Amendment No. 83

Assembly Amendment to Assembly Bill No. 149	(BDR 56-693)							
Proposed by: Assembly Committee on Judiciary								
Amends: Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No	Digest: Yes							

ASSEMBLY	ACT	ION	Initial and Date	SENATE ACTION	ON Initial and Date
Adopted		Lost	1	Adopted	Lost
Concurred In		Not	1	Concurred In	Not
Receded		Not	1	Receded	Not

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of <u>green bold underlining</u> is language proposed to be added in this amendment; (3) <u>red strikethrough</u> is deleted language in the original bill; (4) <u>purple double strikethrough</u> is language proposed to be deleted in this amendment; (5) <u>orange double underlining</u> is deleted language in the original bill proposed to be retained in this amendment.

SJQ/AAK

A.B. No. 149—Enacts provisions relating to cannabis independent testing laboratories. (BDR 56-693)

* A A B 1 4 9 8 3 *

Date: 4/13/2021

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

FEBRUARY 18, 2021

Referred to Committee on Judiciary

SUMMARY—<u>Enacts provisions relating to]</u> Requires the Cannabis Compliance
Board to create an electronic database containing certain
information relating to testing conducted by cannabis
independent testing laboratories. (BDR 56-693)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: Yes.

EXPLANATION - Matter in bolded italics is new; matter between brackets fomitted material; is material to be omitted.

AN ACT relating to cannabis; fauthorizing 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 Cannabis Compliance Board to create an electronic database containing certain information relating to the testing of cannabis and cannabis products by a cannabis independent testing laboratory; setting forth certain requirements for the database; requiring the Board to adopt certain regulations concerning the administration of the database; requiring the Board to submit to the Legislature a biennial report containing certain information relating to the database; 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

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12 13 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 14 fails to pay the full amount of the debt within the required period of time.

Section 3 of this This bill requires the Board to develop, implement and maintain an electronic database whereby [holders of cannabis establishment licenses] the public 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] that has been collected through computer software used for the seed-to-sale tracking of cannabis for a cannabis product into] and cannabis products. This bill requires the database [. Section 3 also sets forth certain requirements for to contain the final results of all testing performed on cannabis or a cannabis product by a cannabis independent testing laboratory which have been collected through computer software used for the seed-to-sale tracking of cannabis and cannabis products. This bill also requires the database [and requires] to be electronically secure and accessible to the public and to present the information contained in the database in a format that is exportable. This bill further requires the Board to adopt certain regulations concerning the administration of the database. Finally, this bill requires the Board to submit to the Legislature a biennial report which includes certain information relating to 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.] (Deleted by amendment.)

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 11 12 of the debt. 13

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 21 22 laboratory; 23

(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 2 notice is issued pursuant to subsection 2 may, within 30 days after the date on 3 which the notice was sent, request a hearing before the Board to determine the 4 validity of the debt. The Board shall adopt regulations establishing procedures for 5 such a hearing. 6 7

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- 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:
- 17 (a) For a first violation within the immediately preceding year, not less than \$5.000. 18
 - (b) For a second or subsequent violation within the immediately preceding vear, 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. (Deleted by amendment.)
 - Sec. 3. Chapter 678B of NRS is hereby amended by adding thereto a new section to read as follows:
 - 1. The Board shall develop, implement and maintain an electronic database whereby [licensees] the public may obtain information relating to testing conducted on cannabis and cannabis products by cannabis independent testing laboratories [4] which has been collected through computer software used for the seed-to-sale tracking of cannabis and cannabis products. Such a database must:
 - (a) Contain the final results of all testing performed on cannabis or a cannabis product by a cannabis independent testing laboratory [; and] which have been collected through computer software used for the seed-to-sale tracking of cannabis and cannabis products;
 - (b) Be electronically secure and accessible to feach licensee. the public; and (c) Present the information contained in the database in a format that is exportable.
 - 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:
 - (a) Prescribe the manner in which a cannabis independent testing laboratory is required to enter the results of any testing conducted on cannabis or a cannabis product into the electronic database created pursuant to subsection 1;
 - (b) Arel as it determines are necessary for the administration of the database H required by subsection 1. Such regulations must ensure that:
 - (a) The information required to be contained in the database pursuant to paragraph (a) of subsection 1 is uploaded to the database and made available to the public in a timely manner after it has been collected through computer

report to the Legislature.

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software used for the seed-to-sale tracking of cannabis and cannabis products; 2 <u>and</u> (b) The information contained in the database is presented in a format that is 4 easily accessible to the public. 5 3. The Board shall, on or before January 1 of each odd-numbered year, 6 submit a report to the Director of the Legislative Counsel Bureau for transmittal 7 to the next regular session of the Legislature which details the amount of data 8 uploaded to the database required by subsection 1 and the statistical relevance of 9 such data as it pertains to cannabis independent testing laboratories in this State. Sec. 4. The provisions of subsection 1 of NRS 218D.380 do not apply to 10 11 any provision of this act which adds or revises a requirement to submit a