

ASSEMBLY BILL NO. 409—ASSEMBLYMAN MCCURDY

MARCH 21, 2019

Referred to Committee on Judiciary

SUMMARY—Establishes requirements for the issuance of a license to operate a marijuana consumption lounge. (BDR 20-1254)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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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 marijuana; establishing requirements for the issuance of a license to operate a marijuana consumption lounge by a county or city; authorizing a marijuana consumption lounge to purchase marijuana or marijuana products from a retail marijuana store for resale to the customers of the marijuana consumption lounge; imposing an excise tax on marijuana or marijuana products sold by a marijuana consumption lounge; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law: (1) exempts a person who holds a valid registry identification card or letter of approval from state prosecution for possession, delivery and production of marijuana; and (2) generally decriminalizes the purchase, possession and use of marijuana and marijuana paraphernalia for persons who are 21 years of age or older. (NRS 453A.200, 453A.250, 453D.110, 453D.130) Existing law also generally authorizes the regulation, taxation and licensing of businesses by local governments. (NRS 244.335-244.3525, 268.090-268.0975) **Section 1** of this bill prohibits the board of county commissioners of each county from regulating or imposing a license tax upon a marijuana consumption lounge in any manner other than that authorized in **section 1**. **Section 1** authorizes the board of county commissioners of each county to adopt an ordinance which requires a person who wishes to operate a marijuana consumption lounge in an unincorporated area of the county to obtain a license before operating the lounge. **Section 1** establishes certain requirements that each marijuana consumption lounge must satisfy for a board of county commissioners to issue such a license. **Section 1** allows the board of county commissioners to establish and collect a fee for such a license that does not exceed the fee charged for similar businesses. **Section 3** of this bill establishes similar provisions for the governing body of an incorporated city for similar businesses



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located in the incorporated city. **Sections 2 and 4** of this bill make conforming changes.

Existing law prohibits a person from opening or maintaining a place for the purpose of unlawfully selling, giving away or using any controlled substance. (NRS 453.316) **Section 9** of this bill exempts a licensed marijuana consumption lounge that does not sell or give away a controlled substance from the application of this provision.

Existing law generally prohibits a person from selling marijuana or marijuana products for the purpose of adult use to a customer, or acquiring marijuana or marijuana products for such a sale, unless the person is licensed as a retail marijuana store. (NRS 453D.120) **Section 12** of this bill authorizes a retail marijuana store to sell, and a marijuana distributor to transport, marijuana and marijuana products to a marijuana consumption lounge for the purpose of resale. **Section 12** authorizes a marijuana consumption lounge to purchase marijuana or marijuana products for resale and sell marijuana and marijuana products to consumers. **Section 13** of this bill authorizes a person to smoke or otherwise consume marijuana in a portion of a retail marijuana store that is licensed as a marijuana consumption lounge. **Sections 14 and 15** of this bill authorize a marijuana consumption lounge to obtain marijuana and marijuana products solely through a contract with one or more retail marijuana stores and to sell such marijuana and marijuana products to its customers. **Section 10** of this bill exempts a licensed marijuana consumption lounge from the application of the provision of existing law that prohibits a person from opening or maintaining a place for the purpose of unlawfully selling, giving away or using any controlled substance if the lounge does not give away any controlled substance or sell any controlled substance other than marijuana or marijuana products that the lounge is authorized to obtain pursuant to existing law. **Section 11** of this bill makes a conforming change.

Existing law imposes an excise tax on each retail sale in this State of marijuana or marijuana products by a retail marijuana store at the rate of 10 percent of the sales price of the marijuana or marijuana products. (NRS 372A.290) **Section 8** of this bill imposes this excise tax on each sale of marijuana or marijuana products by a retail marijuana store to a marijuana consumption lounge and on each retail sale of marijuana or marijuana products by a marijuana consumption lounge. **Sections 5-7** of this bill make conforming changes.

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

Section 1. Chapter 244 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in this section, a board of county commissioners shall not regulate the business of or fix, impose or collect a license tax or any other fee for revenue or for regulation, or for both revenue and regulation, on a marijuana consumption lounge located in the county.

2. A board of county commissioners may, by ordinance, require each person who wishes to operate a marijuana consumption lounge in an unincorporated area of the county to obtain a license issued by the board before the person operates the marijuana consumption lounge.



3. An ordinance adopted pursuant to subsection 2 must require each applicant for such a license to submit an application for the license to the board of county commissioners in a form prescribed by the board.

4. A board of county commissioners shall not issue a license pursuant to this section unless the proposed marijuana consumption lounge:

(a) Is located 1,000 feet or more from all public or private schools and 300 feet or more from all community facilities;

(b) Is not located on the property of a public airport;

(c) Does not allow the consumption of marijuana, edible marijuana products, marijuana-infused products or marijuana products at any place which is reasonably viewable from a public place;

(d) Prohibits the entry of any person who is less than 21 years of age to the marijuana consumption lounge;

(e) Requires any marijuana, edible marijuana product, marijuana-infused product or marijuana product brought into a marijuana consumption lounge by a customer to be contained in sealed packaging which clearly identifies the medical marijuana dispensary or retail marijuana store that sold the marijuana or product;

(f) Requires any customer of the marijuana consumption lounge who exits the premises of the lounge with marijuana, edible marijuana products, marijuana-infused products or marijuana products to seal the marijuana or product in opaque packaging;

(g) Submits a security plan to the county which, without limitation, provides for adequate security and lighting at the marijuana consumption lounge and for each entrance and exit of the marijuana consumption lounge to be adequately secured;

(h) Before allowing a person to work for or volunteer at the marijuana consumption lounge, performs a criminal background check on the person;

(i) Is prohibited from employing or allowing to volunteer at the marijuana consumption lounge any person who has been convicted of an excluded felony offense, as defined in NRS 453D.030;

(j) Is prohibited from selling alcohol or allowing the consumption of alcohol on the premises of the marijuana consumption lounge;

(k) Is prohibited from offering gaming, as defined in NRS 463.0153, or allowing such gaming to occur on the premises of the marijuana consumption lounge;



(l) Installs a ventilation and exhaust system which is capable of absorbing odors sufficiently that any odor generated inside the marijuana consumption lounge cannot be easily detected from outside the lounge;

(m) Installs a ventilation system in each area inside the marijuana consumption lounge in which marijuana, edible marijuana products, marijuana-infused products or marijuana products are consumed that substantially removes smoke from the area and segregates each such area from all other areas of the marijuana consumption lounge by enclosing the area on all sides by any combination of solid walls, windows or doors that extend from the floor to the ceiling;

(n) Provides information on public transportation, taxis and transportation network companies to all customers of the marijuana consumption lounge;

(o) Trains each employee or volunteer of the marijuana consumption lounge concerning paraphernalia, marijuana, edible marijuana products, marijuana-infused products and marijuana products, including, without limitation, the proper use of paraphernalia, the potency, absorption time and effects of marijuana, edible marijuana products, marijuana-infused products and marijuana products, the recognition of impairment from and overconsumption of marijuana, and the safe handling of a customer who is impaired;

(p) Makes one or more employees or volunteers available to customers at all times that the marijuana consumption lounge is open to educate the customers of the lounge on the safe use of marijuana, edible marijuana products, marijuana-infused products and marijuana products and the proper use of paraphernalia;

(q) Prohibits loitering outside of the marijuana consumption lounge at any time;

(r) Collaborates with the appropriate local law enforcement agency to properly collect and promptly dispose of any marijuana, edible marijuana products, marijuana-infused products or marijuana products which are left at the marijuana consumption lounge; and

(s) Is prohibited from acquiring from any source or selling marijuana, edible marijuana products, marijuana-infused products or marijuana products.

5. A board of county commissioners may:

(a) Establish and collect a fee for the issuance or renewal of a license issued pursuant to this section which does not exceed the fee charged for a business license for similar businesses, including, without limitation, bars, lounges and social clubs;



(b) Grant or deny applications for a license and impose conditions, limitations or restrictions upon the license that are not unreasonably impracticable; and

(c) Establish any other requirements necessary to carry out the provisions of this section.

6. A board of county commissioners shall not arbitrarily or unreasonably limit the number of licenses issued pursuant to this section.

7. A marijuana consumption lounge may:

(a) Rent paraphernalia to the customers of the marijuana consumption lounge;

(b) Sell food and nonalcoholic beverages to the customers of the marijuana consumption lounge;

(c) Sell opaque packaging suitable for marijuana, edible marijuana products, marijuana-infused products or marijuana products to customers of the marijuana consumption lounge; and

(d) Sell any other item which does not contain marijuana, edible marijuana products, marijuana-infused products or marijuana products and is not intended for use with marijuana or such products, including, without limitation, clothing, pins, stickers or other memorabilia.

8. As used in this section:

(a) "Community facility" means:

(1) A licensed facility that provides day care services for children.

(2) A public park.

(3) A public playground.

(4) A public swimming pool.

(5) A center or facility, the primary purpose of which is to provide recreational opportunities or services to children or adolescents.

(6) A church, synagogue or other building, structure or place used for religious worship or other religious purpose.

(7) A center or facility, the primary purpose of which is the treatment or rehabilitation for the abuse of alcohol or drugs.

(b) "Edible marijuana products" has the meaning ascribed to it in NRS 453A.101.

(c) "Marijuana" has the meaning ascribed to it in NRS 453.096.

(d) "Marijuana consumption lounge" means a business which allows marijuana, edible marijuana products, marijuana-infused products or marijuana products to be consumed on the premises of the business and which is licensed pursuant to this section.

(e) "Marijuana-infused products" has the meaning ascribed to it in NRS 453A.112.



(f) *“Marijuana products” has the meaning ascribed to it in NRS 453D.030.*

(g) *“Medical marijuana dispensary” has the meaning ascribed to it in NRS 453A.115.*

(h) *“Paraphernalia” means accessories, devices and other equipment that is necessary or useful for a person to engage in the use of marijuana.*

(i) *“Retail marijuana store” has the meaning ascribed to it in NRS 453D.030.*

(j) *“Unreasonably impracticable” means that the measures necessary to comply with the conditions, limitations or restrictions require such a high investment of risk, money, time or any other resource or asset that the operation of a marijuana consumption lounge is not worthy of being carried out in practice by a reasonably prudent businessperson.*

Sec. 2. NRS 244.335 is hereby amended to read as follows:

244.335 1. Except as otherwise provided in subsections 2, 3 and 4, and NRS 244.33501, 244.35253 and 244.3535, **and section 1 of this act**, a board of county commissioners may:

(a) Except as otherwise provided in NRS 244.331 to 244.3345, inclusive, 598D.150 and 640C.100, regulate all character of lawful trades, callings, industries, occupations, professions and business conducted in its county outside of the limits of incorporated cities and towns.

(b) Except as otherwise provided in NRS 244.3359 and 576.128, fix, impose and collect a license tax for revenue or for regulation, or for both revenue and regulation, on such trades, callings, industries, occupations, professions and business.

2. The county license boards have the exclusive power in their respective counties to regulate entertainers employed by an entertainment by referral service and the business of conducting a dancing hall, escort service, entertainment by referral service or gambling game or device permitted by law, outside of an incorporated city. The county license boards may fix, impose and collect license taxes for revenue or for regulation, or for both revenue and regulation, on such employment and businesses.

3. A board of county commissioners shall not require that a person who is licensed as a contractor pursuant to chapter 624 of NRS obtain more than one license to engage in the business of contracting or pay more than one license tax related to engaging in the business of contracting, regardless of the number of classifications or subclassifications of licensing for which the person is licensed pursuant to chapter 624 of NRS.

4. The board of county commissioners or county license board shall not require a person to obtain a license or pay a license tax on



1 the sole basis that the person is a professional. As used in this
2 subsection, "professional" means a person who:

3 (a) Holds a license, certificate, registration, permit or similar
4 type of authorization issued by a regulatory body as defined in NRS
5 622.060 or who is regulated pursuant to the Nevada Supreme Court
6 Rules; and

7 (b) Practices his or her profession for any type of compensation
8 as an employee.

9 5. The county license board shall provide upon request an
10 application for a state business license pursuant to chapter 76 of
11 NRS. No license to engage in any type of business may be granted
12 unless the applicant for the license:

13 (a) Signs an affidavit affirming that the business has complied
14 with the provisions of chapter 76 of NRS; or

15 (b) Provides to the county license board the business
16 identification number of the applicant assigned by the Secretary of
17 State pursuant to NRS 225.082 which the county may use to
18 validate that the applicant is currently in good standing with the
19 State and has complied with the provisions of chapter 76 of NRS.

20 6. No license to engage in business as a seller of tangible
21 personal property may be granted unless the applicant for the
22 license:

23 (a) Presents written evidence that:

24 (1) The Department of Taxation has issued or will issue a
25 permit for this activity, and this evidence clearly identifies the
26 business by name; or

27 (2) Another regulatory agency of the State has issued or will
28 issue a license required for this activity; or

29 (b) Provides to the county license board the business
30 identification number of the applicant assigned by the Secretary of
31 State pursuant to NRS 225.082 which the county may use to
32 validate that the applicant is currently in good standing with the
33 State and has complied with the provisions of paragraph (a).

34 7. Any license tax levied for the purposes of NRS 244.3358 or
35 244A.597 to 244A.655, inclusive, constitutes a lien upon the real
36 and personal property of the business upon which the tax was levied
37 until the tax is paid. The lien has the same priority as a lien for
38 general taxes. The lien must be enforced:

39 (a) By recording in the office of the county recorder, within 6
40 months after the date on which the tax became delinquent or was
41 otherwise determined to be due and owing, a notice of the tax lien
42 containing the following:

43 (1) The amount of tax due and the appropriate year;

44 (2) The name of the record owner of the property;



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(3) A description of the property sufficient for identification;
and

(4) A verification by the oath of any member of the board of county commissioners or the county fair and recreation board; and

(b) By an action for foreclosure against the property in the same manner as an action for foreclosure of any other lien, commenced within 2 years after the date of recording of the notice of the tax lien, and accompanied by appropriate notice to other lienholders.

8. The board of county commissioners may delegate the authority to enforce liens from taxes levied for the purposes of NRS 244A.597 to 244A.655, inclusive, to the county fair and recreation board. If the authority is so delegated, the board of county commissioners shall revoke or suspend the license of a business upon certification by the county fair and recreation board that the license tax has become delinquent, and shall not reinstate the license until the tax is paid. Except as otherwise provided in NRS 239.0115 and 244.3357, all information concerning license taxes levied by an ordinance authorized by this section or other information concerning the business affairs or operation of any licensee obtained as a result of the payment of such license taxes or as the result of any audit or examination of the books by any authorized employee of a county fair and recreation board of the county for any license tax levied for the purpose of NRS 244A.597 to 244A.655, inclusive, is confidential and must not be disclosed by any member, officer or employee of the county fair and recreation board or the county imposing the license tax unless the disclosure is authorized by the affirmative action of a majority of the members of the appropriate county fair and recreation board. Continuing disclosure may be so authorized under an agreement with the Department of Taxation or Secretary of State for the exchange of information concerning taxpayers.

Sec. 3. Chapter 268 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in this section, the governing body of an incorporated city, whether organized under general law or special charter, shall not regulate the business of or fix, impose or collect for revenues or for regulation, or both, a license tax or any other fee on a marijuana consumption lounge located within its corporate limits.

2. The governing body of an incorporated city, whether organized under general law or special charter, may, by ordinance, require each person who wishes to operate a marijuana consumption lounge in the city to obtain a license issued by the governing body before the person operates the marijuana consumption lounge.



3. An ordinance adopted pursuant to subsection 2 must require each applicant for such a license to submit an application for the license to the governing body of the incorporated city in a form prescribed by the governing body.

4. The governing body of an incorporated city shall not issue a license pursuant to this section unless the proposed marijuana consumption lounge:

(a) Is located 1,000 feet or more from all public or private schools and 300 feet or more from all community facilities;

(b) Is not located on the property of a public airport;

(c) Does not allow the consumption of marijuana, edible marijuana products, marijuana-infused products or marijuana products at any place which is reasonably viewable from a public place;

(d) Prohibits the entry of any person who is less than 21 years of age to the marijuana consumption lounge;

(e) Requires any marijuana, edible marijuana product, marijuana-infused product or marijuana product brought into a marijuana consumption lounge by a customer to be contained in sealed packaging which clearly identifies the medical marijuana dispensary or retail marijuana store that sold the marijuana or product;

(f) Requires any customer of the marijuana consumption lounge who exits the premises of the lounge with marijuana, edible marijuana products, marijuana-infused products or marijuana products to seal the marijuana or product in opaque packaging;

(g) Submits a security plan to the incorporated city which, without limitation, provides for adequate security and lighting at the marijuana consumption lounge and for each entrance and exit of the marijuana consumption lounge to be adequately secured;

(h) Before allowing a person to work for or volunteer at the marijuana consumption lounge, performs a criminal background check on the person;

(i) Is prohibited from employing or allowing to volunteer at the marijuana consumption lounge any person who has been convicted of an excluded felony offense, as defined in NRS 453D.030;

(j) Is prohibited from selling alcohol or allowing the consumption of alcohol on the premises of the marijuana consumption lounge;

(k) Is prohibited from offering gaming, as defined in NRS 463.0153, or allowing such gaming to occur on the premises of the marijuana consumption lounge;



(l) Installs a ventilation and exhaust system which is capable of absorbing odors sufficiently that any odor generated inside the marijuana consumption lounge cannot be easily detected from outside the lounge;

(m) Installs a ventilation system in each area inside the marijuana consumption lounge in which marijuana, edible marijuana products, marijuana-infused products or marijuana products are consumed that substantially removes smoke from the area and segregates each such area from all other areas of the marijuana consumption lounge by enclosing the area on all sides by any combination of solid walls, windows or doors that extend from the floor to the ceiling;

(n) Provides information on public transportation, taxis and transportation network companies to all customers of the marijuana consumption lounge;

(o) Trains each employee or volunteer of the marijuana consumption lounge concerning paraphernalia, marijuana, edible marijuana products, marijuana-infused products and marijuana products, including, without limitation, the proper use of paraphernalia, the potency, absorption time and effects of marijuana, edible marijuana products, marijuana-infused products and marijuana products, the recognition of impairment from and overconsumption of marijuana, and the safe handling of a customer who is impaired;

(p) Makes one or more employees or volunteers available at all times that the marijuana consumption lounge is open to customers to educate the customers of the lounge on the safe use of marijuana, edible marijuana products, marijuana-infused products and marijuana products and the proper use of paraphernalia;

(q) Prohibits loitering outside of the marijuana consumption lounge at any time;

(r) Collaborates with the appropriate local law enforcement agency to properly collect and promptly dispose of any marijuana, edible marijuana products, marijuana-infused products or marijuana products which are left at the marijuana consumption lounge; and

(s) Is prohibited from acquiring from any source or selling marijuana, edible marijuana products, marijuana-infused products or marijuana products.

5. The governing body of an incorporated city may:

(a) Establish and collect a fee for the issuance or renewal of a license issued pursuant to this section which does not exceed the fee charged for a business license for similar businesses, including, without limitation, bars, lounges and social clubs;



(b) Grant or deny applications for a license and impose conditions, limitations or restrictions upon the license that are not unreasonably impracticable; and

(c) Establish any other requirements necessary to carry out the provisions of this section.

6. The governing body of an incorporated city shall not arbitrarily or unreasonably limit the number of licenses issued pursuant to this section.

7. A marijuana consumption lounge may:

(a) Rent paraphernalia to the customers of the marijuana consumption lounge;

(b) Sell food and nonalcoholic beverages to the customers of the marijuana consumption lounge;

(c) Sell opaque packaging suitable for marijuana or marijuana products to customers of the marijuana consumption lounge; and

(d) Sell any other item which does not contain marijuana, edible marijuana products, marijuana-infused products or marijuana products and is not intended for use with marijuana or such products, including, without limitation, clothing, pins, stickers or other memorabilia.

8. As used in this section:

(a) "Community facility" means:

(1) A licensed facility that provides day care services for children.

(2) A public park.

(3) A public playground.

(4) A public swimming pool.

(5) A center or facility, the primary purpose of which is to provide recreational opportunities or services to children or adolescents.

(6) A church, synagogue or other building, structure or place used for religious worship or other religious purpose.

(7) A center or facility, the primary purpose of which is the treatment or rehabilitation for the abuse of alcohol or drugs.

(b) "Edible marijuana products" has the meaning ascribed to it in NRS 453A.101.

(c) "Marijuana" has the meaning ascribed to it in NRS 453.096.

(d) "Marijuana consumption lounge" means a business which allows marijuana, edible marijuana products, marijuana-infused products or marijuana products to be consumed on the premises of the business and which is licensed pursuant to this section.

(e) "Marijuana-infused products" has the meaning ascribed to it in NRS 453A.112.



(f) *“Marijuana products” has the meaning ascribed to it in NRS 453D.030.*

(g) *“Medical marijuana dispensary” has the meaning ascribed to it in NRS 453A.115.*

(h) *“Paraphernalia” means accessories, devices and other equipment that is necessary or useful for a person to engage in the use of marijuana.*

(i) *“Retail marijuana store” has the meaning ascribed to it in NRS 453D.030.*

(j) *“Unreasonably impracticable” means that the measures necessary to comply with the conditions, limitations or restrictions require such a high investment of risk, money, time or any other resource or asset that the operation of a marijuana consumption lounge is not worthy of being carried out in practice by a reasonably prudent businessperson.*

Sec. 4. NRS 268.095 is hereby amended to read as follows:

268.095 1. Except as otherwise provided in subsection 4 and NRS 268.0951, 268.0977 and 268.0979, *and section 3 of this act*, the city council or other governing body of each incorporated city in this State, whether organized under general law or special charter, may:

(a) Except as otherwise provided in subsection 2 and NRS 268.0968 and 576.128, fix, impose and collect for revenues or for regulation, or both, a license tax on all character of lawful trades, callings, industries, occupations, professions and businesses conducted within its corporate limits.

(b) Assign the proceeds of any one or more of such license taxes to the county within which the city is situated for the purpose or purposes of making the proceeds available to the county:

(1) As a pledge as additional security for the payment of any general obligation bonds issued pursuant to NRS 244A.597 to 244A.655, inclusive;

(2) For redeeming any general obligation bonds issued pursuant to NRS 244A.597 to 244A.655, inclusive;

(3) For defraying the costs of collecting or otherwise administering any such license tax so assigned, of the county fair and recreation board and of officers, agents and employees hired thereby, and of incidentals incurred thereby;

(4) For operating and maintaining recreational facilities under the jurisdiction of the county fair and recreation board;

(5) For improving, extending and bettering recreational facilities authorized by NRS 244A.597 to 244A.655, inclusive; and

(6) For constructing, purchasing or otherwise acquiring such recreational facilities.



(c) Pledge the proceeds of any tax imposed on the revenues from the rental of transient lodging pursuant to this section for the payment of any general or special obligations issued by the city for a purpose authorized by the laws of this State.

(d) Use the proceeds of any tax imposed pursuant to this section on the revenues from the rental of transient lodging:

(1) To pay the principal, interest or any other indebtedness on any general or special obligations issued by the city pursuant to the laws of this State;

(2) For the expense of operating or maintaining, or both, any facilities of the city; and

(3) For any other purpose for which other money of the city may be used.

2. The city council or other governing body of an incorporated city shall not require that a person who is licensed as a contractor pursuant to chapter 624 of NRS obtain more than one license to engage in the business of contracting or pay more than one license tax related to engaging in the business of contracting, regardless of the number of classifications or subclassifications of licensing for which the person is licensed pursuant to chapter 624 of NRS.

3. The proceeds of any tax imposed pursuant to this section that are pledged for the repayment of general obligations may be treated as "pledged revenues" for the purposes of NRS 350.020.

4. The city council or other governing body of an incorporated city shall not require a person to obtain a license or pay a license tax on the sole basis that the person is a professional. As used in this subsection, "professional" means a person who:

(a) Holds a license, certificate, registration, permit or similar type of authorization issued by a regulatory body as defined in NRS 622.060 or who is regulated pursuant to the Nevada Supreme Court Rules; and

(b) Practices his or her profession for any type of compensation as an employee.

5. The city licensing agency shall provide upon request an application for a state business license pursuant to chapter 76 of NRS. No license to engage in any type of business may be granted unless the applicant for the license:

(a) Signs an affidavit affirming that the business has complied with the provisions of chapter 76 of NRS; or

(b) Provides to the city licensing agency the business identification number of the applicant assigned by the Secretary of State pursuant to NRS 225.082 which the city may use to validate that the applicant is currently in good standing with the State and has complied with the provisions of chapter 76 of NRS.



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6. No license to engage in business as a seller of tangible personal property may be granted unless the applicant for the license:

(a) Presents written evidence that:

(1) The Department of Taxation has issued or will issue a permit for this activity, and this evidence clearly identifies the business by name; or

(2) Another regulatory agency of the State has issued or will issue a license required for this activity; or

(b) Provides to the city licensing agency the business identification number of the applicant assigned by the Secretary of State pursuant to NRS 225.082 which the city may use to validate that the applicant is currently in good standing with the State and has complied with the provisions of paragraph (a).

7. Any license tax levied under the provisions of this section constitutes a lien upon the real and personal property of the business upon which the tax was levied until the tax is paid. The lien has the same priority as a lien for general taxes. The lien must be enforced:

(a) By recording in the office of the county recorder, within 6 months following the date on which the tax became delinquent or was otherwise determined to be due and owing, a notice of the tax lien containing the following:

(1) The amount of tax due and the appropriate year;

(2) The name of the record owner of the property;

(3) A description of the property sufficient for identification;

and

(4) A verification by the oath of any member of the board of county commissioners or the county fair and recreation board; and

(b) By an action for foreclosure against such property in the same manner as an action for foreclosure of any other lien, commenced within 2 years after the date of recording of the notice of the tax lien, and accompanied by appropriate notice to other lienholders.

8. The city council or other governing body of each incorporated city may delegate the power and authority to enforce such liens to the county fair and recreation board. If the authority is so delegated, the governing body shall revoke or suspend the license of a business upon certification by the board that the license tax has become delinquent, and shall not reinstate the license until the tax is paid. Except as otherwise provided in NRS 239.0115 and 268.0966, all information concerning license taxes levied by an ordinance authorized by this section or other information concerning the business affairs or operation of any licensee obtained as a result of the payment of those license taxes or as the result of any audit or examination of the books of the city by any authorized employee of



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a county fair and recreation board for any license tax levied for the purpose of NRS 244A.597 to 244A.655, inclusive, is confidential and must not be disclosed by any member, official or employee of the county fair and recreation board or the city imposing the license tax unless the disclosure is authorized by the affirmative action of a majority of the members of the appropriate county fair and recreation board. Continuing disclosure may be so authorized under an agreement with the Department of Taxation or the Secretary of State for the exchange of information concerning taxpayers.

9. The powers conferred by this section are in addition and supplemental to, and not in substitution for, and the limitations imposed by this section do not affect the powers conferred by, any other law. No part of this section repeals or affects any other law or any part thereof, it being intended that this section provide a separate method of accomplishing its objectives, and not an exclusive one.

Sec. 5. Chapter 372A of NRS is hereby amended by adding thereto a new section to read as follows:

“Marijuana consumption lounge” means a business which allows marijuana, edible marijuana products, as defined in NRS 453A.101, marijuana-infused products, as defined in NRS 453A.112, or marijuana products, as defined in NRS 453D.030, to be consumed on the premises of the business and which is licensed pursuant to section 1 or 3 of this act.

Sec. 6. NRS 372A.200 is hereby amended to read as follows:
372A.200 As used in NRS 372A.200 to 372A.380, inclusive, *and section 5 of this act*, unless the context otherwise requires, the words and terms defined in NRS 372A.210 to 372A.250, inclusive, *and section 5 of this act* have the meanings ascribed to them in those sections.

Sec. 7. NRS 372A.250 is hereby amended to read as follows:
372A.250 “Taxpayer” means a:

1. Cultivation facility; ~~to~~
2. *Marijuana consumption lounge; or*
3. Retail marijuana store.

Sec. 8. NRS 372A.290 is hereby amended to read as follows:
372A.290 1. An excise tax is hereby imposed on each wholesale sale in this State of marijuana by a cultivation facility to another medical marijuana establishment at the rate of 15 percent of the fair market value at wholesale of the marijuana. The excise tax imposed pursuant to this subsection is the obligation of the cultivation facility.

2. An excise tax is hereby imposed on each *sale of marijuana or marijuana products by a retail marijuana store to a marijuana consumption lounge and each* retail sale in this State of marijuana



or marijuana products by a retail marijuana store *or marijuana consumption lounge* at the rate of 10 percent of the sales price of the marijuana or marijuana products. The excise tax imposed pursuant to this subsection:

(a) Is the obligation of the ~~retail marijuana store.~~ *seller of the marijuana or marijuana product.*

(b) Is separate from and in addition to any general state and local sales and use taxes that apply to retail sales of tangible personal property.

3. The revenues collected from the excise tax imposed pursuant to subsection 1 must be distributed:

(a) To the Department and to local governments in an amount determined to be necessary by the Department to pay the costs of the Department and local governments in carrying out the provisions of chapter 453A of NRS; and

(b) If any money remains after the revenues are distributed pursuant to paragraph (a), to the State Treasurer to be deposited to the credit of the State Distributive School Account in the State General Fund.

4. For the purpose of subsection 3 and NRS 453D.510, a total amount of \$5,000,000 of the revenues collected from the excise tax imposed pursuant to subsection 1 and the excise tax imposed pursuant to NRS 453D.500 in each fiscal year shall be deemed sufficient to pay the costs of all local governments to carry out the provisions of chapters 453A and 453D of NRS. The Department shall, by regulation, determine the manner in which local governments may be reimbursed for the costs of carrying out the provisions of chapters 453A and 453D of NRS.

5. The revenues collected from the excise tax imposed pursuant to subsection 2 must be paid over as collected to the State Treasurer to be deposited to the credit of the Account to Stabilize the Operation of the State Government created in the State General Fund pursuant to NRS 353.288.

6. As used in this section:

(a) "Local government" has the meaning ascribed to it in NRS 360.640.

(b) "Marijuana products" has the meaning ascribed to it in NRS 453D.030.

(c) "Medical marijuana establishment" has the meaning ascribed to it in NRS 453A.116.

Sec. 9. NRS 453.316 is hereby amended to read as follows:

453.316 1. A person who opens or maintains any place for the purpose of unlawfully selling, giving away or using any controlled substance is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of



1 not less than 1 year and a maximum term of not more than 6 years,
2 and may be further punished by a fine of not more than \$10,000,
3 except as otherwise provided in subsection 2.

4 2. If a person convicted of violating this section has previously
5 been convicted of violating this section, or if, in the case of a first
6 conviction of violating this section, the person has been convicted of
7 an offense under the laws of the United States or any state, territory
8 or district which, if committed in this State, would amount to a
9 felony under this section, the person is guilty of a category B felony
10 and shall be punished by imprisonment in the state prison for a
11 minimum term of not less than 2 years and a maximum term of not
12 more than 10 years, and may be further punished by a fine of not
13 more than \$20,000. The court shall not grant probation to or suspend
14 the sentence of a person convicted of violating this section if the
15 person has been previously convicted under this section or of any
16 other offense described in this subsection.

17 3. This section does not apply to ~~any~~ :

18 (a) Any rehabilitation clinic established or licensed by the
19 Division of Public and Behavioral Health of the Department.

20 (b) *A marijuana consumption lounge, as defined in section 1*
21 *or 3 of this act, that does not sell or give away any controlled*
22 *substance. This paragraph must not be construed to prohibit a*
23 *marijuana consumption lounge from turning over to a law*
24 *enforcement agency any controlled substance which is left on its*
25 *premises.*

26 **Sec. 10.** NRS 453.316 is hereby amended to read as follows:

27 453.316 1. A person who opens or maintains any place for
28 the purpose of unlawfully selling, giving away or using any
29 controlled substance is guilty of a category B felony and shall be
30 punished by imprisonment in the state prison for a minimum term of
31 not less than 1 year and a maximum term of not more than 6 years,
32 and may be further punished by a fine of not more than \$10,000,
33 except as otherwise provided in subsection 2.

34 2. If a person convicted of violating this section has previously
35 been convicted of violating this section, or if, in the case of a first
36 conviction of violating this section, the person has been convicted of
37 an offense under the laws of the United States or any state, territory
38 or district which, if committed in this State, would amount to a
39 felony under this section, the person is guilty of a category B felony
40 and shall be punished by imprisonment in the state prison for a
41 minimum term of not less than 2 years and a maximum term of not
42 more than 10 years, and may be further punished by a fine of not
43 more than \$20,000. The court shall not grant probation to or suspend
44 the sentence of a person convicted of violating this section if the



1 person has been previously convicted under this section or of any
2 other offense described in this subsection.

3 3. This section does not apply to:

4 (a) Any rehabilitation clinic established or licensed by the
5 Division of Public and Behavioral Health of the Department.

6 (b) A marijuana consumption lounge, as defined in section 1 or
7 3 of this act, that does not ~~sell or~~ give away any controlled
8 substance ~~or~~ **or sell any controlled substance other than marijuana**
9 **obtained pursuant to section 1 or 3 of this act.** This paragraph must
10 not be construed to prohibit a marijuana consumption lounge from
11 turning over to a law enforcement agency any controlled substance
12 which is left on its premises.

13 **Sec. 11.** NRS 453D.030 is hereby amended to read as follows:
14 453D.030 As used in this chapter, unless the context otherwise
15 requires:

16 1. "Community facility" means a facility licensed to provide
17 day care to children, a public park, a public playground, a public
18 swimming pool, a center or facility the primary purpose of which is
19 to provide recreational opportunities or services to children or
20 adolescents, or a church, synagogue, or other building, structure, or
21 place used for religious worship or other religious purpose.

22 2. "Concentrated marijuana" means the separated resin,
23 whether crude or purified, obtained from marijuana.

24 3. "Consumer" means a person who is 21 years of age or older
25 who purchases marijuana or marijuana products for use by persons
26 21 years of age or older, but not for resale to others.

27 4. "Department" means the Department of Taxation.

28 5. "Dual licensee" means a person or group of persons who
29 possess a current, valid registration certificate to operate a medical
30 marijuana establishment pursuant to chapter 453A of NRS and a
31 license to operate a marijuana establishment under this chapter.

32 6. "Excluded felony offense" means a conviction of an offense
33 that would constitute a category A felony if committed in Nevada or
34 convictions for two or more offenses that would constitute felonies
35 if committed in Nevada. "Excluded felony offense" does not
36 include:

37 (a) A criminal offense for which the sentence, including any
38 term of probation, incarceration, or supervised release, was
39 completed more than 10 years ago; or

40 (b) An offense involving conduct that would be immune from
41 arrest, prosecution, or penalty pursuant to chapter 453A of NRS,
42 except that the conduct occurred before the effective date of chapter
43 453A of NRS (October 1, 2001), or was prosecuted by an authority
44 other than the State of Nevada.



7. "Locality" means a city or town, or, in reference to a location outside the boundaries of a city or town, a county.

8. "Marijuana" means all parts of any plant of the genus Cannabis, whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Marijuana" does not include:

(a) The mature stems of the plant, fiber produced from the stems, oil, or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stems (except the resin extracted therefrom), fiber, oil, or cake, the sterilized seed of the plant which is incapable of germination; or

(b) The weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other products.

9. *"Marijuana consumption lounge" means a business which allows marijuana, edible marijuana products, as defined in NRS 453A.101, marijuana-infused products, as defined in NRS 453A.112, or marijuana products to be consumed on the premises of the business and which is licensed pursuant to section 1 or 3 of this act.*

10. "Marijuana cultivation facility" means an entity licensed to cultivate, process, and package marijuana, to have marijuana tested by a marijuana testing facility, and to sell marijuana to retail marijuana stores, to marijuana product manufacturing facilities, and to other marijuana cultivation facilities, but not to consumers.

~~10.1~~ 11. "Marijuana distributor" means an entity licensed to transport marijuana from a marijuana establishment to another marijuana establishment.

~~11.1~~ 12. "Marijuana establishment" means a marijuana cultivation facility, a marijuana testing facility, a marijuana product manufacturing facility, a marijuana distributor, or a retail marijuana store.

~~12.1~~ 13. "Marijuana product manufacturing facility" means an entity licensed to purchase marijuana, manufacture, process, and package marijuana and marijuana products, and sell marijuana and marijuana products to other marijuana product manufacturing facilities and to retail marijuana stores, but not to consumers.

~~13.1~~ 14. "Marijuana products" means products comprised of marijuana or concentrated marijuana and other ingredients that are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures.

~~14.1~~ 15. "Marijuana paraphernalia" means any equipment, products, and materials of any kind which are used, intended for



1 use, or designed for use in planting, propagating, cultivating,
2 growing, harvesting, manufacturing, compounding, converting,
3 producing, preparing, testing, analyzing, packaging, repacking,
4 storing, or containing marijuana, or for ingesting, inhaling, or
5 otherwise introducing marijuana into the human body.

6 ~~{15-}~~ 16. “Marijuana testing facility” means an entity licensed
7 to test marijuana and marijuana products, including for potency and
8 contaminants.

9 ~~{16-}~~ 17. “Process” means to harvest, dry, cure, trim, and
10 separate parts of the marijuana plant by manual or mechanical
11 means, such as sieving or ice water separation, but not by chemical
12 extraction or chemical synthesis.

13 ~~{17-}~~ 18. “Public place” means an area to which the public is
14 invited or in which the public is permitted regardless of age. “Public
15 place” does not include a retail marijuana store.

16 ~~{18-}~~ 19. “Retail marijuana store” means an entity licensed to
17 purchase marijuana from marijuana cultivation facilities, to
18 purchase marijuana and marijuana products from marijuana product
19 manufacturing facilities and retail marijuana stores, and to sell
20 marijuana and marijuana products to consumers ~~{~~

21 ~~—19-}~~ and *marijuana consumption lounges*.

22 20. “Unreasonably impracticable” means that the measures
23 necessary to comply with the regulations require such a high
24 investment of risk, money, time, or any other resource or asset that
25 the operation of a marijuana establishment is not worthy of being
26 carried out in practice by a reasonably prudent businessperson.

27 **Sec. 12.** NRS 453D.120 is hereby amended to read as follows:
28 453D.120 Notwithstanding any other provision of Nevada law
29 and the law of any political subdivision of Nevada, except as
30 otherwise provided in this chapter or the regulations adopted
31 pursuant to NRS 453D.200, it is lawful and must not, in this State,
32 be used as the basis for prosecution or penalty by this State or a
33 political subdivision of this State, and must not, in this State, be a
34 basis for seizure or forfeiture of assets for persons 21 years of age or
35 older to:

36 1. Possess marijuana and marijuana products, purchase
37 marijuana from a marijuana cultivation facility, purchase marijuana
38 and marijuana products from a marijuana product manufacturing
39 facility, return marijuana or marijuana products to a facility from
40 which they were purchased, transport marijuana and marijuana
41 products to or from a marijuana testing facility, use the services of a
42 marijuana distributor to transport marijuana or marijuana products
43 to or from marijuana establishments ~~{~~ or *marijuana consumption*
44 *lounges*, sell marijuana and marijuana products to consumers ~~{~~ or
45 *sell marijuana and marijuana products to marijuana consumption*



1 *lounges for resale* if the person conducting the activities described
2 in this subsection has a current, valid license to operate a retail
3 marijuana store or is acting in the person's capacity as an agent of a
4 retail marijuana store.

5 2. Cultivate, harvest, process, package, or possess marijuana,
6 sell marijuana to a marijuana cultivation facility, a marijuana
7 product manufacturing facility, or a retail marijuana store, transport
8 marijuana to or from a marijuana cultivation facility, a marijuana
9 product manufacturing facility, or a marijuana testing facility, use
10 the services of a marijuana distributor to transport marijuana to or
11 from marijuana establishments, or purchase marijuana from a
12 marijuana cultivation facility, if the person conducting the activities
13 described in this subsection has a current, valid license to operate a
14 marijuana cultivation facility or is acting in his or her capacity as an
15 agent of a marijuana cultivation facility.

16 3. Package, process, manufacture, or possess marijuana and
17 marijuana products, transport marijuana and marijuana products to
18 or from a marijuana testing facility, a marijuana cultivation facility,
19 or a marijuana product manufacturing facility, use the services of a
20 marijuana distributor to transport marijuana or marijuana products
21 to or from marijuana establishments, sell marijuana and marijuana
22 products to a retail marijuana store or a marijuana product
23 manufacturing facility, purchase marijuana from a marijuana
24 cultivation facility, or purchase marijuana and marijuana products
25 from a marijuana product manufacturing facility, if the person
26 conducting the activities described in this subsection has a current,
27 valid license to operate a marijuana product manufacturing facility
28 or is acting in his or her capacity as an agent of a marijuana product
29 manufacturing facility.

30 4. Possess marijuana and marijuana products and transfer and
31 transport marijuana and marijuana products between marijuana
32 establishments ~~H~~ *or between a retail marijuana store and a*
33 *marijuana consumption lounge*, if the person transporting the
34 marijuana and marijuana products has a current, valid license to
35 operate as a marijuana distributor or is acting in his or her capacity
36 as an agent of a marijuana distributor.

37 5. Possess, process, repackage, transport, or test marijuana and
38 marijuana products if the person has a current, valid license to
39 operate a marijuana testing facility or is acting in his or her capacity
40 as an agent of a marijuana testing facility.

41 6. *Purchase marijuana or marijuana products for resale from*
42 *a retail marijuana store or sell marijuana and marijuana products*
43 *to consumers if the person conducting the activities described in*
44 *this subsection has a current, valid license to operate a marijuana*
45 *consumption lounge issued pursuant to section 1 or 3 of this act or*



1 *is acting in his or her capacity as an agent of a marijuana*
2 *consumption lounge. A marijuana consumption lounge may only*
3 *purchase marijuana or marijuana products for resale pursuant to*
4 *this subsection by entering into a contract with one or more retail*
5 *marijuana stores to supply all marijuana and marijuana products*
6 *for sale to customers by the marijuana consumption lounge.*

7 7. Lease or otherwise allow property owned, occupied, or
8 controlled by any person, corporation, or other entity to be used for
9 any of the activities conducted lawfully in accordance with this
10 section.

11 **Sec. 13.** NRS 453D.400 is hereby amended to read as follows:

12 453D.400 1. ~~Restrictions on personal cultivation.~~

13 ~~—(a)~~ Except as otherwise provided in chapter 453A of NRS,
14 ~~any~~ a person ~~who~~ shall not:

15 ~~{(1) Cultivates}~~

16 (a) Cultivate marijuana within 25 miles of a retail marijuana
17 store licensed pursuant to this chapter, unless the person is a
18 marijuana cultivation facility or a person acting in his or her
19 capacity as an agent of a marijuana cultivation facility;

20 ~~{(2) Cultivates}~~

21 (b) Cultivate marijuana plants where they are visible from a
22 public place by normal unaided vision; or

23 ~~{(3) Cultivates}~~

24 (c) Cultivate marijuana on property not in the cultivator's lawful
25 possession or without the consent of the person in lawful physical
26 possession of the property . ~~;~~

27 ~~—(b) Is~~

28 2. A person who violates the provisions of subsection 1 is
29 guilty of:

30 ~~{(1)}~~ (a) For a first violation, a misdemeanor punished by a
31 fine of not more than \$600.

32 ~~{(2)}~~ (b) For a second violation, a misdemeanor punished by
33 a fine of not more than \$1,000.

34 ~~{(3)}~~ (c) For a third violation, a gross misdemeanor.

35 ~~{(4)}~~ (d) For a fourth or subsequent violation, a category E
36 felony.

37 ~~{2.—A}~~

38 3. Except as otherwise provided in subsection 9, a person who
39 smokes or otherwise consumes marijuana *or a marijuana product*
40 in a public place, in a retail marijuana store, or in a moving vehicle
41 is guilty of a misdemeanor punished by a fine of not more than
42 \$600.

43 ~~{3.}~~ 4. A person under 21 years of age who falsely represents
44 himself or herself to be 21 years of age or older to obtain marijuana
45 *or a marijuana product* is guilty of a misdemeanor.



~~14.1~~ 5. A person under 21 years of age who knowingly enters, loiters, or remains on the premises of a marijuana establishment shall be punished by a fine of not more than \$500 unless the person is authorized to possess marijuana pursuant to chapter 453A of NRS and the marijuana establishment is a dual licensee.

~~15.1~~ 6. A person who manufactures marijuana by chemical extraction or chemical synthesis, unless done pursuant to a marijuana product manufacturing license issued by the Department or authorized by chapter 453A of NRS, is guilty of a category E felony.

~~16.1~~ 7. A person who knowingly gives marijuana *or a marijuana product* to any person under 21 years of age, or who knowingly leaves or deposits any marijuana *or marijuana product* in any place with the intent that it will be procured by any person under 21 years of age is guilty of a misdemeanor.

~~17.1~~ 8. A person who knowingly gives marijuana *or a marijuana product* to any person under 18 years of age, or who knowingly leaves or deposits any marijuana *or marijuana product* in any place with the intent that it will be procured by any person under 18 years of age is guilty of a gross misdemeanor.

~~18. Notwithstanding the provisions of this chapter, after January 1, 2017, the Legislature may amend provisions of this act to provide for the conditions in which a locality may permit consumption of}~~

9. A person may smoke or otherwise consume marijuana *or a marijuana product* in a *portion of a* retail marijuana store ~~1.1~~ *that is licensed as a marijuana consumption lounge pursuant to section 1 or 3 of this act.*

Sec. 14. Section 1 of this act is hereby amended to read as follows:

Section 1. 1. Except as otherwise provided in this section, a board of county commissioners shall not regulate the business of or fix, impose or collect a license tax or any other fee for revenue or for regulation, or for both revenue and regulation, on a marijuana consumption lounge located in the county.

2. A board of county commissioners may, by ordinance, require each person who wishes to operate a marijuana consumption lounge in an unincorporated area of the county to obtain a license issued by the board before the person operates the marijuana consumption lounge.

3. An ordinance adopted pursuant to subsection 2 must require each applicant for such a license to submit an application for the license to the board of county commissioners in a form prescribed by the board.



4. A board of county commissioners shall not issue a license pursuant to this section unless the proposed marijuana consumption lounge:

(a) Is located 1,000 feet or more from all public or private schools and 300 feet or more from all community facilities;

(b) Is not located on the property of a public airport;

(c) Does not allow the consumption of marijuana, edible marijuana products, marijuana-infused products or marijuana products at any place which is reasonably viewable from a public place;

(d) Prohibits the entry of any person who is less than 21 years of age to the marijuana consumption lounge;

(e) Requires any marijuana, edible marijuana product, marijuana-infused product or marijuana product brought into a marijuana consumption lounge by a customer to be contained in sealed packaging which clearly identifies the medical marijuana dispensary or retail marijuana store that sold the marijuana or product;

(f) Requires any customer of the marijuana consumption lounge who exits the premises of the lounge with marijuana, edible marijuana products, marijuana-infused products or marijuana products to seal the marijuana or product in opaque packaging;

(g) Submits a security plan to the county which, without limitation, provides for adequate security and lighting at the marijuana consumption lounge and for each entrance and exit of the marijuana consumption lounge to be adequately secured;

(h) Before allowing a person to work for or volunteer at the marijuana consumption lounge, performs a criminal background check on the person;

(i) Is prohibited from employing or allowing to volunteer at the marijuana consumption lounge any person who has been convicted of an excluded felony offense, as defined in NRS 453D.030;

(j) Is prohibited from selling alcohol or allowing the consumption of alcohol on the premises of the marijuana consumption lounge;

(k) Is prohibited from offering gaming, as defined in NRS 463.0153, or allowing such gaming to occur on the premises of the marijuana consumption lounge;

(l) Installs a ventilation and exhaust system which is capable of absorbing odors sufficiently that any odor generated inside the marijuana consumption lounge cannot be easily detected from outside the lounge;



(m) Installs a ventilation system in each area inside the marijuana consumption lounge in which marijuana, edible marijuana products, marijuana-infused products or marijuana products are consumed that substantially removes smoke from the area and segregates each such area from all other areas of the marijuana consumption lounge by enclosing the area on all sides by any combination of solid walls, windows or doors that extend from the floor to the ceiling;

(n) Provides information on public transportation, taxis and transportation network companies to all customers of the marijuana consumption lounge;

(o) Trains each employee or volunteer of the marijuana consumption lounge concerning paraphernalia, marijuana, edible marijuana products, marijuana-infused products and marijuana products, including, without limitation, the proper use of paraphernalia, the potency, absorption time and effects of marijuana, edible marijuana products, marijuana-infused products and marijuana products, the recognition of impairment from and overconsumption of marijuana, and the safe handling of a customer who is impaired;

(p) Makes one or more employees or volunteers available to customers at all times that the marijuana consumption lounge is open to educate the customers of the lounge on the safe use of marijuana, edible marijuana products, marijuana-infused products and marijuana products and the proper use of paraphernalia;

(q) Prohibits loitering outside of the marijuana consumption lounge at any time;

(r) Collaborates with the appropriate local law enforcement agency to properly collect and promptly dispose of any marijuana, edible marijuana products, marijuana-infused products or marijuana products which are left at the marijuana consumption lounge; and

(s) ~~Hs~~ *Except as otherwise provided in subsection 7, is* prohibited from acquiring from any source or selling marijuana, edible marijuana products, marijuana-infused products or marijuana products.

5. A board of county commissioners may:

(a) Establish and collect a fee for the issuance or renewal of a license issued pursuant to this section which does not exceed the fee charged for a business license for similar businesses, including, without limitation, bars, lounges and social clubs;



(b) Grant or deny applications for a license and impose conditions, limitations or restrictions upon the license that are not unreasonably impracticable; and

(c) Establish any other requirements necessary to carry out the provisions of this section.

6. A board of county commissioners shall not arbitrarily or unreasonably limit the number of licenses issued pursuant to this section.

7. A marijuana consumption lounge may:

(a) Rent paraphernalia to the customers of the marijuana consumption lounge;

(b) Sell food and nonalcoholic beverages to the customers of the marijuana consumption lounge;

(c) Sell opaque packaging suitable for marijuana, edible marijuana products, marijuana-infused products or marijuana products to customers of the marijuana consumption lounge; and

(d) Sell any other item which does not contain marijuana, edible marijuana products, marijuana-infused products or marijuana products and is not intended for use with marijuana or such products, including, without limitation, clothing, pins, stickers or other memorabilia.

(e) Enter into a contract with one or more retail marijuana stores to sell to the marijuana consumption lounge for the purpose of resale all marijuana and marijuana products obtained by the marijuana consumption lounge; and

(f) Sell marijuana and marijuana products obtained pursuant to paragraph (e) to the customers of the marijuana consumption lounge.

8. As used in this section:

(a) "Community facility" means:

(1) A licensed facility that provides day care services for children.

(2) A public park.

(3) A public playground.

(4) A public swimming pool.

(5) A center or facility, the primary purpose of which is to provide recreational opportunities or services to children or adolescents.

(6) A church, synagogue or other building, structure or place used for religious worship or other religious purpose.

(7) A center or facility, the primary purpose of which is the treatment or rehabilitation for the abuse of alcohol or drugs.



(b) "Edible marijuana products" has the meaning ascribed to it in NRS 453A.101.

(c) "Marijuana" has the meaning ascribed to it in NRS 453.096.

(d) "Marijuana consumption lounge" means a business which allows marijuana, edible marijuana products, marijuana-infused products or marijuana products to be consumed on the premises of the business and which is licensed pursuant to this section.

(e) "Marijuana-infused products" has the meaning ascribed to it in NRS 453A.112.

(f) "Marijuana products" has the meaning ascribed to it in NRS 453D.030.

(g) "Medical marijuana dispensary" has the meaning ascribed to it in NRS 453A.115.

(h) "Paraphernalia" means accessories, devices and other equipment that is necessary or useful for a person to engage in the use of marijuana.

(i) "Retail marijuana store" has the meaning ascribed to it in NRS 453D.030.

(j) "Unreasonably impracticable" means that the measures necessary to comply with the conditions, limitations or restrictions require such a high investment of risk, money, time or any other resource or asset that the operation of a marijuana consumption lounge is not worthy of being carried out in practice by a reasonably prudent businessperson.

Sec. 15. Section 3 of this act is hereby amended to read as follows:

Sec. 3. 1. Except as otherwise provided in this section, the governing body of an incorporated city, whether organized under general law or special charter, shall not regulate the business of or fix, impose or collect for revenues or for regulation, or both, a license tax or any other fee on a marijuana consumption lounge located within its corporate limits.

2. The governing body of an incorporated city, whether organized under general law or special charter, may, by ordinance, require each person who wishes to operate a marijuana consumption lounge in the city to obtain a license issued by the governing body before the person operates the marijuana consumption lounge.

3. An ordinance adopted pursuant to subsection 2 must require each applicant for such a license to submit an application for the license to the governing body of the incorporated city in a form prescribed by the governing body.



4. The governing body of an incorporated city shall not issue a license pursuant to this section unless the proposed marijuana consumption lounge:

(a) Is located 1,000 feet or more from all public or private schools and 300 feet or more from all community facilities;

(b) Is not located on the property of a public airport;

(c) Does not allow the consumption of marijuana, edible marijuana products, marijuana-infused products or marijuana products at any place which is reasonably viewable from a public place;

(d) Prohibits the entry of any person who is less than 21 years of age to the marijuana consumption lounge;

(e) Requires any marijuana, edible marijuana product, marijuana-infused product or marijuana product brought into a marijuana consumption lounge by a customer to be contained in sealed packaging which clearly identifies the medical marijuana dispensary or retail marijuana store that sold the marijuana or product;

(f) Requires any customer of the marijuana consumption lounge who exits the premises of the lounge with marijuana, edible marijuana products, marijuana-infused products or marijuana products to seal the marijuana or product in opaque packaging;

(g) Submits a security plan to the incorporated city which, without limitation, provides for adequate security and lighting at the marijuana consumption lounge and for each entrance and exit of the marijuana consumption lounge to be adequately secured;

(h) Before allowing a person to work for or volunteer at the marijuana consumption lounge, performs a criminal background check on the person;

(i) Is prohibited from employing or allowing to volunteer at the marijuana consumption lounge any person who has been convicted of an excluded felony offense, as defined in NRS 453D.030;

(j) Is prohibited from selling alcohol or allowing the consumption of alcohol on the premises of the marijuana consumption lounge;

(k) Is prohibited from offering gaming, as defined in NRS 463.0153, or allowing such gaming to occur on the premises of the marijuana consumption lounge;

(l) Installs a ventilation and exhaust system which is capable of absorbing odors sufficiently that any odor generated inside the marijuana consumption lounge cannot be easily detected from outside the lounge;



(m) Installs a ventilation system in each area inside the marijuana consumption lounge in which marijuana, edible marijuana products, marijuana-infused products or marijuana products are consumed that substantially removes smoke from the area and segregates each such area from all other areas of the marijuana consumption lounge by enclosing the area on all sides by any combination of solid walls, windows or doors that extend from the floor to the ceiling;

(n) Provides information on public transportation, taxis and transportation network companies to all customers of the marijuana consumption lounge;

(o) Trains each employee or volunteer of the marijuana consumption lounge concerning paraphernalia, marijuana, edible marijuana products, marijuana-infused products and marijuana products, including, without limitation, the proper use of paraphernalia, the potency, absorption time and effects of marijuana, edible marijuana products, marijuana-infused products and marijuana products, the recognition of impairment from and overconsumption of marijuana, and the safe handling of a customer who is impaired;

(p) Makes one or more employees or volunteers available at all times that the marijuana consumption lounge is open to customers to educate the customers of the lounge on the safe use of marijuana, edible marijuana products, marijuana-infused products and marijuana products and the proper use of paraphernalia;

(q) Prohibits loitering outside of the marijuana consumption lounge at any time;

(r) Collaborates with the appropriate local law enforcement agency to properly collect and promptly dispose of any marijuana, edible marijuana products, marijuana-infused products or marijuana products which are left at the marijuana consumption lounge; and

(s) ~~Hs~~ *Except as otherwise provided in subsection 7, is* prohibited from acquiring from any source or selling marijuana, edible marijuana products, marijuana-infused products or marijuana products.

5. The governing body of an incorporated city may:

(a) Establish and collect a fee for the issuance or renewal of a license issued pursuant to this section which does not exceed the fee charged for a business license for similar businesses, including, without limitation, bars, lounges and social clubs;



(b) Grant or deny applications for a license and impose conditions, limitations or restrictions upon the license that are not unreasonably impracticable; and

(c) Establish any other requirements necessary to carry out the provisions of this section.

6. The governing body of an incorporated city shall not arbitrarily or unreasonably limit the number of licenses issued pursuant to this section.

7. A marijuana consumption lounge may:

(a) Rent paraphernalia to the customers of the marijuana consumption lounge;

(b) Sell food and nonalcoholic beverages to the customers of the marijuana consumption lounge;

(c) Sell opaque packaging suitable for marijuana or marijuana products to customers of the marijuana consumption lounge; and

(d) Sell any other item which does not contain marijuana, edible marijuana products, marijuana-infused products or marijuana products and is not intended for use with marijuana or such products, including, without limitation, clothing, pins, stickers or other memorabilia.

(e) Enter into a contract with one or more retail marijuana stores to sell to the marijuana consumption lounge for the purpose of resale all marijuana and marijuana products obtained by the marijuana consumption lounge; and

(f) Sell marijuana and marijuana products obtained pursuant to paragraph (e) to the customers of the marijuana consumption lounge.

8. As used in this section:

(a) "Community facility" means:

(1) A licensed facility that provides day care services for children.

(2) A public park.

(3) A public playground.

(4) A public swimming pool.

(5) A center or facility, the primary purpose of which is to provide recreational opportunities or services to children or adolescents.

(6) A church, synagogue or other building, structure or place used for religious worship or other religious purpose.

(7) A center or facility, the primary purpose of which is the treatment or rehabilitation for the abuse of alcohol or drugs.



(b) "Edible marijuana products" has the meaning ascribed to it in NRS 453A.101.

(c) "Marijuana" has the meaning ascribed to it in NRS 453.096.

(d) "Marijuana consumption lounge" means a business which allows marijuana, edible marijuana products, marijuana-infused products or marijuana products to be consumed on the premises of the business and which is licensed pursuant to this section.

(e) "Marijuana-infused products" has the meaning ascribed to it in NRS 453A.112.

(f) "Marijuana products" has the meaning ascribed to it in NRS 453D.030.

(g) "Medical marijuana dispensary" has the meaning ascribed to it in NRS 453A.115.

(h) "Paraphernalia" means accessories, devices and other equipment that is necessary or useful for a person to engage in the use of marijuana.

(i) "Retail marijuana store" has the meaning ascribed to it in NRS 453D.030.

(j) "Unreasonably impracticable" means that the measures necessary to comply with the conditions, limitations or restrictions require such a high investment of risk, money, time or any other resource or asset that the operation of a marijuana consumption lounge is not worthy of being carried out in practice by a reasonably prudent businessperson.

Sec. 16. 1. This section and sections 1 to 4, inclusive, and 9 of this act become effective on July 1, 2019.

2. Sections 5 to 8, inclusive, and 10 to 15, inclusive, of this act become effective on January 2, 2020.

