

ASSEMBLY BILL NO. 149—ASSEMBLYMEN
PETERS, YEAGER; AND TORRES

FEBRUARY 18, 2021

Referred to Committee on Judiciary

SUMMARY—Enacts provisions relating to cannabis independent testing laboratories. (BDR 56-693)

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 cannabis; authorizing a cannabis independent testing laboratory to submit a complaint to the Cannabis Compliance Board concerning certain debts owed to the laboratory; requiring the Board to take certain actions regarding such complaints; requiring the Board to impose a civil penalty upon a cannabis cultivation facility or cannabis production facility that fails to pay certain debts owed to a cannabis independent testing laboratory within a certain period of time; requiring the Board to create an electronic database containing certain information relating to the testing of cannabis and cannabis products by a cannabis independent testing laboratory; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the Cannabis Compliance Board to establish standards for and certify one or more cannabis independent testing laboratories to test cannabis and cannabis products that are to be sold in this State. (NRS 678B.290) **Section 2** of this bill authorizes a cannabis independent testing laboratory to submit a complaint to the Board regarding a cannabis cultivation facility or cannabis production facility that owes a debt to the cannabis independent testing laboratory. **Section 2** requires the Board to review such a complaint and, if it appears the debt is valid, send a written notice to the cannabis cultivation facility or cannabis production facility that owes the debt. **Section 2** authorizes such a facility to request a hearing to determine the validity of the debt. If, after the hearing, the Board determines that the debt is valid, or if a hearing is not requested, **section 2** requires the cannabis cultivation facility or cannabis production facility to pay the full amount of the debt to the cannabis independent testing laboratory within a



certain period of time. **Section 2** requires the Board to impose a civil penalty upon a cannabis cultivation facility or cannabis production facility that fails to pay the full amount of the debt within the required period of time.

Section 3 of this bill requires the Board to develop, implement and maintain an electronic database whereby holders of cannabis establishment licenses may obtain information relating to testing conducted on cannabis and cannabis products by cannabis independent testing laboratories. **Section 3** requires each cannabis independent testing laboratory to enter the results of any testing conducted on cannabis or a cannabis product into the database. **Section 3** also sets forth certain requirements for the database and requires the Board to adopt certain regulations concerning the database.

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

Section 1. Chapter 678B of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. 1. *If a cannabis cultivation facility or cannabis production facility owes a debt to a cannabis independent testing laboratory, the cannabis independent testing laboratory may submit a complaint to the Board. Such a complaint must:*

(a) Specify the amount of the debt owed to the cannabis independent testing laboratory;

(b) Identify the cannabis cultivation facility or cannabis production facility that owes the debt; and

(c) Be accompanied by sufficient documentation to demonstrate the validity of the debt.

2. Upon receipt of a complaint submitted pursuant to subsection 1, the Board shall review the complaint. If it appears to the Board that the debt is valid, the Board shall send a written notice to the cannabis cultivation facility or cannabis production facility that owes the debt, which includes, without limitation:

(a) The name of the cannabis independent testing laboratory to which the debt is owed;

(b) The amount of the debt;

(c) A request for the payment of the debt to the cannabis independent testing laboratory;

(d) Notification that the cannabis cultivation facility or cannabis production facility may request a hearing to determine the validity of the debt within 30 days after the date on which the notice was sent;

(e) Notification of the period of time in which the cannabis cultivation facility or cannabis production facility is required to pay the debt pursuant to subsection 4; and

(f) Notification of the penalties set forth in subsection 5.



3. A cannabis cultivation facility or cannabis production facility to which a notice is issued pursuant to subsection 2 may, within 30 days after the date on which the notice was sent, request a hearing before the Board to determine the validity of the debt. The Board shall adopt regulations establishing procedures for such a hearing.

4. A cannabis cultivation facility or cannabis production facility to which a notice is sent pursuant to subsection 2 shall pay the full amount of the debt owed to a cannabis independent testing laboratory:

(a) If a hearing is not requested pursuant to subsection 3, within 90 days after the date on which the notice was sent; or

(b) If a hearing is requested pursuant to subsection 3 and the Board determines the debt to be valid, within 90 days after the date on which the determination was made.

5. If a cannabis cultivation facility or cannabis production facility fails to comply with the provisions of subsection 4, the Board shall impose upon the cannabis cultivation facility or cannabis production facility a civil penalty of:

(a) For a first violation within the immediately preceding year, not less than \$5,000.

(b) For a second or subsequent violation within the immediately preceding year, not less than \$10,000.

6. As used in this section, "debt" means a fee or other obligation:

(a) That is owed to a cannabis independent testing laboratory for services provided by the cannabis independent testing laboratory; and

(b) The payment of which is past due.

Sec. 3. 1. The Board shall develop, implement and maintain an electronic database whereby licensees may obtain information relating to testing conducted on cannabis and cannabis products by cannabis independent testing laboratories. Such a database must:

(a) Contain the results of all testing performed on cannabis or a cannabis product by a cannabis independent testing laboratory; and

(b) Be electronically secure and accessible to each licensee.

2. After the development and implementation of the database created pursuant to subsection 1, a cannabis independent testing laboratory that conducts testing on cannabis or a cannabis product shall enter the results of such testing into the electronic database in the manner prescribed by the Board.

3. The Board shall adopt regulations that:



- 1 *(a) Prescribe the manner in which a cannabis independent*
2 *testing laboratory is required to enter the results of any testing*
3 *conducted on cannabis or a cannabis product into the electronic*
4 *database created pursuant to subsection 1; and*
5 *(b) Are necessary for the administration of the database.*

