

SENATE BILL NO. 347—SENATORS SETTELMAYER AND GOICOECHEA

MARCH 18, 2019

JOINT SPONSOR: ASSEMBLYMAN WHEELER

Referred to Committee on Natural Resources

SUMMARY—Revises provisions relating to hemp. (BDR 49-976)

FISCAL NOTE: Effect on Local Government: No.
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 hemp; revising provisions relating to the growth, handling and production of hemp; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the growing and cultivation of industrial hemp for purposes relating to research and the growing and handling of industrial hemp and the production of agricultural hemp seed by persons registered with the State Department of Agriculture. (Chapter 557 of NRS) On December 20, 2018, the President of the United States signed the Agricultural Improvement Act of 2018 into law. Section 10113 of the Act authorizes the production of hemp under the primary jurisdiction of a state or tribal government if the state or tribal government submits a plan to the United States Secretary of Agriculture that satisfies certain requirements. (Public Law 115-334) Because federal law now refers to plants of the genus *Cannabis sativa* L. with a THC concentration of not more than 0.3 percent as “hemp” rather than “industrial hemp,” **sections 3-6, 9, 13, 15 and 17-21** of this bill revise various sections of state law to use the term “hemp” for this plant and its derivatives.

Section 1 of this bill requires each site used for growing, handling or producing hemp to be certified and registered with the State Department of Agriculture. **Section 14** of this bill authorizes the Department to adopt regulations for the certification and registration of such sites. **Section 5** of this bill revises the definition of the term “handler” to remove the word “raw” when referencing the handling of hemp. **Section 6** of this bill revises the definition of the term “industrial hemp” to be consistent with federal law. **Section 8** of this bill exempts a person who purchases hemp or a commodity or product made using hemp for resale or who transports hemp or a commodity or product made using hemp from the requirements of state law relating to growers, handlers and producers of hemp in certain circumstances.



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Section 9 of this bill requires an applicant for registration as a grower, handler or producer to include information concerning the land and crop management practices of the applicant in an application for registration. **Section 9** requires an applicant for renewal of registration as a grower, handler or producer to submit certain information. **Section 9** authorizes the Department to establish by regulation: (1) provisions relating to the transfer of a registration as a grower, handler or producer; and (2) fees for services performed by the Department.

Section 9 also requires a grower, handler or producer who intends to surrender or not renew a registration to notify the Department and submit a plan for the effective disposal or eradication of certain hemp. **Section 16** of this bill requires the Department to impose an administrative fine against a person who fails to comply with this requirement.

Section 12 of this bill requires a grower or handler to keep and maintain certain records for a period of not less than 3 years. **Section 12** requires a grower to submit to the Department and comply with an approved plan to dispose of a crop that is found to contain a THC concentration that exceeds the maximum THC concentration established by federal law for hemp. **Section 12** authorizes the Department to impose an administrative fine for certain land or crop management practices. **Section 13** of this bill requires a grower to submit to the Department the legal description of property on which the crop of the grower is located.

Section 14 of this bill authorizes the Department to adopt regulations necessary to comply with any requirement imposed by the United States Department of Agriculture. **Section 14** prohibits a grower from obtaining agricultural hemp seed which was produced in this State by a person other than a producer or produced in another state by a person not registered and approved to produce and sell agricultural hemp seed in that state. **Section 14** requires a handler to obtain hemp from a grower and agricultural hemp seed from a producer.

Section 15 of this bill eliminates provisions that require a handler to submit a commodity or product made using hemp which is intended for human consumption for certain testing. **Section 15** requires a grower or producer to submit, before harvesting, a sample of each crop to the Department or a laboratory approved by the Department for testing to determine the THC concentration of the crop. If a crop is harvested before such testing is completed, **section 15** authorizes the Department to detain, seize or embargo the crop.

Section 17 of this bill eliminates provisions that make growing or handling hemp or producing agricultural hemp seed without a registration a misdemeanor. **Section 17** instead requires the Department to impose an administrative fine on such a person and report the person to the appropriate local law enforcement agency for investigation.

Section 22 of this bill repeals provisions that provide for the growth or cultivation of industrial hemp for purposes relating to research. **Sections 2, 5 and 7-12** 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 557 of NRS is hereby amended by adding thereto a new section to read as follows:

Each site used for growing, handling or producing hemp in this State must be certified by and registered with the Department before growing, handling or producing hemp.



1 **Sec. 2.** NRS 557.100 is hereby amended to read as follows:
2 557.100 As used in ~~[NRS 557.100 to 557.290, inclusive.]~~ *this*
3 *chapter*, unless the context otherwise requires, the words and terms
4 defined in NRS 557.110 to 557.180, inclusive, have the meanings
5 ascribed to them in those sections.

6 **Sec. 3.** NRS 557.120 is hereby amended to read as follows:
7 557.120 “Crop” means all ~~[industrial]~~ hemp grown by a
8 grower.

9 **Sec. 4.** NRS 557.140 is hereby amended to read as follows:
10 557.140 “Grower” means a person who is registered by the
11 Department and produces ~~[industrial]~~ hemp.

12 **Sec. 5.** NRS 557.150 is hereby amended to read as follows:
13 557.150 “Handler” means a person who is registered by the
14 Department pursuant to ~~[NRS 557.100 to 557.290, inclusive.]~~ *this*
15 *chapter* and ~~[receives industrial]~~ *handles* hemp for processing into
16 commodities, products or agricultural hemp seed.

17 **Sec. 6.** NRS 557.160 is hereby amended to read as follows:

18 557.160 1. ~~[“Industrial hemp”]~~ **“Hemp”** means ~~[:~~
19 ~~—(a) Any]~~ *any* plant of the genus Cannabis *sativa L.* and any part
20 of such a plant ~~[other than a seed.]~~, *including, without limitation,*
21 *the seeds thereof and all derivatives, extracts, cannabinoids,*
22 *isomers, acids, salts and salts of isomers,* whether growing or not,
23 with a THC concentration ~~[of not more than 0.3 percent on a dry~~
24 ~~weight basis; and~~

25 ~~—(b) A seed of any plant of the genus Cannabis that:~~

26 ~~—(1) Is part of a crop;~~

27 ~~—(2) Is retained by a grower for future planting;~~

28 ~~—(3) Is agricultural hemp seed;~~

29 ~~—(4) Is intended for processing into or for use as agricultural~~
30 ~~hemp seed; or~~

31 ~~—(5) Has been processed in a manner that renders it incapable~~
32 ~~of germination.]~~ *that does not exceed the maximum THC*
33 *concentration established by federal law for hemp.*

34 2. ~~[“Industrial hemp”]~~ **“Hemp”** does not include any
35 commodity or product made using ~~[industrial]~~ hemp.

36 **Sec. 7.** NRS 557.170 is hereby amended to read as follows:

37 557.170 “Producer” means a person who is registered by the
38 Department pursuant to ~~[NRS 557.100 to 557.290, inclusive.]~~ *this*
39 *chapter* and produces agricultural hemp seed.

40 **Sec. 8.** NRS 557.190 is hereby amended to read as follows:

41 557.190 The provisions of ~~[NRS 557.100 to 557.290,~~
42 ~~inclusive.]~~ *this chapter* do not apply to ~~[the Department or an~~
43 ~~institution of higher education which grows or cultivates industrial~~
44 ~~hemp pursuant to NRS 557.010 to 557.080, inclusive.] :~~



1 *1. A person who purchases, for the purpose of resale, hemp*
2 *or a commodity or product made using hemp which was not grown*
3 *or processed by the person; or*

4 *2. A person who transports hemp or a commodity or product*
5 *made using hemp which was not grown or processed by the*
6 *person,*

7 *↪ if such a person reasonably believes the hemp or commodity or*
8 *product made using hemp was grown or processed in compliance*
9 *with the provisions of this chapter.*

10 **Sec. 9.** NRS 557.200 is hereby amended to read as follows:

11 557.200 1. A person shall not grow or handle ~~[industrial]~~
12 hemp or produce agricultural hemp seed unless the person is
13 registered with the Department as a grower, handler or producer, as
14 applicable.

15 2. A person who wishes to grow or handle industrial hemp
16 must register with the Department as a grower or handler, as
17 applicable.

18 3. A person who wishes to produce agricultural hemp seed
19 must register with the Department as a producer unless the person
20 is:

21 (a) A grower registered pursuant to subsection 2 who retains
22 agricultural hemp seed solely pursuant to subsection 3 of NRS
23 557.250; or

24 (b) A grower or handler registered pursuant to subsection 2 who
25 processes seeds of any plant of the genus Cannabis which are
26 incapable of germination into commodities or products.

27 ↪ A person may not register as a producer unless the person is also
28 registered as a grower or handler.

29 4. A person who wishes to register with the Department as a
30 grower, handler or producer must submit to the Department the fee
31 established pursuant to subsection ~~[7]~~ 8 and an application, on a
32 form prescribed by the Department, which includes:

33 (a) The name and address of the applicant;

34 (b) The name and address of the applicant's business in which
35 ~~[industrial]~~ hemp or agricultural hemp seed will be grown, handled
36 or produced, if different than that of the applicant; ~~[and]~~

37 (c) *Information concerning the land and crop management*
38 *practices of the applicant; and*

39 (d) Such other information as the Department may require by
40 regulation.

41 5. Registration as a grower, handler or producer expires on
42 December 31 of each year and may be renewed upon submission of
43 an application for renewal containing ~~[such]~~:



1 (a) *Proof satisfactory to the Department that the applicant*
2 *complied with the provisions of this chapter and the regulations*
3 *adopted pursuant thereto relating to testing of hemp;*

4 (b) *Proof satisfactory to the Department that the land and crop*
5 *management practices of the applicant are adequate, consistent*
6 *with any previous information submitted to the Department and do*
7 *not negatively affect natural resources; and*

8 (c) *Such other* information as the Department may require by
9 regulation.

10 6. *A grower, handler or producer who intends to surrender or*
11 *not renew a registration must notify the Department not less than*
12 *30 days before the registration is surrendered or expires and*
13 *submit to the Department a plan for the effective disposal or*
14 *eradication of any existing live plants, viable seed or harvested*
15 *crop.*

16 7. ~~[Registration]~~ *The Department shall adopt regulations that*
17 *authorize the transfer of a registration as a grower, handler or*
18 *producer ~~[is not transferable. If]~~ and establish conditions for such a*

19 *transfer. The regulations must include, without limitation,*
20 *provisions which allow a grower, handler or producer which*
21 *changes its business name or the ownership of the grower, handler*
22 *or producer ~~[changes, the grower, handler or producer must obtain a~~*
23 *new registration pursuant to NRS 557.100 to 557.290, inclusive.] to*
24 *transfer its registration to the new entity.*

25 ~~[7.]~~ 8. The Department shall establish by regulation fees for
26 the issuance and renewal of registration as a grower, handler or
27 producer *and for any other service performed by the Department* in
28 an amount necessary to cover the costs of carrying out ~~[NRS~~
29 ~~557.100 to 557.290, inclusive.] this chapter.~~

30 **Sec. 10.** NRS 557.210 is hereby amended to read as follows:

31 557.210 1. In addition to any other requirements set forth in
32 ~~[NRS 557.100 to 557.290, inclusive.] this chapter,~~ an applicant for
33 registration or the renewal of a registration as a grower, handler or
34 producer shall:

35 (a) Include the social security number of the applicant in the
36 application submitted to the Department.

37 (b) Submit to the Department the statement prescribed by the
38 Division of Welfare and Supportive Services of the Department of
39 Health and Human Services pursuant to NRS 425.520. The
40 statement must be completed and signed by the applicant.

41 2. The Department shall include the statement required
42 pursuant to subsection 1 in:

43 (a) The application or any other forms that must be submitted
44 for the issuance or renewal of the registration; or

45 (b) A separate form prescribed by the Department.



3. Registration as a grower, handler or producer may not be issued or renewed by the Department if the applicant:

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

(b) Indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

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

Sec. 11. NRS 557.230 is hereby amended to read as follows:

557.230 1. In addition to any other requirements set forth in ~~[NRS 557.100 to 557.290, inclusive.]~~ *this chapter*, an applicant for the renewal of a registration as a grower, handler or producer must indicate in the application submitted to the Department whether the applicant has a state business license. If the applicant has a state business license, the applicant must include in the application the business identification number assigned by the Secretary of State upon compliance with the provisions of chapter 76 of NRS.

2. Registration as a grower, handler or producer may not be renewed by the Department if:

(a) The applicant fails to submit the information required by subsection 1; or

(b) The State Controller has informed the Department pursuant to subsection 5 of NRS 353C.1965 that the applicant owes a debt to an agency that has been assigned to the State Controller for collection and the applicant has not:

(1) Satisfied the debt;

(2) Entered into an agreement for the payment of the debt pursuant to NRS 353C.130; or

(3) Demonstrated that the debt is not valid.

3. As used in this section:

(a) "Agency" has the meaning ascribed to it in NRS 353C.020.

(b) "Debt" has the meaning ascribed to it in NRS 353C.040.

Sec. 12. NRS 557.240 is hereby amended to read as follows:

557.240 1. A grower or handler shall keep *and maintain for a period of not less than 3 years* such records as the Department



may prescribe by regulation and, upon 3 days' notice, make such records available to the Department for inspection during normal business hours. The Department may inspect records pursuant to this subsection to determine whether a person has complied with the provisions of ~~[NRS 557.100 to 557.290, inclusive,]~~ *this chapter*, the regulations adopted pursuant thereto and any lawful order of the Department.

2. The Department may inspect any growing crop of a grower and take a representative sample for analysis in the field. If the testing of such a sample in the field determines that the crop contains a THC concentration ~~[of more than 0.3 percent on a dry weight basis, the]~~ *that exceeds the maximum THC concentration established by federal law for hemp:*

(a) *The Department may detain, seize or embargo the crop* ~~[]~~ ;
and

(b) *The grower shall submit a plan for the effective disposal of the crop to the Department for its approval.*

3. *If a grower fails to submit an approved plan to the Department pursuant to paragraph (b) of subsection 2 or fails to follow the provisions of such a plan, the Department may:*

(a) *Impose any additional requirement it determines necessary upon the grower;*

(b) *Suspend or revoke the registration of the grower;*

(c) *Impose an administrative fine pursuant to NRS 557.280 on the grower;*

(d) *Report the grower to the appropriate local law enforcement agency for investigation of a violation of the provisions of chapter 453 of NRS.*

4. *If the Department determines that the land or crop management practices of a grower, handler or producer are inadequate, inconsistent with the information concerning such practices submitted to the Department pursuant to NRS 557.200 or negatively affect natural resources, the Department may impose an administrative fine pursuant to NRS 557.280.*

Sec. 13. NRS 557.250 is hereby amended to read as follows:

557.250 1. Each grower shall provide the Department with a *legal* description of *and additional information to identify* the property on which the crop of the grower is or will be located. Such ~~[a description]~~ *additional information* must be in a manner prescribed by the Department and include, without limitation, global positioning system coordinates.

2. A grower may use any method for the propagation of ~~[industrial]~~ hemp to produce ~~[industrial]~~ hemp, including, without limitation, planting seeds or starts, using clones or cuttings or cultivating ~~[industrial]~~ hemp in a greenhouse.



3. A grower may retain agricultural hemp seed for the purpose of propagating ~~industrial~~ hemp in future years.

Sec. 14. NRS 557.260 is hereby amended to read as follows:

557.260 1. The Department may adopt regulations ~~establishing~~ *necessary to:*

(a) *Establish* quality standards and requirements for the packaging and labeling of agricultural hemp seed ~~H~~;

(b) *Provide for the certification and registration of sites used for growing, producing or handling hemp; and*

(c) *Comply with any requirement imposed by the United States Department of Agriculture, including, without limitation, any requirement related to reporting information regarding growers, handlers and producers.*

2. A producer shall comply with:

(a) Any regulation adopted by the Department pursuant to subsection 1; and

(b) The provisions of NRS 587.015 to 587.123, inclusive, and any regulations adopted pursuant thereto.

3. *Any agricultural hemp seed which is obtained by a grower and was produced:*

(a) *In this State must be produced by a producer; and*

(b) *In another state must be produced by a person who is registered and approved to produce and sell agricultural hemp seed pursuant to the laws of that state.*

4. The Department shall provide adequate information to growers to identify producers from which a grower may purchase agricultural hemp seed.

5. *A handler may only obtain hemp from a grower and agricultural hemp seed for cleaning and future propagation from a producer.*

Sec. 15. NRS 557.270 is hereby amended to read as follows:

557.270 1. A grower, handler or producer may submit ~~industrial~~ hemp or a commodity or product made using ~~industrial~~ hemp to an independent testing laboratory for testing pursuant to this section and an independent testing laboratory may perform such testing.

2. ~~[A handler may not sell a commodity or product made using industrial hemp which is intended for human consumption unless the commodity or product has been submitted to an independent testing laboratory for testing and the independent testing laboratory has confirmed that the commodity or product satisfies the standards established by the Department for the content and quality of industrial hemp.~~

~~3. The Department shall adopt regulations establishing protocols and procedures for the testing of commodities and~~



~~products made using industrial hemp, including, without limitation, determining appropriate standards for sampling and for the size of batches for testing.~~

~~—4.] A grower or producer shall, before harvesting, submit a sample of each crop to the Department or a laboratory approved by the Department to determine whether the crop has a THC concentration that exceeds the maximum THC concentration established by federal law for hemp.~~ The Department may adopt regulations ~~[requiring the submission of a sample of a crop of industrial hemp by a grower to an independent testing laboratory to determine whether the crop has a THC concentration of not more than 0.3 percent on a dry weight basis. The regulations may]~~ relating to such testing which include, without limitation:

(a) Protocols and procedures for the testing of a crop, including, without limitation, determining appropriate standards for sampling and for the size of batches for testing; and

(b) A requirement that ~~[an independent testing]~~ a laboratory provide the results of the testing directly to the Department in a manner prescribed by the Department.

~~[5.] 3. A crop which is harvested before the testing required by subsection 2 is completed shall be deemed to have failed the testing and may be detained, seized or embargoed by the Department. The Department shall not renew the registration of a grower or producer who harvests a crop before the testing required by subsection 2 is completed.~~

4. As used in this section ~~[-~~

~~—(a) “Independent] , “independent~~ testing laboratory” means a facility certified as an independent testing laboratory pursuant to NRS 453A.368.

~~[(b) “Intended for human consumption” means intended for ingestion or inhalation by a human or for topical application to the skin or hair of a human.]~~

Sec. 16. NRS 557.280 is hereby amended to read as follows:

557.280 1. The Department may refuse to issue or renew, suspend or revoke the registration of a grower, handler or producer for a violation of any provision of ~~[NRS 557.100 to 557.290, inclusive,]~~ *this chapter*, the regulations adopted pursuant thereto or any lawful order of the Department.

2. ~~[Hn]~~ *The Department shall impose an administrative fine in an amount not to exceed \$2,500 on any person who fails to comply with the provisions of subsection 6 of NRS 557.200.*

3. *Except as otherwise provided in subsection 2 and in addition to any other penalty provided by law, the Department may impose an administrative fine on any person who violates any of the provisions of* ~~[NRS 557.100 to 557.290, inclusive,]~~ *this chapter,*



the regulations adopted pursuant thereto or any lawful order of the Department in an amount not to exceed \$2,500.

~~[3.]~~ **4.** All fines collected by the Department pursuant to ~~[subsection]~~ **subsections 2 and 3** must be deposited with the State Treasurer for credit to the State General Fund.

Sec. 17. NRS 557.290 is hereby amended to read as follows:

557.290 ~~[Any] If a~~ person ~~[who]~~ grows or handles ~~[industrial]~~ hemp or produces agricultural hemp seed without being registered with the Department pursuant to NRS 557.200 , ~~[is guilty of a misdemeanor and shall be punished by imprisonment in the county jail for not more than 6 months, or by a fine of not more than \$1,000, or by both fine and imprisonment. The prosecuting attorney and the Department may recover the costs of the proceeding, including investigative costs and attorney's fees, against a person convicted of a misdemeanor pursuant to this section.]~~ *the Department shall:*

1. Impose an administrative fine pursuant to NRS 557.280 on the person; and

2. Report the person to the appropriate local law enforcement agency for investigation of a violation of the provisions of chapter 453 of NRS.

Sec. 18. NRS 453.096 is hereby amended to read as follows:

453.096 1. "Marijuana" means:

(a) All parts of any plant of the genus Cannabis, whether growing or not;

(b) The seeds thereof;

(c) The resin extracted from any part of the plant, including concentrated cannabis; and

(d) Every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin.

2. "Marijuana" does not include:

(a) ~~[Industrial hemp.]~~ **Hemp**, as defined in NRS ~~[557.040.]~~ **557.160**, which is grown or cultivated pursuant to the provisions of chapter 557 of NRS; or

(b) 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, or the sterilized seed of the plant which is incapable of germination.

Sec. 19. NRS 453.339 is hereby amended to read as follows:

453.339 1. Except as otherwise provided in NRS 453.011 to 453.552, inclusive, a person who knowingly or intentionally sells, manufactures, delivers or brings into this State or who is knowingly



1 or intentionally in actual or constructive possession of marijuana or
2 concentrated cannabis shall be punished, if the quantity involved:

3 (a) Is 50 pounds or more, but less than 1,000 pounds, of
4 marijuana or 1 pound or more, but less than 20 pounds, of
5 concentrated cannabis, for a category C felony as provided in NRS
6 193.130 and by a fine of not more than \$25,000.

7 (b) Is 1,000 pounds or more, but less than 5,000 pounds, of
8 marijuana or 20 pounds or more, but less than 100 pounds, of
9 concentrated cannabis, for a category B felony by imprisonment in
10 the state prison for a minimum term of not less than 2 years and a
11 maximum term of not more than 10 years and by a fine of not more
12 than \$50,000.

13 (c) Is 5,000 pounds or more of marijuana or 100 pounds or more
14 of concentrated cannabis, for a category A felony by imprisonment
15 in the state prison:

16 (1) For life with the possibility of parole, with eligibility for
17 parole beginning when a minimum of 5 years has been served; or

18 (2) For a definite term of 15 years, with eligibility for parole
19 beginning when a minimum of 5 years has been served,

20 ➔ and by a fine of not more than \$200,000.

21 2. For the purposes of this section:

22 (a) "Marijuana" means all parts of any plant of the genus
23 Cannabis, whether growing or not, except for ~~[industrial]~~ hemp, as
24 defined in NRS ~~[§557.040,]~~ 557.160, which is grown or cultivated
25 pursuant to the provisions of chapter 557 of NRS. The term does not
26 include concentrated cannabis.

27 (b) The weight of marijuana or concentrated cannabis is its
28 weight when seized or as soon as practicable thereafter. If marijuana
29 and concentrated cannabis are seized together, each must be
30 weighed separately and treated as separate substances.

31 **Sec. 20.** NRS 453A.352 is hereby amended to read as follows:

32 453A.352 1. The operating documents of a medical
33 marijuana establishment must include procedures:

34 (a) For the oversight of the medical marijuana establishment;
35 and

36 (b) To ensure accurate recordkeeping, including, without
37 limitation, the provisions of NRS 453A.354 and 453A.356.

38 2. Except as otherwise provided in this subsection, a medical
39 marijuana establishment:

40 (a) That is a medical marijuana dispensary must have a single
41 entrance for patrons, which must be secure, and shall implement
42 strict security measures to deter and prevent the theft of marijuana
43 and unauthorized entrance into areas containing marijuana.

44 (b) That is not a medical marijuana dispensary must have a
45 single secure entrance and shall implement strict security measures



1 to deter and prevent the theft of marijuana and unauthorized
2 entrance into areas containing marijuana.

3 ➤ The provisions of this subsection do not supersede any state or
4 local requirements relating to minimum numbers of points of entry
5 or exit, or any state or local requirements relating to fire safety.

6 3. A medical marijuana establishment is prohibited from
7 acquiring, possessing, cultivating, manufacturing, delivering,
8 transferring, transporting, supplying or dispensing marijuana for any
9 purpose except to:

10 (a) Directly or indirectly assist patients who possess valid
11 registry identification cards;

12 (b) Assist patients who possess valid registry identification cards
13 or letters of approval by way of those patients' designated primary
14 caregivers; and

15 (c) Return for a refund marijuana, edible marijuana products or
16 marijuana-infused products to the medical marijuana establishment
17 from which the marijuana, edible marijuana products or
18 marijuana-infused products were acquired.

19 ➤ For the purposes of this subsection, a person shall be deemed to
20 be a patient who possesses a valid registry identification card or
21 letter of approval if he or she qualifies for nonresident reciprocity
22 pursuant to NRS 453A.364.

23 4. All cultivation or production of marijuana that a cultivation
24 facility carries out or causes to be carried out must take place in an
25 enclosed, locked facility at the physical address provided to the
26 Department during the registration process for the cultivation
27 facility. Such an enclosed, locked facility must be accessible only by
28 medical marijuana establishment agents who are lawfully associated
29 with the cultivation facility, except that limited access by persons
30 necessary to perform construction or repairs or provide other labor
31 is permissible if such persons are supervised by a medical marijuana
32 establishment agent.

33 5. A medical marijuana dispensary and a cultivation facility
34 may acquire usable marijuana or marijuana plants from a person
35 who holds a valid registry identification card, including, without
36 limitation, a designated primary caregiver. Except as otherwise
37 provided in this subsection, the patient or caregiver, as applicable,
38 must receive no compensation for the marijuana. A patient who
39 holds a valid registry identification card, and the designated primary
40 caregiver of such a patient, or the designated primary caregiver of a
41 person who holds a letter of approval may sell usable marijuana to a
42 medical marijuana dispensary one time and may sell marijuana
43 plants to a cultivation facility one time.



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

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

8. A dual licensee, as defined in NRS 453D.030:

(a) Shall comply with the regulations adopted by the Department pursuant to paragraph (k) of subsection 1 of NRS 453D.200 with respect to the medical marijuana establishment operated by the dual licensee; and

(b) May, to the extent authorized by such regulations, combine the location or operations of the medical marijuana establishment operated by the dual licensee with the marijuana establishment, as defined in NRS 453D.030, operated by the dual licensee.

9. Each medical marijuana establishment shall install a video monitoring system which must, at a minimum:

(a) Allow for the transmission and storage, by digital or analog means, of a video feed which displays the interior and exterior of the medical marijuana establishment; and

(b) Be capable of being accessed remotely by a law enforcement agency in real-time upon request.

10. A medical marijuana establishment shall not dispense or otherwise sell marijuana, edible marijuana products or marijuana-infused products from a vending machine or allow such a vending machine to be installed at the interior or exterior of the premises of the medical marijuana establishment.

11. If a medical marijuana establishment is operated by a dual licensee, as defined in NRS 453D.030, any provision of this section which is determined by the Department to be unreasonably impracticable pursuant to subsection 9 of NRS 453A.370 does not apply to the medical marijuana establishment.

12. A facility for the production of edible marijuana products or marijuana-infused products and a medical marijuana dispensary may acquire [industrial] hemp, as defined in NRS 557.160, from a grower or handler registered by the State Department of Agriculture pursuant to *chapter 557 of NRS*. ~~[557.100 to 557.290, inclusive.]~~ A facility for the production of edible marijuana products or marijuana-infused products may use [industrial] hemp to manufacture edible marijuana products and marijuana-infused products. A medical marijuana dispensary may dispense [industrial] hemp and edible marijuana products and marijuana-infused products manufactured using [industrial] hemp.



Sec. 21. NRS 453A.370 is hereby amended to read as follows:
453A.370 The Department shall adopt such regulations as it determines to be necessary or advisable to carry out the provisions of NRS 453A.320 to 453A.370, inclusive. Such regulations are in addition to any requirements set forth in statute and must, without limitation:

1. Prescribe the form and any additional required content of registration and renewal applications submitted pursuant to NRS 453A.322 and 453A.332.

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

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

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

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

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

(e) Procedures pursuant to which medical marijuana dispensaries must use the services of an independent testing laboratory to ensure that any marijuana, edible marijuana products and marijuana-infused products sold by the dispensaries to end users are tested for content, quality and potency in accordance with standards established by the Department.

(f) Procedures pursuant to which a medical marijuana dispensary will be notified by the Department if a patient who holds a valid registry identification card or letter of approval has chosen the dispensary as his or her designated medical marijuana dispensary, as described in NRS 453A.366.

(g) Minimum requirements for ~~industrial~~ hemp, as defined in NRS 557.160, which is used by a facility for the production of edible marijuana products or marijuana-infused products to manufacture edible marijuana products or marijuana-infused products or dispensed by a medical marijuana dispensary.

3. Establish circumstances and procedures pursuant to which the maximum fees set forth in NRS 453A.344 may be reduced over time to ensure that the fees imposed pursuant to NRS 453A.344 are, insofar as may be practicable, revenue neutral.

4. Set forth the amount of usable marijuana that a medical marijuana dispensary may dispense to a person who holds a valid



1 registry identification card, including, without limitation, a
2 designated primary caregiver, in any one 14-day period. Such an
3 amount must not exceed the limits set forth in NRS 453A.200.

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

8 6. In cooperation with the applicable professional licensing
9 boards, establish a system to:

10 (a) Register and track attending providers of health care who
11 advise their patients that the medical use of marijuana may mitigate
12 the symptoms or effects of the patient's medical condition;

13 (b) Insofar as is possible, track and quantify the number of times
14 an attending provider of health care described in paragraph (a)
15 makes such an advisement; and

16 (c) Provide for the progressive discipline of attending providers
17 of health care who advise the medical use of marijuana at a rate at
18 which the Department, in consultation with the Division, and
19 applicable board determine and agree to be unreasonably high.

20 7. Establish different categories of medical marijuana
21 establishment agent registration cards, including, without limitation,
22 criteria for training and certification, for each of the different types
23 of medical marijuana establishments at which such an agent may be
24 employed or volunteer or provide labor as a medical marijuana
25 establishment agent.

26 8. Provide for the maintenance of a log by the Department, in
27 consultation with the Division, of each person who is authorized to
28 cultivate, grow or produce marijuana pursuant to subsection 6 of
29 NRS 453A.200. The Department shall ensure that the contents of
30 the log are available for verification by law enforcement personnel
31 24 hours a day.

32 9. Determine whether any provision of NRS 453A.350 or
33 453A.352 would make the operation of a medical marijuana
34 establishment or marijuana establishment, as defined in NRS
35 453D.030, by a dual licensee, as defined in NRS 453D.030,
36 unreasonably impracticable, as defined in NRS 453D.030.

37 10. Address such other matters as may assist in implementing
38 the program of dispensation contemplated by NRS 453A.320 to
39 453A.370, inclusive.

40 **Sec. 22.** NRS 557.010, 557.020, 557.030, 557.040, 557.050,
41 557.060, 557.070 and 557.080 are hereby repealed.

42 **Sec. 23.** This act becomes effective on July 1, 2019.



* S B 3 4 7 R 2 *

LEADLINES OF REPEALED SECTIONS

- 557.010** Definitions.
557.020 “Agricultural pilot program” defined.
557.030 “Department” defined.
557.040 “Industrial hemp” defined.
557.050 “Institution of higher education” defined.
557.060 “THC” defined.
557.070 Growing and cultivation of industrial hemp for
certain purposes; certification and registration of site.
557.080 Regulations.

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* S B 3 4 7 R 2 *