

SENATE BILL NO. 404—COMMITTEE ON FINANCE

(ON BEHALF OF THE OFFICE OF FINANCE
IN THE OFFICE OF THE GOVERNOR)

MARCH 30, 2021

Referred to Committee on Natural Resources

SUMMARY—Revises provisions governing cannabis.
(BDR 51-1086)

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

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

AN ACT relating to cannabis; authorizing the State Sealer of Consumer Equitability to adopt and enforce regulations relating to cannabis weighing and measuring equipment; requiring the State Sealer of Consumer Equitability to ensure that cannabis weighing and measuring equipment is suitable for its intended use, properly installed, accurate and maintained by its owner or user; requiring the State Sealer of Consumer Equitability to inspect and test certain cannabis weighing and measuring equipment; authorizing the State Sealer of Consumer Equitability to establish an annual fee for certain cannabis weighing and measuring equipment; prohibiting a person from having or in his or her possession or selling or offering to sell an incorrect weight or measure for use in a cannabis establishment; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law authorizes the State Sealer of Consumer Equitability to adopt
- 2 regulations for the submission for approval of types and designs of weights and
- 3 measures and commercial weighing and measuring equipment. (NRS 581.050)
- 4 **Section 5** of this bill authorizes the State Sealer of Consumer Equitability to adopt
- 5 such regulations for cannabis weighing and measuring equipment, which is defined



by **section 3** of this bill as weights, measures, weighing devices and measuring devices used in cannabis establishments. **Section 4** of this bill makes a conforming change to indicate the placement of **sections 2 and 3** of this bill in the Nevada Revised Statutes. **Section 6** of this bill authorizes the Sealer of Consumer Equitability to enforce such regulations. **Section 7** of this bill requires the State Sealer of Consumer Equitability to ensure that cannabis weighing and measuring equipment is suitable for its intended use, is properly installed and accurate and is so maintained by its owner or user. **Section 8** of this bill requires the State Sealer of Consumer Equitability to inspect and test, to ascertain if it is correct, all cannabis weighing and measuring equipment, other than equipment that is used for a noncommercial purpose by a cannabis independent testing laboratory. **Section 9** of this bill authorizes the State Sealer of Consumer Equitability to establish an annual license fee for cannabis weighing and measuring equipment required to be inspected and tested by the State Sealer of Consumer Equitability. **Section 10** of this bill prohibits a person from having an incorrect weight or measure in his or her possession in a cannabis establishment. **Section 10** additionally prohibits a person from selling or offering for sale an incorrect weight or measure for use in a cannabis establishment.

Existing law requires an applicant for a license to operate a cannabis independent testing laboratory to agree to become accredited pursuant to standard ISO/IEC 17025 of the International Organization for Standardization within 1 year after licensure. **Section 10.5** of this bill requires such an accreditation to be issued by an impartial organization that operates in accordance with standard ISO/IEC 17011 of the International Organization for Standardization and is a signatory to the Mutual Recognition Arrangement of the International Laboratory Accreditation Cooperation.

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

Section 1. Chapter 581 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. *“Cannabis establishment” has the meaning ascribed to it in NRS 678A.095.*

Sec. 3. *“Cannabis weighing and measuring equipment” means weights, measures, weighing devices and measuring devices used in cannabis establishments.*

Sec. 4. NRS 581.001 is hereby amended to read as follows:

581.001 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 581.002 to 581.022, inclusive, *and sections 2 and 3 of this act* have the meanings ascribed to them in those sections.

Sec. 5. NRS 581.050 is hereby amended to read as follows:

581.050 1. The State Sealer of Consumer Equitability may:

(a) Adopt regulations necessary to carry out the provisions of this chapter.

(b) Ensure that those regulations comply, insofar as practicable, with the specifications, tolerances and regulations recommended by the National Institute of Standards and Technology.



(c) Adopt regulations for the submission for approval of types and designs of weights and measures , ~~and~~ commercial weighing and measuring equipment ~~and~~ *and cannabis weighing and measuring equipment.*

2. The State Sealer of Consumer Equitability shall adopt regulations which prescribe the:

(a) Standards for weighing and measuring devices;

(b) Requirements for the issuance of a certificate of registration pursuant to NRS 581.103; and

(c) Standards for the equipment used to repair or adjust weighing or measuring devices.

Sec. 6. NRS 581.057 is hereby amended to read as follows:

581.057 The State Sealer of Consumer Equitability may, if necessary for the enforcement of this chapter and any regulations adopted pursuant thereto:

1. Enter any commercial premises *or cannabis establishment* during normal business hours upon presenting his or her credentials.

2. Issue stop-use, hold and removal orders for any weights and measures commercially used ~~and~~ *or used in a cannabis establishment*, and issue stop-sale, hold and removal orders for any packaged commodities or bulk sale commodities that are kept, offered or exposed for sale.

3. Seize, for use as evidence, without formal warrant, any incorrect or unapproved weight, measure, package or commodity found to be used, retained, offered or exposed for sale, or sold in violation of any provision of this chapter or any regulation adopted pursuant thereto.

4. Stop any commercial vehicle and, after presentation of his or her credentials, inspect the contents of the vehicle, require the person in charge of the vehicle to produce any documents in the person's possession concerning the contents of the vehicle, and require that person to proceed with the vehicle to some specified place for inspection.

Sec. 7. NRS 581.065 is hereby amended to read as follows:

581.065 The State Sealer of Consumer Equitability shall:

1. Ensure that weights and measures used in commercial services *and cannabis establishments* within this state are suitable for their intended use, are properly installed and accurate, and are so maintained by their owner or user.

2. Prevent unfair or deceptive dealing by weight or measure in any commodity or service advertised, packaged, sold or purchased within this state.

3. Make available to all users of physical standards, or of weighing and measuring equipment, the precision calibration and



1 related metrological certification capabilities of the facilities of the
2 Division.

3 4. Promote uniformity, to the extent practicable and desirable,
4 between the requirements relating to weights and measures of this
5 state and similar requirements of other states and federal agencies.

6 5. Adopt regulations establishing such requirements relating to
7 weights and measures as are necessary to ensure equity between
8 buyers and sellers, and thereby encourage desirable economic
9 growth while protecting consumers.

10 **Sec. 8.** NRS 581.067 is hereby amended to read as follows:

11 581.067 The State Sealer of Consumer Equitability shall:

12 1. Adopt regulations establishing such primary standards and
13 secondary standards for weights and measures for use in this State
14 as the State Sealer of Consumer Equitability determines appropriate.

15 2. Maintain traceability of the state standards to the national
16 standards of the National Institute of Standards and Technology.

17 3. Enforce the provisions of this chapter.

18 4. Adopt other reasonable regulations for the enforcement of
19 this chapter.

20 5. Establish requirements for:

21 (a) Labeling;

22 (b) The presentation of information relating to cost per unit;

23 (c) Standards of weight, measure or count, and reasonable
24 standards of fill, for any packaged commodity; and

25 (d) Information relating to open dating of packaged food.

26 6. Grant such exemptions from the provisions of this chapter or
27 any regulations adopted pursuant thereto as the State Sealer of
28 Consumer Equitability determines appropriate to the maintenance of
29 good commercial practices within this State.

30 7. Conduct investigations to ensure compliance with this
31 chapter.

32 8. Delegate to appropriate personnel any of the responsibilities
33 of the Division as needed for the proper administration of the
34 Division.

35 9. Adopt regulations establishing a schedule of civil penalties
36 for any violation of NRS 581.415 and for any point-of-sale system
37 or cash register determined not to be in compliance with the
38 provisions of subsection ~~19~~ 20.

39 10. Inspect and test commercial weights and measures that are
40 kept, offered or exposed for sale.

41 11. Inspect and test, to ascertain if they are correct, weights and
42 measures that are commercially used to:

43 (a) Determine the weight, measure or count of commodities or
44 things that are sold, or offered or exposed for sale, on the basis of
45 weight, measure or count; or



(b) Compute the basic charge or payment for services rendered on the basis of weight, measure or count.

12. Inspect and test, to ascertain if it is correct, all cannabis weighing and measuring equipment other than equipment that is used for a noncommercial purpose by a cannabis independent testing laboratory, as defined in NRS 678A.115.

~~H2-~~ 13. Test all weights and measures used in checking the receipt or disbursement of supplies by entities funded by legislative appropriations.

~~H3-~~ 14. Approve for use such commercial weights and measures *and cannabis weighing and measuring equipment* as the State Sealer of Consumer Equitability determines are correct and appropriate ~~H~~ *other than equipment that is used for a noncommercial purpose by a cannabis independent testing laboratory, as defined in NRS 678A.115.* The State Sealer of Consumer Equitability may mark such commercial weights and measures ~~H~~ *and cannabis weighing and measuring equipment.* The State Sealer of Consumer Equitability shall reject and order to be corrected, replaced or removed any commercial weights and measures *and cannabis weighing and measuring equipment* found to be incorrect. Weights and measures that have been rejected may be seized if they are not corrected within the time specified or if they are used or disposed of in a manner not specifically authorized. The State Sealer of Consumer Equitability shall remove from service and may seize weights and measures found to be incorrect that are not capable of being made correct.

~~H4-~~ 15. Weigh, measure or inspect packaged commodities that are kept, offered or exposed for sale, sold or in the process of delivery to determine whether the packaged commodities contain the amounts represented and whether they are kept, offered or exposed for sale in accordance with this chapter or the regulations adopted pursuant thereto. In carrying out the provisions of this subsection, the State Sealer of Consumer Equitability shall employ recognized sampling procedures, including, without limitation, sampling procedures adopted by the National Conference on Weights and Measures.

~~H5-~~ 16. Adopt regulations prescribing the appropriate term or unit of weight or measure to be used whenever the State Sealer of Consumer Equitability determines that an existing practice of declaring the quantity of a commodity, or of setting charges for a service by weight, measure, numerical count or time, or any combination thereof, does not facilitate value comparisons by consumers or may confuse consumers.

~~H6-~~ 17. Allow reasonable variations from the stated quantity of contents that entered intrastate commerce, which must include



those variations caused by loss or gain of moisture during the course of good distribution practices or by unavoidable deviations in good manufacturing practices.

~~[17-]~~ **18.** Provide for the training of persons employed by any governmental entity within this State, including, without limitation, state, county and municipal personnel, who enforce the provisions of this chapter and chapter 582 of NRS, and any regulations adopted pursuant thereto, relating to weights and measures. The State Sealer of Consumer Equitability may establish by regulation minimum training and performance requirements which must be met by all such persons.

~~[18-]~~ **19.** Verify advertised prices and price representations, as necessary, to determine their accuracy.

~~[19-]~~ **20.** Without charging and collecting a fee, conduct random tests of point-of-sale systems and cash registers to determine the accuracy of prices, including advertised prices and price representations, and computations and the correct use of the equipment, and, if such systems utilize scanning or coding means in lieu of manual entry, the accuracy of prices printed or recalled from a database.

~~[20-]~~ **21.** Employ recognized procedures for making verifications and determinations of accuracy, including, without limitation, any appropriate procedures designated by the National Institute of Standards and Technology.

~~[21-]~~ **22.** Adopt regulations and issue orders regarding standards for the accuracy of advertised prices and automated systems for retail price charging, point-of-sale systems and cash registers, and for the enforcement of those standards.

~~[22-]~~ **23.** Conduct investigations to ensure compliance with the regulations adopted pursuant to subsection ~~[21-]~~ **22.**

Sec. 9. NRS 581.075 is hereby amended to read as follows:

581.075 The State Sealer of Consumer Equitability may establish:

1. A schedule of fees for any tests of weighing and measuring devices that the State Sealer of Consumer Equitability determines to be necessary.

2. An annual fee for the issuance of a certificate of registration pursuant to NRS 581.103.

3. An annual license fee for all commercial weighing and measuring equipment.

4. *An annual license fee for all cannabis weighing and measuring equipment that is required to be inspected and tested by the State Sealer of Consumer Equitability by NRS 581.067.*

Sec. 10. NRS 581.415 is hereby amended to read as follows:

581.415 1. A person shall not:



(a) Use in commerce, or have in his or her possession for use in commerce ~~or~~ *or in a cannabis establishment*, any incorrect weight or measure;

(b) Sell or offer for sale for use in commerce *or for use in a cannabis establishment* any incorrect weight or measure;

(c) Remove any tag, seal or mark from any weight or measure without specific written authorization from the proper authority;

(d) Hinder or obstruct any inspector of the Division in the performance of the inspector's duties; or

(e) Violate any provisions of this chapter or any regulation adopted pursuant thereto.

2. A person who violates any provision of this section is, in addition to any criminal penalty that may be imposed, subject to a civil penalty in accordance with the schedule of civil penalties established by the State Sealer of Consumer Equitability pursuant to subsection 9 of NRS 581.067.

Sec. 10.5. NRS 678B.290 is hereby amended to read as follows:

678B.290 1. The Board shall establish standards for and certify one or more cannabis independent testing laboratories to:

(a) Test cannabis for adult use and adult-use cannabis products that are to be sold in this State;

(b) Test cannabis for medical use and medical cannabis products that are to be sold in this State; and

(c) In addition to the testing described in paragraph (a) or (b), test commodities or products containing hemp, as defined in NRS 557.160, or cannabidiol which are intended for human or animal consumption and sold by a cannabis establishment.

2. Such a cannabis independent testing laboratory must be able to:

(a) Determine accurately, with respect to cannabis or cannabis products that are sold or will be sold at cannabis sales facilities in this State:

(1) The concentration therein of THC and cannabidiol.

(2) The presence and identification of microbes, molds and fungi.

(3) The composition of the tested material.

(4) The presence of chemicals in the tested material, including, without limitation, pesticides, heavy metals, herbicides or growth regulators.

(b) Demonstrate the validity and accuracy of the methods used by the cannabis independent testing laboratory to test cannabis and cannabis products.

3. To obtain a license to operate a cannabis independent testing laboratory, an applicant must:



(a) Apply successfully as required pursuant to NRS 678B.210 or 678B.250, as applicable.

(b) Pay the fees required pursuant to NRS 678B.390.

(c) Agree to become accredited pursuant to standard ISO/IEC 17025 of the International Organization for Standardization within 1 year after licensure ~~H~~ *by an impartial organization that operates in accordance with standard ISO/IEC 17011 of the International Organization for Standardization and is a signatory to the Mutual Recognition Arrangement of the International Laboratory Accreditation Cooperation.*

Sec. 11. Notwithstanding the provisions of NRS 218D.430 and 218D.435, a committee, other than the Assembly Standing Committee on Ways and Means and the Senate Standing Committee on Finance, may vote on this act before the expiration of the period prescribed for the return of a fiscal note in NRS 218D.475. This section applies retroactively from and after March 22, 2021.

Sec. 12. This act becomes effective on July 1, 2021.

