1) *Served as an owner, officer or board member for a*
27 *medical marijuana establishment that has had its medical*
28 *marijuana establishment registration certificate revoked; or*

29 (2) *Previously had a medical marijuana establishment*
30 *agent registration card revoked; and*

31 (d) *None of the persons who would be owners, officers or*
32 *board members of the proposed medical marijuana establishment*
33 *are under 21 years of age.*

34 4. *For each person who submits an application pursuant to*
35 *this section, and each person who would be an owner, officer or*
36 *board member of a proposed medical marijuana establishment,*
37 *the Division shall submit the fingerprints of the person to the*
38 *Central Repository for Nevada Records of Criminal History for*
39 *submission to the Federal Bureau of Investigation to determine*
40 *the criminal history of that person.*

41 5. *If an application for registration as a medical marijuana*
42 *establishment satisfies the requirements of this section and the*
43 *establishment is not disqualified from being registered as a*
44 *medical marijuana establishment pursuant to this section or other*
45 *applicable law, the Division shall issue to the establishment a*



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1 *medical marijuana establishment registration certificate. A*
2 *medical marijuana establishment registration certificate expires 1*
3 *year after the date of issuance and may be renewed upon:*

4 *(a) Resubmission of the information set forth in this section;*
5 *and*

6 *(b) Payment of the renewal fee set forth in section 12 of this*
7 *act.*

8 **Sec. 10.5.** *Each medical marijuana establishment must:*

9 *1. Be located in a separate building or facility;*

10 *2. Comply with local zoning ordinances and rules;*

11 *3. Have an appearance, both as to the interior and exterior,*
12 *that is professional, orderly, dignified and consistent with the*
13 *traditional style of pharmacies and medical offices; and*

14 *4. Have discreet and professional signage that is consistent*
15 *with the traditional style of signage for pharmacies and medical*
16 *offices.*

17 **Sec. 11.** *1. Except as otherwise provided in this section, the*
18 *Division shall issue medical marijuana establishment registration*
19 *certificates for medical marijuana dispensaries in the following*
20 *quantities for applicants who qualify pursuant to section 10 of this*
21 *act:*

22 *(a) In a county whose population is 700,000 or more, 40*
23 *certificates;*

24 *(b) In a county whose population is 100,000 or more but less*
25 *than 700,000, 10 certificates;*

26 *(c) In a county whose population is 55,000 or more but less*
27 *than 100,000, 2 certificates; and*

28 *(d) In each other county, 1 certificate.*

29 *2. Notwithstanding the provisions of subsection 1, the*
30 *Division shall not issue medical marijuana establishment*
31 *registration certificates for medical marijuana dispensaries in*
32 *such a quantity as to cause the existence within the applicable*
33 *county of more than one medical marijuana dispensary for every*
34 *10 pharmacies that have been licensed in the county pursuant to*
35 *chapter 639 of NRS. The Division may issue medical marijuana*
36 *establishment registration certificates for medical marijuana*
37 *dispensaries in excess of the ratio otherwise allowed pursuant to*
38 *this subsection if to do so is necessary to ensure that the Division*
39 *issues at least one medical marijuana establishment registration*
40 *certificate in each county of this State in which the Division has*
41 *approved an application for such an establishment to operate.*

42 *3. With respect to medical marijuana establishments that are*
43 *not medical marijuana dispensaries, the Division shall determine*
44 *the appropriate number of such establishments as are necessary to*
45 *serve and supply the medical marijuana dispensaries to which the*



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1 *Division has granted medical marijuana establishment*
2 *registration certificates.*

3 *4. The Division shall not, for more than a total of 10 business*
4 *days in any 1 calendar year, accept applications to operate medical*
5 *marijuana establishments.*

6 **Sec. 12. 1. Except as otherwise provided in subsection 2,**
7 ***the Division shall collect not more than the following maximum***
8 ***fees:***
9

10 *For the initial issuance of a medical marijuana*
11 *establishment registration certificate for a*
12 *medical marijuana dispensary..... \$20,000*

13 *For the renewal of a medical marijuana*
14 *establishment registration certificate for a*
15 *medical marijuana dispensary..... 5,000*

16 *For the initial issuance of a medical marijuana*
17 *establishment registration certificate for a*
18 *cultivation facility..... 3,000*

19 *For the renewal of a medical marijuana*
20 *establishment registration certificate for a*
21 *cultivation facility..... 1,000*

22 *For the initial issuance of a medical marijuana*
23 *establishment registration certificate for a*
24 *facility for the production of edible marijuana*
25 *products..... 2,000*

26 *For the renewal of a medical marijuana*
27 *establishment registration certificate for a*
28 *facility for the production of edible marijuana*
29 *products..... 750*

30 *For the initial issuance of a medical marijuana*
31 *establishment agent registration card..... 500*

32 *For the renewal of a medical marijuana*
33 *establishment agent registration card..... 500*
34

35 *2. In addition to the fees described in subsection 1, each*
36 *applicant for a medical marijuana establishment registration*
37 *certificate must pay to the Division:*

38 *(a) A one-time, nonrefundable application fee of \$5,000; and*

39 *(b) The actual costs incurred by the Division in processing the*
40 *application, including, without limitation, conducting background*
41 *checks.*

42 *3. Any revenue generated from the fees imposed pursuant to*
43 *this section:*



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1 (a) Must be expended first to pay the costs of the Division in
2 carrying out the provisions of sections 10 to 20, inclusive of this
3 act; and

4 (b) If any excess revenue remains after paying the costs
5 described in paragraph (a), such excess revenue must be paid over
6 to the State Treasurer to be deposited to the credit of the State
7 Distributive School Account in the State General Fund.

8 **Sec. 13. 1.** A person shall not volunteer or work at a
9 medical marijuana establishment as a medical marijuana
10 establishment agent unless the person is registered with the
11 Division pursuant to this section.

12 2. A medical marijuana establishment that wishes to retain as
13 a volunteer or employ a medical marijuana establishment agent
14 shall submit to the Division an application on a form prescribed by
15 the Division. The application must be accompanied by:

16 (a) The name, address and date of birth of the prospective
17 medical marijuana establishment agent;

18 (b) A statement signed by the prospective medical marijuana
19 establishment agent pledging not to dispense or otherwise divert
20 marijuana to any person who is not authorized to possess
21 marijuana in accordance with the provisions of this chapter;

22 (c) A statement signed by the prospective medical marijuana
23 establishment agent asserting that he or she has not previously
24 had a medical marijuana establishment agent registration card
25 revoked;

26 (d) A complete set of the fingerprints and written permission of
27 the prospective medical marijuana establishment agent
28 authorizing the Division to forward the fingerprints to the Central
29 Repository for Nevada Records of Criminal History for submission
30 to the Federal Bureau of Investigation for its report;

31 (e) The application fee, as set forth in section 12 of this act;
32 and

33 (f) Such other information as the Division may require by
34 regulation.

35 3. A medical marijuana establishment shall notify the
36 Division within 10 days after a medical marijuana establishment
37 agent ceases to be employed by or volunteer at the medical
38 marijuana establishment.

39 4. A person who:

40 (a) Has been convicted of an excluded felony offense; or

41 (b) Is less than 21 years of age,

42 ↪ shall not serve as a medical marijuana establishment agent.

43 5. The Division shall submit the fingerprints of an applicant
44 for registration as a medical marijuana establishment agent to the
45 Central Repository for Nevada Records of Criminal History for



1 *submission to the Federal Bureau of Investigation to determine*
2 *the criminal history of the applicant.*

3 6. *The provisions of this section do not require a person who*
4 *is an owner, officer or board member of a medical marijuana*
5 *establishment to resubmit information already furnished to the*
6 *Division at the time the establishment was registered with the*
7 *Division.*

8 7. *If an applicant for registration as a medical marijuana*
9 *establishment agent satisfies the requirements of this section and*
10 *is not disqualified from serving as such an agent pursuant to this*
11 *section or any other applicable law, the Division shall issue to the*
12 *person a medical marijuana establishment agent registration card.*
13 *A medical marijuana establishment agent registration card expires*
14 *1 year after the date of issuance and may be renewed upon:*

15 (a) *Resubmission of the information set forth in this section;*
16 *and*

17 (b) *Payment of the renewal fee set forth in section 12 of this*
18 *act.*

19 **Sec. 14. 1.** *In addition to any other requirements set forth*
20 *in this chapter, an applicant for the issuance or renewal of a*
21 *medical marijuana establishment agent registration card or*
22 *medical marijuana establishment registration certificate shall:*

23 (a) *Include the social security number of the applicant in the*
24 *application submitted to the Division.*

25 (b) *Submit to the Division the statement prescribed by the*
26 *Division of Welfare and Supportive Services of the Department of*
27 *Health and Human Services pursuant to NRS 425.520. The*
28 *statement must be completed and signed by the applicant.*

29 2. *The Division shall include the statement required pursuant*
30 *to subsection 1 in:*

31 (a) *The application or any other forms that must be submitted*
32 *for the issuance or renewal of the medical marijuana*
33 *establishment agent registration card or medical marijuana*
34 *establishment registration certificate; or*

35 (b) *A separate form prescribed by the Division.*

36 3. *A medical marijuana establishment agent registration card*
37 *or medical marijuana establishment registration certificate may*
38 *not be issued or renewed by the Division if the applicant:*

39 (a) *Fails to submit the statement required pursuant to*
40 *subsection 1; or*

41 (b) *Indicates on the statement submitted pursuant to*
42 *subsection 1 that the applicant is subject to a court order for the*
43 *support of a child and is not in compliance with the order or a*
44 *plan approved by the district attorney or other public agency*



1 *enforcing the order for the repayment of the amount owed*
2 *pursuant to the order.*

3 *4. If an applicant indicates on the statement submitted*
4 *pursuant to subsection 1 that the applicant is subject to a court*
5 *order for the support of a child and is not in compliance with the*
6 *order or a plan approved by the district attorney or other public*
7 *agency enforcing the order for the repayment of the amount owed*
8 *pursuant to the order, the Division shall advise the applicant to*
9 *contact the district attorney or other public agency enforcing the*
10 *order to determine the actions that the applicant may take to*
11 *satisfy the arrearage.*

12 **Sec. 15.** *1. If the Division receives a copy of a court order*
13 *issued pursuant to NRS 425.540 that provides for the suspension*
14 *of all professional, occupational and recreational licenses,*
15 *certificates and permits issued to a person who is the holder of a*
16 *medical marijuana establishment agent registration card or*
17 *medical marijuana establishment registration certificate, the*
18 *Division shall deem the card or certificate issued to that person to*
19 *be suspended at the end of the 30th day after the date on which the*
20 *court order was issued unless the Division receives a letter issued*
21 *to the holder of the card or certificate by the district attorney or*
22 *other public agency pursuant to NRS 425.550 stating that the*
23 *holder of the card or certificate has complied with the subpoena or*
24 *warrant or has satisfied the arrearage pursuant to NRS 425.560.*

25 *2. The Division shall reinstate a medical marijuana*
26 *establishment agent registration card or medical marijuana*
27 *establishment registration certificate that has been suspended by a*
28 *district court pursuant to NRS 425.540 if the Division receives a*
29 *letter issued by the district attorney or other public agency*
30 *pursuant to NRS 425.550 to the person whose card or certificate*
31 *was suspended stating that the person whose card or certificate*
32 *was suspended has complied with the subpoena or warrant or has*
33 *satisfied the arrearage pursuant to NRS 425.560.*

34 **Sec. 16.** *The following acts constitute grounds for immediate*
35 *revocation of a medical marijuana establishment registration*
36 *certificate:*

37 *1. Dispensing, delivering or otherwise transferring marijuana*
38 *to a person other than a medical marijuana establishment agent,*
39 *another medical marijuana establishment, a patient who holds a*
40 *valid registry identification card or the designated primary*
41 *caregiver of such a patient.*

42 *2. Acquiring usable marijuana or mature marijuana plants*
43 *from any person other than a medical marijuana establishment*
44 *agent, another medical marijuana establishment, a patient who*



1 *holds a valid registry identification card or the designated primary*
2 *caregiver of such a patient.*

3 *3. Violating a regulation of the Division, the violation of*
4 *which is stated to be grounds for immediate revocation of a*
5 *medical marijuana establishment registration certificate.*

6 **Sec. 17.** *The following acts constitute grounds for the*
7 *immediate revocation of the medical marijuana establishment*
8 *agent registration card of a medical marijuana establishment*
9 *agent:*

10 *1. Having committed or committing any excluded felony*
11 *offense.*

12 *2. Dispensing, delivering or otherwise transferring marijuana*
13 *to a person other than a medical marijuana establishment agent,*
14 *another medical marijuana establishment, a patient who holds a*
15 *valid registry identification card or the designated primary*
16 *caregiver of such a patient.*

17 *3. Violating a regulation of the Division, the violation of*
18 *which is stated to be grounds for immediate revocation of a*
19 *medical marijuana establishment agent registration card.*

20 **Sec. 18.** *The purpose for registering medical marijuana*
21 *establishments and medical marijuana establishment agents is to*
22 *protect the public health and safety and the general welfare of the*
23 *people of this State. Any medical marijuana establishment*
24 *registration certificate issued pursuant to section 10 of this act and*
25 *any medical marijuana establishment agent registration card*
26 *issued pursuant to section 13 of this act is a revocable privilege*
27 *and the holder of such a certificate or card, as applicable, does not*
28 *acquire thereby any vested right.*

29 **Sec. 19.** *1. The operating documents of a medical*
30 *marijuana establishment must include procedures:*

31 *(a) For the oversight of the medical marijuana dispensary;*
32 *and*

33 *(b) To ensure accurate recordkeeping, including, without*
34 *limitation, the provisions of sections 19.1 and 19.2 of this act.*

35 *2. A medical marijuana establishment must have a single*
36 *secure entrance and shall implement strict security measures to*
37 *deter and prevent the theft of marijuana and unauthorized*
38 *entrance into areas containing marijuana.*

39 *3. A medical marijuana establishment is prohibited from*
40 *acquiring, possessing, cultivating, manufacturing, delivering,*
41 *transferring, transporting, supplying or dispensing marijuana for*
42 *any purpose except to:*

43 *(a) Directly or indirectly assist patients who possess valid*
44 *registry identification cards; and*



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1 (b) Assist patients who possess valid registry identification
2 cards by way of those patients' designated primary caregivers.

3 4. All cultivation or production of marijuana that a
4 cultivation facility carries out or causes to be carried out must take
5 place in an enclosed, locked facility at the physical address
6 provided to the Division during the registration process for the
7 cultivation facility. Such an enclosed, locked facility must be
8 accessible only by medical marijuana establishment agents who
9 are lawfully associated with the cultivation facility, except that
10 limited access by persons necessary to perform construction or
11 repairs or provide other labor is permissible if such persons are
12 supervised by a medical marijuana establishment agent.

13 5. A medical marijuana dispensary and a cultivation facility
14 may acquire usable marijuana or marijuana plants from a patient
15 who holds a valid registry identification card, or the designated
16 primary caregiver of such a patient. Except as otherwise provided
17 in this subsection, the patient or caregiver, as applicable, must
18 receive no compensation for the marijuana. A patient who holds a
19 valid registry identification card, and the designated primary
20 caregiver of such a patient, may sell usable marijuana to a
21 medical marijuana dispensary one time and may sell marijuana
22 plants to a cultivation facility one time.

23 6. A medical marijuana establishment shall not allow any
24 person to consume marijuana on the property or premises of the
25 establishment.

26 7. Medical marijuana establishments are subject to
27 reasonable inspection by the Division at any time, and a person
28 who holds a medical marijuana establishment registration
29 certificate must make himself or herself, or a designee thereof,
30 available and present for any inspection by the Division of the
31 establishment.

32 **Sec. 19.1.** 1. Each medical marijuana establishment, in
33 consultation with the Division, shall maintain an electronic
34 verification system.

35 2. The electronic verification system required pursuant to
36 subsection 1 must be able to monitor and report information,
37 including, without limitation:

38 (a) Whether a person holds a valid registry identification card,
39 including, without limitation:

40 (1) The date on which the card was issued;

41 (2) The date on which the card will expire; and

42 (3) The name and contact information of the attending
43 physician who advised the person that the medical use of
44 marijuana may mitigate the symptoms or effects of the person's
45 medical condition;



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1 (b) Whether a medical marijuana establishment agent holds a
2 valid medical marijuana establishment agent registration card;

3 (c) Whether another medical marijuana establishment is
4 registered validly in accordance with sections 10 to 20, inclusive,
5 of this act;

6 (d) Whether the registry identification card, or equivalent
7 thereof, possessed or presented by a person who is not a resident
8 of Nevada, is genuine and valid; and

9 (e) Such other information as the Division may require.

10 3. Nothing in this section prohibits more than one medical
11 marijuana establishment from co-owning an electronic
12 verification system in cooperation with other medical marijuana
13 establishments, or sharing the information obtained therefrom.

14 4. A medical marijuana establishment must exercise
15 reasonable care to ensure that the personal identifying
16 information of persons who hold registry identification cards
17 which is contained in an electronic verification system is
18 encrypted, protected and not divulged for any purpose not
19 specifically authorized by law.

20 **Sec. 19.2.** 1. Each medical marijuana establishment, in
21 consultation with the Division, shall maintain an inventory control
22 system.

23 2. The inventory control system required pursuant to
24 subsection 1 must be able to monitor and report information,
25 including, without limitation:

26 (a) Insofar as is practicable, the chain of custody and current
27 whereabouts, in real time, of medical marijuana from the point
28 that it is harvested at a cultivation facility until it is sold at a
29 medical marijuana dispensary and, if applicable, if it is processed
30 at a facility for the production of edible marijuana products;

31 (b) The name of each person or other medical marijuana
32 establishment, or both, to which the establishment sold marijuana;

33 (c) In the case of a medical marijuana dispensary, the date on
34 which it sold marijuana to a person who holds a registry
35 identification card and, if any, the quantity of edible marijuana
36 products sold, measured both by weight and potency; and

37 (d) Such other information as the Division may require.

38 3. Nothing in this section prohibits more than one medical
39 marijuana establishment from co-owning an inventory control
40 system in cooperation with other medical marijuana
41 establishments, or sharing the information obtained therefrom.

42 4. A medical marijuana establishment must exercise
43 reasonable care to ensure that the personal identifying
44 information of persons who hold registry identification cards
45 which is contained in an inventory control system is encrypted,



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1 *protected and not divulged for any purpose not specifically*
2 *authorized by law.*

3 **Sec. 19.3.** *Each medical marijuana dispensary shall ensure*
4 *all of the following:*

5 *1. The weight, concentration and content of THC in all*
6 *marijuana and edible marijuana products that the dispensary sells*
7 *is clearly and accurately stated on the product sold.*

8 *2. That the dispensary does not sell to a person, in any one*
9 *14-day period, an amount of marijuana for medical purposes that*
10 *exceeds the limits set forth in NRS 453A.200.*

11 *3. That, posted clearly and conspicuously within the*
12 *dispensary, are the legal limits on the possession of marijuana for*
13 *medical purposes, as set forth in NRS 453A.200.*

14 *4. That, posted clearly and conspicuously within the*
15 *dispensary, is a sign stating unambiguously the legal limits on the*
16 *possession of marijuana for medical purposes, as set forth in*
17 *NRS 453A.200.*

18 **Sec. 19.4.** *1. At each medical marijuana establishment,*
19 *medical marijuana must be stored only in an enclosed, locked*
20 *facility.*

21 *2. Except as otherwise provided in subsection 3, at each*
22 *medical marijuana dispensary, medical marijuana must be stored*
23 *in a secure, locked device, display case, cabinet or room within the*
24 *enclosed, locked facility. The secure, locked device, display case,*
25 *cabinet or room must be protected by a lock or locking mechanism*
26 *that meets at least the security rating established by Underwriters*
27 *Laboratories for key locks.*

28 *3. At a medical marijuana dispensary, medical marijuana*
29 *may be removed from the secure setting described in subsection 2:*

30 *(a) Only for the purpose of dispensing the marijuana;*

31 *(b) Only immediately before the marijuana is dispensed; and*

32 *(c) Only by a medical marijuana establishment agent who is*
33 *employed by or volunteers at the dispensary.*

34 **Sec. 19.5.** *1. The State of Nevada and the medical*
35 *marijuana dispensaries in this State which hold valid medical*
36 *marijuana establishment registration certificates will recognize a*
37 *nonresident card only under the following circumstances:*

38 *(a) The state or jurisdiction from which the holder or bearer*
39 *obtained the nonresident card grants an exemption from criminal*
40 *prosecution for the medical use of marijuana;*

41 *(b) The state or jurisdiction from which the holder or bearer*
42 *obtained the nonresident card requires, as a prerequisite to the*
43 *issuance of such a card, that a physician advise the person that the*
44 *medical use of marijuana may mitigate the symptoms or effects of*
45 *the person's medical condition;*



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1 (c) *The nonresident card has an expiration date and has not*
2 *yet expired;*

3 (d) *The state or jurisdiction from which the holder or bearer*
4 *obtained the nonresident card maintains a database which*
5 *preserves such information as may be necessary to verify the*
6 *authenticity and validity of the nonresident card;*

7 (e) *The state or jurisdiction from which the holder or bearer*
8 *obtained the nonresident card allows the Division and medical*
9 *marijuana dispensaries in this State to access the database*
10 *described in paragraph (d);*

11 (f) *The Division determines that the database described in*
12 *paragraph (d) is able to provide to medical marijuana dispensaries*
13 *in this State information that is sufficiently accurate, current and*
14 *specific as to allow those dispensaries to verify that a person who*
15 *holds or bears a nonresident card is entitled lawfully to do so; and*

16 (g) *The holder or bearer of the nonresident card agrees to*
17 *abide by, and does abide by, the legal limits on the possession*
18 *of marijuana for medical purposes in this State, as set forth in*
19 *NRS 453A.200.*

20 2. *For the purposes of the reciprocity described in this*
21 *section:*

22 (a) *The amount of medical marijuana that the holder or bearer*
23 *of a nonresident card is entitled to possess in his or her state of*
24 *residence is not relevant; and*

25 (b) *Under no circumstances, while in this State, may the*
26 *holder or bearer of a nonresident card possess marijuana*
27 *for medical purposes in excess of the limits set forth in*
28 *NRS 453A.200.*

29 3. *As used in this section, “nonresident card” means a card*
30 *or other identification that:*

31 (a) *Is issued by a state or jurisdiction other than Nevada; and*

32 (b) *Is the functional equivalent of a registry identification*
33 *card, as determined by the Division.*

34 **Sec. 19.6.** 1. *Each medical marijuana dispensary shall, at*
35 *the time of making a sale of marijuana or edible marijuana*
36 *products, or both, collect a flat fee of \$10 for deposit in the State*
37 *General Fund.*

38 2. *The fee described in subsection 1 is to be applied in*
39 *addition to any overhead or administrative costs of the medical*
40 *marijuana dispensary in making the sale, and in addition to any*
41 *profit made by the medical marijuana dispensary on the sale.*

42 3. *As used in this section, “sale” means a single completed*
43 *purchase, regardless of the number of individual items included in*
44 *the purchase.*



1 **Sec. 19.7.** *Each medical marijuana dispensary and facility*
2 *for the production of edible marijuana products shall, in*
3 *consultation with the Division, cooperate to ensure that all edible*
4 *marijuana products offered for sale:*

5 1. *Are labeled clearly and unambiguously as medical*
6 *marijuana.*

7 2. *Are not presented in packaging that is appealing to*
8 *children.*

9 3. *Are regulated and sold on the basis of the concentration of*
10 *THC in the products and not by weight.*

11 4. *Are packaged and labeled in such a manner as to allow*
12 *tracking by way of an inventory control system.*

13 **Sec. 19.8.** 1. *If a law enforcement agency legally and justly*
14 *seizes evidence from a medical marijuana establishment on a basis*
15 *that, in consideration of due process and viewed in the manner*
16 *most favorable to the establishment, would lead a reasonable*
17 *person to believe that a crime has been committed, the relevant*
18 *provisions of NRS 179.1156 to 179.121, inclusive, apply insofar as*
19 *they do not conflict with the provisions of this chapter.*

20 2. *As used in this section, "law enforcement agency" has the*
21 *meaning ascribed to it in NRS 239C.065.*

22 **Sec. 19.9.** 1. *The Division shall establish or cause to be*
23 *established an independent testing laboratory.*

24 2. *The independent testing laboratory must determine, with*
25 *respect to marijuana and edible marijuana products that are sold*
26 *or will be sold at medical marijuana dispensaries in this State:*

27 (a) *The concentration therein of THC and cannabidiol.*

28 (b) *Whether the tested material is organic or non-organic.*

29 (c) *The presence and identification of molds and fungus.*

30 (d) *The presence and concentration of fertilizers and other*
31 *nutrients.*

32 3. *The cost of establishing the independent testing laboratory*
33 *must be paid from the revenues described in paragraph (a) of*
34 *subsection 3 of section 12 of this act.*

35 **Sec. 20.** *The Division shall adopt such regulations as it*
36 *determines to be necessary or advisable to carry out the provisions*
37 *of sections 10 to 20, inclusive, of this act. Such regulations are in*
38 *addition to any requirements set forth in statute and must, without*
39 *limitation:*

40 1. *Prescribe the form and any additional required content of*
41 *registration and renewal applications submitted pursuant to*
42 *sections 10 and 13 of this act.*

43 2. *Set forth rules pertaining to the safe and healthful*
44 *operation of medical marijuana establishments, including, without*
45 *limitation:*



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1 (a) The manner of protecting against diversion and theft
2 without imposing an undue burden on medical marijuana
3 establishments or compromising the confidentiality of the holders
4 of registry identification cards.

5 (b) Minimum requirements for the oversight of medical
6 marijuana establishments.

7 (c) Minimum requirements for the keeping of records by
8 medical marijuana establishments.

9 (d) Provisions for the security of medical marijuana
10 establishments, including, without limitation, requirements for the
11 protection by a fully operational security alarm system of each
12 medical marijuana establishment.

13 3. Establish circumstances and procedures pursuant to which
14 the maximum fees set forth in section 12 of this act may be
15 reduced over time:

16 (a) To ensure that the fees imposed pursuant to section 12 of
17 this act are, insofar as may be practicable, revenue neutral; and

18 (b) To reflect gifts and grants received by the Division
19 pursuant to NRS 453A.720.

20 4. Set forth the amount of usable marijuana that a medical
21 marijuana dispensary may dispense to a person who holds a valid
22 registry identification card, or the designated primary caregiver of
23 such a person, in any one 14-day period. Such an amount must
24 not exceed the limits set forth in NRS 453A.200.

25 5. As far as possible while maintaining accountability, protect
26 the identity and personal identifying information of each person
27 who receives, facilitates or delivers services in accordance with
28 this chapter.

29 6. In cooperation with the Board of Medical Examiners and
30 the State Board of Osteopathic Medicine, establish a system to:

31 (a) Register and track attending physicians who advise their
32 patients that the medical use of marijuana may mitigate the
33 symptoms or effects of the patient's medical condition;

34 (b) Insofar as is possible, track and quantify the number of
35 times an attending physician described in paragraph (a) makes
36 such an advisement; and

37 (c) Provide for the progressive discipline of attending
38 physicians who advise the medical use of marijuana at a rate at
39 which the Division and Board determine and agree to be
40 unreasonably high.

41 7. Establish different categories of medical marijuana
42 establishment agent registration cards, including, without
43 limitation, criteria for training and certification, for each of the
44 different types of medical marijuana establishments at which such
45 an agent may be employed or volunteer.



1 **Sec. 21.** NRS 453A.010 is hereby amended to read as follows:
2 453A.010 As used in this chapter, unless the context otherwise
3 requires, the words and terms defined in NRS 453A.020 to
4 453A.170, inclusive, *and sections 3 to 9, inclusive, of this act* have
5 the meanings ascribed to them in those sections.

6 **Sec. 21.5.** NRS 453A.100 is hereby amended to read as
7 follows:

8 453A.100 ~~“Drug paraphernalia” has the meaning ascribed to it~~
9 ~~in NRS 453.554.~~ *“Paraphernalia” means accessories, devices and*
10 *other equipment that is necessary or useful for a person to engage*
11 *in the medical use of marijuana.*

12 **Sec. 22.** NRS 453A.200 is hereby amended to read as follows:

13 453A.200 1. Except as otherwise provided in this section and
14 NRS 453A.300, a person who holds a valid registry identification
15 card issued to the person pursuant to NRS 453A.220 or 453A.250 is
16 exempt from state prosecution for:

- 17 (a) Possession, delivery or production of marijuana;
18 (b) Possession or delivery of ~~drug~~ paraphernalia;
19 (c) Aiding and abetting another in the possession, delivery or
20 production of marijuana;
21 (d) Aiding and abetting another in the possession or delivery of
22 ~~drug~~ paraphernalia;
23 (e) Any combination of the acts described in paragraphs (a) to
24 (d), inclusive; and
25 (f) Any other criminal offense in which the possession, delivery
26 or production of marijuana or the possession or delivery of ~~drug~~
27 paraphernalia is an element.

28 2. In addition to the provisions of ~~subsection~~ *subsections 1* ~~4~~
29 *and 5*, no person may be subject to state prosecution for
30 constructive possession, conspiracy or any other criminal offense
31 solely for being in the presence or vicinity of the medical use of
32 marijuana in accordance with the provisions of this chapter.

33 3. The exemption from state prosecution set forth in subsection
34 1 applies only to the extent that a person who holds a registry
35 identification card issued to the person pursuant to paragraph (a)
36 subsection 1 of NRS 453A.220 and the designated primary
37 caregiver, if any, of such a person:

38 (a) Engage in or assist in, as applicable, the medical use of
39 marijuana in accordance with the provisions of this chapter as
40 justified to mitigate the symptoms or effects of the person’s chronic
41 or debilitating medical condition; and

42 (b) Do not, at any one time, collectively possess, deliver or
43 produce more than:

44 (1) ~~One ounce~~ *Two and one-half ounces* of usable
45 marijuana ~~4~~ *in any one 14-day period; and*



(2) ~~Three mature~~ *Twelve* marijuana plants ~~and~~
~~(3) Four immature marijuana plants.~~ *, irrespective of whether the marijuana plants are mature or immature.*

↪ The persons described in this subsection must ensure that the usable marijuana and marijuana plants described in this subsection are safeguarded in an enclosed, locked facility pursuant to the requirements of section 19.4 of this act.

4. If the persons described in subsection 3 possess, deliver or produce marijuana in an amount which exceeds the amount described in paragraph (b) of that subsection, those persons:

(a) Are not exempt from state prosecution for possession, delivery or production of marijuana.

(b) May establish an affirmative defense to charges of possession, delivery or production of marijuana, or any combination of those acts, in the manner set forth in NRS 453A.310.

5. A person who holds a valid medical marijuana establishment registration certificate issued to the person pursuant to section 10 of this act or a valid medical marijuana establishment agent registration card issued to the person pursuant to section 13 of this act, and who confines his or her activities to those authorized by sections 10 to 20, inclusive, of this act and the regulations adopted by the Division pursuant thereto, is exempt from state prosecution for:

(a) Possession, delivery or production of marijuana;

(b) Possession or delivery of paraphernalia;

(c) Aiding and abetting another in the possession, delivery or production of marijuana;

(d) Aiding and abetting another in the possession or delivery of paraphernalia;

(e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and

(f) Any other criminal offense in which the possession, delivery or production of marijuana or the possession or delivery of paraphernalia is an element.

6. Notwithstanding any other provision of law and except as otherwise provided in this subsection, after a medical marijuana dispensary opens in the county of residence of a person who holds a registry identification card or his or her designated primary caregiver, if any, such persons are not authorized to cultivate, grow or produce marijuana. The provisions of this subsection do not apply if:

(a) All the medical marijuana dispensaries in the county of residence of the person who holds the registry identification card or his or her designated primary caregiver, if any, close or are unable to supply marijuana for medical use.



(b) Because of illness or lack of transportation, the person who holds the registry identification card and his or her designated primary caregiver, if any, are unable reasonably to travel to a medical marijuana dispensary.

7. As used in this section, "marijuana" includes, without limitation, edible marijuana products.

Sec. 22.5. NRS 453A.300 is hereby amended to read as follows:

453A.300 1. A person who holds a registry identification card issued to him or her pursuant to NRS 453A.220 or 453A.250 is not exempt from state prosecution for, nor may the person establish an affirmative defense to charges arising from, any of the following acts:

(a) Driving, operating or being in actual physical control of a vehicle or a vessel under power or sail while under the influence of marijuana.

(b) Engaging in any other conduct prohibited by NRS 484C.110, 484C.120, 484C.130, 484C.430, subsection 2 of NRS 488.400, NRS 488.410, 488.420, 488.425 or 493.130.

(c) Possessing a firearm in violation of paragraph (b) of subsection 1 of NRS 202.257.

(d) Possessing marijuana in violation of NRS 453.336 or possessing ~~{drug}~~ paraphernalia in violation of NRS 453.560 or 453.566, if the possession of the marijuana or ~~{drug}~~ paraphernalia is discovered because the person engaged or assisted in the medical use of marijuana in:

(1) Any public place or in any place open to the public or exposed to public view; or

(2) Any local detention facility, county jail, state prison, reformatory or other correctional facility, including, without limitation, any facility for the detention of juvenile offenders.

(e) Delivering marijuana to another person who he or she knows does not lawfully hold a registry identification card issued by the Division or its designee pursuant to NRS 453A.220 or 453A.250.

(f) Delivering marijuana for consideration to any person, regardless of whether the recipient lawfully holds a registry identification card issued by the Division or its designee pursuant to NRS 453A.220 or 453A.250.

2. Except as otherwise provided in NRS 453A.225 and in addition to any other penalty provided by law, if the Division determines that a person has willfully violated a provision of this chapter or any regulation adopted by the Division to carry out the provisions of this chapter, the Division may, at its own discretion, prohibit the person from obtaining or using a registry identification card for a period of up to 6 months.



1 **Sec. 23.** NRS 453A.400 is hereby amended to read as follows:

2 453A.400 1. The fact that a person possesses a registry
3 identification card issued to the person by the Division or its
4 designee pursuant to NRS 453A.220 or 453A.250 , *a medical*
5 *marijuana establishment registration certificate issued to the*
6 *person by the Division or its designee pursuant to section 10 of*
7 *this act or a medical marijuana establishment agent registration*
8 *card issued to the person by the Division or its designee pursuant*
9 *to section 13 of this act* does not, alone:

10 (a) Constitute probable cause to search the person or the
11 person's property; or

12 (b) Subject the person or the person's property to inspection by
13 any governmental agency.

14 2. Except as otherwise provided in this subsection, if officers
15 of a state or local law enforcement agency seize marijuana, ~~drug~~
16 paraphernalia or other related property from a person engaged *in,*
17 *facilitating* or assisting in the medical use of marijuana:

18 (a) The law enforcement agency shall ensure that the marijuana,
19 ~~drug~~ paraphernalia or other related property is not destroyed while
20 in the possession of the law enforcement agency.

21 (b) Any property interest of the person from whom the
22 marijuana, ~~drug~~ paraphernalia or other related property was seized
23 must not be forfeited pursuant to any provision of law providing for
24 the forfeiture of property, except as part of a sentence imposed after
25 conviction of a criminal offense.

26 (c) Upon a determination by the district attorney of the county in
27 which the marijuana, ~~drug~~ paraphernalia or other related property
28 was seized, or the district attorney's designee, that the person from
29 whom the marijuana, ~~drug~~ paraphernalia or other related property
30 was seized is engaging in or assisting in the medical use of
31 marijuana in accordance with the provisions of this chapter, the law
32 enforcement agency shall immediately return to that person any
33 usable marijuana, marijuana plants, ~~drug~~ paraphernalia or other
34 related property that was seized.

35 ➤ The provisions of this subsection do not require a law
36 enforcement agency to care for live marijuana plants.

37 3. For the purposes of paragraph (c) of subsection 2, the
38 determination of a district attorney or the district attorney's designee
39 that a person is engaging in or assisting in the medical use of
40 marijuana in accordance with the provisions of this chapter shall be
41 deemed to be evidenced by:

42 (a) A decision not to prosecute;

43 (b) The dismissal of charges; or

44 (c) Acquittal.



1 **Sec. 24.** NRS 453A.740 is hereby amended to read as follows:

2 453A.740 The Administrator of the Division shall adopt such
3 regulations as the Administrator determines are necessary to carry
4 out the provisions of this chapter. The regulations must set forth,
5 without limitation:

6 1. Procedures pursuant to which the Division will, in
7 cooperation with the Department of Motor Vehicles, cause a registry
8 identification card to be prepared and issued to a qualified person as
9 a type of identification card described in NRS 483.810 to 483.890,
10 inclusive. The procedures described in this subsection must provide
11 that the Division will:

12 (a) Issue a registry identification card to a qualified person after
13 the card has been prepared by the Department of Motor Vehicles; or

14 (b) Designate the Department of Motor Vehicles to issue a
15 registry identification card to a person if:

16 (1) The person presents to the Department of Motor Vehicles
17 valid documentation issued by the Division indicating that the
18 Division has approved the issuance of a registry identification card
19 to the person; and

20 (2) The Department of Motor Vehicles, before issuing the
21 registry identification card, confirms by telephone or other reliable
22 means that the Division has approved the issuance of a registry
23 identification card to the person.

24 2. ~~{Criteria for determining whether a marijuana plant is a~~
25 ~~mature marijuana plant or an immature marijuana plant.~~

26 ~~—3.—~~ Fees for:

27 (a) Providing to an applicant an application for a registry
28 identification card, which fee must not exceed \$50; and

29 (b) Processing and issuing a registry identification card, which
30 fee must not exceed \$150.

31 **Sec. 24.3.** NRS 453A.800 is hereby amended to read as
32 follows:

33 453A.800 The provisions of this chapter do not:

34 1. Require an insurer, organization for managed care or any
35 person or entity who provides coverage for a medical or health care
36 service to pay for or reimburse a person for costs associated with the
37 medical use of marijuana.

38 2. Require any employer to ~~{accommodate}~~ *allow* the medical
39 use of marijuana in the workplace.

40 3. *Require an employer to modify the job or working*
41 *conditions of a person who engages in the medical use of*
42 *marijuana that are based upon the reasonable business purposes*
43 *of the employer but the employer must attempt to make reasonable*
44 *accommodations for the medical needs of an employee who*
45 *engages in the medical use of marijuana if the employee holds a*



1 *valid registry identification card, provided that such reasonable*
2 *accommodation would not pose a threat of harm or danger to*
3 *persons or property or impose an undue hardship on the employer.*

4 **Sec. 24.5.** NRS 372A.060 is hereby amended to read as
5 follows:

6 372A.060 1. This chapter does not apply to ~~any~~:

7 (a) *Any* person who is registered or exempt from registration
8 pursuant to NRS 453.226 or any other person who is lawfully in
9 possession of a controlled substance ~~+~~; *or*

10 (b) *Any person who acquires, possesses, cultivates,*
11 *manufactures, delivers, transfers, transports, supplies, sells or*
12 *dispenses marijuana for the medical use of marijuana as*
13 *authorized pursuant to chapter 453A of NRS.*

14 2. Compliance with this chapter does not immunize a person
15 from criminal prosecution for the violation of any other provision of
16 law.

17 **Sec. 24.7.** NRS 372A.070 is hereby amended to read as
18 follows:

19 372A.070 1. A person shall not sell, offer to sell or possess
20 with the intent to sell a controlled substance unless he or she first:

21 (a) Registers with the Department as a dealer in controlled
22 substances and pays an annual fee of \$250; and

23 (b) Pays a tax on:

24 (1) ~~Each gram of marijuana, or portion thereof, of \$100;~~

25 ~~—(2)—~~ Each gram of ~~any other~~ *a* controlled substance, or
26 portion thereof, of \$1,000; and

27 ~~(3)~~ (2) Each 50 dosage units of a controlled substance that
28 is not sold by weight, or portion thereof, of \$2,000.

29 2. For the purpose of calculating the tax imposed by
30 ~~subparagraphs~~ *subparagraph* (1) ~~and (2)~~ of paragraph (b) of
31 subsection 1, the controlled substance must be measured by the
32 weight of the substance in the dealer's possession, including the
33 weight of any material, compound, mixture or preparation that is
34 added to the controlled substance.

35 3. The Department shall not require a registered dealer to give
36 his or her name, address, social security number or other identifying
37 information on any return submitted with the tax.

38 4. Any person who violates subsection 1 is subject to a civil
39 penalty of 100 percent of the tax in addition to the tax imposed by
40 subsection 1. Any civil penalty imposed pursuant to this subsection
41 must be collected as part of the tax.

42 5. The district attorney of any county in which a dealer resides
43 may institute and conduct the prosecution of any action for violation
44 of subsection 1.



6. Property forfeited or subject to forfeiture pursuant to NRS 453.301 must not be used to satisfy a fee, tax or penalty imposed by this section.

7. As used in this section, "controlled substance" does not include marijuana.

Sec. 25. On or before January 1, 2014, the Health Division of the Department of Health and Human Services shall adopt the regulations required pursuant to section 20 of this act.

Sec. 25.5. 1. If the Director of the Department of Health and Human Services determines that the revenues from the fees collected pursuant to section 12 of this act are not sufficient in Fiscal Year 2013-2014 or Fiscal Year 2014-2015 to pay authorized expenditures necessary to carry out sections 10 to 20, inclusive of this act, the Director of the Department of Health and Human Services may request from the Director of the Department of Administration a temporary advance from the State General Fund for the payment of authorized expenditures to carry out sections 10 to 20, inclusive of this act.

2. The Director of the Department of Administration shall provide written notification to the State Controller and to the Senate and Assembly Fiscal Analysts of the Fiscal Analysis Division of the Legislative Counsel Bureau if the Director of the Department of Administration approves a request made pursuant to subsection 1. The State Controller shall draw a warrant upon receipt of the approval by the Director of the Department of Administration.

3. Any money which is temporarily advanced from the State General Fund to the Director of the Department of Health and Human Services pursuant to this section must be repaid on or before the last business day in August immediately following the end of Fiscal Year 2013-2014 and Fiscal Year 2014-2015, respectively.

Sec. 26. 1. This section and section 25.5 of this act become effective upon passage and approval.

2. Sections 1 to 25, inclusive of this act become effective upon passage and approval for the purpose of adopting regulations and carrying out other preparatory administrative acts, and on January 1, 2014, for all other purposes.

3. Sections 14 and 15 of this act expire by limitation on the date on which the provisions of 42 U.S.C. § 666 requiring each state to establish procedures under which the state has authority to withhold or suspend, or to restrict the use of professional, occupational and recreational licenses of persons who:

(a) Have failed to comply with a subpoena or warrant relating to a proceeding to determine the paternity of a child or to establish or enforce an obligation for the support of a child; or



- 1 (b) Are in arrears in the payment for the support of one or more
- 2 children,
- 3 ➔ are repealed by the Congress of the United States.

